

MINUTES

REGIONAL AIR QUALITY COUNCIL

Thursday, July 24, 2008

RAQC MEMBERS/ALTERNATES PRESENT:

Andy Spielman, *Chairman, Hogan and Hartson, LLP*

Brad Beckham, *Colorado Department of Transportation (alternate for George Russell)*

Theresa Donahue, *Citizen Member*

Mark Johnson, *Jefferson County Department of Health and Environment*

Jim Martin, *Colorado Department Public Health and Environment* Joan Ringel, *Citizen Member*

Jana Milford, *University of Colorado at Boulder*

Nathan Rabinovich, *National Jewish Medical and Research Center*

Joan Ringel, *Citizen Member*

RAQC MEMBERS/ALTERNATES NOT IN ATTENDANCE:

Ben Manvel, *City of Fort Collins*

Nancy Severson, *Denver Department of Environmental Health*

Melanie Worley, *Douglas County/DRCOG*

RAQC STAFF PRESENT:

Ken Lloyd; Jerry Dilley; Sandi Garcia; Misty Howell; Steve McCannon; Trevor Noel; Kate Riegler

OTHERS PRESENT:

Theresa Amoroso, CDPHE; Steve Arnold, CDPHE; Andy Berger, Tri-State G & T; Korby Bracken, Anadarko; Kevin Briggs, APCD; Erica Chavez, Hogan & Hartson; Jay Christopher, Suncor Energy; Dennis Creamer; Meg Collins, COGA; Stan Dempsey, CPA; Steve Douglas, Suncor; Abby Gaffney, Davis, Graham & Stubbs; Carly Gilbert, Environmental Defense Fund; Rick Griffith, ERAS; Zac Graves, CDOT; John Jacus, Davis Graham & Stubbs; Jennifer Johnson, Environmental Defense Fund; Garry Kaufmann, ACPD; Kristen King, CDPHE; Bruce Macdonald, ENSR; Carl Larson, Christiansen Corporate Resources; Mark Larson, CWPMA; Doug Lempke, CDPHE; Brian Lockard, Noble Energy; Cindy Loomis, Alpine Geophysics; Kevin Lynch, Environmental Defense Fund; Rick Matar, Williams Petroleum; Dennis McNally, Alpine Geophysics; Pam Milmoie, Boulder County Department of Health; Jeremy Nichols, Rocky Mountain Clean Air Action; Jim Shaw, Wagner Equipment; Natalia Swalnick, American Lung Association; Curt Taipale, APCD; Gregg Thomas, City and County of Denver; Paul Tourangeau, CDPHE; Scott Wagner, Wagner Equipment; Leah Ware, CDOT; and Ed Woods, Cat Emissions Solutions.

The meeting was called to order at 3:07 p.m. by Chairman Andy Spielman. A quorum was present.

Approval of Agenda and Minutes

Theresa Donahue moved to approve the agenda. Seconded by Jim Martin. Motion passed without objection.

**Theresa Donahue moved to approve the minutes. Seconded by Jim Martin.
Motion passed without objection.**

Informational Items

Chairman

Andy Spielman reminded Council of the upcoming Board meetings on the following dates:
Monday, August 11 at 3:00 p.m.; Wednesday, August 20 at 3:00 p.m.; and Monday, September 8
at 2:30 p.m.

Executive Director

None.

Committees

None.

Members

None.

Public Comment

Jeremy Nichols, Rocky Mountain Clean Air Action, provided Council with information on findings from the draft ozone report prepared for the Western Governor's Association. Mr. Nichols said the report underscores that challenges the region faces and the need to move quickly to reduce ozone to keep the projections from becoming reality.

Jim Martin reiterated that the APCD staff is not only working on short-term and long-term strategies for compliance with ozone standard, but is also working to get a sense of regional approaches that may be necessary for the Governor to discuss with Governors from neighboring states.

Steve Douglas, Senior Commercial Officer for Suncor, wanted to reiterate Suncor's perspectives on ozone issues and clarify public statements that have been attributed to Suncor. Suncor is close to its limit with RVP and anything less than 7.6 RVP would require significant capital. He said he believes the market impact of additional fuels strategies is being underestimated and there would be a significant impact on price and availability. He reiterated that like any business Suncor would need to look at the investment required for any new RVP limits and evaluate the options, which could include selling only diesel fuel or investing capital to meet any new limits.

