



**Proposed 2019
Amendments to
Area Designations
for State Ambient
Air Quality
Standards**

October 2019



CALIFORNIA
AIR RESOURCES BOARD

State of California
AIR RESOURCES BOARD

**PUBLIC HEARING TO CONSIDER THE PROPOSED
2019 AMENDMENTS TO AREA DESIGNATIONS FOR STATE AMBIENT AIR
QUALITY STANDARDS**

STAFF REPORT: Initial Statement of Reasons for Rulemaking

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EXECUTIVE SUMMARY

The California Air Resources Board (CARB or Board) has established State ambient air quality standards (State standards or standards) to protect public health and welfare. State law requires CARB to annually assess the air quality in each area of California and determine whether it meets State standards. These area designations are based on established criteria, ensuring they are made in a consistent manner. CARB reviews area designations for all State standards using the most currently available air quality data. Each area of the State is designated as one of four categories:

- Attainment – pollutant concentrations do not violate the State standard
- Nonattainment – pollutant concentrations violate the State standard
- Nonattainment-Transitional – pollutant concentrations violate the State standard, but air quality is nearing attainment
- Unclassified – insufficient data

Proposed Changes

This review of the area designations is based on 2016 through 2018 air quality data. Based on these data, CARB staff is proposing amendments to current area designation regulations for ozone. While designation changes from nonattainment to nonattainment-transitional occur by operation of law, other amendments to the designations require formal CARB action. All of the proposed designation amendments are summarized in Table ES-1.

Additional Information

State law also requires CARB to annually review and publish maps and tables identifying the attainment status of each area of the State with respect to both the State and national ambient air quality standards (national standards). Updated maps and tables are provided in Appendix C to this report. They reflect the proposed amendments to area designations for State standards that are summarized in this staff report, those changes that occurred by operation of law, and the current area designations for the national standards.

TABLE ES-1

PROPOSED AREA DESIGNATIONS FOR STATE STANDARDS
(Based on 2016-2018 data)

Pollutant	Designation Area	Current Designation	Proposed Designation
Ozone	Sacramento Valley Air Basin		
	Sutter/Yuba Counties		
	Remainder of Sutter and Yuba Counties	A	N
	South Central Coast Air Basin		
	Santa Barbara County	NA-T	A

Designation Categories: A = Attainment; N = Nonattainment; NA-T = Nonattainment-Transitional; U = Unclassified.

* Changes in ozone designation from nonattainment to nonattainment-transitional occurred by operation of law under Health and Safety Code section 40925.5.

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I. INTRODUCTION AND BACKGROUND

Introduction

This chapter provides background information on the differences between the State and national ambient air quality standards, the legal requirements for the State designation criteria and area designation regulations, and the annual data review.

State and National Ambient Air Quality Standards

California law requires CARB to establish State ambient air quality standards (State standards or standards) in consideration of public health, safety, and welfare. These standards define the maximum amount of a pollutant that can be present in the ambient air. Currently, there are State standards for ten pollutants: ozone, suspended particulate matter (PM₁₀), fine particulate matter (PM_{2.5}), carbon monoxide, nitrogen dioxide (NO₂), sulfur dioxide, sulfates, lead, hydrogen sulfide, and visibility reducing particles. In addition to the State standards, the federal Clean Air Act requires the United States Environmental Protection Agency (U.S. EPA) to establish national ambient air quality standards (national standards). In some cases, California's State standards are more health-protective than the corresponding national standards. Additionally, CARB has established State standards for pollutants not covered by national standards (sulfates, hydrogen sulfide, and visibility reducing particles).

Both State and national standards are generally specified as a concentration averaged over a specific time period, such as 1-hour, 8-hours, 24-hours, 30-days, or 1 year. The different averaging times and concentrations are meant to protect against different exposure impacts. Some standards are expressed as a concentration that is not to be exceeded, while others are expressed as a concentration that is not to be equaled or exceeded. The national standards are further categorized as primary standards (established to protect public health) and secondary standards (established to protect public welfare). Appendix C contains a table listing the State and national standard levels, averaging times, and analytical measurement methods.

Legal Requirements

Health and Safety Code (H&SC) section 39607(e) requires CARB to establish and periodically review criteria for designating areas as attainment or nonattainment for the State standards. The criteria (Appendix B) describe the procedures that CARB must use in determining area designations for State standards (California Code of Regulations (CCR), title 17, sections 70300 through 70306, and appendices 1 through 3). CARB originally adopted the required designation criteria in June 1989 and has updated them several times since, most recently in March 2010.

H&SC section 39608 requires CARB to use the designation criteria to designate areas of California as attainment, nonattainment, or unclassified for the State standards. In addition, H&SC section 40925.5 provides for the redesignation of a nonattainment district as nonattainment-transitional for ozone by operation of law. Finally, H&SC section 39608 requires CARB to conduct an annual review of the area designations and update them, as warranted. The area designations are made for each of the ten pollutants previously listed.

