

**Agenda for the Meeting of the
Air Improvement Resources Executive / Advisory Committees
Wednesday, February 27, 2002 9:00 a.m.
Alamo Area Council of Governments
8626 Tesoro Drive, Suite 100, San Antonio**

Agenda

- I. Roll Call
- II. Citizens to be Heard
- III. Approval of Minutes
- IV. AIR Public Education Report
 - A) Air Quality Media Meetings
 - B) Ozone Season Kickoff Event Update
 - C) Remote Sensing Events Update
 - D) Upcoming Events
- V. Particulate Matter Report
- VI. Clean Air Policy
 - A) 8-hour Ozone NAAQS Implementation Policy
 - B) Clean Air / 03Flex Plan Report
- VII. Intelligent Transportation System Enhancement Grant Application by the City of San Antonio

Action Requested: Review and act on Resolution of Support as requested by the City of San Antonio
- VIII. Technical Reports
 - AACOG Ozone Monitoring Project

Action Requested: Review and act on recommendations from AIR Technical members regarding contract award
- IX. Other Issues
 - A) President Bush's Clear Skies Proposal
 - B) Texas Near Non-Attainment Areas Meeting Report
 - C) Off-Road Equipment Subcommittee Report
 - D) Clean Cities Report
 - E) Release of MOBILE6
- X. Adjourn

**The Minutes of the
Air Improvement Resources Executive/Advisory Committee Meeting
Alamo Area Council of Governments
AACOG Board Room, 8700 Tesoro Drive, San Antonio
Wednesday, January 23, 2002, 9:00**

Executive Members Present

Mayor Patrick Heath, Chair, City of Boerne
Commissioner Jay Millikin, Vice-Chair Comal Co.
Walter Ague for Councilwoman Bonnie Conner
Councilman Gene Uptain, Greater Bexar CCC
Kathy Contreras, City of Seguin
Judge James Sagebiel, Guadalupe Co.

Advisory Members Present

Julie Klumpyan, Valero
Dan Feliz for Mark Brown, Zachary Co.
Chris Treutler, USAA
Bill England, Neighborhood Asso.
Ken Bercaw, New Braunfels C of C
David Splitek, Lackland ISD
Lance Freeman, VIA
David Splitek, Lackland ISD

Guests Present

Scott Ericksen, MPO
Jeanne Geiger, MPO
David Bernal, MPO
Renee Green, Bexar Co.
Susan Stuver, COSA
David Martinez, VIA
Kate Williams, TNRCC
Matthew Warren, COSA Council District 9
Charissa Barnes, Official Inspection Station
Mike Magee, TNRCC

Staff Present

Al Notzon, AACOG Exec. Dir.
Dean Danos, Deputy Dir.
Peter Bella
Steven Smeltzer
Chris Langston
Brenda Williams
Dorothy Birch
John Quebe
Berti Vaughan

I. Roll Call

Roll call was conducted by Dean Danos. Subsequently, Mayor Heath called the meeting to order.

II. Citizens to be Heard

Mayor Heath asked if there were any citizens to be heard on any item of consequence or concern germane to the meeting. There were none.

III. Minutes

Mayor Heath asked the committee to review the minutes. Commissioner Millikin moved to approve the minutes. Lance Freeman seconded the motion. The minutes were unanimously approved as submitted.

IV. Public Education Report

Dorothy Birch reported that the media air quality packages that the committee had approved in December were mailed to fifty-five media representatives throughout the Metropolitan Statistical Area. She pointed out that several stations had already responded positively to the information and would be broadcasting the information during the ozone season. She reminded the committee that she would be scheduling media visits involving members of the executive committee and asked interested members to let her know when they would be available to make the visits.

Next, she reported on the Ozone Season Kick-Off Event. The ozone kick-off event is scheduled for Saturday, April 6th. Currently, the Public Education Committee is considering several locations to hold the event. Sites under consideration include the CPS south side Service Center located on Southwest Military Dr., the Blossom Athletic Center, and the Bandera and 410 VIA Park and Ride. She explained that priority had been placed on the Blossom Athletic Facility because the location is well known; however, each location is being considered in case availability and negotiations are a problem.

Concerning the Remote Sensing Event, Ms. Birch told the committee that she had sent out over 300 requests for donations. AACOG's Air Quality Program had committed \$5,000 and several other agencies and businesses had expressed interest in assisting as well.

Ms. Birch also reported on the Homeowner Efficiency Workshop scheduled for Saturday, January 26th from 2 to 4 p.m. at the new Loew's store on Callaghan and 410. She invited everyone to attend.

Vice-Chairman Millikin stated that he had initiated a letter that the New Braunfels Chamber was sending out to their membership asking for \$5000 to support the Remote Sensing program. Ms. Birch was asked if radio air spots were going to be used for some of the events. She replied that all events were being covered through the media including live remote events on each event. Vice-Chair Millikin asked if technical help was going to be available to help inform the people who attended the events. Ms. Birch said that she was going to have more people involved and that a flyer was going to be available explaining air quality in a simple presentation.

V. A. Clean Air Plan Report

Mr. Bella reported that the 03Flex Plan (or Clean Air Plan) was ready to send to member governments for a final nod of approval. Mr. Bella provided an update on the Clean Air Plan. He discussed the need for the plan and its contingency measures that provide flexibility in the event the San Antonio region is declared non-attainment under the eight-hour ozone NAAQS.

Mr. Bella presented a timeline to obtain approval from the involved member governments. According to the proposed timeline, during January and February the 03Flex Plan is to be reviewed and the Chamber of Commerce initiative presented to the local chambers, with the approved recommendation of the committee. In February, the Clean Air Plan will be sent to the local governments. In May, meetings will be scheduled with TNRCC and EPA for reviewing the plan. By late spring 2002 everyone would be on board with the plan. The Ozone season begins on April 1st, and by the end of the year, we would hope to have the 2007 photochemical model in place.

Renee Green stated that the City of San Antonio (COSA) needed to be the cornerstone in signing the document and that other local governments would follow. She would recommend during the Technical Committee meeting that the COSA Council agenda timeline be taken into consideration. Walter Ague replied that Councilwoman Conner would be the primary contact for putting the item on the agenda as she chairs the most pertinent committee. Chairman Heath replied that it was time for the approval process to take place after three years and that every effort was going to be made to adhere to it. Judge Sagebiel asked if, at the local level, there was opposition from local experts who

wanted to change the document if that was permissible. Chairman Heath replied no. The agreement was such that it either needed to be agreed to or not. Tampering would not allow the document to fulfill its intent. He reminded everyone that it had taken three years to refine the document. Discussion was held on misinformation that was being conveyed as a result of enforcement from within non-attainment areas.

