State of California AIR RESOURCES BOARD

2016 AIR QUALITY MANAGEMENT PLAN FOR OZONE AND PM2.5 IN THE SOUTH COAST AIR BASIN AND THE COACHELLA VALLEY

Resolution 17-8

March 23, 2017

Agenda Item No.: 17-3-4

Statutory Setting under California Law

WHEREAS, the Legislature in Health and Safety Code section 39602 has designated the State Air Resources Board (ARB or Board) as the air pollution control agency for all purposes set forth in federal law;

WHEREAS, ARB is responsible for preparing the State Implementation Plan (SIP) for attaining and maintaining the national ambient air quality standard (NAAQS) as required by the federal Clean Air Act (Act) (42 U.S.C. section 7401 et seq.), and to this end is directed by Health and Safety Code section 39602 to coordinate the activities of all local and regional air pollution control and air quality management districts (districts) as necessary to comply with the Act;

WHEREAS, section 39602 of the Health and Safety Code also provides that the SIP shall include only those provisions necessary to meet the requirements of the Act;

WHEREAS, section 41650 of the Health and Safety Code requires ARB to approve the nonattainment area plan adopted by a district as part of the SIP unless the Board finds, after a public hearing, that the plan does not meet the requirements of the Act;

WHEREAS, ARB has responsibility for ensuring that the districts meet their responsibilities under the Act pursuant to sections 39002, 39500, 39602, and 41650 of the Health and Safety Code;

WHEREAS, ARB is authorized by section 39600 of the Health and Safety Code to do such acts as may be necessary for the proper execution of its powers and duties;

WHEREAS, sections 39515 and 39516 of the Health and Safety Code provide that any power, duty, purpose, function or jurisdiction of the Board may be delegated to the ARB Executive Officer as the Board deems appropriate;

WHEREAS, the districts have primary responsibility for controlling air pollution from non-vehicular sources and for adopting control measures, rules, and regulations to

attain the NAAQS within their boundaries pursuant to sections 39002, 40000, 40001, 40701, 40702, and 41650 of the Health and Safety Code;

WHEREAS, the South Coast Air Basin (Basin) includes Orange County, the southwestern two-thirds of Los Angeles County, southwestern San Bernardino County, and western Riverside County;

WHEREAS, the South Coast Air Quality Management District (District) is the local air district with jurisdiction over the Basin and the Riverside County portion of the Salton Sea Air Basin (Coachella Valley), pursuant to sections 40410 and 40413 of the Health and Safety Code;

WHEREAS, section 40469(a) of the Health and Safety Code requires ARB to determine adequacy of the nonattainment area plan adopted by the District to meet the requirements of State law and the federal Act;

WHEREAS, the Southern California Association of Governments (SCAG) is the regional transportation agency for the Basin and Coachella Valley and has responsibility for preparing and implementing transportation control measures to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling and traffic congestion for the purpose of reducing motor vehicle emissions pursuant to sections 40460(b) and 40465 of the Health and Safety Code;

The Ozone and Particulate Matter National Ambient Air Quality Standards and Implementation Plans

WHEREAS; on November 6, 1991, the United States Environmental Protection Agency (U.S. EPA) designated the Basin nonattainment for the 1-hour ozone NAAQS with a classification of Extreme and an attainment date of no later than November 15, 2010;

WHEREAS, on July 18, 1997, U.S. EPA promulgated an 8-hour NAAQS for ozone of 80 parts per billion (ppb);

WHEREAS, on April 15, 2004, U.S. EPA designated the Basin as nonattainment for the 80 ppb 8-hour ozone NAAQS with an Extreme classification and an attainment deadline by the end of 2023;

WHEREAS; on June 15, 2005, due to the promulgation of a more health protective 8-hour ozone standard, U.S. EPA revoked the 1-hour ozone NAAQS but enacted anti-backsliding regulations related to the planning requirements of the NAAQS;

WHEREAS; on February 6, 2013, U.S. EPA issued a "SIP call" since the Basin did not meet the 1-hour ozone NAAQS by 2010 requiring California to submit a SIP revision that demonstrates attainment of the 1-hour ozone NAAQS as expeditiously as practicable;

WHEREAS, on September 27, 2007, ARB adopted the 2007 Air Quality Management Plan (2007 AQMP) demonstrating that the Basin will attain the 80 ppb 8-hour ozone NAAQS by the end of 2023;

WHEREAS, on April 30, 2012, U.S. EPA approved the Basin portion of the 2007 AQMP;