In addition to the designation criteria and area designation requirements, H&SC section 40718 requires CARB to publish maps showing the areas with one or more violations of any State or national standard. The maps and summary tables provided in Appendix C to this report fulfill this requirement by indicating the attainment status of each area of the State. The maps and tables for the State standards reflect the proposed area designation amendments of this report, as well as those changes that occurred by operation of law. The maps and tables for the national standards reflect the current national area designations, as promulgated by U.S. EPA.

Annual Data Review

Each year, CARB monitors air pollutants in California in cooperation with local air pollution control and air quality management districts (districts) and with other agencies. Based on these monitoring data, and in consultation with the districts, CARB is required to annually identify and designate each area which is in attainment and each area which is in nonattainment for each State ambient air quality standard. CARB must make this identification and designation on a pollutant-by-pollutant basis. Where CARB finds that data are not sufficient to determine the attainment or nonattainment status for an area, CARB will identify the area as unclassified.

Based upon the most recent, complete, and quality-assured monitoring results, using the best available technological capabilities and the best scientific judgment, CARB must annually publish maps identifying those areas which violate any State or national ambient air quality standard.

CARB has completed its annual review of the latest complete monitoring data (2016 to 2018). These data indicate that the previous designations for certain pollutants in certain air basins are no longer applicable. Therefore, the healthfulness of the air quality in these affected air basins is not accurately portrayed to the public and the districts. CARB proposes to update the designations to be consistent with the monitoring data.

II. THE PROBLEM THAT THE PROPOSAL IS INTENDED TO ADDRESS

H&SC section 39608 requires CARB to monitor air quality and to annually designate each air basin as attainment, nonattainment, or unclassified for the State standards based on these data. Likewise, H&SC section 40718 requires CARB to publish maps identifying those cities, counties, or portions thereof which violate any State or national standard. Collectively, the purposes, benefits, and goals of these two statutes, which are identified as references to this rulemaking, are:

- To protect the health, safety, and welfare of the public, including those at risk of adverse effects with exposure to air pollution, such as children, the elderly, and people who are active outdoors;
- To safeguard the quality of the physical environment in which Californians live by an intensive, coordinated State, regional, and local effort to protect and enhance the ambient air quality of the State;
- To encourage a regional approach to meeting State ambient air quality standards throughout the State, whenever possible; and
- To be consistent with the State goal of providing a decent home and suitable living environment for every Californian.

The proposed amendments satisfy the statutory requirement to annually review and update the area designations based on the most recent, complete, and quality-assured air quality monitoring results, i.e., from 2016 through 2018. As the area designations are simply labels that describe the healthfulness of the air quality in each area, the proposed amendments do not contain any requirements for action.

General Provisions of the Designation Criteria

The designation criteria describe the procedures CARB must use in determining an area's designation status with respect to the State standards. In summary, the designation criteria specify:

- The requirements for each designation category;
- The data to use in making area designation determinations;
- The procedure for excluding qualifying high concentrations;
- The size of the designated area; and
- The requirement for an annual review of the area designations.

Designation Categories

The designation criteria specify four designation categories: nonattainment, nonattainment-transitional, attainment, and unclassified. Determining which category is appropriate for an area is generally based on the number of violations in the area. Therefore, it is essential to understand the difference between an exceedance and a violation. An exceedance is any concentration that is higher than the level of the State

standard. In contrast, violations are a subset of exceedances. A violation is an exceedance that is not affected by a highly irregular or infrequent event and therefore, cannot be excluded from the area designation process (refer to the section below).

Nonattainment. CARB designates an area as nonattainment for a pollutant if air quality data show a State standard for that pollutant was violated one or more times during the previous three calendar years.

Nonattainment-Transitional. The nonattainment-transitional category is a subcategory of nonattainment, with different requirements for ozone than for the other pollutants. For non-ozone pollutants, CARB designates an area as nonattainment-transitional if air quality data show a State standard for that pollutant was violated two or fewer times at each site in the area during the most recent calendar year. In contrast, the nonattainment-transitional requirements for ozone are specified in State law rather than in the designation criteria. Specifically, H&SC section 40925.5 specifies that a nonattainment district is designated as nonattainment-transitional for ozone if air quality data show three or fewer exceedances of the State standard at each site in the area during the most recent calendar year.

There are four key differences in the ozone nonattainment-transitional requirements, compared with those for the other pollutants. First, the designated area is always a district (or portion of a district within an air basin), rather than an air basin, county, or other geographic area. Second, the designation is based on exceedances, which means all air quality measurements are considered - none are excluded. Third, only nonattainment districts may be designated as nonattainment-transitional for ozone. Finally, the ozone nonattainment-transitional designation occurs by operation of law and is non-discretionary. CARB updates the area designation regulations to reflect the change.

Attainment. In contrast to nonattainment and nonattainment-transitional, CARB designates an area as attainment for a pollutant if data show the State standard was not violated during the previous three calendar years. Data used for an attainment designation must be representative of the averaging time of the standard and complete for the time period evaluated.