V. B. Chamber of Commerce Initiative

Mr. Bella gave a background report on the origins of the initiative. He explained that the idea began in Austin over a year ago. The idea being that the Chamber of Commerce provides strong leadership and provides a goal for a ten percent reduction in Austin's commuter emissions. The Chamber maintains the database created by filling out the emissions profile tool. Each participating company receives an emission spreadsheet, which is an indicator of how much the company's contributing to air emissions. Mr. Bella used a handout to explain the emissions profile that, when completed by the businesses volunteering into the program, provided a baseline profile for each company. That baseline profile shows how to reduce emissions by ten percent and provides a memorandum of agreement for the company to commit to reduce emissions.

The Air Technical Committee agreed to recommend the idea to the Air Executive Committee and to adapt the program for San Antonio. Ms. Green explained that if approved, this effort would be a voluntary measure and could be used as a control strategy in the O3Flex Plan. Mr. Magee with TNRCC pointed out that the program provided a variety of options for the companies to use in their efforts to reduce emissions. Vice Chairman Millikin motioned for the committee to accept the initiative. Dr. Splitek seconded the motion. Chairman Heath reminded the committee that the motion endorses and approves the chamber of commerce initiative. He suggested that the issue of including it in the Clean Air Plan would be part of the motion. The initiative would be in the amended memorandum of agreement in February because of the way the motion was worded on the agenda. It was agreed that all local Chamber of Commerce organizations would be approached. The motion passed.

VI. A. Technical Reports

Mr. Smeltzer presented information on the landfill gas emissions plant by comparing the emissions from power plants that generate power from landfill gas and landfills that flare the gas. Using a handout he explained that it was better to burn methane to produce electrical power rather than flaring it because flaring increased VOC emissions.

VI. B. Status of the Photochemical Modeling Episode

Mr. Smeltzer reported that Environ had completed a draft emission inventory report, meteorological report and a draft final report for the 1999 September modeling episode. The reports will be provided to the committee during next month's meeting for their consideration. Currently, the Air Tech committee is reviewing the information and the model is being loaded onto the computers at AACOG. It is much larger than anticipated. Scheduled training for staff is being set. Environ is providing two final runs.

VI. C. Ozone Monitor Placement, Moving CAMS58, Adding Sulfur Dioxide Monitor

Mr. Bella reported that during the last meeting the committee approved a request to TNRCC that the CAMS 58 ozone monitoring equipment be moved from the current Camp Bullis location. Originally, as stated by TNRCC staff, there was a problem accessing the site and it was recognized that the Camp Bullis location was not an

optimal location. Now there is no longer a problem of access. Commissioner Huston addressed a letter to the AIR Committee asking that the monitor remain at its current location. In addition, TNRCC was asking to place a sulfur dioxide monitor at the Marshall High School CAMS 23 monitor location. The Air Tech Committee approved this suggestion. Mr. Bella said that a letter had been drafted requesting the Sulfur Dioxide Monitor be placed at CAMS 23.

Regarding the placement of additional ozone monitors as specified in the TNRCC work plan, there are 4 existing monitors. Three are operated by TNRCC and are used to determine our attainment status. Under the signed work plan, AACOG staff proposed placing 4 to 5 additional monitors that provide additional information about the creation and movement of ozone locally. One monitor would be placed in Comal County close to the Kendall County line.

Mayor Heath suggested that the motion read that the committee supported the Air Technical Committee's recommendation for siting of monitors and the release of request for proposals for the monitors. He also suggested the motion include approval of the draft letter to Chairman Huston regarding that issue and the addition of the sulfur dioxide monitor at Marshall High School. Mr. Bella asked that funding for maintenance of the Trinity site be included in that motion. A motion for approval was made. The motion was seconded. The motion passed.

VII. A. Off-Road Sub-Committee Report

Chris Langston reported on the activities of the Off-Road Committee and goals for 2002 using a handout. The activities included hosting a second air pollution control workshop on a larger scale than the first, possibly in conjunction with Austin; participating in off-road related events as information providers; exploring off-road related incentives and money opportunities; and expanding the committee's focus to include industrial and commercial equipment operators. The next meeting is scheduled for Feb. 14, 2002.

VII. B. Other Informational Items

Mr. Bella referred to the 2002 Meeting Schedule listing all committee meeting and subcommittee meeting dates. He also provided articles on the health affects of air pollution and the Clean Texas Partnership Conference on Feb. 19th. He also announced that EPA will sponsor a forum for environmental assistance providers in San Antonio in December 2002.

VIII. Adjournment

With no further business, the meeting was adjourned.

8-hour Ozone NAAQS Implementation Policy Status and Timelines

Summary:

- Stakeholders are currently involved in the process of rewriting the 8-hour ozone NAAQS implementation policy; some 20 working groups have been formed to work through the details.
- Two combined Working Group / Public Meetings are tentatively scheduled for March 5th in Washington, D.C and on March 7th in Atlanta. There will be a third such meeting scheduled, yet, as the EPA hopes to hold the third meeting in an area easily accessible to the EPA's tribal constituency, this third meeting might be held in Phoenix.
- EPA anticipates the adoption of a new implementation policy in 2003. For non-attainment declarations made in 2003 under the 8-hour standard, the three years of ozone data used would be 2000-2002.
- Non-attainment designations will be followed by a 120-day comment period. Designations issued in 2003 will be finalized in 2004. Local SIP revisions will be due for submission to EPA by 2007.
- 2010 has been suggested as the attainment year for new non-attainment designations.
- EPA has encouraged public comment on this schedule.

I. AIR Committee's Letter to Gregg Cooke

On November 8th, 2001, staff sent a letter to Gregg Cooke, Regional Administrator for EPA Region 6, as directed by the Air Improvement Resources Executive / Advisory Committee. That letter contained the following:

As you know, the Air Improvement Resources (AIR) Committee is responsible for air quality planning for the San Antonio region. We are continuing to refine the Ozone Flex Plan for the San Antonio Metropolitan Statistical Area.