WHEREAS, on January 25, 2013, ARB adopted the 2012 Air Quality Management Plan (2012 AQMP) demonstrating that the Basin will attain the 1-hour ozone NAAQS by the end of 2022;

WHEREAS, on October 3, 2014, U.S. EPA approved the portion of the 2012 AQMP related to the 1-hour ozone standard;

WHEREAS, on March 27, 2008, U.S. EPA strengthened the 8-hour ozone NAAQS to 75 ppb;

WHEREAS, on July 20, 2012, U.S. EPA designated the Basin as nonattainment for the 75 ppb 8-hour ozone NAAQS with an Extreme classification and 2031 attainment deadline, along with the Coachella Valley with a classification of Severe and a deadline to attain the NAAQS of 2026;

WHEREAS, on April 6, 2015, U.S. EPA revoked the 1997 80 ppb 8-hour ozone NAAQS, but maintained anti-backsliding requirement obligations;

WHEREAS, on July 18, 1997, U.S. EPA established a 24-hour fine particulate matter (PM2.5) NAAQS of 65 micrograms per cubic meter (μ g/m3) and an annual PM2.5 NAAQS of 15 μ g/m3;

WHEREAS, on December 18, 2006, U.S. EPA strengthened the 24-hour PM2.5 NAAQS to 35 ug/m³;

WHEREAS, on December 14, 2009, U.S. EPA designated the Basin as nonattainment for the 35 ug/m³ 24-hour PM2.5 NAAQS with an attainment date of December 31, 2014;

WHEREAS, the 2012 AQMP met the Act's requirements as interpreted in the March 2, 2012, U.S. EPA memorandum that provided guidance for the 35 ug/m³ 24-hour PM2.5 NAAQS;

WHEREAS, on January 4, 2013, the U.S. Court of Appeals, D.C. Circuit, found that U.S. EPA erred in implementing the PM2.5 NAAQS solely under the Subpart 1 general provisions of the Act without considering the more specific particulate matter provisions in Subpart 4 and remanded the 2007 PM2.5 Implementation Rule in its entirety back to U.S. EPA to re-promulgate pursuant to Subpart 4;

WHEREAS, on June 2, 2014, U.S. EPA classified the Basin under Subpart 4 of the Act as a Moderate nonattainment area for the 35 ug/m³ 24-hour PM2.5 NAAQS with an attainment date of December 31, 2015;

WHEREAS, on February 19, 2015, ARB adopted a revision to the 2012 AQMP that demonstrated attainment of the 35 ug/m³ 24-hour PM2.5 NAAQS by December 31, 2015;

WHEREAS, on February 12, 2016, U.S. EPA determined that the Basin cannot practicably attain the 24-hour PM2.5 NAAQS by the applicable attainment date and classified the Basin as a Serious nonattainment area for the 35 ug/m³ 24-hour PM2.5 NAAQS with an attainment date of December 31, 2019;

WHEREAS, on March 17, 2013, the U.S. EPA strengthened the annual PM2.5 NAAQS to 12 ug/m³;

WHEREAS, on December 18, 2014, U.S. EPA designated the Basin as nonattainment for the 12 ug/m³ annual PM 2.5 NAAQS with a Moderate classification and an attainment date of December 31, 2021;

WHEREAS, on March 6, 2015, U.S. EPA finalized the implementation rule (Ozone Rule) that established the planning requirements for the 75 ppb 8-hour ozone NAAQS;

WHEREAS, the Act and the Ozone Rule require that Severe and Extreme ozone nonattainment area SIPs include; a current emissions inventory for ozone precursors, oxides of nitrogen (NOx) and reactive organic gases (ROG); a modeled attainment demonstration; reasonably available control measures (RACM) analysis; reasonable further progress (RFP) demonstration; contingency measures for RFP and attainment; transportation conformity budgets; and a vehicle miles travelled (VMT) offset demonstration;

WHEREAS, on October 24, 2016, U.S. EPA finalized the PM2.5 SIP implementation rule (PM2.5 Rule) which established the framework and planning requirements for developing PM2.5 SIPs:

WHEREAS, the PM2.5 Rule requires a comprehensive, accurate, current inventory of emissions data for directly emitted PM2.5 and PM2.5 precursors: oxides of nitrogen (NOx), reactive organic gases (ROG), sulfur oxides (SOx), and ammonia (NH3) for all sources of the relevant pollutants in the area;

