

**DRAFT FINAL  
2012 AQMP**

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**ADDENDUM TO  
RESPONSES TO COMMENTS  
TO THE 2012 AQMP**

**DECEMBER 2012**

## COMMENT LETTER LOCATOR

<b>AGENCY/ COMPANY</b>	<b>DATE</b>	<b>Comment Letter Locator</b>
Association of California Cities Orange County (ACCOC)	11/10/12	<b>NNN</b>
BizFed	11/9/12	<b>MMM</b>
Dillard, Joyce	11/12/12	<b>RRR</b>
Port of Los Angeles/Long Beach	11/8/12	<b>KKK</b>
Riverside County Waste Management Department	11/9/12	<b>LLL</b>
Sierra Club Angeles Chapter	11/12/12	<b>QQQ</b>
Western States Petroleum Association (WSPA) - <i>Socioeconomic</i>	11/12/12	<b>OOO</b>
Western States Petroleum Association (WSPA) – <i>2012 AQMP</i>	11/12/12	<b>PPP</b>

## **PREFACE**

Numerous comments have been received during the Plan development. Specific responses to 99 written comment letters on the 2012 AQMP are addressed in “Draft Final 2012 AQMP Responses to Comments to the 2012 AQMP” publicly released on November 21, 2012 (Attachment C of the Board Letter). Additional responses to comment letters not included in the “Draft Final 2012 AQMP Responses to Comments to the 2012 AQMP” are included in this Addendum to Attachment C.

For some comments similar remarks have been previously made in previous comment letters so the response indicates where the reader can locate the appropriate response in Attachment C (Draft Final 2012 AQMP Responses to Comments to the 2012 AQMP). Other comments have been addressed in the Board Letter or Resolution (Attachment A to the Board Letter) and the response notes if that is the case. Finally, there are some comments that have not been provided specifically in the past so a written response is provided.

## AQMP Response to Comments

### KKK. Port of Los Angeles / Port of Long Beach, November 8, 2012



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November 8, 2012

Barry Wallerstein, D. Env.  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Dear Dr. Wallerstein:

**SUBJECT: COMMENTS ON THE DRAFT SOCIOECONOMIC REPORT FOR THE DRAFT 2012 AIR QUALITY MANAGEMENT PLAN**

The ports of Los Angeles and Long Beach (Ports) appreciate the opportunity to comment on the South Coast Air Quality Management District's (AQMD) Draft Socioeconomic Report for the Draft 2012 Air Quality Management Plan (AQMP).

The Draft Socioeconomic Report states that "District staff performs a socioeconomic analysis of the Draft Plan in order to further inform public discussions and the decision making process of the Draft Plan." However, the Draft Socioeconomic Report shows that no cost data have been developed for Measure IND-01 – Backstop Measures for Indirect Sources of Emissions from the Ports and Port-Related Sources, despite the fact that there are real and significant costs to the Port industry to implement the emission controls that could result from the proposed Backstop Measure. Presentation of this measure to AQMD's Board, as well as the public, is incomplete without an associated socioeconomic analysis. Potential regulation of the Port could have a very significant economic effect on the region that AQMD does not address, and therefore the Ports believe that it is inappropriate to move forward with inclusion of this measure in the Draft AQMP without a full socioeconomic analysis.

By not including a socioeconomic analysis of Measure IND-01, the AQMD is completely ignoring the economic importance of the Ports. The Ports are a major economic engine for the region and nation, and port-related industry generates \$5.1 billion and \$21.5 billion in state and federal tax revenue, respectively. The Ports account for over 1.1 million jobs in California and 3.3 million jobs in the United States. Additionally, for every one job created by a Port customer, nearly 1.7 additional jobs are created elsewhere in the region.

Even just the potential of additional regulation of the Ports brings with it a significant uncertainty for the Port industry that may result in the diversion of goods to other ports outside of this region. There are more environmental requirements on the Port industry operating in this region than anywhere else in the world. The threat of additional regulatory requirements, especially when no details have been provided as to what those requirements would be, results in significant concerns for these operators and a significant potential for loss of regional economic benefits due to diversion. The Draft Socioeconomic Report fails to analyze this potential impact.

KKK-1

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The San Pedro Bay Ports Clean Air Action Plan was developed with the participation and cooperation of the staff of the US Environmental Protection Agency, California Air Resources Board and the South Coast Air Quality Management District.

Dr. Wallerstein

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Additionally, AQMD has indicated that Measure IND-01 does not have a socioeconomic analysis associated with it because there are no emission reductions associated/committed with this measure. As noted in our comment letter on the Draft AQMP dated August 30, 2012, Section 39602 of the California Health and Safety Code states that, the State Implementation Plan (SIP) shall only include those provisions necessary to meet the requirements of the Clean Air Act. Hence, there is no identified need or legal basis for implementing Measure IND-01. AQMD's proposed measure will not result in any additional benefit for the region beyond what is currently being achieved and expected to be achieved in the near future, and is therefore unnecessary.

KKK-2

Finally, as stated in our letter dated October 31, 2012, Measure IND-01 should not move forward because the AQMP makes a commitment to implement it before AQMD has developed or released details of its intended compliance actions against the Ports, or the socioeconomic and other analyses for such actions. Failing to disclose the AQMD's intended actions against the Ports violates due process, depriving the public and the Ports of the opportunity to adequately review and comment on this measure prior to finalizing the AQMP.

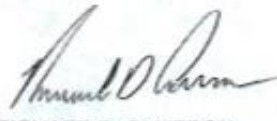
KKK-3

For the reasons listed above and those presented in our previous letters, the Ports reiterate our consistent position that Measure IND-01 should be eliminated from the AQMP. Further, we continue to believe that the successful, collaborative approach established by the Ports and the regulatory agencies remains the best mechanism for identifying and implementing strategies to reduce emissions from Port-related sources.

Sincerely,



CHRISTOPHER CANNON  
Director of Environmental Management  
Port of Los Angeles



RICHARD D. CAMERON  
Director of Environmental Planning  
Port of Long Beach

CC:CLP:KMLW:myd  
ADP No.: 061024-605

- cc: Peter Greenwald, South Coast Air Quality Management District
- Elaine Chang, South Coast Air Quality Management District
- Henry Hogo, South Coast Air Quality Management District
- Cynthia Marvin, California Air Resources Board
- Roxanne Johnson, Environmental Protection Agency, Region 9
- Robert Kanter, Port of Long Beach
- Mike Christensen, City of Los Angeles Harbor Department, Deputy Executive Director
- Dominic Holzhaus, City of Long Beach, Deputy City Attorney
- Joy Crose, City of Los Angeles Harbor Department, General Counsel

**Responses to Comment Letter KKK**  
**Port of Los Angeles / Port of Long Beach**

**Response to Comment KKK-1:**

Please refer to Response to comments C-1, M-1, KK-5, and EEE-2.

**Response to Comment KKK-2:**

Please refer to Response to comments HH-2, HH-5, JJ-1, JJ-2, Board letter and Attachment F.

**Response to Comment KKK-3:**

Please refer to Response to comments HH-6, and HH-7.

LLL. Riverside County Waste Management Department, November 9, 2012



November 9, 2012

Dr. Elaine Chang  
Deputy Executive Office  
Planning, Rule Development, and Area Sources  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

RE: 2012 Air Quality Management Plan (AQMP)

Dear Dr. Chang:

The Riverside County Waste Management Department (RCWMD) operates all public landfills in Riverside County. The RCWMD is also responsible for implementation of the Countywide Integrated Waste Management Plan ensuring that the County will continue to meet the 50% waste diversion mandate of AB 939 via various source reduction, recycling, and composting programs. The RCWMD is familiar with the air quality and climate change issues associated with solid waste management in the South Coast Air Basin (SCAB) and is particularly concerned about how new air quality regulations might impact our landfills, as well as our ability to meet current and anticipated waste diversion mandates of the State. In this light, the RCWMD offers the following comments on the draft 2012 AQMP:

Emission Inventory:

- The baseline emissions from landfill source category in the 2012 AQMP has drastically increased as compared with the 2002 baseline used in the 2007 AQMP. It is stated in the 2012 AQMP that this was due to erroneous activity data reported by the point sources in 2002, as well as to the revision of landfill emission estimation methodology incorporating CARB's greenhouse gas (GHG) emission inventory data. However, the 2012 AQMP falls short of explaining what exactly the erred data was, the relevance of using point source data for landfill emissions, which are an area source, and how the 2008 baseline emissions data reflects the true landfill emissions. The new landfill source emission numbers make landfills a greater contributor to regional air pollution than they were assessed in the 2007 AQMP. We are concerned that the actual landfill contribution to the region's air quality problem is overestimated. We have contacted your planning managers for clarification but to no avail. Given the compressed schedule of the 2012 AQMP and last minute release of the complete emission inventory data, there is not enough time for the stakeholders to fully review, analyze, and provide thoughtful inputs on the CARB input and the 2012 AQMP emissions inventory.

LLL-1

Implementation Measures for Ozone:

- While the 2012 AQMP is supposed to demonstrate the attainment of the PM2.5 standard, it also attempts to further Clean Air Act §182(e)(5) implementation measures for ozone. We acknowledge the difficulty of attaining the ozone standards in 2023 and 2032 that the SCAQMD faces. However, as indicated above, the 2012 AQMP process has not provided stakeholders sufficient time to fully study the proposed ozone measures and their implications. We believe more research and technical and feasibility

LLL-2

Dr. Elaine Chang  
November 9, 2012  
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studies are necessary before committing to these reductions with new rules and regulations. The RCWMD is in agreement with the view of many other stakeholders that the ozone reduction commitments are better left for the 2015 AQMP. This will give the SCAQMD and stakeholders more time to develop a comprehensive and realistic ozone attainment plan.

LLL-2

- **CMB-02, NOx Reductions from Biogas Flares:** This Section 182(e)(5) implementation measure proposes that all biogas flares, including older flares, meet current BACT and/or implement flaring minimization strategies. As proposed, the SCAQMD is committed to rule adoption by 2015 and implementation in 2017. The RCWMD is concerned that many of its closed small landfills don't generate enough LFG to sustain the current flares, let alone contribute significant NO<sub>x</sub> emissions. Since the landfill gas quality and quantity is steadily declining naturally, the already small amount of NO<sub>x</sub> from these flares is also declining. Annual emissions source tests from most of the existing flares at our eight older landfills show that they are at or near the BACT limit of 0.025 lb/MM Btu. Most of the closed landfills' gas production cycle will cease before the AQMP end date of 2035.

In addition, the 2012 AQMP estimates that the average cost effectiveness for meeting the BACT emission limit of 0.025 lb/MM Btu of biogas is less than \$20,000 per ton of NO<sub>x</sub> reduced. The RCWMD is concerned that the cost effectiveness estimate of \$20,000 per ton of NO<sub>x</sub> is too low because of the low LFG generation and quality at old landfills. As an example, the closed Corona Landfill flare 2012 Source Test emissions was 0.028 lb/MM Btu. The flare operates at a heat input of 4.4 MMBtu/hr. If an ULE flare was installed to replace the existing flare to reduce NO<sub>x</sub> by 0.003 (0.028-0.025) lb/MM BTU, the tons of NO<sub>x</sub> reduced per year would be 0.058. We estimate the ULE flare to cost \$600,000 to be installed and cost an additional \$10,000 per year to operate when compared to the existing flare. Over the 22 year duration of the AQMP (2013-2035) the overall cost of the ULE BACT flare would be \$820,000. The reduction of NO<sub>x</sub> during this duration would be 1.28 tons (22 years x .058 tons/yr). The cost to reduce 1 ton of NO<sub>x</sub> would be \$640,625 (\$820,000/1.28), hardly "cost effective".

LLL-3

This cost estimate is conservative since we believe the landfill gas generation phase of this landfill that closed in 1988 will end within 15 years. Also, the heat input rate which is now 4.4 MMBtu/hr, is also declining. A more accurate cost to reduce one ton of NO<sub>x</sub> emissions by installing the ULE flare at this closed site is \$942,000, based on an estimated remaining 15 year gas generation cycle, to \$1,271,000 based on an estimate remaining 15 years gas generation cycle and a 50% heat input rate drop. It is not cost-effective to install ULE BACT flares at old closed landfills. Also, as shown in the example above, the NO<sub>x</sub> emission reduction potential from the replacement of existing flares with ULE flares at older closed landfills is diminutive, **only 1.28 tons of NO<sub>x</sub> removed over a twenty-two year span.** In order to avoid high capital expenditures for extremely small NO<sub>x</sub> emission reductions as described above, we recommend that the AQMP include exemption protocol for inactive landfills.

Furthermore, there has been no proof to date that ULE BACT flares can be designed and built for closed landfills with low gas generation and declining methane content. Some of the RCWMD's older landfills have gas generation heat rates at or below one MM Btu/hr. The technological feasibility for the design and operation of low flow, low Btu



Dr. Elaine Chang  
November 9, 2012  
Page 3

ULE BACT flares still needs to be proven. CMB-02 states, "Strategies that minimize flaring and associated emissions can also be considered as alternative control options". There are very limited opportunities for landfill gas-to-energy or landfill gas to pipeline projects available for small closed landfills with poor declining gas quality and quantity. The RCWMD has volunteered our landfills at no cost for various demonstration projects such as a zero emission micro-turbine and a gas separation project. Neither project, to date, has developed beyond the pilot stage. The landfill operators should not be penalized for flaring the LFG, particularly when that is the only viable option.