There are several details that are important for us to know at this stage in the planning process.

1. What is the status of the EPA's Implementation Policy for the eight-hour average ozone National Ambient Air Quality Standards (NAAQS)? How far has the revision process progressed? Are there any draft timelines for completion of the policy?
2. Following completion of the Implementation Policy revision for the eight-hour ozone NAAQS, which will be the three-year set of data used to determine attainment under that standard?

The following is the entire text from a letter received by AACOG on January 14th, 2002.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

- VI. Clean Air Policy
- A) 8-hour Ozone NAAQS Implementation Policy

The Honorable Patrick Heath
Chairman
AIR Executive Committee
Alamo Area Council of Governments
8700 Tesoro Drive, Suite 700
San Antonio, TX 78217

The Honorable Jay Millikin
Vice Chairman
AIR Executive Committee
Commissioner, Comal County
Alamo Area Council of Governments
8700 Tesoro Drive, Suite 700
San Antonio, TX 768217

Dear Chairman Heath and Commissioner Millikin:

Thank you for your letter of November 8, 2001, to our office regarding questions about air quality planning and the Ozone Flex Plan for the San Antonio Metropolitan Statistical Area. Your letter asked about the status of the U.S. Environmental Protection Agency (EPA) implementation policy for the eight-hour average ozone national ambient air quality standard and the three-year set of data used to determine attainment under that standard. It is not yet known what form 8-hour ozone standard implementation will take or what timeframes under which decisions on 8-hour ozone standard implementation will be made.

As stated in the Ozone (O₃) Flex Guidelines, EPA is just beginning to develop the implementation strategy for the 8-hour ozone National Ambient Air Quality Standards (NAAQS) and, during that process, plans to consult with stakeholders. In developing an implementation plan for the 8-hour NAAQS, EPA intends to consider streamlined requirements for areas that have chosen on a voluntary basis to implement measures to reduce ozone levels, such as those areas that enter into O₃ Flex Memoranda of Agreement (MOA). Under the 1990 Clean Air Act, Congress recognized that areas that were closer to attaining the ozone NAAQS would have fewer regulatory burdens than those areas with more significant air quality problems. Similarly, EPA believes that areas' near-term efforts to improve air quality on their own initiative could be recognized in implementing the 8-hour standard. EPA is exploring possible methods to recognize these efforts for several program requirements, including establishing nonattainment area boundaries, classifying nonattainment areas, and establishing SIP submission obligations for nonattainment areas. Thus, in developing an implementation strategy for the 8-hour standard, EPA plans to propose implementation options that recognize the efforts of areas that voluntarily achieve near-term emission reductions. Internal Agency workgroups are being formed to initiate discussions on potential approaches to address areas that obtain early ozone precursor emission reduction, including those areas that develop O₃ Flex plans. However, it is not yet known what form 8-hour ozone standard implementation will take or what timeframes under which decisions on 8-hour ozone standard implementation will be made.

An area's ozone attainment status is typically determined by the most recent three years worth of ambient air monitoring data. Because EPA does not yet know when

- VI. Clean Air Policy
A) 8-hour Ozone NAAQS Implementation Policy

it will designate areas for the 8-hour NAAQS, it is not yet known which three years of data will be used for those determinations.

EPA developed the Ozone Flex program to provide areas such as the San Antonio/Bexar County region with a structure under which to develop a voluntary air quality plan tailored to local needs and, in cooperation with the Texas Natural Resource Conservation Commission and EPA, to benefit local air quality goals. Ozone levels in the San Antonio area are currently below EPA's air quality standards, but weather conditions over the past year have been favorable to good air quality across the State. The area is expected to continue to experience considerable growth, and the hot and still weather conditions which promote ozone formation may return over the next few years. Consequently, EPA is encouraging local officials to consider other appropriate and substantive measures to reduce emissions of ozone forming pollutants in their Ozone Flex plans to help ensure the San Antonio area continues to achieve their air quality goals to meet or exceed EPA's ambient air quality standards.

I hope this information will be helpful. If we may be of further assistance, please contact me at 214-665-2100, or your staff may contact an intergovernmental liaison at 214-665-2200.

Sincerely yours,

/S/ Gregg A. Cooke

Gregg A. Cooke
Regional Administrator

Cc: Ralph Marquez, Commissioner
Texas Natural Resource
Conservation Commission

On Friday, February 8th, 2002, Tom Diggs, Chief, Air Planning Section for EPA Region 6 faxed to staff a copy of a memorandum containing information about the three-year question. The memorandum, date-stamped January 19, 2001, contained the following header and excerpted text. Underline and bold added for emphasis.

United States Environmental Protection Agency
Research Triangle Park, NC 27711

Office of
Air Quality
Planning
And
Standards

Subject: Compilation of States' Recommendations and Initial Regional Office Responses on Areas That Are Not Attaining the 8-Hour Ground-Level Ozone NAAQS

VI. Clean Air Policy
A) 8-hour Ozone NAAQS Implementation Policy

From: Lydia Webman, Director
Air Quality Strategies and Standards Division (MD-15)

To: Air Division Directors, Regions I-X

The purpose of this memorandum is to forward the attached compilation of information sent to us from the Regions and States in response to the statutory requirement to submit recommended designations and EPA guidance regarding how to determine boundaries for nonattainment areas for the 8-hour ground level ozone national ambient air quality standards (NAAQS or standards). ...

... The States' recommendations and Regional office responses are based on air quality data collected during 1997-1999. **When designations are promulgated, EPA will use the most recent 3 years of quality assured data.** ...

During the February 13, 2002, meeting of the Technical Working Group for Mobile Source Emissions in Austin, Tom Diggs announced that the EPA anticipated the adoption of a new implementation policy for the 8-hour ozone NAAQS in 2003. He also said that, for non-attainment declarations made under the 8-hour standard, if made in 2003, the three years of ozone data used would be 2000-2002, with a suggested attainment year of 2010.