Unclassified. Finally, CARB designates an area as unclassified for a pollutant if the available data are insufficient to support any other designation category.

Data Requirements

To the extent possible, the area designations are based on the most recent air quality data. These must be data for record, which means they satisfy specific siting and quality assurance procedures established by the U.S. EPA and CARB. Generally, data for record are those data collected by or under the direction of CARB or the districts. Air quality data from other sources may also qualify as data for record, as long as the same requirements are met. For area designation purposes, air quality measurements and statistics are rounded to the precision of the State standard before being compared with the standard. The rounding convention is summarized in Appendix D.

When adequate and recent air quality data are not available, CARB may use other types of information to determine an appropriate area designation. These other types of information may include historical air quality data, emissions data, meteorological data, topographical data, and data relating to the characteristics of population or emissions.

Highly Irregular or Infrequent Events

The designation criteria provide for excluding certain high air quality measurements from the area designation process. More specifically, the criteria provide for excluding exceedances affected by highly irregular or infrequent events, because it is not reasonable to mitigate these exceedances through the regulatory process. Appendix 2 to the designation criteria (found in Appendix B) defines three types of highly irregular or infrequent events:

- Extreme concentration events;
- Exceptional events; and
- Unusual concentration events.

Extreme Concentration Event. An extreme concentration is identified using a statistical procedure. This procedure calculates a concentration that is not expected to be exceeded more than once per year, on average. The calculated value is commonly called the Expected Peak Day Concentration or EPDC (CARB 1993) (described in more detail in Appendix E). In practice, a pollutant-specific EPDC is calculated for each monitoring site, using air quality data measured at the site during at least the most recent three calendar years. The EPDC value is rounded to the precision of the State standard and then compared with air quality measurements for the same site, which are also rounded to the precision of the State standard. Measurements that exceed the State standard and are higher than the rounded EPDC are excluded from the area designation process; these exceedances are not considered violations of the standard. In contrast, measurements that exceed the State standard but are equal to or lower than the rounded EPDC are not excluded from the designation process; these values are considered violations of the State standard.

In cases where data are not complete for the three-year period being evaluated, the EPDC may not be valid for area designation purposes. If the EPDC is not valid, no measurements are excluded as extreme concentration events. Finally, an EPDC is calculated only for standards with an averaging time equal to or less than 24-hours.

Exceptional Event. In contrast to an extreme concentration event, an exceptional event is an exceedance of a State standard that is caused by a specific, identifiable event and is beyond reasonable regulatory control. An exceptional event may be caused by an act of nature (for example, a wildfire or severe windstorm) or it may be of human origin (for example, a chemical spill or industrial accident). Air quality measurements identified as exceptional events are not considered violations and are excluded from the designation process.

Unusual Concentration Event. An unusual concentration is an unexpected or atypical exceedance of a State standard that cannot be identified as an extreme concentration

or an exceptional event. Unusual concentrations are identified only for areas already designated as attainment or unclassified. Generally, unusual concentrations are identified for sites with limited air quality data, and therefore, uncertainty as to the expected concentration levels. In identifying such events, the Executive Officer must make specific findings based on relevant information. An area may retain its attainment or unclassified designation based on the exclusion of unusual concentrations for up to three consecutive years. If an exceedance occurs during the fourth year, the area is redesignated as nonattainment, unless the exceedance can be excluded as an extreme concentration or an exceptional event.

III. THE SPECIFIC PURPOSE AND RATIONALE OF EACH ADOPTION, AMENDMENT, OR REPEAL

The purpose of the proposed amendments is to update the area designations using the most recent, complete air quality data for each pollutant. Currently, designations are made for ten pollutants: ozone, PM₁₀, PM_{2.5}, carbon monoxide, NO₂, sulfur dioxide, sulfates, lead, hydrogen sulfide, and visibility reducing particles. The proposed amendments will change the designation of the specified air basin, or portion thereof, as attainment, nonattainment, or unclassified for the State standards based on these data.

The proposed amendments to the area designations will not result in any direct impact on public health or the environment because the regulations do not contain any requirements for action; they are labels identifying the air quality in each area.

As required by H&SC section 39608, CARB staff review and update the area designations each year, based on air quality data from the most recent three calendar years. This year's review considered air quality data collected during 2016 through 2018. Based on these data (CARB 2019), staff proposes amendments to the area designations for ozone. These changes, listed below, amend the existing CCR, title 17, section 60201. The proposed amendments, once adopted by CARB, must be approved by the Office of Administrative Law before they become effective.

Designation Process

The area designations are based on air quality data for record as defined in section 70301 of the designation criteria (Appendix B). The process used to designate an area is generally the same for each pollutant:

- Gather data for the three-year period for each site in the area;
- Evaluate data representativeness and data completeness for each site;
- Identify and exclude exceedances affected by highly irregular or infrequent events;
- Tabulate the number of exceedances and violations by site;
- Determine the designation value for each site;
- Determine the designation value for the area; and
- Determine the appropriate designation category.