LLL-3

As demonstrated, this measure will have significant financial implications to the RCWMD, as we may have to replace eight old flares at closed landfills and/or implement flaring minimization strategies at flares at active landfills, both of which would be costly and perhaps even technically challenging. It is recommended that implementation of the expedited ozone measure be accompanied with financial incentives for small landfill operators as well as public agencies.

- **MCS-02, Further Emission Reductions from Greenwaste Processing (Chipping and Grinding not Associated with Composting):** This Section 182(e)(5) implementation measure would seek to establish additional BMPs for handling processed or unprocessed greenwaste material by greenwaste processors, haulers, and operators who inappropriately stockpile material or directly apply the material to land. The 2012 AQMP proposes that the primary control method would be by covering chipped and ground greenwaste material by an impermeable tarp or a layer of finished compost: (1) as early as operationally possible after chipping and grinding; and (2) until the processed greenwaste material is removed from the site within 48 hours. It is also anticipated that seasonal covering of chipped and ground greenwaste may be considered for the summer months, when ozone and secondary particulate formation potential is greatest. It is unclear as to how physical covering of the processed greenwaste by an impermeable tarp could reduce VOC emissions; the most it could do is to delay the fugitive emissions of VOC from the covered piles to the time when the cover is removed. Covering by finished compost is via a different mechanism, whereby VOCs are subject to microbial actions within the compost that break down the pollutants into non-polluting elementary gases, such as H<sub>2</sub>O and CO<sub>2</sub>. The option of a compost cover will be too costly for most greenwaste processors and unpractical for mobile operators and haulers.

LLL-4

Existing Rule 1133.1 already established maximum stockpile holding time at chipping and grinding facilities, and when actively enforced, the rule should be able to prevent or reduce VOC emissions from inadvertent anaerobic decomposition of chipped and ground greenwaste. As proposed, the SCAQMD is committed to rule adoption by 2015 and implementation in 2016. The imminence of this control measure could adversely impact the volatile greenwaste recycling industry and market in today's economic climate and run counter to recycling efforts underway at CalRecycle.

Dr. Elaine Chang  
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Thank you for the opportunity to review the draft 2012 AQMP. If you have any questions, please contact Sung Key Ma or Mark Hunt of my staff at 951-486-3200.

Sincerely,



Hans Kernkamp  
General Manager-Chief Engineer

PD #128621v2

cc: Mark Hunt, RCWMD  
Sung Key Ma, RCWMD

**Responses to Comment Letter LLL**  
**Riverside County Waste Management Department**

**Response to Comment LLL-1:**

Please refer to Response to comment M-16.

**Response to Comment LLL-2:**

Please refer to Response to comments R-1, S-1, T-2, W-1, Z-2, BB-1, DD-8, KK-3, LL-3, CCC-1, and GGG-1.

**Response to Comment LLL-3:**

The intent of the control measure is not to eliminate all flaring at landfill facilities, but rather to minimize flaring emissions through equipment upgrades and flare minimization techniques when feasible. During the rule development phase, staff will focus on identifying the emission reduction opportunities that are feasible and cost effective. Staff is fully aware that as landfills enter their inactive phase, landfill gas production rates and gas quality diminish. These issues will be considered during the rulemaking process. Also, please refer to Response to comment M-10.

**Response to Comment LLL-4:**

The use of impermeable tarps upon freshly chipped or ground green waste material will retain the moisture released by the material. This allow the VOCs (generally of a light alcohol nature) to be retained by the water vapor, thus allowing for further decomposition of the VOCs by microbes in the first 48 hours.

MMM. BizFed, November 9, 2012



November 9, 2012

Dr. William A. Burke, Chairman  
Members of the SCAQMD Governing Board  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**RE: Draft 2012 Air Quality Management Plan and Socioeconomic Report**

Dear Chairman Burke and Governing Board Members:

As representatives of Southern California's broader business community, we appreciate the opportunity to provide these comments on the Revised Draft 2012 Air Quality Management Plan (AQMP)<sup>1</sup>.

Our group is comprised of leaders from many of Southern California's largest regional business entities and associations. The Final 2012 AQMP, and the rule making that will eventually stem from it, will directly affect these businesses. Consequently, our highest priority is to work with the District to develop a balanced strategy that addresses federal requirements through an economically feasible compliance program. To that end, we offer the following comments on the Revised Draft AQMP:

The Final AQMP as adopted by the Board should include only those control measures that are actually necessary to meet current legal requirements.

The District is required by law to submit a Plan demonstrating that the PM2.5 standards will be attained by 2014. However, there are no current requirements whatsoever regarding attainment of the ozone standards - either for the (revoked) one-hour standard or for the eight-hour standard. Attainment of the eight-hour ozone standard will be addressed in the 2015 AQMP update, which, of course, is only three years away (we offer our comments on the [revoked] one-hour standard below).

An attainment demonstration for the PM-2.5 standards would require, literally, just two control measures - Reductions from Residential Wood Burning and Reductions from Open Burning, BCM-01 and -02, respectively. The estimated average annual cost attributable to these two measures is a relatively modest \$123,000<sup>2</sup>. In other words, attainment of the PM-2.5 standards can be achieved at a total estimated cost of \$123,000, per year.

MMM-1

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<sup>1</sup> Revised Draft AQMP released on September 8, 2012. These comments do not reflect any changes that might be made for the Final Draft AQMP which is expected to be released between November 4th and 7th.

<sup>2</sup> Draft Socioeconomic Report for the Draft 2012 AQMP (Socioeconomic report), September 2012, Table A-1, Appendix A.

- Ambient levels of PM-2.5 have been steadily decreasing.
- Both the annual and 24-hour standards for PM-2.5 were exceeded at only one monitoring site (Mira Loma) in the entire basin in 2011.
- Ambient PM-2.5 levels at Mira Loma are only marginally above the air quality standards, and it would not be unreasonable to assume that, given the trend, attainment of the standards would occur by 2014 even without further regulatory action.
- The fact that slightly over one-half of the emission reductions from BCM-01 and -02 are now specified as contingencies means that only half of the reductions are actually needed for the attainment demonstration.
- The District's air quality model over-predicts ambient levels of PM based on projected emissions inventories; this is another reason why there would be an adequate contingency built into an attainment demonstration consisting of just two measures.
- Notwithstanding the fact that no control measures beyond BCM-01 and -02 are truly necessary for this SIP submittal, the Revised AQMP includes a total of forty-one proposed control measures having an estimated annual cost of \$40 million<sup>3</sup>.

Now is not the time to propose costly elective control measures, which, regrettably, is exactly what the Revised AQMP would do.

This economy is not a healthy one. The Federal Reserve, in reporting on the October meeting of its Federal Open Market Committee, stated its concerns that, "... without sufficient policy accommodation, economic growth might not be strong enough to generate sustained improvement in labor market conditions", and that "... strains in global financial markets continue to pose significant downside risks to the economy"<sup>4</sup>. Thus, it is inappropriate and, frankly, incomprehensible that the District would seek to impose compliance costs estimated at \$40 million annually on the business community when such requirements have no legal support or justification, and when attainment can be demonstrated with just two control measures at a cost of \$123,000 annually.

We appreciate the fact that, in response to our request, the District included a PM2.5-only alternative, "Alternative 4", in its CEQA evaluation. We want to highlight several conclusions regarding Alternative 4 in the Draft Program Environmental Impact Report (DPEIR). These are findings that our group strongly supports:

- A PM2.5-only Plan was not among the alternatives that were rejected as infeasible<sup>5</sup>.
- A PM2.5-only Plan "... is considered to be a legally viable alternative ..." because, with this 2012 Plan submission, the District is only required to demonstrate attainment of the 24-hour PM-2.5 standard<sup>6</sup>.
- A PM2.5-only Plan - would generate fewer adverse environmental impacts or less severe impacts than the Project (i.e., the draft AQMP)<sup>7</sup>.

<sup>3</sup> Socioeconomic Report, page ES-2. "The projected cost for all the ozone measures is approximately \$122 million annually, of which \$40 million is attributable to stationary source controls."

<sup>4</sup> Federal Reserve press release, October 24, 2012.

<sup>5</sup> Draft Program Environmental Impact Report (DPEIR), Section 6.3.

<sup>6</sup> DPEIR Section 6.4.4.

<sup>7</sup> DPEIR Section 6.8.

MMM-1

District staff might suggest that the proposed control measures related to ozone attainment are necessary to fulfill EPA's SIP-call regarding the (revoked) one-hour ozone standard. However, as a practical matter, there is no SIP-call; one has not yet been issued. When a SIP-call is formally made, possibly by late-January 2013, the District will have twelve months to respond. Then, the required Plan will only have to show attainment of the (revoked) one-hour standard by 2022-23, which is both a full decade away and approximately coincident with the 2023 attainment demonstration date for the 8-hour ozone standard.

There is simply no valid reason for including a one-hour ozone attainment demonstration as part of this AQMP. There are, however, a number of valid reasons for taking the full twelve months, after a SIP-call is made, to prepare a Plan in response:

- Including ozone measures in the current AQMP risks "piece-mealing" the requirements and creating significant inefficiencies with respect to the capital intensive compliance effort that will ultimately be required.
- The 2015 AQMP for ozone is expected to be a very challenging endeavor, and it should be built from the ground up. It should constitute a complete, internally consistent, and economically efficient approach to attainment of the 8-hour ozone standard.
- The closer the timing of the one-hour Plan is to the timing of the 2015 AQMP, the greater the opportunity for coordinating the two Plans and, thus, minimize conflicting or overlapping requirements.
- Mention has been made of the need to identify CAA Section 182(e)(5) measures (i.e., the so-called "black box"). However, this AQMP has only to demonstrate attainment for PM-2.5, while the black box is related solely to ozone. Furthermore, there is a risk that including some Section 182(e)(5) measures in this PM-2.5 SIP may create an unintended commitment. At the very least, the black box measures would defeat the legislative intent of adopting a Plan for which all of the impacts can be fully analyzed.

MMM-2

Our group strongly urges the Board to adopt a PM2.5-only Plan consisting of two control measures, BCM-01 and -02, inclusive, which would be legally viable and fully adequate.

The Draft Socioeconomic Report presents an unrealistically optimistic assessment.

As described in the Executive Summary, the theory behind the Socioeconomic Report is that it is supposed to assist decision-makers, "... arrive at a clean air blueprint that lays out a strong path toward reduced public health damages (sic) while at the same time maintaining economic strength, social fairness, and long-term sustainability."<sup>8</sup> Although the theory behind the report may be all well and good, the report itself is a misleading attempt to justify the proposed AQMP, which, as explained in the discussion above, goes far beyond what is required at this time. At least two of the stated goals of the Socioeconomic Report need to be discussed here:

MMM-3

<sup>8</sup> Socioeconomic Report, page ES-1.

- Reduced public health damage. Public health is not a trivial issue. However, given the current state of PM air quality within the Basin (i.e., already very close to attainment, as discussed above), the health benefits attributable to the proposed AQMP are truly minimal.

The Socioeconomic Report recognizes that the draft AQMP has a higher cost than a PM-2.5 only strategy but claims, for example, "... higher PM-2.5 air quality benefits due to the co-benefit from ozone measures."<sup>9</sup> We strongly disagree. The goal is to demonstrate attainment of the standards, and a two-measure, PM-2.5 only AQMP will do that. Attainment is attainment. Any so-called "co-benefits" from the proposed ozone measures (or, from measures beyond just BCM-01 and -02) are superfluous.

MMM-3

A minor portion (21 percent) of the \$10.7 B in estimated benefits, which the District claims is attributable to the Revised AQMP, is due to health related benefits. However, we note that approximately ninety percent of the total claimed average annual health benefits are in sub-regions<sup>10</sup> that are already in attainment of the PM-2.5 standards. Once the standards are achieved, it is unreasonable to take any credit for any possible further improvements. Thus, the true health benefits, if any (again, current ambient air quality is already very close to the standards), are a small fraction of what is being claimed.

MMM-4

Chapter 2 of the Revised AQMP discusses the public health effects of ambient pollution levels. However, recognition also needs to be given to the adverse public health and environmental justice impacts of unemployment, and to regulatory requirements that negatively affect key job sectors.

MMM-5

- Maintaining economic strength. As noted above, the current US economic situation cannot reasonably be considered either strong or healthy. Unfortunately, the Socioeconomic Report is insensitive to the poor state of the economy, and presents outdated and/or unreliable cost estimates.

MMM-6

Although the socioeconomic report suggests that the "clean air benefits are projected to result in a gain of 42,174 jobs annually over the period of 2014-2035"<sup>11</sup>, a careful reading of the report confirms that this number (and even the estimated *net* jobs of 37,043 jobs annually) is very misleading. The report itself offers numerous caveats. Among them are the following three: First, the jobs are not necessarily permanent, and there is no indication that the jobs created or forgone will be sustained from year to year<sup>12</sup>. Second, the bulk of the predicted new jobs (32,986) result from decreased congestion attributable to SCAG's transportation measures, and not the District's proposed control measures<sup>13</sup>. Third, the report notes that because the values being presented are extremely small, "... neither the quantified benefits nor the quantified measures are expected to result in discernible differences ..."<sup>14</sup>

MMM-7

<sup>9</sup> Socioeconomic Report, page ES-5.