According to Mr. Diggs and Michael Morton, also of EPA Region 6, the implementation policy redevelopment is underway. Stakeholders were involved in an "elaborate process" to rewrite the policy; some 20 working groups had been formed to work through the details. According to Amy Royden of the State and Territorial Air Pollution Program Administrators / Association of Local Air Pollution Control Officials (STAPPA/ALAPCO) in Washington, D.C., there will be combined Working Group / Public Meetings held on March 5th in Alexandria, Virginia (Washington, D.C) and on March 7th in Atlanta, which will not be open for public comment. Mr. Diggs commented that there will be a third such meeting, yet, as the EPA hoped to hold the third meeting in an area easily accessible to the EPA's tribal constituency, this third meeting might be held in Phoenix.

Finally, on February 15th, the EPA published notification of the above public meetings in the Federal Register (<http://www.epa.gov/fedrgstr/EPA-AIR/2002/February/Day-15/a3748.htm>). The public meetings have been called to solicit comments on various options to implement the 8-hour NAAQS. According to the announcement,

The options contain EPA's preliminary views and are intended to initiate a dialogue with the public on approaches for implementing the 8-hour ozone NAAQS. The EPA is interested in hearing the views from interested stakeholders on the options that we've developed and their ideas on how to best implement the 8-hour ozone NAAQS consistent with the Supreme Court's decision in *Whitman v. American Trucking Association*. An overarching issue that EPA would like public input on is how EPA should address the Supreme Court's holding that subpart 2 of part D of title I of the Clean Air Act (CAA) applies for purposes of classifying areas under a revised ozone NAAQS.

At the time of this writing, no options were available for consideration. In the Federal Register publication excerpted above, the EPA notifies interested parties that, as they

VI. Clean Air Policy

A) 8-hour Ozone NAAQS Implementation Policy

are developed, the EPA will post more options materials on their “Ozone 8-hour Implementation Approach” website, (<http://www.epa.gov/ttn/rto/ozonetech/o3imp8hr/o3imp8hr.htm>).

- VI. Clean Air Policy
- B.) Clean Air / O3Flex Plan Report

Clean Air / O3Flex Plan Report

AIR Committee Chairman Patrick Heath and Vice-Chairman Jay Millikin met with the Chairman of the Texas Natural Resource Conservation Commission (TNRCC), Robert J. Huston, earlier this month. They reportedly have strong reason to believe that both the Environmental Protection Agency and the TNRCC may soon be issuing fresh guidance on early implementation plans relating to air quality attainment policy under the 8-hour average ozone National Ambient Air Quality Standards.

Pending policy clarification from TNRCC and EPA, the Chair and the Vice-Chair request a delay of one month in the approval of the Clean Air Plan / Ozone Flex Plan for the San Antonio Metropolitan Statistical Area.

**Resolution of Support by the Air Improvement Resources Committee
On behalf of the City of San Antonio
For the Intelligent Transportation Systems Enhancement Grant Application**

As announced in the January 29, 2002 (Volume 67, Number 19) Federal Register,

...(t)he Federal Highway Administration is requesting preliminary applications from public/public or public/private partnerships to determine qualifications for participation in the Fiscal Year (FY) 2003 Intelligent Transportation Systems (ITS) Deployment Program. The focus of the FY 2003 ITS Deployment Program is to provide incentive monies for the deployment and/or integration of ITS to enhance the security of our surface transportation systems. Those preliminary applications that demonstrate an ability to meet the selection criteria will be considered for funding and will be asked to provide a more detailed technical proposal and financial plan prior to approval and the receipt of funds.

Preliminary applications to determine qualifications for participation in the ITS Deployment Program must be received before 4 p.m., Friday, April 1, 2002.

The City of San Antonio hopes to participate in the Intelligent Transportation Systems Deployment Program. The city asks for the support of the Air Improvement Resources Committee by signing the following resolution, submitted by Andrew J. Ballard, P. E., City Transportation Engineer, City of San Antonio.

A Resolution in Support of the City of San Antonio's Application for a Grant from the Federal Highway Administration for Deployment and Integration of Intelligent Transportation Systems Enhancements in the IH 37 Corridor Between San Antonio and Corpus Christi from the Air Improvement Resources Committee

WHEREAS, the Air Improvement Resources (AIR) Committee recognizes the importance of maintaining air quality standards throughout the San Antonio Metropolitan Region and beyond and the AIR Committee has developed and promoted numerous control strategies to reduce pollutant emissions, including, but not limited to, an "Air Quality Health Alert" program; voluntary lower Reid Vapor Pressure (RVP) standards region-wide in 1999; alternative fuel programs; Intelligent Transportation Systems (ITS) and internet programs; employer programs; bicycle and pedestrian projects; gasoline regulations; public education, outreach and advertising; ridesharing programs; traffic flow improvement programs, and transit strategies, and,

WHEREAS, San Antonio has been a national leader in ITS programs, and continues to develop and deploy ITS facilities throughout the metropolitan area, and,

WHEREAS, the efficient and effective transportation of people and cargo between the Port and City of Corpus Christi and the City of San Antonio is of critical interest to both communities and to the security of the United States, and,

WHEREAS, the San Antonio Metropolitan Region may be designated as in non-attainment of the federal eight-hour ozone National Ambient Air Quality Standards (NAAQS), and,

VII. Intelligent Transportation System Enhancement Grant Application by the City of San Antonio

WHEREAS, the AIR Committee recognizes the need to adopt certain control strategies to improve air quality in the San Antonio Metropolitan Statistical Area (MSA), and,

WHEREAS, the citizens of the San Antonio MSA and the leaders within the Air Improvement Resources Committee have, by these acts and considerations, shown their foresight and determination to solve proactively the air quality issues they face,

NOW, THEREFORE, BE IT RESOLVED that the Air Improvement Resources Committee supports the City of San Antonio's initiatives in ITS, in general, and, specifically, its application to participate in the Fiscal Year (FY) 2003 Intelligent Transportation Systems (ITS) Deployment Program.

PASSED AND APPROVED by the Air Improvement Resources Committee on this, the 27th day of February 2002,

Chair, Patrick Heath

Vice Chair, Jay Millikin

Action Requested: Review and act on Resolution of Support as requested by the City of San Antonio

AACOG Ozone Monitoring Project

The Alamo Area Council of Governments has posted the Request for Proposal, "Installation, Maintenance and Data Quality Assurance for Air Quality Monitors in the San Antonio Metropolitan Statistical Area," on the agency website. To view the RFP, please visit <http://www.aacog.com/rfps/rfps.htm>

AACOG hopes to establish, in total, five additional ozone monitors in Bexar, Comal, and Guadalupe Counties. The central objectives to be fulfilled through this contract are:

- To establish up to four new ozone monitoring sites in the San Antonio Metropolitan Statistical Area. The fifth site will be at Trinity University;
- To maintain each monitoring equipment set as required to guarantee proper functioning of the equipment;
- To perform data quality assurance / quality checks as necessary to assure that the data may be used to verify the performance of photochemical models specific to this area, to provide additional population exposure information throughout the region, and to allow the creation of a near-real time animated ozone map; and
- To assure the data transmission from these locations to TNRCC's main offices.

