

# MINUTES

## REGIONAL AIR QUALITY COUNCIL

Monday, July 14, 2008

### **RAQC MEMBERS/ALTERNATES PRESENT:**

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

Jennifer Finch, *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*

Nancy Severson, *Denver Department of Environmental Health*

### **RAQC MEMBERS/ALTERNATES NOT IN ATTENDANCE:**

Ben Manvel, *City of Fort Collins*

Melanie Worley, *Douglas County/DRCOG*

### **OTHERS PRESENT:**

Ken Lloyd, RAQC; Misty Howell, RAQC; Jerry Dilley, RAQC; Kate Riegle, RAQC; Sandi Garcia, RAQC; Trevor Noel, RAQC; Dennis Creamer; Grier Bailey, CWPMA; Mark Larson, CWPMA; Abby Gaffney, Davis, Graham & Stubbs; Jeff Schwarz, CSMS; Ron Meyer, City of Aurora; Heather Stroud, Hogan and Hartson; Jennifer Johnson, Environmental Defense Fund; Jay Christopher, Suncor Energy;. Paul Tourangeau, ACPD; Mike Silverstein, APCD; Curt Taipale, APCD; Don Roche, City of Aurora; Jeremy Nichols, Rocky Mountain Clean Air Action; Rick Griffith, ERAS; Stan Dempsey, CPA; Garry Kaufmann, ACPD; Kevin Briggs, APCD; Jim Glaspey, DeFilippo Rees Robinette LLC; Dena Wojtach, APCD; Kristen King, ACPD; Leah Ware, CDOT; Gail Hoffman, CDOT; Lisa Silva, APCD; Carly Gilbert, Environmental Defense Fund; Dennis McNally, Alpine Geophysics; Phillip Schlagel, Anadarko Petroleum; Kerri Fiedler, EPA; Ralph Morris, Environ; and Cindi Loomis, Alpine Geophysics.

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The meeting was called to order at 3:05 p.m. by Chairman Andy Spielman. A quorum was present.

### **Approval of Agenda and Minutes**

**Jim Martin moved to approve the agenda. Seconded by Joan Ringel. Motion passed without objection.**

**Nancy Severson moved to approve the minutes. Seconded by Joan Ringel.**

Council discussed the following clarifying language changes to the June 18 and June 25 minutes (in italics):

June 18, page 4, paragraph 2:

In response to Nancy Severson's question about incremental improvements, Don Smith, Director of Sales for Suncor, stated *that undertaking improvements to produce lower RVP fuel would not cost as much as moving immediately to reformulated gasoline (RFG), and confirmed that the improvements needed for lower RVP would not be wasted capital for refineries if they were later required to produce reformulated gasoline.*

June 18, page 4, paragraphs 9 and 10:

Joan Ringel suggested staff focus on the 7.0 RVP with waiver as the strategy in the 2010 SIP. Some Council members requested staff perform an analysis of costs and air quality benefits for a *7.0 RVP to reformulated gas phase-in strategy that would extend beyond the 2010 SIP process* to provide additional information to the Council for the ozone plan.

**Joan Ringel moved that staff focus on the 7.0 with waiver option and pursue the implementation strategy for the SIP and that staff provide *by December 2008 or January 2009* a comparison of costs/benefits for lowering Reid Vapor Pressure (RVP) versus moving toward reformulated gas (RFG) in order to provide information to the legislature. Seconded by Mark Johnson.**

June 25, page 4, paragraph 9:

Correct Bob Garcia's title to CDOT Region 4 Transportation Director.

**Nancy Severson and Joan Ringel agreed to add the noted changes to the motion. Motion passed with changes noted above and without objection.**

**Informational Items**

*Chairman*

None.

*Executive Director*

None.

*Committees*

None.

*Members*

Jana Milford informed Council that the CDPHE website showed high ozone readings on July 10. She specifically noted a 95 8-hour value at the Welch monitor; a 91 at Chatfield and an 86

showing at a few other monitors.

### **Public Comment**

Jay Christopher, Environmental Manager for Suncor, restated Suncor's position to continue to support the 7.8 RVP without an ethanol waiver as the most viable ozone fuels option. He said it is critical for the Council to consider the cost effectiveness of strategies. He also informed Council that Suncor is in the process of hiring a consultant to review the carbon monoxide component noted in the ozone modeling.