<sup>10</sup> Socioeconomic Report, Appendix G, Table 5-2.

<sup>11</sup> Socioeconomic Report, page ES-3.

<sup>12</sup> Socioeconomic Report, page 4-2.

<sup>13</sup> Socioeconomic Report, page 4-3.

<sup>14</sup> Socioeconomic Report, page 6-2.



- The District has estimated annual compliance costs for the control measures in the Revised AQMP, but also notes that actual costs could be higher than projected costs. Costs greater than those that were projected are circumstances that the District's stakeholders have found to be true on a great many occasions.

- Projected costs are not accurate, and appear to have little, if any, basis in fact. For example, a number of proposed control measures have an evaluation step as Phase I. Clearly, none of these evaluations have been conducted; therefore, it is impossible to predict what a Phase II implementation step might require. In spite of the fact that none of the necessary information for developing cost estimates is available, Table A-1 in Appendix A purports to show average annual costs and presents them with three and four significant figures of accuracy. These costs should, at the very minimum, be shown as a range and we would guess that such a range is plus/minus fifty or one hundred percent.

- Control costs, on a year-by-year basis from 2013 through 2035, are presented in Figure 3-2 in the Report, but there are at least two significant problems with the information. First, although the calculation can be done mathematically, it is misleading to develop an average cost for projected expenditures that vary by a factor as great as nine to one (from approximately \$200 million per year to as high as approximately \$1.8 billion). Second, the chart purports to depict the cost of the ozone strategy but the chart is misleading because it fails to comprehend the significant costs that are expected to be incurred with the 2015 AQMP for ozone.

- Lastly, we note that much of the report relies on studies of one sort or another that were performed decades ago and which are of doubtful relevance today. For example, an audit by Massachusetts Institute of Technology of the District's socioeconomic analysis program goes back to 1992. The visibility aesthetic benefit is based on a study conducted in 2001 and which obviously does not reflect the effect of the subprime real estate crisis that began in roughly 2008. Similarly, the avoided-damage materials benefit is based on a study in 1985 when very different paints and architectural coatings were being used.

MMM-8

MMM-9

Thus, the Socioeconomic report appears to have serious weaknesses that are quite apparent from nothing more than a reading from a common-sense perspective.

In summary, there is no justification for including proposed control measures in this Plan that go beyond the two that are actually required to demonstrate attainment of the PM-2.5 standards by 2014. This is particularly true given the fragile state of the economic recovery and the fact that the 2015 AQMP will fully address ozone attainment in just three years. We urge the Board to adopt a PM-2.5 only plan consisting of control measures BCM-0-1 and -02, which it is free to do because such an alternative was adequately considered by the Draft Program EIR.

As the AQMP process moves forward, we look forward to our continued partnership with SCAQMD. Please know that the business community remains committed to helping develop a balanced, workable 2012 AQMP that provides for both environmental and economic success. Further, we are committed to working with the District on developing the 2015 AQMP for ozone, which, we believe, will be a significant undertaking.

We welcome further discussion of these comments; please contact Tracy Rafter, CEO of BizFed (Tracy.rafter@bizfed.org) or Matt Petteruto, Vice President of Economic Development for the Orange County Business Council (mpetteruto@ocbc.org).

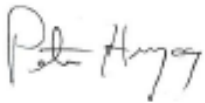
Sincerely,




Tracy Rafter  
BizFed, Los Angeles County Business Federation



Matt Petteruto  
Orange County Business Council



Peter Herzog  
NAIOP SoCal Chapter



Eric Sauer  
California Trucking Association



Rob Evans  
NAIOP Inland Empire Chapter



Gary Toebben  
Los Angeles Chamber of Commerce



Gary W. Hambly  
CalCIMA



Jay McKeeman  
CA Service Station & Auto Repair Association/  
CA Independent Oil Marketers Association



John Kelsall  
Greater Lakewood Chamber of Commerce



Randy Gordon  
Long Beach Chamber of Commerce



Stuart Waldman  
Valley Industry & Commerce Association



Jim Clarke  
Apartment Association of Greater Los Angeles



Deborah Robinson Barmack  
Inland Action Inc.



Carol Schatz  
Central City Association



Ron Wood  
Valley Economic Alliance



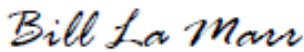
Sandy Cajas  
Regional Hispanic Chamber of Commerce



Cynthia Kurtz  
San Gabriel Valley Economic Partnership



Bob Amano,  
Hotel Association of Los Angeles




Bill LaMarr  
California Small Business Alliance



Michael Lewis  
Construction Industry Air Quality Coalition



Don Sachs  
Industry Manufacturers Council



Steven Schuyler  
BIA of Southern California, Inc.



Joeann Valle  
Harbor City/Harbor Gateway Chamber of Commerce



Donna Duperron  
Torrance Area Chamber of Commerce



Paul C. Granillo  
Inland Empire Economic Partnership



Terri K. Crain  
Santa Clarita Valley Chamber of Commerce



Rich Lambros  
Southern California Leadership Council

**Responses to Comment Letter MMM**  
**BizFed**

**Response to Comment MMM-1:**

Please refer to Response to comments R-1, S-1, T-2, W-1, Z-2, BB-1, DD-8, KK-3, LL-3, CCC-1, and GGG-1.

**Response to Comment MMM-2:**

Please refer to Response to comments W-9, and CCC-2.

**Response to Comment MMM-3:**

NO<sub>x</sub> and VOC reductions from ozone measures will lower PM<sub>2.5</sub> because NO<sub>x</sub> and VOC are also precursors to PM<sub>2.5</sub>.

**Response to Comment MMM-4:**

There is no clear PM<sub>2.5</sub> exposure threshold below which no adverse health effects are observed. In fact, California has lower PM<sub>2.5</sub> standards than the federal standards. Furthermore, the U.S. EPA is in the process of proposing a more stringent annual PM<sub>2.5</sub> standard based on several health studies (See Appendix I to the Draft Final 2012 AQMP for more details).

**Response to Comment MMM-5:**

The local economy is projected to experience a net modest positive job impact of clean air benefits and control measures. As our economy transitions to a new phase of better air quality, there will be new job opportunities and some sectors may decline due to the overall efficiency gain in our economy. This phenomenon is consistent with any other transition in our economy. The sectors that are forecasted to decline due to the Plan were truck transportation and auto repair which result from less demand for their services due to improvements in traffic. The rise in job opportunities in other sectors will help offset the negative impacts in these two sectors.

**Response to Comment MMM-6:**

Chapter 2 of the Report presents the current state of the economy and the analysis in the Report shows deviations from the current state of the economy. The commentor needs to elaborate on why cost estimates are outdated and/or unreliable and staff has solicited comments on cost assumptions for the measures since July 2012 and will continue to incorporate new information as the AQMD further studies the measures of begins the rulemaking process.

**Response to Comment MMM-7:**

The Socioeconomic Report clarifies that no job in our economy is permanent. Therefore, any job statistics for any given year reflects a count of jobs and does not address the length of employment. Even without TCMs, the positive job impact of clean air benefits outweighs the negative job impact of control measures by a 5 to 1 margin. Compared to the total number of jobs in the four-county area, job impacts in the Socioeconomic Report represent less than 0.4 percent of the total jobs in our economy. Based on comments on TCMs, staff has included an additional cost benefit scenario without TCMs.

**Response to Comment MMM-8:**

Detail cost assumptions and data for each measure has been posted online ([http://www.aqmd.gov/gb\\_comit/aqmpadvgrp/2012AQMP/meetings/2012/july26/agenda.html](http://www.aqmd.gov/gb_comit/aqmpadvgrp/2012AQMP/meetings/2012/july26/agenda.html)) since late July per the commentor's request. Typically, a two-phase control measure requires additional technology assessment to refine the technology and control potential. Therefore, Phase II is contingent upon the findings from Phase I. In those cases, no SIP reductions are committed. Wherever appropriate, the AQMD has also provided costs for Phase I requirements. Appendix IV to the AQMP shows a range of cost effectiveness estimates for measures, when applicable. Differences in costs from year to year reflect variations in implementation dates of measures. The cost for the 2015 AQMP cannot be calculated at this time since the attainment strategy has yet to be developed.

**Response to Comment MMM-9:**

One of the future enhancements as indicated in Chapter 8 of the Report is to update methods, underlying technical studies, and approaches, as appropriate.

NNN. Association of California Cities Orange County (ACCOC), November 10, 2012



November 10, 2012

Dr. Barry Wallerstein  
Executive Officer  
South Coast Air Quality Management District  
21865 Copley Dr.  
Diamond Bar CA 91765

RE: Comments to the draft Socioeconomic Report for the 2012 AQMP

Dr. Wallerstein -

Thank you for the opportunity to review and comment on the draft Socioeconomic Report (Report) for the 2012 Air Quality Management Plan (AQMP). As the Hub for Good Public Policy in Orange County, the Association of California Cities – Orange County (ACC-OC) takes extraordinary interest in the costs associated with regional public policy. Thus, we reviewed this Report through the lens of how local governments and taxpayers would be impacted and how it can be improved to mitigate these impacts, now and in the future.

After careful and thorough review of the Report, as well as a November 1 meeting with AQMD staff, we remain concerned with several elements of the Report, including its timing, “cost benefit” assumptions and the science used to arrive at its conclusions. These concerns are outlined below:

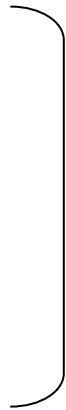
**AQMD Must Prioritize Economic Impacts as Part of its Plan**

The ACC-OC is very concerned that this Report was not prioritized as part of the public comment period of the AQMP. In fact, the Report was issued nearly one full month *after the proposed comment period deadline for the draft AQMP*.

This de-prioritization is both concerning and confusing. We understand that the Report is shaped by the Plan’s control measures.

But to review the AQMP without any economic impact study is to review incomplete and inaccurate policy. Therefore, AQMD staff should prepare economic alternatives that account for the various alternatives of the Plan itself. Studying alternative scenarios is common in environmental analysis – in fact, it is required by the California Environmental Quality Act. The local government community is concerned that AQMD staff does not place equal emphasis on economic impacts.

Thus, we request that the following be added to ES-6 of the Report:



NNN-1

ASSOCIATION OF CALIFORNIA CITIES ORANGE COUNTY  
600 S. MAIN ST. SUITE 940, ORANGE, CA 92868 | (714) 953-1300

*AQMP Socioeconomic Report Comments*  
*November 10, 2012*

- *The Socioeconomic Report is a critical document to the draft AQMP and shall be included in the initial release of the Plan itself, either as an Appendix or Chapter, to ensure that stakeholders can review a comprehensive Plan and comment on the entirety of its economic and environmental impacts.*

NNN-1

**Transportation Control Measures are “Double Counted” as Benefits**

Composing more than 70 percent of the overall “cost benefit,” the Report states that TCMs would provide nearly \$8 billion in benefits. Yet the vast majority – if not the entire amount – is calculated from projects already identified in the Federal Transportation Implementation Plan – a document prepared by SCAG, regional transportation authorities and cities.

The ACC-OC realizes and appreciates that Appendix H later revised the total amount downward to \$519 million, accounting only for TCMs through 2014. ***However, this does not address the issue of TCMs already being independently designed, approved and funded by local agencies and taxpayers.***

NNN-2

In fact, costs associated with the development of TCMs – engineering, design, construction, etc. – are included in both the “expense” and “benefit” calculations. It therefore is “double-counting” the economic benefits that are already being put forward by local agencies. Therefore we request the AQMD calculate the costs and benefits associated with the specific Control Measures proposed in the AQMP, rather than assign the benefits of infrastructure projects that have already been designed, approved and funded by other agencies to the implementation of the AQMP.

**Visual Aesthetic Benefits - \$700 million**

The Report’s attribution of nearly three-quarters of a billion dollars of increased property values to the implementation of this plan seems to over-estimate the benefits of the plan’s implementation. In fact, the leading study on this issue – the University of Chicago’s 2005 *Does Air Quality Matter? Evidence from the Housing Market* – concludes that:

*“After over 30 years of research, the cross-sectional correlation between housing prices and particulates pollution appears weak. ... As a result, many conclude that either individuals place a small value on air quality or the hedonic approach cannot produce reliable estimates of the marginal willingness-to-pay (MWTP) for environmental amenities<sup>1</sup>.”*

NNN-3

Clarification on how AQMD staff arrived at this conclusion that is counter to leading studies is necessary to more fully understand the impacts of the AQMP on local real estate prices.

Additionally, the California Environmental Protection Agency (Cal/EPA) is currently processing a draft environmental health screening tool that is not included in this Report’s analysis. The health screening tool would “rate” a region’s air quality (by ZIP) as either healthy or unhealthy. The significance of this tool cannot be understated. A negative rating by this tool would decimate local property values and therefore property tax revenue, effectively wiping out any perceived Visual Aesthetic Benefit accounted for in this plan.

NNN-4

The ACC-OC requests that the AQMD address Cal/EPA’s health screening tool in its final Socioeconomic Report.

<sup>1</sup> Chay, Kenneth and Greenstone, Allan. *Journal of Political Economy*. “Does Air Quality Matter? Evidence from the Housing Market. University of Chicago, 2005.