Determining the designation value is the most critical part of the designation process because the designation value determines the designation category. More detail about the designation value and how it is determined is found in the following section.

Designation Value

The designation value is the measured concentration that is used to determine the designation status of a given area. In practice, the designation value is the highest measured concentration in the three-year period that remains, after excluding concentrations affected by highly irregular or infrequent events.

A designation value is determined for each pollutant, for each monitoring site in an area. The highest designation value for any site in the area becomes the designation value for the area. When there is more than one standard for a single pollutant, a designation value is determined for each standard averaging time. For example, there is both a 1-hour and an 8-hour State standard. As a result, there is a 1-hour designation value, as well as an 8-hour designation value. The final area designation reflects the more stringent designation category for either of the two averaging periods. Using ozone as an example, consider an area with a 1-hour ozone designation value that is lower than the State standard, indicating attainment and an 8-hour designation value that is higher than the State standard, indicating nonattainment. In this case, the area would be designated as nonattainment for ozone, because that is the more stringent designation category.

Size of Designated Area

The size of the area designated for a pollutant varies, depending on the nature of the pollutant, the location of contributing emissions sources, meteorology, and topographic features. An air basin is the area generally designated for pollutants with a regional impact: ozone, NO₂, sulfates, and visibility reducing particles. A county (or portion of a county located within an air basin) is generally the area designated for pollutants with a more localized impact: carbon monoxide, sulfur dioxide, lead, and hydrogen sulfide. Depending on the area and the characteristics of the emissions sources, PM₁₀ and PM_{2.5} may be considered to have either regional or localized impacts. In some cases, CARB may designate a smaller area if it finds that the smaller area has distinctly different air quality.

Section 60201. Table of Area Designations for Ozone.

This section identifies the ozone designation status for all areas in California. Updating the designation statuses reflects the latest ozone air quality data (CARB 2019).

The State ozone standards are a 1-hour standard of 0.09 parts per million (ppm) and an 8-hour standard of 0.070 ppm, neither to be exceeded. To be attainment, the designation values for sites in the area by air basin or county, must be at or below both standards. An area is designated as nonattainment if either (or both) of the designation values exceed the level of the standard and the area does not qualify for nonattainment-transitional.

H&SC section 40925.5 specifies that a nonattainment district is designated as nonattainment-transitional for ozone if air quality data show three or fewer exceedances of the State standard at each site in the area during the most recent calendar year. This designation occurs by operation of law, is non-discretionary, and includes all data

collected during the previous calendar year including data possibly affected by exceptional events.

Based on ozone air quality collected during 2016 to 2018 (CARB 2019), staff recommends designation changes for the following areas. The specific air quality data used for redesignating each area are described in the following sections.

- Redesignate Santa Barbara County in the South Central Coast Air Basin as Attainment.
- Redesignate Yuba County and that portion of Sutter County outside of the Sutter Buttes in the Sacramento Valley Air Basin as Nonattainment.

Staff have determined, based on recent ozone air quality data, that the current designation status in some areas no longer accurately reflect air quality in those areas.

South Central Coast Air Basin

Santa Barbara County is located in the South Central Coast Air Basin (SCCAB). Currently, the County is designated as nonattainment-transitional for the State ozone standard. Consistent with requirements for the ozone nonattainment-transitional designation, Santa Barbara County in the SCCAB coincides in area with the Santa Barbara County Air Pollution Control District (APCD). The remaining portions of the SCCAB, San Luis Obispo County and Ventura County remain designated as nonattainment.

During 2016 through 2018, 12 ozone monitoring sites were operated in Santa Barbara County. Monitoring data are available for all 12 sites and the data are representative and complete. CARB staff identified Las Flores Canyon monitoring site as the high ozone site. The Las Flores Canyon monitoring site data for 2016-2018 has a State 1-hour ozone designation value of 0.08 ppm and a State 8-hour ozone designation value of 0.069 ppm, which do not exceed the State ozone standards. CARB staff concludes that Santa Barbara County did not have any ozone violations during the three year period. Therefore, the CARB staff proposes that Santa Barbara County in the SCCAB be redesignated as attainment for the State ozone standard. Staff propose to amend H&SC section 60201 to reflect this change.

Sacramento Valley Air Basin

Sutter and Yuba Counties comprise the Feather River Air Quality Management District. Sutter and Yuba Counties (excluding Sutter Buttes) are currently designated as attainment for ozone.

There is no ozone monitoring site located in Yuba County. The two most populated areas in these two counties, Yuba City in Sutter County and Marysville in Yuba County, form a contiguous urbanized area, separated only by the Feather River. Therefore, the Yuba City monitoring site, which is located in Sutter County, is used to represent air quality in both counties. The Yuba City monitoring site data for 2016-2018 has a State 1-hour ozone designation value of 0.08 ppm, which does not exceed the State 1-hour ozone standard. However, the site has a State 8-hour ozone designation value of 0.071

ppm and shows 3 exceedances during 2016-2018. This data exceeds the level of the State 8-hour ozone standard; therefore, staff recommends designating the Yuba County and that portion of Sutter County outside of the Sutter Buttes as nonattainment for ozone. Staff propose to amend H&SC section 60201 to reflect this change in designation status.