The timeline for award of the contract includes:

- Close of RFP bid reception by 4:00 p.m., Friday, February 22nd;
- Initial evaluation on Friday, February 22nd, following close of bid reception;
- Final evaluation of bids returned, including interviews of two candidates on Tuesday, February 26th, to result in recommendation of award to be forwarded to AACOG Board and the AIR Executive / Advisory Committees;
- Award of contract finalized by the Air Improvement Resources Committee and the AACOG Board of Directors during their respective meetings on Wednesday, February 27th.

Given the above timeline and the date of this writing, February 21, 2002, the bids have not been received or evaluated. However, during the February 11th meeting of the AIR Technical Committee, several members of the Tech Committee graciously volunteered to help evaluate the bids and recommend the recipient of AACOG's ozone monitoring contract.

As noted above, there will be two sessions. The first session, on February 22nd, will be to review the RFP responses and recommend, at most, two respondents. The second session, on February 26th, will be to hear presentations made by representatives of the two recommended respondents and to make a final recommendation between the two. It is anticipated that this evaluation process will provide a final recommendation of award candidates for consideration by the AIR Executive / Advisory Committee, for approval.

Action Requested: Review and act on recommendations from AIR Technical members regarding ozone monitoring contract award.

II. The Clear Skies Initiative

Executive Summary – The Clear Skies Initiative

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[President Announces Clear Skies & Global Climate Change Initiatives Fact Sheet](#)

[Global Climate Change Policy Book](#)

February 14, 2002

Today, President Bush proposed the most significant step America has ever taken to cut power plant emissions, the Clear Skies Initiative. This new proposal will aggressively reduce air pollution from electricity generators and improve air quality throughout the country. The Clear Skies Initiative will cut air pollution 70 percent, using a proven, market-based approach that will save American consumers millions of dollars.

America needs a clean, secure, affordable, reliable energy supply in the years ahead. President Bush has often said that environmental protection and energy production are not competing priorities. This progressive plan shows how that objective can be reached. We can meet our environmental goals while providing affordable electricity for American consumers and American businesses.

America has made great progress in reducing air pollution. Over the last three decades, air pollution has declined by 29 percent, while our economy has grown nearly 160 percent. These gains have provided cleaner air for millions of people. Our understanding of science, technology, and markets has improved since the Clean Air Act was passed in 1970. We know more about the best way to reduce pollution, and how to do it cost effectively. The acid rain cap and trade program created by Congress in 1990 reduced more pollution in the last decade than all other Clean Air Act command-and-control programs combined, and achieved significant reductions at two-thirds of the cost to accomplish those reductions using a "command-and-control" system. It's time to take the best of what we have learned and modernize the Clean Air Act. That's why President Bush is proposing a new Clean Air Act for the 21st century.

The Clear Skies Initiative will:

Dramatically Cut Power Plants' Emissions of Three of the Worst Air Pollutants.

- Cut sulfur dioxide (SO₂) emissions by 73 percent, from current emissions of 11 million tons to a cap of 4.5 million tons in 2010, and 3 million tons in 2018.
- Cut emissions of nitrogen oxides (NO_x) by 67 percent, from current emissions of 5 million tons to a cap of 2.1 million tons in 2008, and to 1.7 million tons in 2018.

IX. Other Issues

A.) President Bush's Clear Skies Proposal

- Cutting mercury emissions by 69 percent, – the first-ever national cap on mercury emissions. Emissions will be cut from current emissions of 48 tons to a cap of 26 tons in 2010, and 15 tons in 2018.
- Emission caps will be set to account for different air quality needs in the East and the West.

Use A New, Market-Based Approach To Clean Air:

- Protect Americans from respiratory and cardiovascular diseases by dramatically reducing smog, fine particulate matter, regional haze; and protect wildlife habitat and ecosystem health from acid rain, nitrogen and mercury deposition. NO_x and SO₂ emissions both contribute to fine particulate matter emissions and NO_x also contributes to ground-level ozone or smog.
- Save Americans as much as \$1 billion annually in compliance costs that are passed along to American consumers, while improving air quality and protecting the reliability and affordability of electricity for consumers.
- Cut pollution further, faster, cheaper – and with more certainty – eliminating the need for expensive and uncertain litigation as a means of achieving clean air.
- Build upon the 1990 Clean Air Act's acid rain program, America's most successful clean air law in the last decade, and encourage the use of new pollution control technologies.

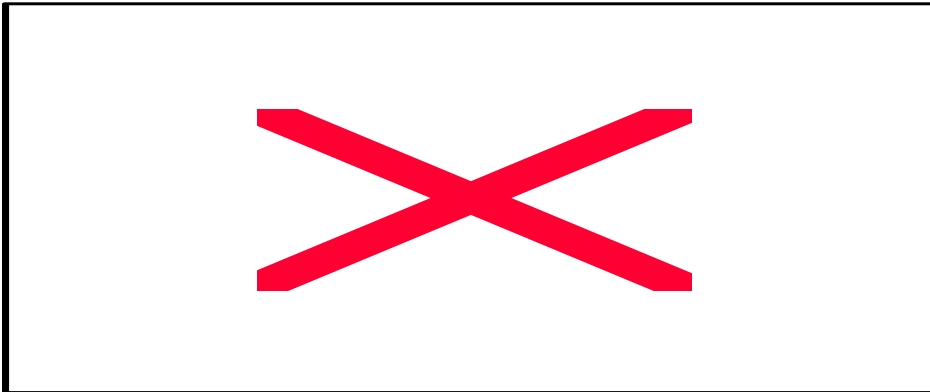
President Bush has a strong track record on enacting far-reaching clean air initiatives. In 1999, then-Governor Bush signed legislation that permanently caps NO_x and SO₂ emissions from older power plants in Texas starting in 2003. The legislation was widely hailed as a model for the country. The Texas program is designed to reduce NO_x emissions by 75,000 tons per year, and SO₂ emissions by 35,000 tons per year, while giving utilities flexibility in determining how and where to achieve the reductions.