*AQMP Socioeconomic Report Comments*  
*November 10, 2012*

**Summary of Requests**

The following summarizes the ACC-OC's requested revisions and additions to the Report:

**Timing:** Add the following to the suggested refinements currently listed on ES-6 of the Report: "*The Socioeconomic Report is a critical document to the draft AQMP and shall be included in the initial release of the Plan itself, either as an Appendix or Chapter, to ensure that stakeholders can review a comprehensive Plan and comment on the entirety of its economic and environmental impacts.*"

**Control Measure Cost Benefit Analysis:** The Report should calculate costs associated with each Control Measure proposed in the AQMP, rather than calculate the costs and benefits of infrastructure projects that have been designed, approved and funded by other agencies and that are outside of AQMP's discretionary authority.

**Visual Aesthetic Benefits:** AQMD staff should study the potential impacts of Cal/EPA's proposed Health Screening Tool. This policy has a direct impact on the AQMP, its Socioeconomic Report and its conclusions. Studying these impacts are necessary to have a complete picture of the proposed Visual Aesthetic Benefits.

Again we appreciate the opportunity to review this Report and provide our recommendations. These requests are intended to provide greater credibility to this process and protect local taxpayers. We appreciate your sincere consideration.

Please do not hesitate to contact me or my staff at (714) 953-1300.

Sincerely,



Lacy Kelly  
Chief Executive Officer  
Association of California Cities – Orange County



**Responses to Comment Letter NNN**  
**ACCOC**

**Response to Comment NNN-1:**

Staff strives to release information as it becomes available so as to engage stakeholders early and throughout the process. In addition, upon the release of the Socioeconomic Report, a public review period of 45 days was provided. Also, please refer to Response to comments T-1, W-11, W-12, Z-1, and LL-2.

**Response to Comment NNN-2:**

Appendix G to the Socioeconomic Report has results derived from excluding TCMs. Exclusion of TCMs from the analysis does not change the conclusion of the analysis.

**Response to Comment NNN-3:**

The AQMD will examine this study as part of future enhancements. Also, please refer to the 2012 AQMP Board Letter and the Resolution.

**Response to Comment NNN-4:**

Cal/EPA's environmental health screening tool is still under development. Zip code level data was used by Cal/EPA for illustration in the draft screening tool document. In the Socioeconomic Report air quality data is based on a 4 by 4 kilometer grid and economic data is modeled at the census tract level, both of which are finer than zip code level data. The Cal/EPA's screening tool is a qualitative tool that ranks environmental exposure data (e.g., pesticide use, air quality, toxic release, and traffic congestion), community health data (e.g., asthma, cancer, heart disease, and birth weight), and demographic data (e.g., population age profile, educational attainment, and income) in a snapshot of time to construct a weighted score for various communities. The Socioeconomic Report links air quality, epidemiological, and economic models to produce quantitative results across time and space. While the screening tool is useful for some other purposes, it provides less information than the framework that the Socioeconomic Report uses for the AQMP analysis. Also, please refer to the 2012 AQMP Board Letter and the Resolution.

## OOO. Western States Petroleum Association (WSPA), November 12, 2012



Western States Petroleum Association  
Credible Solutions • Responsive Service • Since 1907

Patty Senecal  
Manager, Southern California Region and Infrastructure Issues

VIA ELECTRONIC MAIL

November 12, 2012

Dr. Barry Wallerstein  
Executive Officer  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**Re: Comments on the Draft Socioeconomic Report for the  
Revised Draft 2012 Air Quality Management Plan (AQMP)**

Dear Dr. Wallerstein:

The Western States Petroleum Association (WSPA) is a non-profit trade association that represents twenty-seven companies that explore, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and five other western states. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA member companies operate petroleum refineries and other facilities in the South Coast Air Basin and thus have a major stake in the Air Quality Management Plan (AQMP) being prepared by the South Coast Air Quality Management District (SCAQMD or District), and any rule developments that might stem from the final AQMP as adopted by the District's Governing Board.

WSPA appreciates the opportunity to submit these comments on the Draft Socioeconomic Report for the Revised Draft 2012 AQMP. We have also delivered comments on Revised Draft AQMP under separate cover.

WSPA believes the 2012 AQMP must be scientifically-based and technically accurate and the District's Governing Board needs to have a thorough assessment of the air quality benefits, environmental impacts, and economic costs associated with that plan. To be successful, the AQMP must be both technically and economically viable because "economic growth is needed

Page 1

970 W. 190th Street, Suite 770, Torrance, California 90502  
PHONE: (310) 678-7782 • FAX: (310) 324-9063 • [PSenecal@wspa.org](mailto:PSenecal@wspa.org) • [www.wspa.org](http://www.wspa.org)

to support investment in cleaning the air.”<sup>1</sup> For this reason, decision makers need access to the best possible estimates of the economic impacts of the control measures contained in the proposed AQMP.

According to the Socioeconomic Report, the socioeconomic impact assessment was “designed to help decision-makers and stakeholders arrive at a clean air blueprint that lays out a strong path toward reduced public health damages while at the same time maintaining economic strength, social fairness, and long-term sustainability.”<sup>2</sup> The design of the assessment is advertised as “a rigorous application of statistical analysis and computer modeling” to assess the aggregate potential impacts of the overall suite of control measures. But while the methodology may reflect the state-of-the-art, this Socioeconomic Report falls short of delivering a meaningful assessment for decision-makers and stakeholders for several reasons.

1. The cost inputs and public health benefits for the control measures proposed in the 2012 Draft AQMP are too often lacking. Where estimated costs are presented, they often do not appear to have a basis in fact. These shortcomings seriously compromise the quality of the assessment output and findings.

The Revised Draft AQMP proposes eight control measures for the 24-hour PM<sub>2.5</sub> attainment demonstration, twenty-six control measures as an update to the 8-hour ozone strategy, and seven advanced technology measures. For the PM<sub>2.5</sub> strategy, the District reports costs for four of the proposed measures as \$0, and reports “No Cost Data” available for another three measures. So only BCM-01 has any costs assigned to it. In the case of the proposed update to the 8-hour ozone strategy (i.e., the 182(e)(5) measures), no cost data was reported for eight of the measures.<sup>3</sup>

In some cases where cost estimates are provided, they lack a factual basis. Several proposed control measures involve a Phase I effort that is an evaluation phase. These evaluations have not been conducted and, as a result, there are no proposals for rule development or for compliance with any regulatory requirement. Without this information, it is impossible to develop realistic assessments of the potential cost of compliance. Nevertheless, the District manages to present cost estimates with an implied accuracy.

The net result is that about half of these AQMP measures have no estimated expense, and nearly the entire reported cost for this AQMP is actually the cost of Transportation Control Measures which came from the Regional Transportation Plan (RTP).<sup>4</sup> Often the AQMP and the Socioeconomic Report simply defer the development of control measure cost estimates to some future rulemaking. So while the socioeconomic assessment has a very complicated modeling

OOO-1

<sup>1</sup> SCAQMD, Draft Socioeconomic Report for the Draft 2012 AQMP, September 2012, p. 2-10.

<sup>2</sup> Ibid, p. ES-1.

<sup>3</sup> In some cases the Revised Draft AQMP actually presents representations about control measure costs which conflict with values reported in the socioeconomic report.

<sup>4</sup> Ibid, Table A-1.

methodology, its conclusions are suspect because it is based on materially incomplete cost inputs.

If SCAG can provide planning-level costs for each of the transit projects and TCMs in the RTP, surely the District can at least provide planning-level cost estimates for thirty or forty emission control measures. These estimates should include all potential cost items, and not omit major line items (e.g., stationary source construction costs) simply because they are uncertain. The District can confer with industry representatives where needed to help develop the estimates and in many cases they may best be reported as cost ranges to reflect uncertainty in the estimates. These estimates will be subject to further refinement (as with all forecasts), but they will at least provide a starting point for technical analysis and decision making.

OOO-1

Socioeconomic analysis should include at least planning-level cost estimates for all proposed measures.

2. The socioeconomic assessment contains mismatched costs and benefits, which could mislead decision makers and other stakeholders.

In the case of control costs, the socioeconomic assessment includes costs for both PM<sub>2.5</sub> and ozone control measures in the Revised Draft AQMP (to the extent it reports any costs). But the plan only includes health benefits for PM<sub>2.5</sub> measures and explicitly excludes health benefits associated with NO<sub>2</sub> and ozone.

OOO-2

“The proposed PM<sub>2.5</sub> strategy is also projected to result in co-benefits from reductions in exposure to NO<sub>2</sub>, which is not included in the analysis due to resource constraints. Nor are co-benefits from ozone reductions because the ozone strategy in the Draft Plan represents a partial implementation of the Black Box whose full implementation is needed for the ozone attainment.”<sup>5</sup>

Thus, all the available costs are purported to have been considered but only some of the benefits are analyzed. This type of mismatching of costs and benefits is confusing, and makes it difficult for decision makers and stakeholders to relate program benefits to costs.

3. The estimated control costs for measures CMB-01 Phase I and Phase II are fundamentally flawed; the District should complete a comprehensive market analysis that considers the potential impacts to the regional economy of reducing RECLAIM market supplies (i.e., RTCs).

OOO-3

As explained in our comments on the Revised Draft AQMP, the various representations for cost effectiveness of proposed measures CMB-01 Phase I and Phase II are fundamentally flawed in their assumptions and derivation. The potential costs for these control measures are likely much higher than suggested in the socioeconomic assessment or the Draft AQMP.

---

<sup>5</sup> Ibid, p. 3-6.

Any remaining discussion of CMB-01 Phase I or Phase II and associated cost effectiveness needs to be based on a comprehensive market analysis that considers the potential impacts to the regional economy of reducing RECLAIM market supplies (i.e., RTCs). Such analysis needs to consider economic growth factors and use an appropriate forecasting methodology as was done for the broader regional emissions inventory.

OOO-3

4. Cumulative costs for regional air quality policy should be presented in the socioeconomic assessment.

As the District knows well, air quality attainment planning in Southern California is an ongoing process that is not limited to any single air quality management plan. For Southern Californians, this planning effort has now been underway for over sixty years. Yet the Socioeconomic Report considers the 2012 AQMP as though it is a stand-alone planning event. The assessment of the AQMP costs and benefits should not be piecemealed.

OOO-4

WSPA recognizes and wishes to emphasize the importance of the socioeconomic impact assessment in helping inform decision-makers and stakeholders as we work to meet the region's clean air challenges while maintaining economic strength. Southern Californians recognize that clean air is not going to be achieved without cost, but the many missing cost inputs to this socioeconomic analysis render the Draft Socioeconomic Report less than useful.

WSPA appreciates the opportunity to submit these comments. Please contact me with any questions at (310) 678-7782 or [psenecal@wspa.org](mailto:psenecal@wspa.org).

Sincerely,



Patty Senecal  
Manager, Southern California Region and Infrastructure Issues  
Western States Petroleum Association

**Responses to Comment Letter OOO**  
**WSPA**

**Response to Comment OOO-1:**

Detail cost assumptions and data for each measure has been posted online ([http://www.aqmd.gov/gb\\_comit/aqmpadvgrp/2012AQMP/meetings/2012/july26/agenda.html](http://www.aqmd.gov/gb_comit/aqmpadvgrp/2012AQMP/meetings/2012/july26/agenda.html)) since late July. Except Control Measure ONRD-05 (Further Emission Reductions from Heavy-Duty Vehicles Serving Near-Dock Railyards), no emission reductions are claimed for control measures without costs. Table 6-4 in the 2012 AQMP and respective measures in Appendices IV (A) and IV (B) to the 2012 AQMP has additional information on measures without cost data. Construction costs associated with the re-design of a facility vary by facility and will be assessed during rulemaking when specific requirements are laid out. Also, please refer to Response to comments C-1, M-1, KK-5, EEE-2, and HHH-2.

**Response to Comment OOO-2:**

Please refer to Response to comment EEE-3.

**Response to Comment OOO-3:**

Staff does not agree with the commenter's assumption that available RTC supplies would necessarily be reduced. Currently, there are substantial excess RTCs available in the market and still NOx reduction potential among RECLAIM facilities. Staff believes that CMB-01 Phase I can be implemented through market transactions as there is an excess of RTCs currently. The socioeconomic analysis assumes that the Phase II shave would be achieved through the use of BARCT, which is more conservative than if some facilities elect to purchase RTCs.

**Response to Comment OOO-4:**

All the costs of implemented control measures and their associated air quality benefits of the past AQMPs are reflected in the economic baseline against which the 2012 AQMP is evaluated. Performing a cumulative assessment of all the past and current AQMPs would not be practical as past events have already occurred and become part of the baseline. It would be difficult to isolate air quality regulations out of the entire regional economy. Also, as pointed out by another commenter, many businesses reduce emissions to be more efficient and competitive (please see Response to comment EEE-1). Nevertheless, staff welcomes suggestions on methodologies for such analysis.

PPP. Western States Petroleum Association (WSPA), November 12, 2012



Western States Petroleum Association  
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Patty Senecal  
Manager, Southern California Region and Infrastructure Issues

VIA ELECTRONIC MAIL

November 12, 2012

Dr. Barry Wallerstein  
Executive Officer  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**Re: Comments on the Revised Draft 2012 Air Quality Management Plan (AQMP)**

Dear Dr. Wallerstein:

The Western States Petroleum Association (WSPA) is a non-profit trade association that represents twenty-seven companies that explore, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and five other western states. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA member companies operate petroleum refineries and other facilities in the South Coast Air Basin and thus have a major stake in the Air Quality Management Plan (AQMP) being prepared by the South Coast Air Quality Management District (SCAQMD or District), and any rule developments that might stem from the final AQMP as adopted by the District's Governing Board.