WHEREAS, the PM2.5 Rule also requires an assessment of available RACM and Best Available Control Measure (BACM); an attainment demonstration or demonstration that the area cannot practicably attain the NAAQS by the Moderate attainment date; RFP and quantitative milestones; contingency measures; and motor vehicle transportation conformity budgets;

WHEREAS, a recent decision by the U.S. Court of Appeals for the Ninth Circuit, in *Bahr v. U.S. Environmental Protection Agency* (9th Cir. 2016) 836 F.3d 1218, addressed the U.S. EPA's previous interpretation of contingency measure requirements under the Act;

WHEREAS, ARB will work with the U.S. EPA and the District to resolve any issues with the contingency measures identified in the 2016 AQMP in light of *Bahr* and any revised guidance, and to submit a plan revision to U.S. EPA as appropriate;

The District's 2016 Air Quality Management Plan

WHEREAS, the District developed the 2016 Air Quality Management Plan (2016 AQMP) to meet the Basin Extreme nonattainment area planning requirements for the 75 ppb 8-hour ozone NAAQS and Serious nonattainment area planning requirements for the 12 ug/m³ annual and the 35 ug/m³ 24-hour PM2.5 NAAQS along with the Coachella Valley Severe nonattainment area planning requirements for the 75 ppb 8-hour ozone NAAQS;

The District's Plan for Ozone

WHEREAS, the 2016 AQMP also updates the Basin attainment demonstrations for the 80 ppb 8-hour ozone NAAQS and 1-hour ozone NAAQS;

WHEREAS, ARB staff has conducted a review of the 2016 AQMP, and concluded it meets the requirements of the Act related to ozone for the Basin nonattainment area;

WHEREAS, the Ozone Plan identifies sufficient contingency measures for RFP and attainment consistent with sections 172(c)(9) and 182(c)(9) of the Act, as interpreted by previous U.S. EPA guidance;

WHEREAS, ARB staff has concluded that except for the attainment contingency requirement, the 2016 AQMP meets the requirements of the Act related to ozone for the Coachella Valley nonattainment area;

WHEREAS, ARB has released for public comment to be considered by the Board in April 2017, a proposed SIP revision that provides for the Coachella Valley attainment contingency requirement;

WHEREAS, consistent with sections 181(a) and 182(c)(2) of the Act, the 2016 AQMP demonstrates attainment in the Basin as expeditiously as practicable and no later than the end of 2031 for the 75 ppb 8-hour ozone NAAQS, the end of 2023 for the 80 ppb 8-hour ozone NAAQS and the end of 2022 for the 1-hour ozone NAAQS;

WHEREAS, the 2016 AQMP's three ozone NAAQS attainment demonstrations rely on adopted State and local regulations, new local measures, and measures identified in the 2016 State Strategy for the California State Implementation Plan (State SIP Strategy);

WHEREAS, the 2016 AQMP demonstrates the Coachella Valley will attain the 75 ppb 8-hour ozone NAAQS by 2026;

WHEREAS, consistent with section 172(c)(3) of the Act, the 2016 AQMP includes a comprehensive, accurate, current inventory of emissions data of oxides of nitrogen (NOx), and reactive organic gases as ozone precursors;

WHEREAS, consistent with section 172(c)(1) of the Act, the 2016 AQMP demonstrates RACM for ozone;

WHEREAS, consistent with sections 172(c)(2) and 182(c)(2) of the Act, the 2016 AQMP identifies emission levels that demonstrate ozone RFP in both the Basin and Coachella Valley through the attainment year;

WHEREAS, the approved commitment includes a commitment from the State SIP Strategy to adopt new measures according to a schedule;

WHEREAS, the approved State commitment includes a commitment to achieve reductions of 113 tons per day (tpd) NOx in 2023 and 111 tpd NOx reductions in 2031 from the State SIP Strategy, and 23 tpd NOx in 2023 and 31 tpd NOx in 2031 from District measures;

WHEREAS, the approved commitment for emission reductions is for total aggregate reductions that may be achieved through the measures identified in the SIP, alternative measures, incentive programs, and actual emission decreases;

WHEREAS, section 182(e)(5) of the Act provides that SIPs for Extreme ozone nonattainment areas may rely in part upon the development of new technologies or the improvement of existing technologies;

WHEREAS, the 2016 AQMP includes actions to continue to develop and deploy advanced transformational technologies to fulfill in part the approved SIP commitment pursuant to Act section 182(e)(5);

WHEREAS, the 2016 AQMP includes three facility-based mobile source measures, for ports, railyards, and warehouses, which will undergo a one-year public process to identify voluntary actions to achieve emission reduction, and the 2016 AQMP also includes a measure to developan Indirect Source Rule for airports;