### **Presentation on Stage II Vapor Recovery by Colorado/Wyoming Petroleum Marketers Association**

Grier Bailey, Colorado Wyoming Petroleum Marketers and Convenience Store Association, made a brief presentation on Stage II vapor recovery and why his association believes it is an exercise in redundancy. On Board Refueling Vapor Recovery (ORVR) exists on every new car beginning in 2000. He stated that EPA has recognized that ORVR is superior to Stage II and allows areas of moderate to severe non-attainment to remove Stage II requirements when ORVR penetration has been achieved. He concluded that the reality is that Stage II vapor recovery will not achieve any meaningful emissions reductions by the time it is fully phased in as a program.

In response to comments made at the June 18 meeting, Mike Silverstein clarified he was asking Council to wait for the modeling results and to allow the RAQC and APCD staff time to fully vet the Stage II data. This would allow Council to have an informed discussion on the issue. The Division was not advocating Stage II Vapor Recovery as an option.

Abby Gaffney, Davis Graham & Stubbs, acknowledged the strategy might not be cost effective, but her clients advocate for the Council to postpone their discussion until the information was fully vetted. She stated they are not entirely certain that this is an all or nothing strategy and believe there would be a benefit to a Stage II vapor recovery program for all new and modified stations. She also stated they believe that Stage I requirements need additional enforcement. It was clarified that the Department of Labor is responsible for enforcement of Stage I implementation.

### **Discussion of Results of Photochemical Modeling Sensitivity Analyses**

Ralph Morris, Environ, presented the revised 2010 8-hour ozone design value projections and the results of the 2010 sensitivity tests. He explained that the revised 2010 projection, which used inventories corrected since the June modeling, passed the modeled SIP attainment test. However, the design values at Rocky Flats and Ft. Collins-West monitors were 84. He explained that when modeling design values are between 82 ppb and 87 ppb, SIPs are required to contain a weight of evidence analysis. Ralph provided visual examples of the 2006 base case and the 2010 sensitivities to illustrate the reductions achieved.

Ralph explained Council needs to consider the directional change shown by the modeling and not dwell on the specific numbers. The modeling is showing a downward change in ozone levels. There was discussion regarding whether the model tracks meteorological impacts. Ralph stated the model does perform time progressions which show day to day variations.

The preliminary conclusions include:

- Local NOx controls can be effective in reducing ozone, but can also produce local ozone increases in metropolitan Denver and at locations of point sources;
- Local VOC controls also reduce ozone and do not exhibit adverse effects;
- Effects of state-wide regional controls under study; and
- Modeling results should be interpreted accounting for their uncertainties and should be just one of many components in determining an ozone control plan.

Ralph outlined the next steps for the modeling which include a Draft final 2006 Base Case and Model Performance Evaluation report (end of July); further analysis and completion of 2010 sensitivity tests (July 24, 2008); 2010 ozone source apportionment modeling (mid August); 2010 control packages modeling (late August) and 2020 modeling (after other modeling complete).

There was discussion on whether the Denver metropolitan area is VOC or NOx sensitive. Ken Lloyd reminded Council that the chemistry is complex. He stated that VOC reductions always reduce ozone formation; however NOx reductions have varying affects depending on where the reductions occur.

### **Discussion of Ozone Control Strategies for Proposed Ozone Plan and SIP**

Ken Lloyd reviewed the matrix of strategies that was given to Council at the June 25 meeting. Purpose of today's discussion is to move strategies in the "under discussion" column to the "under development" short-term column or the "deferred for future consideration" column. Then Council discussion should focus on determining which strategies in the "under development" column should be included in the SIP as federally enforceable measures and which should be in the Ozone Action Plan as State-only measures.

Jana Milford said, in light of modeling results, Council needs to look at NOx controls more vigorously. She proposed moving the Large NOx sources to the "under development" column. She recognized that the strategy would not necessarily be included in the SIP, but should be further reviewed as part of the State only measures. She informed Council of a report received by the State as part of BART process, which looked at stationary source NOx and SO2 control effectiveness. The report includes some potentially highly cost effective reductions for electric generating units and kilns. She recognized that it might not be possible to implement the strategies by 2010, but moving forward on a regulatory basis may be attractive to include in the weight of evidence analysis to support the SIP.

She also referenced Paul Tourangeau's presentation from the June 25 meeting, where he indicated a potential to extend the reciprocating internal combustion engine (RICE) rules that currently apply in the Denver/ Front Range nonattainment area to State-wide rules which would address a source that accounts for 20,000 tons per year of nitrogen oxides, according to the estimates. She suggested this might be a strategy that could be implemented by May 2010. She recommended drill rigs as another source to consider.

Jim Martin suggested instead to add a fourth column to the table for strategies that need further expedited review, but would not be included in the SIP or State-only regulations in September 2008 due to time constraints. He indicated his surprise at the modeling results and said that if resources were unlimited, the analysis on NOx strategies would have been done sooner. He acknowledged the APCD focused on the strategies believed to have the largest benefits for the

cost. He said a different approach might have been taken had technical staff known then, what the modeling results are showing now.