WSPA appreciates the opportunity to submit these comments on the Revised Draft 2012 AQMP. This letter presents WSPA's general comments on the Revised Draft AQMP and builds on our Draft AQMP comment letter dated 31 August 2012. We are also delivering detailed comments on specific AQMP measures which are attached hereto, and will submit a separate comment letter on the Draft Socioeconomic Report for the AQMP.

Page 1

970 W. 190th Street, Suite 770, Torrance, California 90502  
PHONE: (310) 678-7782 • FAX: (310) 324-9063 • [PSenecal@wspa.org](mailto:PSenecal@wspa.org) • [www.wspa.org](http://www.wspa.org)

**1. The State Implementation Plan (SIP) submittal for the 2012 AQMP should be limited to the legally-required 24-hour PM<sub>2.5</sub> NAAQS attainment demonstration.**

The District's Clean Air Act obligation for this 2012 AQMP is to demonstrate attainment with the 24-hour PM<sub>2.5</sub> National Ambient Air Quality Standard (NAAQS) by 2014. In fact, the Draft Programmatic Environmental Impact Report for the 2012 AQMP (Draft PEIR) considers this option as Alternative 4 and concludes:

**"Alternative 4, PM<sub>2.5</sub> Emissions Reduction Strategies Only:** This alternative is considered to be a legally viable alternative because the SCAQMD is only required to submit a PM<sub>2.5</sub> plan demonstrating attainment of the 2006 24-hour PM<sub>2.5</sub> National Ambient Air Quality Standard no later than three years from December 14, 2012.... there is no federal requirement to submit an ozone plan by the same date as the PM<sub>2.5</sub> plan"<sup>1</sup>  
(Emphasis added)

The District should wait and develop the revised 8-hour ozone attainment strategy when it is required as part of the 2015 AQMP. At that time, we will all have a better understanding of the needed emission reductions and better information on the economic factors and technologies required to meet the region's air quality challenge.

The ozone measures which were proposed in the Draft AQMP, while numerous, are immaterial when compared to the "Black Box" in terms of quantifiable emission reductions. The region needs an ozone strategy that is comprehensive, coordinated and efficient. The ozone measures outlined in the Draft AQMP fail to meet this standard and would only serve to unnecessarily constrain the options available to the District and Southern California businesses when the real ozone planning effort is undertaken for the 2015 AQMP.

The 2012 AQMP control strategy and the associated SIP submittal should be limited exclusively to the PM<sub>2.5</sub> attainment demonstration consistent with EPA requirements.

**2. CMB-01 Phase I is not needed nor appropriate for the PM<sub>2.5</sub> contingency plan. It should be removed from the 2012 AQMP.**

WSPA appreciates the District's recognition that CMB-01 Phase I was unnecessary for attainment of the 24-hour PM<sub>2.5</sub> standard, and the re-categorization as a contingency measure in the Revised Draft AQMP. However, we submit that CMB-01 Phase I does not represent a reasonable contingency measure and should be completely removed from the PM<sub>2.5</sub> control measures.

Using the District's "NO<sub>x</sub> equivalent" weighting system it is reasonably deduced that CMB-01 Phase I does not meaningfully contribute to the PM<sub>2.5</sub> contingency plan. BCM-01 and BCM-02 would provide at least 144 tpd of "NO<sub>x</sub> equivalent" emission reductions during control

<sup>1</sup> SCAQMD, Draft PEIR for the 2012 AQMP (September 2012), p. 1-34.

PPP-1

PPP-2



episodes.<sup>2</sup> By comparison, measure CMB-01 Phase I as proposed would only provide 2 tpd NO<sub>x</sub>. The Draft AQMP succeeds in showing that BCM-01 and BCM-02 can provide all of the air quality improvement needed for the District to demonstrate attainment of the 24-hour PM<sub>2.5</sub> NAAQS by 2014, including the contingency plan. We also question whether the measure even meets the EPA requirements<sup>3</sup> for a contingency measure.

CMB-01 Phase I should be completely removed from the PM<sub>2.5</sub> Control Measures in the 2012 AQMP.

**3. CMB-01 Phase II should be removed from the 2012 AQMP and reconsidered in the 2015 AQMP as part of a comprehensive strategy for ozone attainment.**

Last year, the Governing Board adopted the *AQMD Air Quality Related Energy Policy* which proposed to “integrate air quality, energy issues, and climate policy in a coordinated holistic manner.”<sup>4</sup> This is a good objective given that Southern California’s economy and future air quality conditions are inextricably tied to our use of energy. Unfortunately, this AQMP fails to even roughly address the economic, environmental or technology implications of the measures proposed in the plan. For example the AQMP talks at length about zero and near-zero technologies for the transportation sector, but instead of providing even a planning-level discussion of the energy sector implications of such a policy trajectory the plan instead pushes the analysis to the Draft Programmatic Environmental Impact Report (Draft PEIR).

“Energy projections made in this chapter reflect past energy usage in the South Coast Basin and energy projections made from utility and other agencies’ planning documents. These projections reflect existing policies and regulations. This review does not include an analysis of energy implications from the control measures within this AQMP; this analysis is conducted within the EIR review.”<sup>5</sup> (Emphasis added)

But the Draft PEIR does not provide that analysis. Despite a programmatic scope, the Draft PEIR only considers project-level impacts from the immediately foreseeable deployment of 33,000 zero and near-zero technology vehicles under ONRD-1, ONRD-2, ONRD-4 and ONRD-5 over the next decade (i.e., by 2023).<sup>6</sup> Not surprisingly, the economic and environmental impact of the measures doesn’t look significant because it isn’t in the region expected to house 12 million motor vehicles by 2023.

Solving the region’s ozone challenge, including the Black Box commitment, requires a comprehensive, coordinated and efficient compliance strategy and any future changes to the RECLAIM program need to be considered in that context. The 2012 AQMP control strategy

<sup>2</sup> The benefits for BCM-01 and BCM-02 would actually be higher than this because these measures will have NO<sub>x</sub>, SO<sub>x</sub>, and VOC co-benefits which are not accounted in the Revised Draft AQMP.

<sup>3</sup> Clean Air Act Section 172(c)(9)

<sup>4</sup> SCAQMD, Revised Draft AQMP, p. 10-1.

<sup>5</sup> SCAQMD, Revised Draft AQMP, Section 10, p. 10-1.

<sup>6</sup> SCAQMD, Draft PEIR for the 2012 AQMP, September 2012, Table 4.3-2.

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and SIP submittal should be limited to the PM<sub>2.5</sub> attainment demonstration. The 2015 AQMP should provide a comprehensive strategy for compliance with the 8-hour ozone standard.

- **The District needs to consider electricity sector impacts associated with a broad-scale electrification initiative for transportation before proposing any new NO<sub>x</sub> RECLAIM shave. Failure to plan for such a structural change would challenge the feasibility of the District's zero/near-zero technologies strategy, negatively impact the Southern California economy, and may be contrary to Assembly Bill 1318.**

Broad-scale transportation electrification will mean significant new demand for electricity. As we noted in our 31 August 2012 comment letter, CARB is preparing a much needed evaluation of the long-term electrical system reliability needs of the South Coast Air Basin. This study is being prepared as required under California Assembly Bill (AB) 1318 in consultation with the California Energy Commission (CEC), California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), and the State Water Resources Control Board (SWRCB). That report will include recommendations for meeting those reliability needs while ensuring compliance with state and federal law requirements for emission offsets (i.e., ERCs and RTCs). The release of the draft AB 1318 report is now expected in "early 2013."<sup>7</sup>

The results of the AB 1318 study are critical to understanding the baseline forecast against which the District would consider the additional electricity sector impacts associated with a broad-scale electrification initiative for transportation. That is needed to understand the long-term supply requirements for the NO<sub>x</sub> RECLAIM market and it would be premature to consider any new shaves to the NO<sub>x</sub> RECLAIM market that could constrain future power loads prior to the completion of that needs analysis. The District should avoid accidentally creating a crisis similar to 2000-2001 when the electricity sector caused a major RECLAIM market disruption that seriously impacted the regional economy and forced the District to temporarily exclude the electricity sector from RECLAIM.

Decisions on the ozone strategy are not legally required at this time, so CMB-01 Phase II should be removed from the 2012 AQMP and excluded from the associated SIP submittal.

- **Any future RECLAIM shave should be limited to those required under BARCT authority.**

Any proposed NO<sub>x</sub> RECLAIM shave should be limited to those required under the BARCT authority in the California Health and Safety Code (H&SC). The size of any such shave cannot be specified until the required BARCT evaluation has been completed including an evaluation of the maximum degree of reduction reasonably achievable with advanced control technologies taking into account the environmental, energy, and economic impacts for each class or category of source.

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<sup>7</sup> Michael Tollstrup, California Air Resources Board.

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- Any NO<sub>x</sub> RECLAIM shave would impose significant costs on the Southern California economy. The AQMP must include a proper cost effectiveness analysis for CMB-01.

RECLAIM is the oldest locally designed and implemented air emissions “cap and trade” program. The cost of RTCs is dictated by both the market’s view of the current supply-demand balance and the market’s view of the future supply-demand balance. Any reduction in market supply (e.g., a shave), will cause the market to reassess the supply-demand relationship and the RTC market price will adjust accordingly. Past market prices cannot be used to forecast future prices when a major structural change is being proposed, such as a nearly 20% supply reduction. And if RECLAIM is unable to support key industrial sectors, the economic consequences could be enormous.

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As we noted in our letter dated 31 August 2012, the AQMP makes several conflicting and inappropriate representations concerning the cost effectiveness of Control Measure CMB-01 Phase I and Phase II, and these were carried over into the Draft Socioeconomic Report. Decision makers and stakeholders need to be presented with an economic analysis that is based on appropriate economic principles and information. The Revised Draft 2012 AQMP and the Draft Socioeconomic Report fail to do that for proposed Control Measure CMB-01 Phase I or Phase II.

In summary, proposed measure CMB-01 Phase II is not well considered. Since ozone measures are not legally required at this time, CMB-01 Phase II and the other ozone measures should be removed from the 2012 AQMP and excluded from the associated SIP submittal.

4. **The 1-Hour Ozone Attainment Demonstration should be handled in a stand-alone plan.** EPA has not issued a final SIP-call, so action on such a demonstration is procedurally premature.

On September 19, 2012, EPA published its proposed action calling for a new 1-hour ozone attainment demonstration for the South Coast air basin in the Federal Register. As of this writing, EPA is not expected to issue a final rule until January 2013 or possibly later. Under the Clean Air Act, the District will then have a full year after the final rule is published to submit the 1-hour ozone plan to EPA. Given that the federal agency’s action is not yet final, it would be premature for the Governing Board to consider a new attainment demonstration for the 1-hour ozone NAAQS at this time.

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Besides being premature, the draft 1-hour ozone demonstration may be inadequate. EPA has reportedly not released the modeling guidance needed for these 1-hour ozone NAAQS demonstrations, so the District’s initial work is not based on an EPA-approved protocol.

For this reason and others described in our letter dated 31 August 2012, the District should take advantage of the full 12 months allowed under the Clean Air Act to develop a standalone 1-hour ozone plan which we strongly believe should be based on the 2007 AQMP control strategy since the compliance milestones are both circa 2023, and the carrying capacity for the 1-hour ozone

plan is similar to the 8-hour ozone plan. The 1-hour ozone plan would not be due to EPA until early 2014.

In addition to the above comments, we are submitting additional detailed comments on specific control measures proposed in the Revised Draft AQMP as Attachment 1.

WSPA appreciates the opportunity to submit these comments. Please contact me with any questions at (310) 678-7782 or [psenecal@wspa.org](mailto:psenecal@wspa.org).

Sincerely,



Patty Senecal  
Manager, Southern California Region and Infrastructure Issues  
Western States Petroleum Association

Enclosures:

- Attachment 1: Additional WSPA comments on Revised Draft 2102 AQMP

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Attachment 1

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Western States Petroleum Association (WSPA) submits these detailed comments on select emission control measures proposed in Appendix IV of the Revised Draft Air Quality Management Plan (AQMP) for the South Coast Air Basin. Our comments below are organized to parallel the order of the proposed measures as presented in Appendix IV.

**Appendix IV-A: District's Stationary Source Control Measures**  
Attachment 1: Short-Term PM<sub>2.5</sub> Control Measures

**1. CMB-01: FURTHER NOX REDUCTIONS FROM RECLAIM - PHASE I [NOX]**

Control measure CMB-01 is presented in the Revised Draft AQMP as having two phases. As was done in Appendix IV, our comments here are presented separately for Phase I and Phase II even though WSPA's comments on the two phases have some common points.

CMB-01 Phase I is now proposed as a contingency measure for the 24-hour PM<sub>2.5</sub> attainment demonstration and would shave 2 tons per day (tpd) of NO<sub>x</sub> Reclaim Trading Credits (RTCs) from the RECLAIM market. As noted in our cover letter, it is WSPA's recommendation that CMB-01 Phase I is unnecessary and inappropriate for the PM<sub>2.5</sub> contingency plan and thus should be completely removed from the PM<sub>2.5</sub> Control Measures in the 2012 AQMP. With that said, we are providing additional comments on the proposed measure presented in Appendix IV of the Revised Draft AQMP.