WHEREAS, the District Board directed District staff to work with affected stakeholders including members from the public, ARB, and U.S. EPA to identify specific emission reduction actions for each of the facility-based measures;

WHEREAS, ARB is the California air pollution control agency for all purposes set forth in federal law, is responsible for preparing the SIP, and has primary responsibility to control emissions from vehicular sources, and under this authority will actively participate in the process to identify actions needed to meet the emission reduction commitments from the District facility-based measures provided in the 2016 AQMP;

WHEREAS, section 182(e)(5) of the Act requires contingency measures be submitted no later than three years prior to the attainment year in the event that the anticipated long-term measures approved pursuant to section 182(e)(5) do not achieve planned reductions needed for attaining the ozone NAAQS;

WHEREAS, the 2016 AQMP includes State commitments to develop, adopt, and submit attainment contingency measures for the 75 ppb 8-hour ozone NAAQS if advanced technology measures do not achieve planned reductions;

WHEREAS, the 2016 AQMP includes transportation conformity budgets for the 75 ppb 8-hour ozone milestone years for the Basin and Coachella Valley;

WHEREAS, the 2016 AQMP includes vehicle miles travelled (VMT) offset demonstrations for the 75 ppb 8-hour ozone NAAQS in the Basin and Coachella Valley;

The District's Plan for Particulate Matter

WHEREAS, ARB staff has conducted a review of the 2016 AQMP, and concluded it meets the requirements of the Act related to PM2.5 for the Basin nonattainment area;

WHEREAS, consistent with section 172(c)(3) of the Act, the 2016 AQMP includes a comprehensive, accurate, current inventory of emissions data for directly emitted PM2.5 and PM2.5 precursors: NOx, ROG, SOx, and ammonia for all sources of the relevant pollutants in the area;

WHEREAS, the 2016 AQMP includes a demonstration that attainment of the 12 μg/m³ annual PM2.5 NAAQS by the Moderate attainment date of December 31, 2021 is impracticable and requests a Serious classification with an attainment date of December 31, 2025;

WHEREAS, the 2016 AQMP identifies District control measures needed to demonstrate attainment with the federal 12 ug/m³ annual PM2.5 NAAQS by 2025 in the Basin;

WHEREAS, the 2016 AQMP includes modeled attainment demonstrations for the 24-hour PM2.5 NAAQS by December 31, 2019 and the annual PM2.5 NAAQS by December 31, 2025 based on photochemical modeling, plus a supplemental weight-of-the-evidence analysis;

WHEREAS, the 2016 AQMP includes a RACM and BACM analysis; RFP and quantitative milestones; contingency measures; and motor vehicle transportation conformity budgets per the PM2.5 Rule;

WHEREAS, the 2016 AQMP identifies sufficient PM2.5 contingency measures for RFP and attainment consistent with section 172(c)(9) of the Act, as interpreted by previous U.S. EPA guidance;

WHEREAS, consistent with section 172(c)(9) of the Act, the 2016 AQMP includes PM2.5 contingency measures that go into effect without further regulatory action if the Basin fails to attain or make RFP;

WHEREAS, consistent with section 176 of the Act, the 2016 AQMP establishes transportation conformity emission budgets for the Basin for all milestone years relevant to the 75 ppb ozone NAAQS, the 12 μg/m³ annual NAAQS, and 35 μg/m³ 24-hour PM2.5 NAAQS, along with the Coachella Valley 75 ppb ozone NAAQS;

WHEREAS, the transportation conformity emission budgets were developed through consultation between the District, ARB, SCAG, and U.S. EPA and conform to the RFP and attainment emission levels;

The California Environmental Quality Act

WHEREAS, the District's Environmental Impact Report (EIR) developed in accordance with CEQA identified potentially significant and unavoidable impacts to aesthetics, air quality, greenhouse gas emissions, energy resources, hazards and hazardous materials, hydrology and water quality, noise, solid and hazardous waste, and transportation and traffic;

WHEREAS, ARB has determined that its subsequent approval of the District's 2016 AQMP is "ministerial" for purposes of CEQA (Cal. Code Regs, tit. 14, §15268) because ARB's review is limited to determining if the 2016 AQMP meets the requirements of the Act, and ARB lacks authority to modify or not approve the Plan in response to environmental concerns, as described in ARB's Staff Report;

Public Participation

WHEREAS, federal law set forth in section 110(I) of the Act and Title 40, Code of Federal Regulations (CFR), section 51.102, requires that one or more public hearings, preceded by at least 30 days notice and opportunity for public review, must be conducted prior to adopting and submitting any SIP revision to U.S. EPA;

WHEREAS, the District made the 2016 AQMP available for public review at least 30 days before the District hearing;

WHEREAS, following a public hearing on March 3, 2017, the District Governing Board adopted the 2016 AQMP; and

WHEREAS, on March 14, 2017, the District transmitted the 2016 AQMP to ARB as a SIP revision, along with proof of public notice publication, and environmental documents in accordance with State and federal law.

