



## MINUTES

Wednesday, September 8, 2010

### RAQC MEMBERS PRESENT:

Andy Spielman, *Chairman, Hogan Lovells*  
Debra Baskett, *City and County of Broomfield*  
Melissa Chalona, *CTL|Thompson Inc.*  
Eric Doering, *Town of Frederick*  
Rick Garcia, *Department of Urban Housing and Development (advisory)*  
Russell George, *Colorado. Department of Transportation*  
Darryl Jones, *Coventry Development*  
Elise Jones, *Colorado Environmental Coalition*  
Susan Kirkpatrick, *Colorado Department of Local Affairs*  
Ben Manvel, *City of Fort Collins*  
Paul Natale, *City of Commerce City*  
John Putnam, *Kaplan, Kirsch, & Rockwell, LLP*  
Martha Rudolph, *Colorado Department of Public Health and Environment*  
Jennifer Schaufele, *Denver Regional Council of Governments*  
Jep Seman, *Corporate Advocates*  
Nancy Severson, *Denver Department of Environmental Health*  
Nancy Sharpe, *City of Greenwood Village*  
David Stewart, *EnCana Oil & Gas (USA)*  
Will Toor, *Boulder County*

### RAQC MEMBERS NOT PRESENT:

Bob Fitzgerald, *City of Aurora*  
Richard Long, *Citizen*  
Linda Morton, *Morton Consulting Co.*  
Bob Murphy, *City of Lakewood*  
Skip Spensley, *Environmental Consultant*  
Elena Wilken, *Colorado Association of Transit Agencies*

### RAQC ALTERNATES PRESENT:

Kate Fay, *Colorado Department of Public Health and Environment, Liaison to the RAQC*  
Jennifer Finch, *Colorado. Department of Transportation*  
Andy Hill, *Colorado Department of Local Affairs*

### RAQC STAFF PRESENT:

Ken Lloyd; Sarah Anderson; Jerry Dilley; Misty Howell; Stephanie Lind; Steve McCannon; Tara Moberly; Aneka Patel; Kate Riegler

### OTHERS PRESENT:

Grier Bailey, CWPMA; Lisha Burnett, Suncor Energy; Steve Cook, DRCOG; Mizraim Cordero, City of Commerce City; Greg Davis, EPA; Stan Dempsey, CPA; Dennis Creamer; Lesli Ellis, NFRMPO; John Gallagher, Suncor Energy; Andrea Gelfuso, Citizen; Rick Griffith, ERAS; Gail Hoffman, CDOT; Garry Kaufman, APCDI David Kramer, Sterling Yuma Ethanol, LLC; Paul Ludwig, Suncor Energy; Monica Morales, EPA; Lucy Nolan, ERAS; Carey Rangel, City of Westminster; Paul Rolniak, EAI Inc.; Tim Russ, EPA; Jim Shaw, Wagner Equipment; Mike Silverstein, APCD; Patty Stulp, ERAS; Natalia Swalnick, American Lung Association; and Bob Yuhnke. SWEEP.

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The meeting was called to order at 9:40 a.m. by Chair Andy Spielman. A quorum was present.

### **Approval of Agenda**

**Jep Seman moved to approve the agenda. Seconded by Elise Jones. Motion passed without objection.**

### **Approval of Minutes**

**Elise Jones moved to approve the minutes. Seconded by Paul Natale.**

Nancy Severson requested the following sentence be added to paragraph two on page four, under the title Discussion of Draft Transportation-Related Ozone Management Snapshot:

“It also was noted that information about each SIP benefit and associated costs of each strategy needs to be analyzed and will be important to Council’s selection of strategies to attain the new ozone standard.”

**Motion passed as amended without objection.**

### **Informational Items**

#### *Chair*

Andy Spielman introduced and welcomed Barbara Stinson, Meridian Institute. He explained that she will be facilitating the Council’s discussions of potential strategies.

#### *Members*

John Putman gave Council brief overview of the August 16 modeling meeting. He indicated there was good discussion on issues such as technical improvements, boundary conditions, new model requirements and how to model stationary sources. Kate Fay added that staff is working on a meeting summary and next steps document that will be available to Council in two to three weeks. She also mentioned the modeling group may meet one more time prior to the modeling forum which is anticipated to be scheduled in early 2011.

Ben Manvel introduced Lesli Ellis, the new Environmental Planner for the North Front Range Metropolitan Planning Organization (NFRMPO). She will be working with RAQC staff as the Council’s ozone efforts move forward.