The Revised Draft AQMP states that: "currently there are approximately 8 tpd of excess RTCs in the market." This statement is actually not based on "current" conditions but rather is based on a staff conclusion drawn from RECLAIM trading data from the period 2008-2010. WSPA notes that 2008-2010 represented a period of severe economic recession and is not an appropriate basis for characterizing current or future market demand. The document goes on to state: "a shave of 2 tpd of NO<sub>x</sub> RTCs should not cause a significant impact to the market." Because the baseline (i.e., 2008-2010 data) is inappropriate, this statement is a conclusion offered by SCAQMD that is lacking valid foundation.

We recommend that the CMB-01 Phase I discussion should be revised to include an analysis of future market demand based on, in part, economic growth factors similar to what was done for the mobile source emissions inventory. It is not clear why the forecasting methodology applied to the broader regional emissions inventory is not applied to stationary sources covered by the RECLAIM market.

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This shortcoming is particularly problematic for the electricity sector and the impacts that future growth of load demand will have on natural gas-fueled generation in the South Coast Air Basin. Concerns about the availability of emissions reduction credits (ERCs) for needed power generation recently prompted the California Legislature to pass Assembly Bill (AB) 1318. That statute required the California Air Resources Board (CARB) to consult with the California Energy Commission (CEC), California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), and the State Water Resources Control Board (SWRCB) and local utilities to prepare a report for the Governor and Legislature that evaluates the electrical system reliability needs of the South Coast Air Basin with specific recommendations for meeting those reliability needs while ensuring compliance with state and federal air pollution control requirements for emission offsets (i.e., ERCs and RTCs). The results of this study, which is the first of its kind for Southern California, are critical to developing the baseline emission inventory for the electricity sector covered under RECLAIM. WSPA contends it would be premature to consider any new NO<sub>x</sub> RECLAIM shave that could constrain future electricity generation prior to the review of this report and additional needs analysis. This is especially important given that much of the District's strategy for reducing transportation sector emissions with zero/near-zero technologies would seem to require the availability of significant new electricity loads.

The document states: "Phase I reductions target a range of 2-3 TPD NO<sub>x</sub>" while in other places the document suggests that the measure only targets 2 tpd. Because the size of the proposed shave is entirely arbitrary, it is misleading and inappropriate to state the targeted reductions as a range in some places and suggest it is a definite number in others.

The document also states: "During the rule development phase, staff may refine the emission reductions to include growth and other unforeseen issues." It is unclear what this is intended to mean; the intent should be clarified.

The document states: "Phase I is expected to be adopted in 2013 and the shave will be implemented/triggered for compliance year 2015, if the attainment of 24-hr PM<sub>2.5</sub> standard is not met by 2014." This is simply not a reasonable or realistic expectation. First, a rulemaking of this type would be difficult to complete in 12 months especially because the proposed measure includes a number of controversial issues. Key among those issues would be the shaving methodology. The Draft AQMP states "staff will work with stakeholders to evaluate various shaving methodology (e.g., sector-specific or across-the-board)."<sup>1</sup> That analysis alone will take time to negotiate. Depending on the outcome of that evaluation, certain stationary sources may need to evaluate installation of new emission controls. But given the uncertainties as to whether

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<sup>1</sup> SCAQMD, Draft 2012 AQMP, Appendix IV, p. IV-A-14.

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the contingency measure would even be triggered, we expect that most/all sources would not start that process unless/until the measure was actually triggered. So stationary sources would need no less than 2-4 years after trigger to design, construct, and operationalize new emissions controls necessitated by a reduction of NO<sub>x</sub> RTC allocations (assuming that control technology options are available). Given these practicalities, the implementation schedule for proposed measure CMB-01 Phase I is simply not reasonable or achievable.

The document states: "It is expected that the cost effectiveness for this control measure would be in the neighborhood of \$7950 per ton for Phase I based on the most recent RTC trading prices." This statement is unfounded because there is little precedent for forecasting future costs for a capped market like RECLAIM. RTC prices are dictated by both the market's view of the current supply-demand balance and the market's view of the future supply-demand balance. Any reduction in market supply (e.g., a shave), will cause the market to reassess the supply-demand relationship with RTC market prices adjusting accordingly. Past market prices cannot be used to forecast future prices when a major structural change is being proposed, such as a nearly 20% supply reduction. Such a shave would certainly cause an escalation in RTC pricing into the future. So the overall economic impact from such a measure would have to include the added capital and operating expenses for sources installing new emission control equipment or basic equipment, as well as higher RTC prices for all RECLAIM market participants. Conversely, if the RECLAIM market was unable to support key industrial sectors, the economic consequences could be much broader and significant to the regional economy.

The District should conduct a comprehensive market analysis to understand the potential impacts on the regional economy of reducing RECLAIM market supplies. Furthermore, any future reductions to the RECLAIM market should be based on technologies which have been demonstrated to be technologically and economically feasible (i.e., BARCT); not haircuts based on arbitrary assumptions.

Recommendations:

1. CMB-01 Phase I should be completely removed from the PM<sub>2.5</sub> Control Measures in the 2012 AQMP.
2. Any future reductions to the RECLAIM market should be based on technologies which have been demonstrated to be technologically and economically feasible (i.e., BARCT).
3. Any remaining discussion of CMB-01 Phase I and associated cost effectiveness should be based on a comprehensive market analysis that considers the potential impacts to the regional economy of reducing RECLAIM market supplies (i.e., RTCs). Such analysis should consider economic growth factors and use a forecasting methodology as was done for the broader regional emissions inventory. Special consideration should be applied to

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the electricity sector including consideration of the CARB AB 1318 report on future electricity sector demands for natural gas-fueled generation in the South Coast Air Basin as well as other policy drivers (e.g., zero/near-zero emissions technology).

**2. BCM-01: FURTHER REDUCTIONS FROM RESIDENTIAL WOOD BURNING DEVICES [PM2.5]**

WSPA supports the proposal for BCM-01. Most of the basin is already in attainment of the PM<sub>2.5</sub> NAAQS, and the District's modeling forecast suggests that the area around the Mira Loma monitoring station will be very close to achieving the standard by 2014. Based on the information provided in the Draft AQMP, measures BCM-01 and BCM-02 together are clearly sufficient to demonstrate PM<sub>2.5</sub> attainment in 2014. Similar measures have been successfully implemented in other jurisdictions and are technologically feasible and cost effective.

The Revised Draft AQMP reports that BCM-01 will reduce direct PM<sub>2.5</sub> emissions, but this control measure will also yield reductions in NO<sub>x</sub>, SO<sub>x</sub> and VOC emissions during control episodes which are not presented in the plan. NO<sub>x</sub>, SO<sub>x</sub> and VOC co-benefits should be quantified and credited in the AQMP.

Recommendations:

1. The BCM-01 discussions in the AQMP should be revised to acknowledge the NO<sub>x</sub>, SO<sub>x</sub> and VOC co-benefits associated with this measure.

**3. BCM-02: FURTHER REDUCTIONS FROM OPEN BURNING [PM2.5]**

WSPA supports the proposal for BCM-02 for the same reasons stated for BCM-01. BCM-01 and BCM-02 together are clearly sufficient to demonstrate PM<sub>2.5</sub> attainment in 2014 and represent the most efficient and most cost effective path to attainment of the PM<sub>2.5</sub> standard by 2014.

As with BCM-01, the Draft AQMP reports that BCM-02 will reduce direct PM<sub>2.5</sub> emissions but this measure will also yield reductions in NO<sub>x</sub>, SO<sub>x</sub> and VOC emissions during control episodes which are not presented in the plan. NO<sub>x</sub>, SO<sub>x</sub> and VOC co-benefits should be quantified and credited in the AQMP.

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Recommendations:

1. The BCM-02 discussions in the AQMP should be revised to acknowledge the NO<sub>x</sub>, SO<sub>x</sub> and VOC co-benefits associated with this measure.
4. **EDU-01: FURTHER CRITERIA POLLUTANT REDUCTIONS FROM EDUCATION, OUTREACH, AND INCENTIVES [ALL POLLUTANTS]**

The Revised Draft AQMP notes that "this control measure is carried over from the 2007 AQMP/SIP." We note that EDU-01 was formerly covered (in part) by 2007 AQMP measure MCS-03 which is distinct and different from the current MCS-03 measure. We request that such clarification be added to the AQMP.

Recommendations:

1. Discussion of EDU-01 should include a comment that, while this measure was formerly covered (in part) by 2007 AQMP measure MCS-03, EDU-01 is distinct and different from the 2007 AQMP MCS-03 measure.

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**Appendix IV-A: District's Stationary Source Control Measures**  
Attachment 2: Section 182(e)(5) Implementation Measures for Ozone

**1. CMB-01: FURTHER NOX REDUCTIONS FROM RECLAIM – PHASE II [NOX]**

Control measure CMB-01 is presented in the Revised Draft AQMP as having two phases. As was done in Appendix IV, our comments here are presented separately for Phase I and Phase II even though WSPA's comments on the two phases have some common points.

CMB-01 Phase II focuses on: "periodic BARCT evaluation as required under state law. As noted in our cover letter, it is WSPA's recommendation that CMB-01 Phase II should be removed from the 2012 AQMP and reconsidered in the 2015 AQMP as part of a comprehensive strategy for ozone attainment. With that said, we are providing additional comments on the proposed measure presented in Appendix IV of the Revised Draft AQMP.

The Revised Draft AQMP states: "A review of recently adopted control measures and air regulations in other air pollution control districts, as well as command-and-control rules adopted

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for non-RECLAIM facilities in the District, show that advancements in control technologies are available and can be applied to the top emitting sources. Such control technologies include but are not limited to selective catalytic reduction, low NO<sub>x</sub> burners, NO<sub>x</sub> reducing catalysts, oxy-fuel furnaces, and non-selective catalytic reduction. Several BARCT levels assessed at the inception of the program in 1993 for top emitting sources such as cement kilns, glass furnaces, and gas turbines were not subject to reduction in the 2005 RECLAIM rule amendment. These sources will be examined for further reductions in this control measure and potential rule making.”<sup>2</sup>

However, the emission control technologies identified by the District are hardly new; any proposal under the BARCT evaluation authority should be based on demonstrated technologies which have been shown to be both technologically and economically feasible, and that have emerged since the last District BARCT evaluation. The emission reductions justifiable by a BARCT evaluation may be markedly different than proposed under CMB-01 Phase II.

The document goes on to state: “During the rulemaking process, staff may also incorporate the concepts of facility modernization, as well as include other feasible control measures such as increased energy efficiency and zero and near-zero emission technologies.” We believe such concepts are contrary to the RECLAIM market design and may not be supported by current legal authority.

The document states: “Staff’s initial analysis shows that approximately 1-2 tpd additional NO<sub>x</sub> RTC reductions are feasible for the second phase from the RECLAIM universe (from the overall 3-5 tpd NO<sub>x</sub> RTC reductions discussed in the first phase).” As discussed in our comments on CMB-01 Phase I, this is a conclusion offered by SCAQMD that is wholly lacking valid foundation because the baseline (i.e., 2008-2010 data) is inappropriate. We recommend that the discussion for CMB-01 Phase II needs to be revised to include an comprehensive analysis of future market demand which considers economic growth factors similar to what is done for the mobile source emissions inventory. It is not clear why the forecasting methodology applied to the broader regional emission inventory was not applied to stationary sources covered by the RECLAIM market.

The document also states: “During the rule development phase, staff may refine the emission reductions to include growth and other unforeseen issues at this stage.” It is unclear what this means; the intent should be clarified.

<sup>2</sup> SCAQMD, Revised Draft AQMP, Appendix IV, p. IV-A-61.

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The document states: "It is expected that the cost effectiveness for this control measure would be in the neighborhood of \$16,000 per ton NO<sub>x</sub> reduced. It is based on the cost effectiveness developed for non-RECLAIM facilities or other command-and-control rules in other air pollution control districts. It should be noted that since RECLAIM facilities have the ability to trade RTCs, it tends to lower the actual cost of compliance. Staff will refine the cost effectiveness during the rule development phase."<sup>3</sup>

This discussion is fundamentally flawed for a capped market like RECLAIM. RTC prices are dictated by both the market's view of the current supply-demand balance and the market's view of the future supply-demand balance. Any reduction in market supply (e.g., a shave), will cause the market to reassess the supply-demand relationship and the RTC market prices will adjust accordingly. Past market prices cannot be used to forecast future prices when a major structural change is being proposed, such as a nearly 20% supply reduction. Such a shave would certainly cause an escalation in RTC pricing into the future. The economic impact from such a measure would have to include capital and operating expenses for sources installing new emission control equipment or basic equipment, as well as higher RTC prices for all RECLAIM market participants. Conversely, the economic consequences could be broader and more significant for the regional economy if the RECLAIM market was unable to support key industrial sectors.

The District should conduct a comprehensive market analysis to understand the potential impacts of reducing RTC supplies on the regional economy. Furthermore, any future reductions to the RECLAIM market should be based on technologies which have been demonstrated to be technologically and economically feasible (i.e., BARCT).

