

SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting
September 1st, 2016 3:00 PM
Southwest Clean Air Agency
11815 NE 99th St. Suite 1294
Vancouver, Washington

Optional Conference Call Number for Board of Directors 1-800-356-8278 Code: 576617

AGENDA

- I. Call to Order
SWCAA Chair Don Jensen
- II. Roll Call/Determination of Quorum
SWCAA Chair Don Jensen
- III. Board of Directors Minutes
Board of Directors Minutes –August Meeting
- IV. Changes to the Agenda
SWCAA Chair Don Jensen
- V. Consent Agenda
 - A. Approval of Vouchers
 - B. Financial Report
 - C. Monthly Activity Report
- V. Info Items & Public Comment.

SWCAA Logo and Website Updates - SWCAA will preview for the Board of Directors an updated agency logo and website design.

VII. Public Hearing

SWCAA 400 Regulation Revisions.

- A. The purpose of this public hearing is to act upon proposed revisions to the SWCAA 400 regulations available online at <http://www.swcleanair.org>. The purpose of the rulemaking is to meet EPA federal enforceability requirements, provide consistency with Department of Ecology rules, update definitions; delete obsolete rule language; update NESHAP, MACT and NSPS adoptions; revise/expand source category specific requirements; revise emission testing/monitoring requirements; revise public involvement provisions; and make minor administrative edits.

Public notice for this hearing was achieved by publishing notice in newspapers serving all five counties in southwest Washington, mailing postcards to affected parties, and publishing notice on SWCAA's website.

- B. Chair Jensen opens the public hearing with SWCAA and proponents speaking first and followed by opponents.
- C. Close of public hearing and formal vote of the Board of Directors on approving the proposed SWCAA 400 regulation revisions.

VIII. Unfinished Business/New Business

None

IX. Control Officer Report

A. **Ecology's Clean Air Rule Update (August 18, 2016)**

The Washington Department of Ecology has proposed rules capping greenhouse gas emissions. Under the rule, natural gas distributors, petroleum fuel producers and importers, large manufacturers, electricity generating plants, waste facilities and other organizations that have more than 100,000 metric tons of greenhouse gases will be required to reduce their emissions or sponsor projects to offset those emissions beginning in 2017. Every three years, the threshold will be lowered and more emitters brought into the program, through 2035. Organizations covered under the rule will be required to reduce their emissions by an average of 1.7 percent each year, beginning from a baseline determined by their average emissions between 2012 and 2016. Organizations covered by the rule have several options to meet their reduction requirements. Some facilities may find efficiencies that go beyond their reduction requirements. These businesses could trade or sell their excess reductions to other emitters in the program. Alternatively, an organization in the program could fund projects that reduce carbon pollution in the state, such as dairy digesters, renewable power, or commute trip reduction plans. They could also purchase allowances from other established multi-sector carbon markets as approved by Ecology. In order to accommodate businesses restarting, expanding or relocating to Washington without raising the state's overall emissions, the rule establishes a reduction reserve that facilities can draw from as they grow. The rule also makes provisions to recognize energy-intensive businesses competing in highly competitive international markets designed to reduce the cost to those businesses. Ecology has published a cost-benefit analysis for the rule. The public comment period ran from May 31st, to July 22nd and the proposed date for adoption is on or after September 15, 2016. For further information: <https://fortress.wa.gov/ecy/publications/documents/1602008.pdf> and <http://www.ecy.wa.gov/programs/air/rules/wac173442/1510docs.html>

- B. **D.C. Circuit Vacates Boiler MACT Standards Affected by Improper MACT Floor Analyses (July 29, 2016)** – The U.S. Court of Appeals for the District of Columbia Circuit agreed with environmental groups that EPA improperly excluded certain high-performing sources in setting hazardous air pollutant (HAP) emission limits for boilers, and it vacated the Maximum Achievable Control Technology (MACT) standards affected by the error. In a 156-page opinion, the unanimous three-judge panel addressed more than 30 legal challenges to EPA's 2011 and 2013 rules regulating HAP emissions from industrial, commercial and institutional boilers and commercial and industrial solid waste incineration (CISWI) units (collectively known as the "Boiler MACT" rules). The

unanimous three-judge panel rejected all industry challenges to the rules, but agreed with environmental group petitioners' argument that EPA's calculation of the "MACT floor"—the emissions level achieved by the best performing source, or the average of the best performing sources, in a subcategory— was faulty, resulting in insufficiently stringent MACT standards. The court also agreed with environmental petitioners on several other issues and remanded, without vacatur, to EPA with instructions to 1) adequately explain how carbon monoxide acts as a reasonable surrogate for non-dioxin/furan organic HAPs; 2) set emission standards for cyclonic burn barrels; 3) determine whether burn-off ovens, soil treatment units and space heaters are CISWI units, and if so, to set standards for those types of units; 4) adequately explain the exclusion of synthetic boilers from Clean Air Act Title V permitting requirements; and 5) adequately explain the choice of Generally Available Control Technology standards over MACT standards for non-mercury metals. For further information:

http://www.4cleanair.org/sites/default/files/Documents/US_Sugar_v_EPA_DC_Cir_072916.pdf

C. Washington Department of Ecology Fines VW \$176 Million for Violating State Law (July 28, 2016) – The Washington Department of Ecology issued a \$176-million fine against Volkswagen (VW) for violating state air quality laws by equipping a number of models of diesel-fueled vehicles with illegal defeat devices; more than 21,000 affected vehicles are registered in Washington. The fine is based on per-vehicle violations; once collected, the funds will be held in an air pollution control account and used to reduce air pollution in the state. VW has 30 days to appeal the fine to the Washington Pollution Control Hearings Board. Washington issued a Notice of Violation to VW in November 2015. For further information: <http://www.ecy.wa.gov/programs/air/cars/vw.htm>

D. Health and Medical Groups Call for 90-Percent Reduction in NOx Emissions from Heavy-Duty Vehicles (July 19, 2016) – Nine health and medical organizations sent a letter to EPA Administrator Gina McCarthy urging prompt proposal by the agency of a new federal standard to cut nitrogen oxide (NOx) emissions from heavy-duty vehicles by 90 percent; to affect this level of reduction they call for an emission limit of no higher than 0.02 grams per brake horsepower-hour. Noting that the current NOx standard for heavy-duty vehicles was adopted in 2001 and fully implemented in 2010, the signatories say "Since then, the evidence has grown showing that stronger limits on NOx emissions are needed, including evidence from the adoption of more stringent national air quality standards for NO2 in 2010 and for ozone in 2008 and 2015." Groups that signed the letter include the Allergy & Asthma Network, Alliance of Nurses for Healthy Environments, American Lung Association, American Public Health Association, American Thoracic Society, National Environmental Health Association, Healthcare Without Harm, National Association of City and County Health Officials and Physicians for Social Responsibility. For further information: <http://www.lung.org/assets/documents/advocacy-archive/truck-nox-standards.pdf>

X. Board Policy Discussion Issues

As Necessary

XI. Issues for Upcoming Meetings

Budget Forecast and Analysis of Revenue Needs

XII. Adjournment

Notes:

(1) Served by C-TRAN Routes: 7, 72 and 76.

(2) Accommodation of the needs for disabled persons can be made upon request. For more information, please call (360) 574-3058 extension 110.