Ozone Photochemical Modeling – Statewide Sensitivity Analysis

Dennis McNally, Alpine Geophysics, presented the revised Denver 2010 8-hour ozone design value projections and results of the 2010 sensitivity tests. He outlined the preliminary conclusions:

- Local NOx controls can be effective in reducing ozone, but can also produce local ozone increases in metropolitan Denver and at locations at point sources;
- Local VOC controls also reduce ozone and do not exhibit adverse effects;
- State-wide regional controls do not have much additional impact over NAA controls;
- Bark Beetle infestation emission changes show minimal impact; and
- Modeling results should be interpreted accounting for their uncertainties and should be just one of many components in determining an ozone control plan.

Dennis Creamer asked why data on the increased CO emissions were different from data presented at the July 14 meeting. Ken Lloyd stated the earlier data was based on average summertime numbers and the data presented today is based on values for one specific day. Dennis McNally further explained that there are other modeling results with slight changes because the design values were adjusted for model bias; however, the grid design values do not make that adjustment.

Discussion included the affects of the Western Region Air Partnership (WRAP) emissions data on the ozone modeling for state-wide controls. The oil and gas emissions inventories that were available for WRAP Phase II were designed to look at NOx and SOx for Regional Haze and have very little emphasis on VOC. According to Dennis McNally, this causes the VOCs to be greatly underestimated in the modeling. He said that for Phase III of the study, the VOC emissions inventories are improving.

Overview of Remaining SIP Regulation Development Schedule

Ken Lloyd reviewed the SIP/ regulation adoption schedule. He informed Council that two public meetings have been scheduled to solicit input from the public on the draft SIP, one in Aurora on August 14 and another in Westminster on August 19. He encouraged Council members to attend one of the public meetings. Sandi Garcia explained staff would be issuing a media advisory for the public meetings; sending email notifications to stakeholders; and placing notice in the newspaper solicit public input for the SIP.

Andy Spielman reminded everyone that the Council will continue to work on the ozone issues once the SIP is proposed to the AQCC. He also encouraged Council members to attend one of the evening public meetings.

Jim Martin stated that once the SIP is proposed to the AQCC, the APCD staff will still have considerable work to help the Commissioners understand the recommendations included in the document. Ken Lloyd said the RAQC staff will also be involved in the AQCC pre-hearing process.

Discussion of Recommended Strategies for Ozone Plan and SIP

Ken Lloyd reviewed the Status of Development of Emission Control Strategies for Ozone charts. He asked Council to review the chart to make sure the strategies were in the correct columns as discussed at the July 14 meeting. The RAQC and APCD staff's recommendation is to model the strategies included in the SIP and State-only columns.

There was discussion regarding the oil and gas strategies included in the SIP column and how those reductions correlate to the modeling sensitivities. The expanded Regulation No. 7 strategy

was discussed with regard to its emission reduction benefit. Kristen King, APCD, stated the language changes improve the record keeping and create equity, but it is difficult to determine the emission reductions.

Jim Martin suggested Council consider modeling both the SIP and State-only strategies. Ken Lloyd informed Council that the modeling contractor needs three weeks to run the selected strategies in order to have the data by the August 20 meeting.

Mark Johnson asked how this recommendation compared to the recommended modeling packages received from the Local Government and Environmental Coalition members. Kevin Lynch, Environmental Defense Fund, and Gregg Thomas, City and County of Denver, reviewed the major points of the letter that was emailed to the Council. The Coalition recommended the RAQC model the following packages: #1 – RAQC-approved strategies currently recommended to be included in the SIP proposal; #2 – All strategies included in #1 and at a minimum, the North Front Range I/M program, condensate tank controls at new and existing sources, pneumatic valve controls, federal Reformulated Gas and NOx control at large stationary sources; and #3 – Statewide options including extending the oil and gas VOC controls for the NAA statewide, 60 percent NOx point source reductions, RICE controls, and 10 percent area and non-road NOx reductions. Mr. Lynch said it may not be necessary to model option #3 since the emission inventories, as noted by Dennis McNally earlier, were not as reliable.

Ken Lloyd reiterated that modeling will continue after the SIP is submitted to the AQCC. The RFG and NOx control options will be looked at in modeling that will be done once the SIP modeling is complete.

There was discussion as to what might be included in the weight of evidence. Ken Lloyd indicated the weight of evidence analysis will not be complete until the modeling is done. RAQC and APCD staff will work with the contractor to get a schedule for Council. Jana Milford suggested the weight of evidence also include language to show that the region is moving in the right direction with state-only measures and voluntary efforts.

Joan Ringel expressed concern with an outcome of 84.9 ppb after a year of analyzing options. She questioned whether including the California consumer products rule, an idling program, and a transportation package should be included. In her opinion, the SIP is minimal compared to the requirement.

In response to Joan's comments, Jim Martin maintained that the challenge to get 95 percent controls on oil and gas industry is not a small thing. Jim believes this effort indicates the enormous challenges faces by the region. He stated reviewing the fuel strategies and NOx sources is a substantial commitment for the State.