Recommendations:

1. CMB-01 Phase II should be completely removed from the 2012 AQMP and reconsidered in the 2015 AQMP as part of a comprehensive strategy for ozone attainment.
2. Any future reductions to the RECLAIM market should be based on technologies which have been demonstrated to be technologically and economically feasible (i.e., BARCT).
3. Any remaining discussion of CMB-01 Phase II and associated cost effectiveness should be based on a comprehensive market analysis that considers the potential impacts to the regional economy of reducing RECLAIM market supplies (i.e., RTCs). Such analysis should consider economic growth factors and use a forecasting methodology as was done for the broader regional emissions inventory. Special consideration should be applied to the electricity sector including consideration of the CARB AB 1318 report on future electricity sector demands for natural gas-fueled generation in the South Coast Air Basin.

<sup>3</sup> SCAQMD, Revised Draft AQMP, Appendix IV, p. IV-A-62.

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**2. FUG-01: VOC REDUCTIONS FROM VACUUM TRUCKS [VOC]**

This control measure would target emission reductions from vacuum trucks through the use of traditional control devices and technologies, including carbon adsorption systems, positive displacement pumps, internal combustion engines, thermal oxidizers, refrigerated condensers and liquid scrubbers.

The proposed control measure does not provide enough specifics to understand all the potential implications but some areas of potential concern would include:

- **Compatibility of vacuum trucks to control equipment:** Not all vacuum trucks can be connected to control equipment for various reasons which can include: (a) lack of connection point on the vacuum truck; or (b) some vacuum trucks are too powerful to be connected to a control device (e.g., carbon canister); the high discharge pressure exerted on the hoses, connectors and control equipment is too high (e.g., gap vacuum trucks). Currently, we know of no control equipment compatible with gap vacuum trucks.
- **Permitting:** Portable carbon canisters are typically permitted for odor control and not for emissions control. The District needs to provide a phase-in period to allow the industry to re-permit their existing control equipment for appropriate use. There may not be ample permitted control equipment available for rental if the vacuum truck control requirements become effective immediately after the rule is promulgated.
- **Training:** Training of vacuum truck operators on Method 21 would take time to accomplish.
- **Costs:** The costs of the monitoring equipment and setup for control equipment will impact maintenance budgets and needs to be fully considered.
- **Emissions Reductions:** WSPA questions the realism of the potential emission reductions cited in the proposed control measure. Those estimates will need to be refined during rule development.

Recommendations:

1. The District staff should continue to work with industry to develop the rules contemplated under FUG-01 to ensure that all engineering, costs and safety considerations are fully understood before proposing any new/modified rule(s).

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**3. FUG-02: EMISSION REDUCTIONS FROM LPG TRANSFER AND DISPENSING [VOC]**

The purported purpose of this control measure is to reduce VOC emissions associated with the transfer and dispensing of Liquefied Petroleum Gas (LPG). WSPA recognizes that District Rule 1177 (adopted June 1, 2012) provides an exemption for facilities that are under the purview of Rule 1173 (Fugitive Emissions). The control measure identifies refineries, marine terminals, natural gas processing plants and pipeline transfer stations as being among the types of facilities covered by Rule 1173.

WSPA also recognizes the District's interest in evaluating the potential for further VOC emission reductions from those facilities that are currently exempt from Rule 1177 per 1177(j)(2). We assume that any decision to commence further rule development will be based on the outcome of the evaluations of potential emission reductions and associated cost-effectiveness. However, the language of the proposed control measure states that, "... the proposed control measure will evaluate the potential for further reductions in VOC emissions and expand the applicability of Rule 1177 ... to include ... previously exempted facilities." (Emphasis added)

Recommendations:

1. Revise FUG-02 discussion to clarify that an expansion of Rule 1177 applicability will not be automatic, but rather will be based on the results of the not-yet-conducted evaluations.

**4. FUG-03: FURTHER REDUCTIONS OF FUGITIVE VOC EMISSIONS [VOC]**

The control measure describes a broad-brush approach to potentially further reducing VOC emissions from fugitive emission components at petroleum industry facilities and chemical plants. The control measure focuses on the potential use of optical gas imaging technology, as did 2007 AQMP control measure FUG-01.

Optical gas imaging (OGI) technology was borne out of a desire to conduct fugitive emission LDAR programs in a more efficient manner (thus, the term "Smart-LDAR"). 2007 AQMP Control Measure FUG-01 specifically recognized the inefficient and labor-intensive effort associated with conventional LDAR programs; however, this concept is not included in FUG-03. The control measure should recognize the problem with inefficiency of existing LDAR programs.

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The control measure lists seven existing District rules for which it is suggested that the requirements could be enhanced - but the nature of the potential enhancements to the individual rules is not explained. Thus, the overall proposed approach remains vague. The control measure needs to be more specific.

Mention is made of an OGI pilot program, but there is little to suggest what the District might be thinking in this regard. The control measure needs to provide more information and greater clarity, or, in the alternative, there should be a description of a potential stakeholder process through which a pilot program might be developed.

The control measure states that, for example, requirements for "work practices" might be upgraded to "self-inspection programs", and that some of these programs might be upgraded to "LDAR programs". These terms are poorly defined, and are not easily understood.

Facilities subject to Rule 463 and 1178 (Storage of Organic Liquids) utilize a "self-inspection program" but those self-inspection programs are applicable primarily to seals on floating roof tanks. We believe that the District does not intend to suggest utilizing OGI technology for tank seals, and the control measure should clarify this point.

FUG-03 suggests that OGI might be used to "supplement" existing programs. However, clearly the highest and best potential use of the OGI is as a substitute for conventional inspections of components with an organic vapor analyzer.

WSPA's overriding concern is that adding OGI to existing requirements would not be cost-effective. Replacing LDAR with OGI is more attractive, and there are various possibilities that could be explored (e.g., using OGI for difficult-to-monitor components). Using the EPA Alternative Work Practice (AWP) verbatim is not useful, because the final AWP requires conventional LDAR at least annually, and the calibration requirements for OGI are onerous.

The control measure summary table identifies potential VOC reductions of between one and two tons per day by 2019 from an inventory of 3.8 tons per day. WSPA believes that the estimated emissions reductions (roughly 25-50%) are overly optimistic. We would like to understand the source of the 3.8 tons/day emissions inventory as well as the basis for the estimated reductions. We note that the discussion of "Emissions Reduction" states that the emission reductions have not been determined.

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The cost effectiveness has been estimated to be \$11,000 per ton of emissions reduced. There is simply no basis for the estimated cost effectiveness given that: (1) the emission reductions have not been determined; and (2) there is no specific proposal for rule making. This figure should be removed from the document.

The control measure refers to work by EPA that began in the "early 1970s". WSPA questions the accuracy of this statement; we submit that the time period might be the "early 1990's."

The correlation equations were developed initially by WSPA and API; EPA ultimately approved them.

Recommendations:

1. FUG-03 should be revised to consider the use of optical gas imaging (OGI) technology as a suitable substitute for, not an addition to, conventional LDAR component inspections. This was the intended purpose of "Smart-LDAR" and would help to resolve the inefficient and labor-intensive effort associated with conventional LDAR programs.

**5. MCS-03: IMPROVED START-UP, SHUTDOWN AND TURNAROUND PROCEDURES [ALL POLLUTANTS]**

This control measure, which is a carryover from 2007 AQMP Control Measure MCS-06, is proposed as a means of reducing all pollutants from activities associated with Start-ups, Shut-downs and Turn-Arounds (S/S/TAs) of process units at various facilities. Although chemical plants and "other types of industries" are mentioned in the control measure, the principal focus has always been on petroleum refineries.

As noted in our comment letter dated 31 August 2012, WSPA believes this measure is should be removed from the 2012 AQMP since the District has already commenced rule development activities on the basis of the 2007 AQMP authority. With that said, we are providing additional comments on the proposed measure presented in Appendix IV of the Revised Draft AQMP.

In the "Background" section there are statements that there are higher emissions associated with process equipment S/S/TAs, that these higher emission rates have been observed, and that the higher emission rates are due to higher equipment loadings during so-called transient operating conditions. Aside from potential flare emissions, WSPA questions the whether equipment loadings and equipment emissions are higher during S/S/TAs. In fact, WSPA has already embarked on a study with the District to answer that very question. It is premature to conclude at this time that equipment loadings and emissions are higher during S/S/TA.

PPP-9

PPP-10

Attachment 1

WSPA Comments on Revised Draft 2012 South Coast Air Quality Management Plan  
12 November 2012

With regards to potential flare emissions, the Regulatory History discussion correctly notes that the District's 2005 amendments to Rule 1118 (Control of Emissions from Refinery Flares) enhanced the flare emission reductions that had begun several years earlier. Emissions from refinery flares, which include emissions associated with S/S/TAs have been reduced by ninety percent, or more, since Rule 1118 was adopted in 1998. However, the Regulatory History discussion fails to mention the most recent related development. In Spring 2012, the District and the refineries developed a new enforceable permit condition (S56.1) for the refinery Title V operating permits. That permit condition requires refinery operators to adhere to their respective options for reducing flaring, and to update the lists annually to reflect any revisions. This should reduce flare emission even further.

The Method of Control discussion presents an approach consisting of two phases:

- Phase I, a "technical assessment", will have a target completion in the 2012/2013 timeframe. The discussion in the control measure states that, "Under Phase I, effort (sic) will include establishing procedures that better quantify emission impacts from start-up, shutdown, or turnarounds." WSPA believes that this description misstates the goal of Phase I. Phase I will involve a review of current emission reporting practices (so that the District can better understand current emissions reports), and potential revisions to the District's Annual Emission Report (AER) program, if warranted.

Further, Phase I has been underway since early 2012 as a result of 2007 AQMP CM MCS-06. This is one example of how proposed control measure MCS-03 is redundant.

- Phase II will potentially involve analyses to, (1) "... identify improved operating procedures that minimize emissions..."; (2) "... develop rule amendments that could seek implementation of best management practices ... "; and (3) potentially require additional hardware.

As noted above, refineries are already required (e.g., Rule 1118 and Title V permit condition S56.1) to identify and follow options that minimize flare emissions associated with S/S/TAs. Further, existing Rule 1123 has very effectively regulated VOC emissions due to vessel depressuring, and Rule 1176 effectively regulates liquids drained from equipment into refinery sewer systems.

PPP-10



Attachment 1

WSPA Comments on Revised Draft 2012 South Coast Air Quality Management Plan  
12 November 2012

With respect to the potential identification and implementation of Best Management Practices (BMPs), these are already included in the flare minimization requirements of Rule 1118 and the S56.1 permit condition. Further, requirements within the Federal NESHAPs for Start-up, Shut-down, Malfunction Plans (SSMPs) create the same duty for all affected facilities through a mandatory requirement to utilize "Good Air Pollution Practices" - essentially BMPs - during all periods of start-up, shut-down and turnarounds. A facility's SSMPs must be reviewed after each covered activity, and fine-tuned to continually enhance good air pollution control practices. This is another example of how the proposed control measure MCS-03 is redundant.

PPP-10

Recommendations:

1. Proposed measure MCS-03 should be removed from the 2012 AQMP.
6. **EDU-01: FURTHER CRITERIA POLLUTANT REDUCTIONS FROM EDUCATION, OUTREACH, AND INCENTIVES [ALL POLLUTANTS]**

Please see our above comment on proposed measure EDU-01.

**Appendix IV-B: District's Mobile Source Control Measures**  
Proposed Section 182(e)(5) Implementation Measures  
Group 2: Off-Road Mobile Sources

1. **OFFRD-04: FURTHER EMISSION REDUCTIONS FROM OCEAN-GOING MARINE VESSELS WHILE AT BERTH [ALL POLLUTANTS]**

The stated purpose of this control measure is to incentivize additional controls on auxiliary engines and boilers on ocean-going marine vessels while at berth. The Revised Draft AQMP notes: "Due to technical and operational (i.e., frequency of calls) reasons, however, cold ironing may not be a viable option for all types of ships. Also, ships require steam for hotelling operations. If all the electrical power for hotelling is supplied by cold ironing, steam must be provided from the ship's boilers or the shore to the ships. Based on energy consumption, steam can account for as much as 30 percent of all energy used during hotelling."

PPP-11

Attachment 1

WSPA Comments on Revised Draft 2012 South Coast Air Quality Management Plan  
12 November 2012

These conditions are particularly relevant for crude oil tankers and other bulk liquids marine vessels which call at San Pedro Bay. These tankers are generally not owned or operated by U.S. companies and often suffer from the technical and operational limitations described in the AQMP. Some of these vessels will not be able to comply with shorepower/cold-ironing provisions.

PPP-11

Recommendations:

1. Proposed measure OFFRD-04 should be revised to discuss the technical and operational limitations associated with crude oil tankers and other bulk liquids marine vessels.

**2. OFFRD-05: EMISSION REDUCTIONS FROM OCEAN-GOING MARINE VESSELS [NOX, PM]**

The stated purpose of this measure is to “incentivize the newest Tier 2 and Tier 3 vessels to call at the Ports of Los Angeles and Long Beach.” The measure goes on to state: “This measure seeks to enhance the Ports’ programs as necessary to maximize the number of Tier 3 vessels calling at the Ports. In addition, other mechanisms that could complement the Port program will be explored. Examples include discussions on the state and federal level of mechanisms to incentivize Tier 2 and Tier 3 vessel calls through the North American ECA and programs to retrofit or repower existing vessels to meet Tier 3 standards.”

PPP-12

It is not clear that the District has the authority to impose this measure, yet the Revised Draft AQMP goes on to suggest “this measure could achieve, at a minimum, NO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub> reductions of 2.8 tpd, 0.1 tpd, and 0.09 tpd, respectively by 2023. The AQMP should be revised to clarify the legal authority for this measure, details on the method(s) of control, and more details on the basis of the suggested “minimum” emission reductions.