This approach enjoys strong, bipartisan support throughout the country:

"Congress should pass legislation to establish a flexible, market-based program to significantly reduce and cap emissions of sulfur dioxide, nitrogen oxides, mercury and voluntary reductions of carbon dioxide from electric power generators. The legislation should provide regulatory certainty by establishing reduction targets for emissions, phasing in reductions over a reasonable period of time and providing market-based incentives such as emissions-trading credits to help achieve the required reductions."

— Unanimous Resolution of the National Governors Association, August, 2001.

The Environmental Council of the States approved a resolution in February, 2001, supporting a cost-effective, efficient and environmentally protective multi-pollutant proposal.



Background — The Success of the Clean Air Act

Pollution has declined by 29 percent while our economy has grown nearly 160 percent

In the U.S., power plants emit significant amounts of air pollution: 67 percent of all sulfur dioxide (SO₂) emissions, 37 percent of mercury emissions, and 25 percent of all nitrogen oxide (NO_x) emissions. These pollutants contribute to a variety of health and environmental problems, such as smog, acid rain, nitrogen deposition and visibility impairment.

Current law addresses each of these pollutants independently, on different timetables, through several different programs. These laws are uncoordinated and often inconsistent. Power plants might install equipment one year that is rendered obsolete the next. Implementation and enforcement usually requires years of litigation, leaving the fate of America's air to the uncertainties of the courtroom.

After 30 years of experience in regulating air pollution, America has proved that there is a better way to accomplish our clean air goals.

The 1990 Clean Air Act Amendments, proposed and signed into law by President George H.W. Bush, have significantly reduced air pollution, especially through the innovative "cap-and trade" acid rain control program. The acid rain program has been a resounding success, cutting annual sulfur dioxide emissions in the first phase by 50 percent below allowed levels. Emissions were reduced faster than required, and at far less cost. Industry compliance has been nearly 100 percent, and the program only requires a handful of EPA employees to operate. This approach is vastly more effective, and cheaper – two-thirds cheaper – than the traditional "command-and-control" approach.

This program is clearly a model for success. President Bush wants to expand this program to include two new pollutants – nitrogen oxides and mercury – while also dramatically reducing the SO₂ emissions allowed by current law.

The Clear Skies Initiative — Building on the Clean Air Act

The President's Clear Skies Initiative is designed to help us meet our national air quality goals. A new Clean Air Act for the 21st century must build on this founding principle – modernization and better technology will mean a progressive new way to accomplish these long-standing environmental goals. The Clear Skies Initiative will continue to bring Americans:

- **Improved Air Quality:** Reducing air pollution will bring clean air to tens of millions of people, saving them from smog (ground-level ozone) and fine particulate matter (dust) that cause respiratory and cardiovascular distress.
- **Improved Health:** Reducing emissions of fine particulate matter will prolong thousands of lives and prevent thousands of new cases of chronic bronchitis, hospitalizations and emergency room visits. Reducing the formation of ground-level ozone, or smog, will bring healthier air to tens of millions of people, and reduce the number of ozone-related health problems such as respiratory infection, asthma attacks, and chronic lung damage. Reducing mercury emissions will reduce the risk of toxic effects from mercury exposure to children exposed during their mother's pregnancy.
- **Better Environmental Protection from Acid Rain, Smog, Haze, Mercury and Nitrogen Deposition:** Reducing SO₂ and NO_x emissions will save hundreds of northeastern lakes and hundreds of thousands of acres of forests from acid rain, particularly in the Adirondacks and other parts of the Appalachian Mountains. It will also improve visibility over much of the country, particularly the scenic vistas in national parks such the Grand Canyon. Reducing emissions of nitrogen oxides will also reduce nitrogen deposition in water, improving coastal ecosystem health along the East and Gulf coasts. Reducing mercury emissions will reduce mercury deposition in lakes and streams.
- **Secure, Affordable Power:** The Clear Skies Initiative will keep electricity costs low for consumers by saving as much as \$1 billion each year in compliance costs. Power generators will have the flexibility to reduce emissions in the most cost-effective way. It will also encourage the continual improvement in technology to reduce emissions from coal-fired power plants in concert with the Department of Energy's Clean Coal Technology program and

incentives for power plants that install "scrubbers" early in the program. Under the Clear Skies Initiative, America will continue to have a diverse fuel mix that ensures a reliable, affordable energy supply.

How the Clear Skies Initiative Works

To improve air quality for millions of Americans, the Clear Skies Initiative will adopt the lessons learned from 30 years of environmental regulation by:

- 1. Establishing Emission Reduction Targets, Based on Sound Science, That Will Significantly Improve Air Quality, Protecting Human and Environmental Health:** By reducing air pollution, and conducting constant monitoring of emissions, the Clear Skies Initiative guarantees that America's power plants will meet ambitious air quality goals, even as they bring new power plants on line to meet growing demand. During the first phase, the EPA Administrator will review new scientific, technology and cost information and, if necessary, adjust the phase two targets. This will include a vigorous research program to further understand the fate and transport of pollutants in the atmosphere.
- 2. Adopting a Comprehensive, Integrated, Multi-Pollutant Approach:** By reducing emissions of the three key sources of air pollution at the same time, the Clear Skies Initiative will produce environmental results more effectively and efficiently than the current labyrinth of overlapping and uncoordinated single-pollutant requirements. The current approach is inefficient and ineffective, imposing unnecessarily high costs due to: (1) stranded capital investments from the installation of controls that later become obsolete when additional requirements are promulgated; (2) reduced lead time for complying with those requirements; (3) limited or non-existent flexibility for emissions trading to allow cost-efficient control options; and (4) a reliance upon lengthy, expensive, and uncertain litigation to sort out regulatory ambiguity and compliance with the law.
- 3. Improving Environmental Performance at Lower Cost Using Market-Based Mechanisms That Create Incentives for Innovation:** Using the market-based mechanism of a cap-and-trade program, the Clear Skies Initiative will establish national, federally enforceable emissions limits for each pollutant. Allowances are distributed to electricity generators, and the cap declines at specific intervals, 2010, and then again in 2018. Generators respond by gradually reducing their emissions – reducing more than the cap requires early in the program in order to save allowances for use later in the program

when the caps decline. That is, generators respond to declining allowance caps just like people respond to declining income when they're planning for retirement: they do more now, investing and saving for the future. Individual generators can choose when to reduce their emissions in response to their particular circumstances and the price of allowances they see in the market. This encourages the least expensive reductions over time as well as across facilities.