IV. BENEFITS ANTICIPATED FROM THE REGULATORY ACTION, INCLUDING THE BENEFITS OR GOALS PROVIDED IN THE AUTHORIZING STATUTE

The intent of the proposed regulatory action is to update the air quality designations for each air basin, or portion thereof, to be consistent with the most recent complete monitoring data. Adopting the proposed amendments to the area designations will not result in any direct impact on public health or the environment because the regulations do not contain any requirements for action.

Impacts for Local Districts

State law requires districts and CARB to make a coordinated effort to protect and enhance the ambient air quality (H&SC sections 39001 through 39003). As part of this effort, the districts must adopt rules and regulations sufficiently effective to achieve and maintain the State standards (H&SC sections 40001 and 41500). These requirements, if determined necessary, will result in improved air quality in communities throughout the State, resulting in lower potential health risks.

Purpose, Benefits, and Goals

Protecting the health, safety, and welfare of the public. The designations provide labels indicating the healthfulness of the current air quality throughout the State. These labels allow the public to make better informed decisions regarding their personal health, safety, and welfare.

Safeguarding the quality of the physical environment. This goal is to be accomplished by an intensive, coordinated State, regional, and local effort to protect and enhance the ambient air quality of the State. CARB and the districts have coordinated their efforts in obtaining and reviewing air quality monitoring data, identifying highly irregular or infrequent events, and evaluating meteorological, topographical, and other data relating to the characteristics of population or emissions. This coordinated effort has resulted in the proposed amendments to the area designations. As the area designations are simply labels that describe the healthfulness of the air quality in each area, the proposed amendments do not contain any requirements for action.

Encouraging a regional approach to meeting the State ambient air quality standards whenever possible. The proposed amendments designate areas as attainment, nonattainment, nonattainment-transitional, or unclassified by pollutant. Where appropriate, these designations are made for each air basin, district, or sub-region based on meteorological, topographical, and other data relating to the characteristics of population or emissions. This allows each district to identify the most cost-effective, efficient, and acceptable approach to achieve the State ambient air quality standards.

Consistency with the State goal of providing a decent home and suitable living environment. As the area designations are simply labels that describe the healthfulness of the air quality in each area, the proposed amendments do not contain any requirements for action. The annual review and update of the area designations provides the public with an indication of whether the health-based standards are being met. This information allows the public to make more educated decisions regarding personal residency.

Implications of Area Designations

The State designation criteria specify four designation categories: nonattainment, nonattainment-transitional, attainment, and unclassified. A nonattainment designation indicates one or more violations of the State standard have occurred. A nonattainment-transitional designation is a subcategory of nonattainment that indicates improving air quality, with only occasional violations or exceedances of the State standard. In contrast, an attainment designation indicates no violation of the State standard. Finally, an unclassified designation indicates either no or an incomplete set of air quality data. Although the area designations themselves are simply labels indicating the healthfulness of air quality and do not contain any requirements for action, there may be other legal requirements, based on an area's designation status, as described below.

Areas Designated as Nonattainment

A district that includes an area designated as nonattainment for a particular pollutant, experiences several consequences under the law. These consequences are discussed below.

State law requires nonattainment districts to develop plans for attaining the State standards for ozone, carbon monoxide, NO₂, and sulfur dioxide. The nonattainment districts must submit these attainment plans to the Board for approval (H&SC section 40911). Ozone nonattainment districts that are impacted by transport from upwind areas (in other words, ozone violations are caused by emissions transported from upwind areas located outside the district) are required to develop ozone attainment plans to mitigate those violations that occur in the absence of transport (in other words, ozone violations that are caused by locally generated emissions; H&SC sections 39610(b) and 40912). Violations caused by a combination of transported and locally generated emissions must be mitigated by both the upwind and downwind areas. Ozone violations caused by overwhelming transport must be mitigated by the responsible upwind district(s).

A district with an area designated as nonattainment for any of the remaining pollutants is not subject to any specific statutory planning requirements. However, such districts must adopt and enforce rules and regulations to expeditiously attain the State standards for these pollutants (H&SC sections 40001 and 40913). Furthermore, a nonattainment district has the option of developing and implementing an attainment plan or adopting regulations to control the emissions that contribute to these pollutants (H&SC section 40926).

In addition to these requirements, on July 26, 2017, Assembly Bill 617 (Garcia) was signed by the Governor. Any facility located in a nonattainment area that emits more than 250 tons per year of a nonattainment pollutant (based on the district boundary, not the nonattainment area boundary) is subject to the uniform emission reporting requirement (H&SC section 39607.1(a)(2)(B)). In addition, each district in a nonattainment area for one or more nonattainment pollutants must adopt an expedited schedule for the implementation of best available retrofit technology by December 31, 2023. The schedule shall apply to each industrial source that, as of

January 1, 2017, was subject to a market based compliance mechanism (H&SC section 40920.6(c)).