NOW, THEREFORE, BE IT RESOLVED the Board finds that:

- The 2016 AQMP meets the requirements of the Act for the Basin as an Extreme ozone nonattainment area for the 75 ppb 8-hour ozone NAAQS, including air quality and emissions data, modeled attainment demonstrations, RACM demonstration, RFP demonstrations, transportation conformity budgets, and VMT offset demonstration.
- 2. The 2016 AQMP amends the approved 1-hour and 8-hour ozone SIPs by updating the attainment demonstrations and emission reductions commitments.
- 3. The 2016 AQMP demonstrates that the Coachella Valley meets the requirements of the Act as a Severe ozone nonattainment area for the 75 ppb 8-hour ozone NAAQS, including air quality and emissions data, modeled attainment demonstrations, RACM demonstration, RFP demonstrations, contingency measures for RFP, transportation conformity budgets, and VMT offset demonstration.
- 4. The 2016 AQMP needs additional attainment contingency for the Coachella Valley which will be considered by the ARB Board in April 2017.
- 5. Implementation of ARB's State SIP Strategy along with current and new District control programs documented in the 2016 AQMP provide the emission reductions needed in the Basin and Coachella Valley for meeting the 75 ppb 8-hour ozone NAAQS and in the Basin, the 80 ppb 8-hour ozone NAAQS, by the attainment dates.
- 6. State commitments to develop, adopt, and submit contingency measures by 2028 for the 75 ppb 8-hour ozone standard if advanced technology measures do not achieve planned reductions.
- 7. The 2016 AQMP demonstrates the impracticability of the Basin attaining the 12 ug/m³ annual PM2.5 NAAQS by the Moderate date of December 31, 2021, and requests a Serious classification with a date of December 31, 2025.
- 8. The 2016 AQMP meets the requirements of the Act for the Basin as a Serious nonattaintment area for the 35 ug/m³ 24-hour and 12 ug/m³ annual PM2.5 NAAQS, including an emissions inventory, modeled attainment demonstrations, BACM demonstration, provisions for RFP, quantitative milestones, contingency measures, and transportation conformity budgets.
- 9. The 2016 AQMP demonstrates attainment of the 24-hour PM2.5 NAAQS by the Serious nonattainment date of December 31, 2019, and the annual PM2.5 NAAQS by the Serious nonattainment date of December 31, 2025.

10. ARB's review and approval of the 2016 AQMP submitted by the District for inclusion in the California SIP is a ministerial activity for purposes of CEQA.

NOW, THEREFORE, BE IT RESOLVED the Board hereby adopts the District 2016 AQMP as an amendment to the California SIP, excluding those portions not required to be submitted to U.S. EPA under federal law, and directs the Executive Officer to forward the 2016 AQMP as adopted to U.S. EPA for inclusion in the SIP to be effective, for purposes of federal law, upon approval by U.S. EPA.

BE IT FURTHER RESOLVED that the Board directs staff to participate with the District in the development of the facility-based mobile measures for the ports, railyards, warehouses, and airports and report back to the Board on the progress in achieving reductions from these facilities.

BE IT FURTHER RESOLVED that the Board directs staff to work with the District on actions to secure funding to support incentive programs, including those actions in the District's funding plan.

BE IT FURTHER RESOLVED that the Board hereby certifies that the 2016 AQMP was adopted after notice and public hearing as required by Section 110(I) of the Act and 40 CFR section 51.102.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to work with the District and U.S. EPA and take appropriate action to resolve any completeness or approvability issues that may arise regarding the SIP submission, including to meet applicable requirements for contingency measures.

BE IT FURTHER RESOLVED that the Board authorizes the Executive Officer to include in the SIP submittal any technical corrections, clarifications, or additions that may be necessary to secure U.S. EPA approval.

I hereby certify that the above is a true and correct copy of Resolution 17-8 as adopted by the Air Resources Board.

Rana McReynolds, Clerk of the Board