He indicated the need for the State and Council to look at the RVP options in conjunction with the reformulated gasoline option to make informed decisions about the State's future direction on fuel issues. He recommended that the Large NOx sources and Fuel strategies be included in this new category as well. The measures in the expedited review column could be included in an amendment to the SIP document once review has occurred.

Discussion of the strategies listed in the "under development" column on the chart is noted below.

Council talked about where the North Front Range strategies should be categorized on the chart. It was suggested that the North Front Range Inspection/maintenance program and the North Front Range 7.8 RVP regulatory requirement strategies be moved to the "under development" column. Council discussed the issues related to whether the I/M program strategy should be included in the SIP or as a State-only regulation. Mike Silverstein, APCD, said that moving forward with the strategy as a State-only regulation provides time for the Air Quality Control Commission to review and adjust the program components without having to go through a SIP revision process. The benefit from the emissions reductions would still be realized and help reduce ozone. He also informed Council that the APCD is working with the North Front Range MPO (NFR MPO) to determine what will be included in the program. The NFR MPO is scheduled to discuss this issue and make a decision at its August 7 meeting. Mike mentioned that the program would be not implemented in time to take credit for the 2010 SIP, which is another reason for the strategy not to be included in the 2010 SIP.

Based on information provided to the Council at the July 14 and 24 Board meetings, **Nancy Severson moved to remove the Stage II Vapor Recovery strategy from consideration. Seconded by Mark Johnson. Motion passed without objection.**

Council discussed the remaining stationary source controls. Mike Silverstein indicated the APCD is planning to present its review of the minor source BACT for VOC sources in Regulation No. 3 strategy to Council at its July 24 meeting. He asked Council to wait for the information before moving the strategy to another category.

Curt Taipale, APCD, presented information to Council on the California Consumer Products rule. He outlined two implementation options. He explained that while California Air Resources Board (CARB) compliant paint products seem to be readily available in Colorado, the geographic location may be a distribution barrier for other categories of the CARB compliant products. He indicated that the potential emission reductions presume that all the products sold in California would be used in Colorado, which may not be the case due to issues with freezing temperatures that affect some of the products.

There was discussion on the expectation that EPA might move toward stricter regulations for coatings and consumer products under the new Administration.

Mike Silverstein informed Council that there would be a significant fiscal impact on the State due to the need for additional FTE staff for planning, enforcement and product testing should Colorado implement a CARB program.

Council asked that the cost effectiveness in terms of dollars per ton be included on the chart for comparison purposes and that staff divide the “under development” column into subcategories for SIP and State-only measures. Council came to consensus on the direction of each of the strategies in the “under consideration” column.

Based on discussion, the strategies will be moved from the “strategy under discussion” column to the column indicated below:

- Inspection/maintenance program in North Front Range (structure to be determined) moved to Strategies Under Development – State-only Measures
- 7.8 RVP gasoline regulatory requirement in North Front Range (consistent w/Denver area) moved to Strategies Under Development – Recommended for SIP
- Additional fuel strategies (lower RVP gasoline, Federal Reformulated Gasoline, ethanol waiver) moved to Potential Strategies Requiring Additional Evaluation for Near-Term Plan/SIP Amendment - List as part of Ozone Fuels Strategies
- Stage II vapor recovery at gasoline service stations – removed from consideration
- Statewide Oil & Gas regulations – control requirements for new condensate tanks and pneumatic valves moved to Potential Strategies Requiring Additional Evaluation for Near-Term Plan/SIP Amendment - Include Controls on existing reciprocating internal combustion engines under Strategies Under Development – State-only Measures
- Minor source BACT for VOC sources in Reg. 3 move to Strategies Still Under Discussion for Proposed Ozone Plan and/or SIP – ACPD will make a presentation at the July 24 meeting
- Additional control requirements for major/minor VOC/NOx sources moved to Strategies Deferred for Future Consideration in Ozone Planning Process
- California Paints/Solvents/ Consumer Products Rule moved to Potential Strategies Requiring Additional Evaluation for Near-Term Plan/SIP Amendment

Nancy Severson commented on the importance of making sure it is clear to others that Council understands there are limitations to the modeling and decisions made by the Council are based on strategies that provide the greatest amount of success.

Ken Lloyd will rearrange the matrix and email it to Council before the next meeting.

### **Adjournment**

There being no further business before the Council, the meeting was adjourned at 5:35 p.m.