#### *Executive Director*

Ken Lloyd said the ozone season status chart that was distributed to Council shows that the region well in compliance with the old standard (84ppb) and out of compliance with the current standard (75 ppb). He noted that there were a few high readings in August; however, the 4<sup>th</sup> Max remained below 80.

He also informed Council that EPA announced it is delaying the release of the final ozone NAAQS until approximately October 31, 2010.

## **Consent Agenda**

Ken Lloyd explained that the audit included in Council packets is done annually by an independent auditing firm. Council had no questions and accepted the audit.

## **Public Comment**

None.

## **Approval of Goals and Criteria**

Ken Lloyd explained that the updated Goals and Criteria reflected changes from the discussion at the August meeting. He asked Council to officially adopt the Goals and Criteria.

**Nancy Severson moved to adopt the Goals and Criteria as presented. Seconded by Darryl Jones. Motion passed without objection.**

## **Presentation and Discussion of Preliminary Findings of Draft Fuels Study**

Ken Lloyd introduced Garry Kaufman, Mobile Sources Program Manager for the Air Pollution Control Division. Garry provided Council with an overview of ozone reducing fuels strategies, which included current requirements, strategies under consideration and historical background on strategies under consideration. He also explained that further strategy assessment is underway to evaluate costs, benefits and administrative considerations through the RAQC's Fuels/Mobile Sources subcommittee and the Fuels Study that was commissioned by the RAQC and CDPHE.

He said a preliminary draft of the Fuels Study, which builds upon a 2008 industry analysis, is complete and industry input is being solicited. CDPHE and RAQC staff will be conducting additional review and refinement before a final draft report is released in late 2010/early 2011. He further stated that the information from the fuels study will be considered in the work of the RAQC's Fuels/Mobile Sources subcommittee.

Garry outlined the next steps, which include:

- Refining the costs in the fuels analysis with industry and other stakeholders
- Refining the benefits in the fuels analysis with the new MOVES model and accessing the likely impact on ambient ozone levels
- Conducting further analysis as requested by Council and the Fuels/Mobile Sources subcommittee

Council discussed whether or not blending ethanol during the summer months is mutually exclusive or additive to other strategies. During the discussion it was noted that it would be difficult for refiners to comply with the Renewable Fuels Standard (RFS) requirements if blending is phased out. Council also talked about the likely impact of the "eliminate blending strategy" on ozone since the table reflects a NO<sub>x</sub> reduction. Garry Kaufmann noted that the atmospheric modeling will show the benefit relative to the NO<sub>x</sub> reduction.

Council discussed whether and how fuel innovation plays are part in ozone reductions. Garry Kaufmann indicated that there are strategies used in California that cannot be adopted in Colorado because of federal laws. It was noted that ethanol is widely used in Brazil.

## **Fuels and Motor Vehicle Measures Subcommittee Report-out and Recommendations**

Jep Seman, Fuels/Mobile Source subcommittee chairman, summarized the work done in August by the subcommittee. He said the subcommittee met three times and only looked at the fuel strategies. Jep indicated the subcommittee recommendation is to collect additional information on six of the strategies, which include Federal Reformulated Gasoline (RFG), 7.0 RVP gasoline, eliminate Ethanol waiver, eliminate Ethanol blending during the summer ozone season, expanded use of alternative fuels in governmental and private fleets, and electrification of the vehicle fleet.

Jep stated the subcommittee recommends Council not pursue further information on the following strategies:

- The California Clean Car Standards measure because there was no reason to pursue the option because of changes to federal rules
- The mandatory reduction of fuel use (essentially idling) strategies because of the administrative complications and the subcommittee thought it would be more of a voluntary outreach strategy
- Jep noted that during the subcommittee meeting Dick Long suggested looking at incentives to encourage accelerated fleet turnover

Council discussed the type of additional information needed within each strategy review, specifically externalities associated with strategies and what has been done in relation to the strategies both in Colorado and other areas around the country.

### *Public Comment*

Stan Dempsey, Colorado Petroleum Association (CPA), stated that industry is just beginning to review the Fuels Study data and expressed concern as to whether comments could be provided by October 1, as requested by the RAQC and CDPHE. He emphasized that fuel strategies cannot be taken by themselves and should be considered along with other strategies. He noted that his members, collectively, already make significant investments to meet requirements. Stan said there is also a need to understand the benefits from HB1365. He requested that Council run the past strategies run through the new updated model before considering additional fuels strategies. He also asked Council to consider the impact any additional controls would have on jobs. In conclusion, Stan asked Council for the opportunity to make a formal presentation to Council within 60-90 days to provide CPA's perspective on their review of the Fuels Study.