At this point, the government only has to enforce the emission limits, distribute allowances and verify that each facility has sufficient allowances for their annual emissions. There's no need for lengthy, costly, uncertain litigation to enforce the law. Creative, innovative strategies to reduce emissions are immediately rewarded: facilities save money by finding innovative ways to reduce emissions more than a command-and-control law would require. This creates an incentive for continual improvement in environmental performance.

The flexibility in the process of allocating emission credits or allowances will also accommodate the different air quality needs in the East and the West while preserving fair competition. Western states have already made significant headway in identifying future SO₂ reductions necessary to meet air quality goals in the Western Regional Air Partnership ("WRAP") agreement between EPA, Western states, tribes, industry and environmental groups. SO₂ allocations will track this agreement. NO_x reduction caps for the East and West will also be set to accommodate these different needs, and separate East and West trading regions will be created.

4. **Ensuring a secure, affordable energy supply:** By setting firm caps while offering flexibility in how utilities can meet those caps, the Clear Skies Initiative preserves a diverse fuel mix that supports economic growth with reasonably priced energy. The firm caps and the adequate lead time create a predictable climate for long-term planning and capital investment in power generation, which will ensure an adequate energy supply. This will also create substantial cost savings to consumers.

The Cap and Trade System in the Clear Skies Initiative

HOW DOES IT WORK?

The Clear Skies Initiative will deliver substantial health and environmental benefits through a market-based approach that rewards innovation, reduces costs, and ensures results. Instead of the government telling electricity generators precisely where and how to reduce their emissions – the old command-and-control approach – this market-based program tells them when and how much to reduce

pollution by establishing a firm, maximum "cap" on emissions. The trading program creates incentives for electricity generators to reduce their emissions even more than the law requires, and more quickly than required. Electricity generators must hold an "allowance" for each ton of pollution they emit – one ton, one allowance. The government controls the number of allowances that are distributed and reduces them over time. Electricity generators must continually monitor and report their emissions.

Most importantly, these allowances can be traded freely. That means that if you're smart and creative, and you figure out a better way to reduce emissions, you get rewarded by making those reductions and selling unneeded allowances in the market. And, if you unexpectedly can't reduce emissions as much as planned, you have the flexibility to go out and buy more allowances in the market – all without any government interference, and without undermining air quality. This flexibility lets businesses figure out the cheapest way to reduce emissions while government sticks to setting the overall emission cap at a level that guarantees that industry meets ambitious air quality goals.

WHY DOES IT WORK?

The cap ensures that the reductions in SO₂, NO_x and mercury required by the Clear Skies Initiative are achieved and maintained over time even as new power plants are built. The open trading program gives power plants the flexibility to choose how they meet their target emission reductions, which minimizes compliance costs and lowers consumer electricity prices.

WHAT ARE THE RESULTS?

Cost savings – The acid rain cap and trade program passed by Congress in 1990 achieved reductions at two-thirds the cost of achieving the same reductions under a command-and-control system. This program reduced more pollution in the last decade than all other Clean Air Act command-and-control programs combined during the same period.

Innovation – Trading under the acid rain program created financial incentives for electricity generators to look for new and low-cost ways to reduce emissions and to do so early.

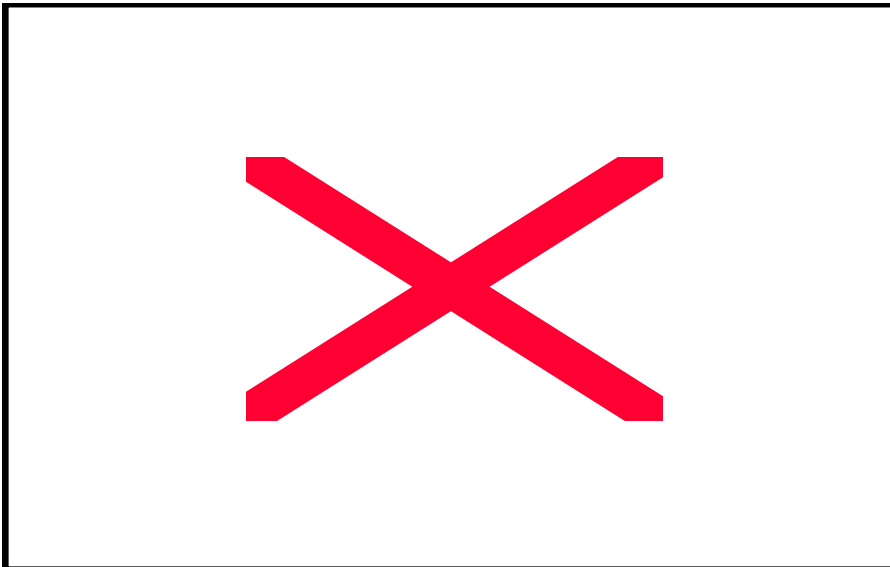
Integrity – The acid rain cap and trade program has high accountability and transparency. Electricity generators must install monitors to prove that they have sufficient allowances to match their actual emissions.

Regional Effect – The acid rain program resulted in emission reductions well below the cap in the areas that contribute most of the sulfur in acid rain. Comparing emissions from the 263 power plants regulated in the first phase of the program in 1999 with those in 1990, the North Central, Southeast and Mid-Atlantic regions achieved 49 percent, 48

percent and 43 percent reductions in SO₂ respectively. Several analyses of trading under the acid rain program have concluded that the program did not result in local areas with higher emission levels ("hot spots").

Guaranteed Results - The Acid Rain program enjoys nearly 100 percent compliance and only takes 75 EPA employees to run - a track record no command-and-control program can meet. Reductions in the early years averaged 25 percent below the required cap. Emission cuts resulted in air quality improvements over a broad area of the U.S. and significant reductions in acid rain.