Public Comment:

Stan Dempsey, Colorado Petroleum Association, provided Council with a copy of *Impact of Ozone Compliance on Gasoline Supply, Logistics and Costs for Denver Area* that was referenced at previous meetings. He will get an electronic copy from EAI, Inc. so that it can be uploaded on ozoneaware.org.

Pam Milmoe, Boulder County Public Health Department, shared Joan Ringel's concerns and compared the process to the failure of the EAC. She believes more needs to be done to provide a cushion for public health.

John Jacus, Davis Graham & Stubbs, expressed concern that the RAQC was considering state-wide controls and questioned the RAQC's authority to consider such measures. He believes the on-road mobile measures will provide the cushion. He further stated that he is troubled that the source apportionment was not complete prior to Council considering options for modeling. John suggested Council consider a 90 percent system wide control approach on condensate tanks as an alternative to the 95 percent control at each location. He contended this would provide the same, if not more, benefit and allow operators more flexibility. Kristen King, APCD, stated the APCD made the current recommendations to make the rule consistent for all sources and to reduce record keeping requirements.

Nathan Rabinovich said it is important for the Council to understand what the modeling is indicating. At the beginning of the process Council believed VOC controls would provide the most benefit and the modeling is showing that VOC controls in conjunction with NOx controls are necessary for the region to achieve the standard. Dennis McNally also noted that modeling illustrates the necessity of regional controls to reach the 84 ppb standard as well as the 75 ppb standard.

Gregg Thomas, City and County of Denver, reiterated his concern that the RFG and NOx controls would not be looked at until after the SIP is proposed to the AQCC. He believes the information is necessary for use during the AQCC process.

Theresa Donahue asked for clarification on how the additional modeling will move forward in the fall and how the Regional Haze process fits with the ozone SIP process.

Jim Martin agreed with Nathan's observation that at some point NOx controls will be necessary to reach the health based standard. He responded that the Regional Haze process is not designed to get the region to a health based standard. He acknowledged NOx controls get very complicated very quickly. The APCD will need to review the voluntary agreement provisions that are currently in place at power plants and work to determine other solutions to include in a NOx strategy package. In response to Gregg Thomas' comments, he said he understands the desire to move quickly, however modeling some percentage of NOx reductions is not going to be helpful without first understanding what is necessary to develop an appropriate NOx strategy.

Mark Johnson moved to model the strategies in the SIP and State-only columns with the following changes: change the oil & gas condensate tank control to 90%; remove the State-wide Reciprocating Internal Combustion Engine (RICE) controls; and add the RFG control to the 2008 Action Plan. Motion failed for lack of second.

Ken Lloyd clarified that the recommendation provided by John Jacus included using an average system wide approach.

Mark Johnson moved to model the strategies in the SIP and State-only columns with the following changes: remove the State-wide Reciprocating Internal Combustion Engine (RICE) controls; and add the RFG control to the 2008 Action Plan. Seconded by Nathan Rabinovich.

Council had discussion of the feasibility of the RICE and RFG controls. Jim Martin said more information needs to be collected on the RICE controls before he is comfortable removing it from consideration. He further stated the State and Council have an obligation to look at the implementation issues raised and take the time necessary to fully understand the implication of reformulated gasoline. Moving forward with RFG at this time would not provide any additional credit in the SIP.

The motion failed.

Theresa Donahue moved to include the strategies as outlined in the table, for purposes of making a draft proposal available for public comment. Seconded by Mark Johnson.

Council discussed what would be gained by including voluntary measures in the SIP to provide additional cushion. Ken Lloyd indicated travel reduction and idling voluntary measures are currently being implemented. It was suggested these types of efforts be included in the weight of evidence analysis. There was discussion of how voluntary measures could be noted so the public could see that measures that are not federally or state enforceable will be providing an air quality benefit.

Jana Milford suggested there is a need for four model runs, which include SIP measures; SIP and State-Only measures; SIP/State-only and Voluntary measures; and SIP/State-only/Voluntary and RFG/Large NOx source measures. She stated that the priority would be the first two options and the additional runs would be completed after further discussion once the SIP is proposed to the AQCC. Ken Lloyd informed Council that some of the voluntary measures are difficult to quantify.

Jana Milford made a friendly amendment to conduct the four model runs including: SIP measures; SIP and State-Only measures; SIP/State-only and Voluntary measures; and SIP/State-only/Voluntary and RFG/Large NOx source measures. Theresa and Mark accepted the friendly amendment. The motion passed without objection.

Adjournment

There being no further business before the Council, the meeting was adjourned at 5:50 p.m.