

**State of California
Air Resources Board
Board Item Summary**

**Item # 22-12-3: Public Meeting to Consider the Proposed 2022
State Strategy for the State Implementation Plan**

Staff Recommendation:

Staff recommends that the California Air Resources Board (CARB or Board) approve the Proposed 2022 State Strategy for the State Implementation Plan (Proposed 2022 State SIP Strategy), including the proposed commitments therein, as a revision to the California State Implementation Plan (SIP) and direct the Executive Officer to submit the strategy and commitments to U.S. EPA as a revision to the California SIP alongside the attainment plans for the relevant nonattainment areas.

Discussion:

In 2015, U.S. EPA revised the 8-hour ozone standard from 75 parts per billion (ppb) to the more health protective level of 70 ppb. Nineteen areas in California are nonattainment for the 70 ppb 8-hour ozone standard. Under the federal Clean Air Act, after a new standard is set, states and local air districts must develop SIPs to demonstrate attainment in the nonattainment areas by the required deadlines that identify both the magnitude of emissions reductions needed, and the actions necessary to achieve those reductions. The Proposed 2022 State SIP Strategy describes the proposed control measures and emissions reductions to support attainment across California of the 70 ppb 8-hour ozone standard over the next fifteen years.

In California, reducing oxides of nitrogen (NO_x) emissions, a precursor to ozone formation, is essential to attain the ozone standards. Reductions in reactive organic gases (ROG) can also provide ozone benefits in certain areas of the State, and because many types of ROG are toxic air contaminants, these reductions may also reduce cancer risk in nearby communities. Under State law, CARB is responsible for developing emission reduction strategies for cars, trucks, and other mobile sources, as well as consumer products and other sources under State authority. Local air districts are primarily responsible for controlling emissions from stationary sources such as power plants, factories, and refineries. Further, U.S. EPA and other federal and international entities have primary regulatory authority over interstate sources of pollution including locomotives, aircraft, and ocean-going vessels. With the Proposed 2022 State SIP Strategy, CARB is proposing an unprecedented variety of new measures to reduce emissions from the sources under our authority using all mechanisms available. This level of action is needed to ensure federal air quality standards are attained and to deliver on our commitments to protect public health, particularly in light of the growing body of evidence on the adverse impacts of air pollution. The measures in the Proposed 2022 State SIP Strategy and accompanying measures by the districts at the local level will also significantly reduce emissions and improve air quality in low-income communities of color and

disadvantaged communities, many of which are adjacent to freight facilities and transportation corridors. Emission sources that are primarily federally and internationally regulated account for the largest portion of NO_x emissions in future years. Because of this, in addition to the measures CARB is committing to for State-regulated sources, the Proposed 2022 State SIP Strategy also describes the actions needed by federal and international entities to further control emissions from these sources. The SIPs for each of the nonattainment areas in California are being developed jointly by CARB and the local air districts and will incorporate measures from the Proposed 2022 State SIP Strategy as well as local air district efforts as needed.

Over the last year, CARB staff held four public workshops, and released the *2022 State SIP Strategy: Draft Measures* document in October 2021 and the *Draft 2022 State SIP Strategy* in January 2022, to allow for public feedback, input, and ideas along with an informational update to the Board in February. These ideas are identified as Public Measure Suggestions and were evaluated by staff to determine if they could meet Clean Air Act requirements for SIP measure approvability; those that staff determined could meet requirements were incorporated into measure commitments in the Proposed 2022 State SIP Strategy. Staff also released the Draft Environmental Analysis in March 2022; the Final Environmental Analysis is included with the Proposed 2022 State SIP Strategy and assesses the potential for significant adverse and beneficial environmental impacts associated with the proposed actions and provides a programmatic environmental analysis of the reasonably foreseeable compliance responses that could result from implementation of the Proposed 2022 State SIP Strategy.

Summary and Impacts:

The Proposed 2022 State SIP Strategy identifies the control measures and emissions reductions necessary to support attainment of the federal 70 ppb 8-hour ozone standard in California. Further, the Proposed 2022 State SIP Strategy serves as a call to action and describes the federal and international actions needed in order to reduce emissions from primarily-federally and internationally regulated sources. Statewide, staff projects that CARB measures and the federal actions needed identified and quantified in the Proposed 2022 State SIP Strategy will achieve over 200 tons per day (tpd) of NO_x and 40 tpd of ROG emissions reductions compared to baseline 2037 levels. Even with the significant emissions reductions associated with ongoing implementation of the existing control program, these additional reductions from new measures are needed to provide for attainment of the 70 ppb 8-hour ozone standard in certain areas of California. Emissions reductions outlined in the Proposed 2022 State SIP Strategy will also support attainment across the State of other national and State ambient air quality standards, and reduce community exposure to toxic diesel particulate.

Over the life of the strategy, from 2023 through 2037, the total net cost of the proposed measures is estimated as \$96.2 billion, which includes \$33.8 billion in CARB measures and \$62.3 billion in measures that require federal and international actions. The average annual cost from 2023 to 2037 is estimated at \$8.8 billion, which is less than 0.3 percent of projected California GDP in 2037. In the context of the California economy, the anticipated economic impacts of the Proposed 2022 State SIP Strategy are small across all economic indicators, and these costs and economic impacts do not reflect the potential health and

environmental benefits of attaining the federal ambient air quality standards which could result in positive economic growth.

At the September hearing, staff will present the Proposed 2022 State SIP Strategy and Final Environmental Analysis to the Board for consideration. Regional attainment plans will be brought back to the Board for consideration with CARB staff's proposed aggregate emissions reduction commitments after the relevant district Boards approve their plans in the coming months. If adopted, CARB will submit the Proposed 2022 State SIP Strategy and the commitments to pursue measures according to the defined schedule contained therein to the U.S. EPA as a revision to the California SIP alongside the attainment plans for the relevant nonattainment areas.