Emissions From Power Plants in the First Phase of the



Acid Rain Program

What the Experts Say About the Acid Rain Cap and Trade Program

"The data confirm a general prediction about cap-and-trade programs, that they will tend to create incentives for the dirtiest plants to clean up the most, as the per-ton cost of emissions reductions may be expected to be the least. ...The data show that, if anything, trading may be expected to cool hot spots and not create them."

-- Byron Swift, Environmental Law Institute, "Allowance Trading and Potential Hot Spots - Good News from the Acid Rain Program" 31 Environment Reporter, pp. 954-959, May 12, 2000.

"The superior environmental and economic results of ...the Program are precisely what should have been expected of a program that matched an explicit emissions limit with a market that turned pollution reductions into marketable assets."

IX. Other Issues

A.) President Bush's Clear Skies Proposal

-- From "Obstacle to Opportunity: How Acid Rain Emissions Trading is Delivering Cleaner Air", Environmental Defense, September 2000, p. 2.

"The flexibility of the trading program has encouraged utilities to capitalize on advantageous trends, such as changing fuel prices and technological innovation that might have been delayed or discouraged by traditional regulatory approaches."

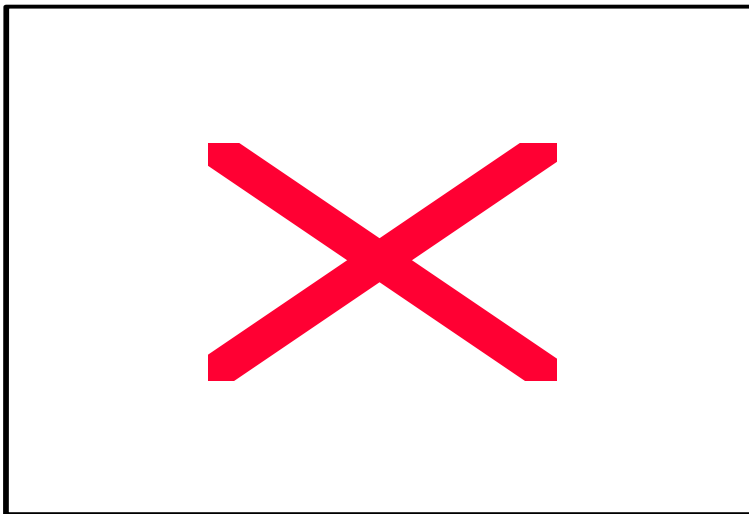
-- Curtis Carlson, Dallas Burtraw, et al., "Sulfur Dioxide Control By Electric Utilities: What are the Gains from Trade?" Resources for the Future, July 1998, Revised April 2000.

"[The] simplicity [of the Program] has kept transaction costs low and helped to create efficiencies that might otherwise not exist."

-- Daniel Chartier, Former Emission Trading Manager, Wisconsin Electric, Congressional Testimony, July 1997.

"This grand experiment [emissions trading under the Acid Rain Program] has demonstrated that the government can be effective and non-intrusive."

-- Danny Ellerman, Executive Director, Massachusetts Institute of Technology Center for Energy and Environmental Policy Research, remarks at the 21st Conference of the International Association for Energy Economics, Quebec City, Canada, May 1998.



This summary is online as

<http://www.whitehouse.gov/news/releases/2002/02/clearskies.html>

- IX. Other Issues
- E) Release of MOBILE6

Release of MOBILE6

At the end of January 2002, the Environmental Protection Agency (EPA) announced the release of MOBILE6. EPA's MOBILE series software is used to model and predict the air quality impacts of numerous transportation activities and controls. Inventories based on MOBILE are used to meet the federal Clean Air Act's state implementation plan (SIP) and transportation conformity requirements.

According to a MOBILE6 fact sheet published by the EPA on January 23, 2002:

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- MOBILE6 is the first major revision to MOBILE since MOBILE5a was released in 1993. MOBILE6 is based on actual emissions testing of tens of thousands of vehicles. It was extensively peer reviewed by scientific and technical experts, including the National Academy of Sciences, academics and industry.
 - MOBILE6 is much more representative of real-world emissions than were earlier versions of the software. The revision is based on new and improved data and on new understanding of vehicle emission processes. It also includes the effects of regulations that have been issued since the last revision of MOBILE was released (e.g., Tier 2 and heavy-duty engine and diesel fuel rules). The improvements should lead to improved estimates of highway vehicle emissions.
 - SIPs: All new SIPs should be based on the new model. Areas that submitted SIPs using MOBILE5 or have completed significant work on their SIP using MOBILE5 will not have to redo their SIPs using MOBILE6.
 - Conformity: EPA and the Department of Transportation agreed to a two-year grace period for incorporation of MOBILE6 in conformity analyses to allow time for the remaining areas to revise their SIPs using MOBILE6 if it is needed for conformity purposes. Areas must begin using MOBILE6 for new conformity analyses that are started after two years from the date of the Federal Register announcement on the release of MOBILE6.
 - Inspection & Maintenance Programs: The fact that newer vehicles are staying cleaner longer than was anticipated with MOBILE5 means I/M programs are likely to achieve notably fewer overall total emissions reductions than originally projected. However, due to changes in the overall inventory, again because of improved vehicle durability, the relative contribution of I/M to a given area's air quality plan may not change dramatically.

The current Ozone Flex Plan for the San Antonio Metropolitan Statistical Area (O3Flex Plan) contains an analysis based on a 1995 photochemical modeling episode. The photochemical model itself uses a 1995 mobile source emissions inventory created by the Texas Transportation Institute (TTI); TTI used MOBILE5a_h when creating this emissions inventory. The O3Flex Plan will not require mobile source emissions estimate revisions using MOBILE6.

- IX. Other Issues
- E) Release of MOBILE6

AACOG has recently received a 1999 photochemical modeling episode from ENVIRON, Inc. This model also contains a mobile source emissions inventory created by TTI; TTI also used MOBILE5a_h when creating this emissions inventory. The 1999 photochemical model will be projected to 2007. If the ensuing analysis of the resulting 2007 base case does not show attainment, then the AIR Committee will be asked to reconsider other control strategies from the Contingency Matrix, under the terms of the O3Flex Plan. Given the importance of this projection, it is very likely that the mobile source emissions inventories for both 1999 and 2007 (based on the 1999 episode) will need to be re-run by TTI using MOBILE6 before the projected 2007 model is created. This is probably the most important and immediate consequence for the San Antonio region of the appearance of MOBILE6.