Gasoline dispensing facilities in districts that CARB determines are nonattainment for the State ozone standard are required to meet CARB's Enhanced Vapor Recovery performance standards and specifications set forth in sections 3 through 9, inclusive, of CP-201 Certification Procedure for Vapor Recovery Systems at Dispensing Facilities. If exempt, facilities become subject to additional standards due to a subsequent reclassification of their district from attainment to non-attainment, the facilities will have four years to comply.

An additional consequence of a nonattainment designation is that the Board collects fees from large, non-vehicular sources located in the nonattainment area (H&SC section 39612; CCR, title 17, sections 90800.8 through 90806). District sources permitted to emit 250 tons per year or more of any nonattainment pollutant or its precursors are subject to these fees (H&SC section 39612(d)). The fees are used to help defray the costs of State programs related to non-vehicular sources.

With certain exceptions, nonattainment districts are authorized to levy a fee of up to \$6.00 on motor vehicles registered in the district for the implementation of the California Clean Air Act and incentive programs to reduce emissions (H&SC sections 44223 and 44225).

Areas Designated as Nonattainment-Transitional

Nonattainment-transitional is a subcategory of the nonattainment designation. Therefore, a district with a nonattainment area that is redesignated as nonattainment-transitional is still subject to the same requirements as described in the preceding section. However, in contrast to the nonattainment designation, a nonattainment-transitional designation may signal a change in how these requirements are implemented. For example, a district that currently is implementing an approved attainment plan may determine that some of the additional control measures contained in the attainment plan are not needed to reach attainment by the earliest practicable date. As a result, the nonattainment-transitional designation provides the district with a signal that it may be appropriate to review, and perhaps modify, its approved attainment plan. However, district actions in response to a nonattainment-transitional designation must be consistent with State and federal regulations and statutes.

H&SC section 40925.5 specifically allows a district with an area designated as nonattainment-transitional for ozone to shift some stationary source control measures from the rulemaking calendar to the contingency category if the district finds these control measures are no longer necessary to accomplish expeditious attainment of the State ozone standard. These actions do not apply to control measures required to mitigate the effects of pollutant transport. The Board may disapprove any action of the district within 90 days if the Board finds that the action will delay expeditious attainment of the State ozone standard.

Areas Designated as Attainment or Unclassified

State law does not impose any specific planning requirements upon districts with areas designated as attainment or unclassified. However, State law does require that the State standards not only be attained but also, maintained. State law requires the districts and the Board to make a coordinated effort to protect and enhance the ambient air quality (H&SC sections 39001 through 39003). As part of this effort, the districts must adopt rules and regulations sufficiently effective to achieve and maintain the State standards (H&SC sections 40001 and 41500).

Gasoline dispensing facilities in districts that CARB determines are unclassified for the State ozone standard are required to meet CARB's Enhanced Vapor Recovery performance standards and specifications set forth in sections 3 through 9, inclusive, of CP-201 Certification Procedure for Vapor Recovery Systems at Dispensing Facilities. If exempt, facilities become subject to additional standards due to a subsequent reclassification of their district from attainment to non-attainment, the facilities will have four years to comply.

Other Impacts and Benefits

The annual review and update of the area designations gives the public, businesses, and government an indication of whether the health-based standards are being met. This information allows the public to make more educated decisions regarding personal health and residency, as well as participation in outdoor activities. This information also allows businesses and government the opportunity to make better informed decisions regarding worker health and safety.

V. AIR QUALITY

The proposed amendments to the area designations do not contain any requirements for action, and therefore, they will not result in any direct air quality or environmental benefits. However, the area designations do label areas with respect to the healthfulness of their air quality.

VI. ENVIRONMENTAL ANALYSIS

This chapter provides the basis for CARB's determination that the proposed regulation is exempt from the requirements of the California Environmental Quality Act (CEQA). A brief explanation of this determination is provided below. CARB's regulatory program, which involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans for the protection and enhancement of the State's ambient air quality, has been certified by the California Secretary for Natural Resources under Public Resources Code section 21080.5 of CEQA (14 CCR 15251(d)). Public agencies with certified regulatory programs are exempt from certain CEQA requirements, including but not limited to, preparing environmental impact reports, negative declarations, and initial studies. CARB, as a lead agency, prepares a substitute environmental document (referred to as an "Environmental Analysis" or "EA") as part of the Staff Report prepared for a proposed action to comply with CEQA (17 CCR 60000-60008). If the regulation is finalized, a Notice of Exemption will be filed with the Office of the Secretary for the Natural Resources Agency and the State Clearinghouse for public inspection.

CARB has determined that the proposed regulation is exempt from CEQA under the "general rule" or "common sense" exemption (14 CCR 15061(b)(3)). The common sense exemption states a project is exempt from CEQA if "the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

The proposed regulation includes the following change: Proposed Changes to Ozone Area Designations (17 CCR 60201). These changes are to the labels that indicate the healthfulness of the current air quality throughout the State. These proposed changes do not contain any requirements for action, and therefore, they will not result in any direct air quality or environmental impacts.