Recommendations:

1. Proposed measure OFFRD-05 should be revised to clarify the legal authority for this measure, details on the method(s) of control, and more details on the basis of the suggested “minimum” emission reductions.

**Responses to Comment Letter PPP**  
**WSPA**

**Response to Comment PPP-1:**

Please refer to Response to comments R-1, S-1, T-2, W-1, Z-2, BB-1, DD-8, KK-3, LL-3, CCC-1, and GGG-1.

**Response to Comment PPP-2:**

Please refer to Response to comments S-6, T-3, W-3, W-4, and CCC-3.

**Response to Comment PPP-3:**

Please refer to Response to comments S-6, T-3, W-4, W-5, BB-2, and CCC-3.

**Response to Comment PPP-4:**

Please refer to Response to comment W-7.

**Response to Comment PPP-5:**

Please refer to Response to comments W-9, and CCC-2.

**Response to Comment PPP-6:**

Please refer to Response to comments W-2, and EEE-1.

**Response to Comment PPP-7:**

It is correct that the elements of the 2007 AQMP control measures MCS-03 are carried over and included in the broader scope of the 2012 AQMP control measure EDU-01.

**Response to Comment PPP-8:**

Any expansion of Rule 1177 applicability will necessarily follow the traditional rulemaking process that will include the thorough evaluation of the feasibility and cost effectiveness of achieving further reductions from the new sources proposed for inclusion. The evaluation will include a full socio-economic and environmental assessment of the impacts of the Rule's expanded applicability.

**Response to Comment PPP-9:**

The purpose of this control measure is not to replace current traditional LDAR programs, which have produced significant fugitive VOC reductions in the Basin. Rather, it seeks to take advantage of new imaging technologies to institute fugitive emission reductions programs in source categories not currently subject to current LDAR requirement, but in a more efficient and cost-effective manner using

advanced techniques. Staff will explore opportunities that would further enhance the effectiveness of traditional LDAR programs through the use of OGI techniques. Note that the \$11,000 per ton cost effectiveness is based on traditional LDAR programs, and reflects an upper bound considering the lower expected cost of OGI techniques.

**Response to Comment PPP-10:**

Please refer to Response to comment W-10.

**Response to Comment PPP-11:**

This measure is a voluntary incentive program targeting potential emissions reductions not regulated by the current CARB regulation. The participation is voluntary based on technically feasible and cost-effective technologies.

**Response to Comment PPP-12:**

As stated in the comment, this measure seeks to *incentivize* cleaner vessels to call on the Ports of Los Angeles and Long Beach. It builds upon and complements other programs already being implemented. As it does not seek SIP-committed emissions reductions through imposing regulations, there is no need for the legal authority to implement such voluntary incentive programs. The emission reductions referenced are for discussion purposes.

QQQ. Sierra Club Angeles Chapter, November 12, 2012



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FOUNDED 1892

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Comments by Sierra Club Angeles Chapter on  
Draft Socioeconomic Report of the South Coast Air Quality Management Plan (AQMP)

November 12, 2012, sent to: [2012aqmpcomments@aqmd.gov](mailto:2012aqmpcomments@aqmd.gov)

Dear South Coast Air Quality Management District,

The Sierra Club has long been concerned about environmental justice issues and promoting green jobs. We are impressed with the chart on page 1-3 showing the "Evolution of Socioeconomic Analysis." However, it is disappointing that so many key enhancements will have to wait for future AQMPs: especially expanding sub-regional analyses to include environmental justice (EJ) areas. The map on page 5-4 does show big improvements in many EJ areas. However, these are mainly the areas where the pollution has been the worst and causing huge health impacts. We request that future Socioeconomic Reports quantify the current costs of health impacts on EJ areas, along with the reductions in health impacts resulting from the Plan.

The section on Green Jobs (p. 2-5) is quite perfunctory and does not address the following key issues:

1. Where are the green jobs located? The District should stress in all its lobbying efforts to support green jobs going to the EJ areas, which are defined on p. 5-3 as high poverty and high impacts: "An important element of the socioeconomic analysis is to identify how the proposed control strategy will impact the sensitive portions of the population, in particular, the segment of the community identified by the District's existing environment justice (EJ) guidance, which is an area that exceeds 10 percent of poverty rate with a cancer risk greater than 850 in a million or a PM<sub>2.5</sub> concentration greater than 19.02 µg/m<sup>3</sup>."
2. The differentials in jobs per dollar created by money invested in renewables and efficiency, compared to using fossil fuels. We are concerned that the fossil fuel industry touts the large number of jobs involved in the mining, refining, and distribution of the dangerously polluting fossil fuels. But many studies have shown many more jobs per dollar are created by money invested in renewables and efficiency, compared to using fossil fuels.
3. We request an analysis of how money invested in clean fuels (solar, wind, and geothermal) has a much bigger economic benefit than money invested in fossil fuels, because the fossil fuels create such a huge economic drain on Southern California by all the work and school days lost because of air pollution.

Thank you for the opportunity to comment.

Jim Stewart, PhD, Chair  
Sierra Club Angeles Chapter Global Warming, Energy & Air Quality Committee  
213-487-9340 Fax: 310-362-8400 Cell: 213-820-4345

QQQ-1

**Responses to Comment Letter QQQ**  
**Sierra Club Angeles Chapter**

**Response to Comment QQQ-1:**

Staff will study costs of health impacts on EJ areas in future enhancements. For the detailed locations of green jobs, please see the 2010 EDD report of “California’s Green Economy—Summary of Survey Results.” Staff will examine data availability on the differential impacts of investments on clean fuels versus fossil fuels as part of its future endeavors.

**RRR. Joyce Dillard, November 12, 2012**

**From:** Joyce Dillard [mailto:dillardjoyce@yahoo.com]  
**Sent:** Monday, November 12, 2012 11:17 AM  
**To:** 2012 AQMP Comments  
**Subject:** Comments to AQMP Air Quality Management Plan due 11.12.2012

You changed the due date. LA Times Classified Ad read:

*NOTICE IS FURTHER GIVEN that the 2012 AQMP is designed to meet federal Clean Air Act requirements and addresses the attainment demonstration requirements of the federal Clean Air Act for the South Coast Air Basin (Los Angeles County, Orange County, San Bernardino County and Riverside County). NOTICE IS FURTHER GIVEN that the 2012 AQMP will be submitted to the California Air Resources Board (CARB) and the Environmental Protection Agency for inclusion into the State Implementation Plan (SIP). NOTICE IS FURTHER GIVEN that the Plan addresses air quality standards for 24-hour PM2.5 and 1-hour ozone, as well as updates provisions relevant to the 8-hour ozone standard. This revision to the AQMP updates transportation emission budgets based on the latest motor vehicle emissions model and planning assumptions. The Plan also incorporates significant new scientific data, emissions inventories, ambient measurements, and air quality models. The 2012 AQMP is jointly prepared by the District, CARB, and Southern California Association of Governments (SCAG). NOTICE IS FURTHER GIVEN that the 2012 AQMP includes new information on key elements such as: Current air quality; Improved emission inventories An overall control strategy comprised of: Stationary and Mobile Source Control Measures; An attainment demonstrations for the 24-hour PM2.5 standard; Updated attainment demonstration for the revoked 1-hour ozone standard; Further specifications of certain commitments to provide emission reductions for the 1-hour and 8-hour ozone standards; Motor vehicle emission budgets for transportation conformity purposes. NOTICE IS FURTHER GIVEN that the Revised Draft 2012 AQMP was released for public comment and review on September 7, 2012 following the release of the initial Draft 2012 AQMP on July 18, 2012. Six regional workshops were held from July 10 through August 9, 2012 to discuss the Plan and solicit public input. Four public hearings were held from September 11 through September 13, 2012 to discuss the modifications to the Draft 2012 AQMP based on the comments received on the Draft 2012 AQMP. Comments on the Revised Draft 2012 AQMP are encouraged to be submitted by November 12, 2012 in order to provide time to respond and incorporated changes to the Plan where appropriate.*

In the Overall Attainment Strategy, you indicate

*The control measures were chosen based on technical and economic feasibility, as well as other factors such as promoting fair share responsibility and maximizing private/public partnerships. Table 4-1 provides an overview of the criteria used in evaluating and selecting feasible control measures, in no particular order.*

We do not understand how you have come to the conclusion for this list without some back-up of analysis and how you determined that private/public partnerships as a strategy

RRR-1

for attainment; and, in Table 4-1 Criteria for Evaluating 2012 AQMP Control Measures when you do not even a rank by priority.

Those Criteria are:

1. Cost-Effectiveness
2. Emission Reduction Potential
3. Enforceability
4. Legal Authority
5. Public Acceptability
6. Rate of Emission Reduction
7. Technological Feasibility

You are creating a market, not addressing the real issue.

You fail to address those out gassing of methane in areas of the South Coast Basin with oil wells, either current or past. There is a study underway by a university professor and non-profit organization that is finding high levels of emission affecting ozone.

You have not sufficiently demanded or enforced mitigation measures over the Metrolink Maintenance Yard issues that affect an Environmental Justice community.

You are understating the health assessment risks.

RECLAIM or any other type mechanism does not address the issue.

Complete Streets and Circulation Element of the General Plan would need to be addressed as the issues from the Department of Transportation Pipeline and Hazardous Materials Safety Administration Docket No. PHMSA-2011-0023-0001 Pipeline Safety: Safety of Gas Transmission Pipelines. The condition of infrastructure and the operations and maintenance of that infrastructure cannot be offset by credits.

The Railroad Safety System should be addressed.

You have not done due diligence and may continue substantial inadequacy.

Joyce Dillard

P.O. Box 31377

Los Angeles, CA 90031

RRR-1

RRR-2

RRR-3

RRR-4



**From:** Joyce Dillard [mailto:dillardjoyce@yahoo.com]  
**Sent:** Monday, November 12, 2012 11:21 AM  
**To:** 2012 AQMP Comments  
**Subject:** Comments to 2012 AQMP Draft Socioeconomic Report due 11.12.2012

Oil wells and the related methane issues tend to be in the Inner City of Downtown Los Angeles.

Other areas in the South Coast Basin have now become populated, though not as dense with oil wells and related methane issues.

You are underplaying this aspect of the basin. You have not addressed those health issues around the poor air quality. You have not even tested these sensitive areas and have never considered this issue in your implementation strategies while you base compliance on unrealistic expectations and disregard to the continuing deterioration of quality of life including health.

You do not address the true costs.

You need to test these areas of special concern. They are unique in the country.

A university professor and a non-profit organization is studying this out gassing of methane in the Los Angeles region and are alarmed at their preliminary findings.

Deteriorating infrastructure is common and (Federal) agencies are aware of the problem as is the Governor's Office of Planning and Research. OPR requires guides local governments in implementation of Elements to the General Plans.

The absence of operations and maintenance funding and/or capital improvements will affect the socio-economic analysis. The cost of living in the South Coast Basin may rise far beyond other communities.

RRR-5

We do not know the cost.

You have no patterns specifying jobs to the air quality reductions measures due to implementation strategies. You are underestimating control costs.

We do not know the cost.

RRR-6

You have not addressed the continuing air quality problem with the railroads and their maintenance yards. There is not an existing Department of Transportation FRA Federal Railroad Administration System Safety Program to cover these problems.

We do not know the cost.

You cannot say there is any quantifiable benefit unless you address and correct the inadequacies of the presumptions.

There is environmental injustice.

Joyce Dillard

P.O. Box 31377

Los Angeles, CA 90031

RRR-7

**Responses to Comment Letter RRR**  
**Joyce Dillard**

**Response to Comment RRR-1:**

Please refer to Response to comment M-2.

**Response to Comment RRR-2:**

The 2012 AQMP is primarily designed to address the air quality of criteria pollutants, namely PM<sub>2.5</sub> and ozone. It does not propose measure to address methane emissions and their impact on climate. There is no current evidence that methane significantly affects ozone formation. It is therefore considered inert and not an ozone precursor. There may be co-emitted VOCs from oil operations that do affect ozone formation, and those are accounted for in the AQMP analysis.

**Response to Comment RRR-3:**

The 2012 AQMP is designed to address the regional air quality of criteria pollutants, namely PM<sub>2.5</sub> and ozone. Localized toxic impacts and environmental justice issues are addressed through other programs, such as our Clean Communities Plan, diesel emission reduction efforts, air toxic assessment studies, CEQA review, and risk reduction strategies. However, some of the measures designed for regional air quality improvement will have commensurate exposure reduction benefits for local communities

**Response to Comment RRR-4:**

The NO<sub>x</sub> RECLAIM market only applies to the largest stationary sources in the Basin, and does not apply to construction or maintenance of distributed infrastructure.

**Response to Comment RRR-5:**

Emissions from oil wells in the Basin and their impact on ozone and PM<sub>2.5</sub> are included in the analysis. Localized impacts are addressed through other programs, such as permitting, CEQA review and AB2588 risk reduction strategies. AQMD staff has recently held a technology symposium on hydraulic fracturing, and is initiating a rulemaking on reporting and public notification.

**Response to Comment RRR-6:**

Please refer to Response to comments C-1, M-1, KK-5, EEE-2, and HHH-2.

**Response to Comment RRR-7:**

Please refer to Response to comment RRR-03.