Based on CARB's review there is no possibility that the proposed regulation may result in a significant adverse impact on the environment; therefore, this activity is exempt from CEQA.

VII. ENVIRONMENTAL JUSTICE

State law defines environmental justice as the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. Government Code, section 65040.12, subdivision (c). CARB is committed to making environmental justice an integral part of its activities. The Board approved its Environmental Justice Policies and Actions (Policies) on December 13, 2001, to establish a framework for incorporating environmental justice into CARB's programs consistent with the directives of State law (CARB 2001). These policies apply to all communities in California, but recognize that environmental justice issues have been raised more in the context of low-income and minority communities.

CARB is committed to evaluating community impacts of proposed regulations, including environmental justice concerns. Because some communities experience higher exposures to air pollutants, it is a priority of CARB to ensure that full protection is afforded to all Californians. The proposed amendments to the area designations do not contain any requirements for action. However, the area designations are designed to identify areas with unhealthful air quality, based on the most recently available complete data.

VIII. ECONOMIC IMPACTS ASSESSMENT

CARB staff do not expect the proposed amendments to have any adverse impacts on California employment, business status, or competitiveness.

Legal Requirement

The Government Code requires State agencies proposing to adopt or amend any administrative regulation to assess the potential for adverse economic impact on California business enterprises and individuals. The assessment shall include consideration of the impact of the proposed regulatory amendments on California jobs, business expansion, elimination, or creation, and the ability of California businesses to compete in other States.

State agencies are also required to estimate the cost or savings to any State or local agency and school district in accordance with instructions adopted by the Department of Finance. This estimate is to include non-discretionary costs or savings to local agencies and the costs or savings in federal funding to the State.

Potential Impact on Businesses, Business Competitiveness, Employment, and Business Creation, Elimination, or Expansion

The determinations of CARB's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed amendments are presented below.

The proposed amendments to the area designations do not contain any requirements for action on businesses and individuals. However, the districts may use new area designations in planning for future actions. Therefore, these amendments will have no statewide economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California, or on representative private persons.

In developing this regulatory proposal, CARB staff evaluated the potential economic impacts on representative private persons or businesses. CARB is not aware of any cost impacts that a representative private person or business would incur due to the proposed action.

The Executive Officer also has made an initial determination that the proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action will not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of

existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California.

The Executive Officer has also determined, pursuant to CCR, title 1, section 4, that the proposed regulatory action will not affect small businesses because the proposed regulatory action does not contain any requirements for action.

Before taking final action on the proposed regulatory action, CARB must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action. The Executive Officer has determined that there is no reasonable alternative to the proposed regulatory action that would be more effective and less burdensome to affected businesses or private persons.

Potential Cost to Local and State Agencies

As stated above, the proposed amendments to the area designations do not contain any requirements for action, and these regulations have no direct economic impact. Therefore, pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action will not create costs to any State agency or in federal funding to the State, costs or mandate to any school district. The proposed regulatory action would trigger reporting requirements under the Health and Safety Code sections 40910-40930 and potentially create costs to one local air district, which is not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500), and cost savings to another local air district by allowing the suspension of the reporting requirements under the Health and Safety Code sections 40910-40930.

IX. EVALUATION OF REGULATORY ALTERNATIVES

State law (H&SC section 39607(e)) requires CARB to establish criteria for designating areas as attainment or nonattainment for the State standards. State law (H&SC section 39608(c)) further requires CARB to use the designation criteria in an annual review of the area designations.

CARB staff's proposed amendments to the area designations are described in Sections II and IV of this ISORI. The proposed amendments reflect the application of the designation criteria set forth in CCR, title 17, sections 70300 through 70306 and Appendices 1 through 3, thereof. Each proposed amendment is accompanied by a discussion of its basis and justification.

Government Code section 11346.2, subdivision (b)(4) requires CARB to consider and evaluate reasonable alternatives to the proposed regulatory action and provide reasons for rejecting those alternatives. This section discusses alternatives evaluated and provides reasons why these alternatives were not included in the proposal. As explained below, no alternative proposed was found to be less burdensome and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the authorizing law. The Board has not identified any reasonable alternatives that would lessen any adverse impact on small business.

Reasonable Alternatives to the Amendments

CARB staff considered potential alternatives to the proposed amendments (namely, the no action alternative). CARB staff find the proposed amendments are more appropriate than the no action alternative, which would be inconsistent with State law, and would retain designations based on older, outdated data. In addition, the no action alternative would not inform the public or districts about the healthfulness of air quality, based on the most recent data.

Reasonable Alternatives That Would Lessen the Impact on Small Business

CARB staff have also considered the potential alternatives to the proposed amendments that would lessen any adverse impact on small business (namely, the no action alternative). However, as discussed above, the proposed amendments are more appropriate than the no action alternative, which would retain attainment designations for Yuba County and that portion of Sutter County outside of the Sutter Buttes nonattainment area. The no action alternative would not lessen nor increase any impact on small businesses. The Board has not identified any reasonable alternatives that would lessen any adverse impact on small business.

Performance Standards in Place of Prescriptive Standards

The proposed amendments do not specify the sole means of compliance with a performance standard by specific actions, measurements, or other quantifiable means, therefore prescriptive standards are not present.

Health and Safety Code section 57005 Major Regulation Alternatives

The proposed regulation will not result in a total economic impact on state businesses of more than \$10 million in one or more years of implementation. Therefore, this proposal is not a major regulation as defined by Health and Safety Code section 57005.

X. AN EVALUATION OF INCONSISTENCY OR INCOMPATABILITY WITH EXISTING FEDERAL AND STATE REGULATIONS

Introduction

The proposed amendments to the area designations were evaluated for consistency and compatibility with existing federal and State regulations.

Federal Regulations

There are no comparable federal regulations that address area designations for the State standards.

State Regulations

The proposed changes, as well as the process for effecting those changes, to the area designations are consistent and compatible with existing State regulations.

In designating Santa Barbara County as attainment for ozone, CARB has considered the data for record (defined in California Code of Regulations, title 17, section 70301(a)),¹ which meet the representativeness and completeness criteria and which demonstrate that the respective State standards were not violated in these areas. The representativeness criteria are set forth in Appendix B to this document (see Appendix 1) and in California Code of Regulations, title 17, Division 3, Chapter 1, Subchapter 1.5, Article 3, Appendix 1. The completeness criteria are set forth in Appendix B to this document (see Appendix 3) and in California Code of Regulations, title 17, Division 3, Chapter 1, Subchapter 1.5, Article 3, Appendix 3. Therefore, consistent with State regulations, CARB is proposing to designate the areas noted above as attainment.

In addition, CARB has considered the data for record (defined in California Code of Regulations, title 17, section 70301(a)), which meet the representativeness and completeness criteria and which demonstrate that the State standards for ozone were violated in Yuba County and that portion of Sutter County outside of the Sutter Buttes Nonattainment Area in the Sacramento Valley Air Basin. Therefore, CARB is proposing to designate this area as nonattainment.

¹ California Code of Regulations, title 17, section 70301(a) provides, "Except as otherwise provided in this article, designations shall be based on 'data for record.' (1) Data for record are those data collected by or under the auspices of the state board or the districts for the purpose of measuring ambient air quality, and which the Executive Officer or his or her delegate has determined comply with the siting and quality assurance procedures established in Part 58, Title 40, Code of Federal Regulations or other equivalent procedures. (2) Any other data which are provided by a district or by any other person will be data for record if the Executive Officer or his or her delegate determines within 90 days of submittal of complete supporting documentation that the data comply with the siting and quality assurance procedures established in Part 58, Title 40, Code of Federal Regulations or other equivalent procedures..."

XI. PUBLIC PROCESS FOR DEVELOPMENT OF THE PROPOSED ACTION (PRE-REGULATORY INFORMATION)

In order to facilitate public comment during the designation review process, CARB staff requested public input in a number of ways. After CARB staff's initial review of the 2016 through 2018 air quality data, staff noted potential changes to the existing area designations for ozone. Staff contacted the affected districts to discuss the results of the review and provide an opportunity for district input. Staff also maintained a web-based subscriber notification process. For those who subscribe, the system provides electronic updates related to area designation issues.

Consistent with Government Code sections 11346, subdivision (b), and 11346.45, subdivision (a), and with the Board's long-standing practice, CARB staff held a public workshop and had other meetings with interested persons during the development of the proposed regulation. These informal pre-rulemaking discussions provided staff with useful information that was considered during development of the regulation that is now being proposed for formal public comment.

On August 15, 2019, staff announced a public workshop scheduled for August 27, 2019. This workshop was held in the form of a webinar. Staff posted the workshop notice on the CARB website and notified the affected districts, as well as subscribers to the designation subscriber notification system. The workshop announcement included a discussion of the staff's proposed amendments to the area designations based on the 2016 through 2018 air quality data. Approximately 36 stakeholders participated in the workshop.

XII. REFERENCES

The following is a list of documents, websites, and other resources used in developing the proposed amendments to the area designations for State standards documented in this staff report:

Air Quality Data

(CARB 2019) California Air Resources Board, August 2019, Aerometric Data Analysis and Management (ADAM) Data, 2016-2018.

Area Designations

California Air Resources Board (2019a), Proposed 2018 Amendments to the Area Designations for State Ambient Air Quality Standards. Staff Report: Initial Statement of Reasons.

<https://ww2.arb.ca.gov/rulemaking/2019/areadesignations18>

Expected Peak Day Concentrations (EPDC)

California Air Resources Board (CARB 1993). Guidance for Using Air Quality-Related Indicators in Reporting Progress in Attaining the State Ambient Air Quality Standards. Endorsed July 8, 1993.

<https://ww3.arb.ca.gov/research/apr/past/93-49.pdf>.