Patty Stulp, ERAS Inc., said her company has not had time to review the draft Fuels Study but want to be an active participant in the process. Patty also informed Council of some modeling the Ethanol industry had performed by Environ on the potential impact of ethanol blending on ozone. She said their information mirrors what the current information is showing. She will get a copy of the report to Jep and the subcommittee.

Tim Russ, EPA Region 8, reminded Council that they need to consider CAA section 211(c)(4)(C), regarding waiver requests when discussing lowering RVP gasoline.

## **Facilitated Discussion of Fuels and Motor Vehicle Subcommittee Report-out, Recommendations, and Next Steps**

Kate Fay introduced Barbara Stinson. Barbara is a Senior Partner with the Meridian Institute. She provided Council with her background. She was hired to assist Council with the discussion of strategies.

Council discussed adding a “no action” alternative to help them to understand where the region would be if nothing is done beyond current controls. During the discussion it was noted that understanding what is already happening and what is estimated to occur with current strategies and federal regulations is important. Ken Lloyd indicated that baseline information for each strategy type can be included.

Jep Seman told Council that the subcommittee recommendation is to move forward in gathering additional information on six of the seven options outlined and to not allocate anymore staff time to researching the reduce fuel use in fleet vehicle strategy. Jep also provided Council with some reasons to consider not moving forward with the RFG strategy.

Council discussed each strategy as outlined on the “Preliminary High Level Evaluation Tool”.

Garry Kaufman gave a brief overview of the Federal Reformulated gasoline strategy. He explained that the program is regulated by the federal government and the benefits basically duplicate those of the 7.0 RVP without a waiver strategy. Council discussed how RFG works and the costs involved.

Garry Kaufmann explained that the 7.0 RVP measure is allowed in the SIP process. The Clean Air Act (CAA) requires areas to show findings. The Governor has to make the request to EPA. Garry indicated there are additional administrative requirements with this strategy. Council discussed whether the strategy could be used in conjunction with the RFG strategy. It was suggested that additional information regarding the administrative issues and implementation issues be included in the subcommittee document.

Council reviewed and discussed the gasoline fuel options cost and benefit summary. It was noted that without understanding the context of needed reductions for NOx and VOCs, it is difficult to compare strategies. Garry Kaufmann said there are serious policy questions to consider with the “eliminate ethanol waiver” measure and “eliminate ethanol blending during summer ozone season” measure. These options may make it very difficult for refiners to meet the Renewable Fuels Standard.

There was additional discussion on the purpose of reviewing the strategies. Martha Rudolph indicated that the preliminary review is to determine if strategies warrant additional work, not to eliminate any of the strategies from consideration.

Barbara Stinson summarized and confirmed that the Council is asking staff for more information on the required administrative efforts, industry impacts and needed reductions.

Will Toor informed Council that Boulder is conducting a study to provide incentives for vehicle electrification. He noted the first work product should be available in six weeks. He will share the information with Council as the study moves forward.

Steve McCannon gave Council an overview of the “expand use of alternative fuels in governmental and private fleets” measure as outlined in the Council document. Council asked staff to include a chart of costs for these options similar to what was done for the fuels options. Steve explained the table was taken out of the document because the costs were not equivalent for comparison because of outside variable costs associated with the measures. He illustrated his point by noting that the costs associated with building a new alternative fueling station are significantly more than adding a alternative fuel pump at an existing site.

John Putman said he is aware of work being done with FAA and EPA to use SIP creditable methodology for using alternative fuels. He will share the information with Steve McCannon for use in the review process.

Council revisited the need to fully explore SIP credit challenges with EPA. It was also noted that it may be time to get industry involved in the discussions of these strategies to help gather real data.

Steve McCannon summarized the “electrification of vehicle fleet” measure. He noted that there are indirect emissions attributable to power plants that generate the electricity used by these vehicles. He said the potential to get SIP credit for this measure in the short-term is not likely because of the lack of availability of vehicles and charging stations. It was noted that this measure may provide future reductions that would be beneficial even if it is not included in the SIP.

Barbara Stinson summarized Council direction based on the discussion of measures. She noted Council wants staff and the subcommittee to continue to work on six of the strategies outlined (not the fuels use reduction measure) by the subcommittee for further review and to provide additional information, including baseline information to the measure detail.

Barbara confirmed with Council that the current process for review worked for them.

#### *Public Comment*

Mike Silverstein, APCD, suggested that either excluding capital costs for non-fuel strategies or including the capital investment for fuels in the economic analysis would help to provide an equal comparison of strategies.

Bob Yuhnke, SWEEP, made reference to his presentation at the August meeting which provided data on electric vehicles.

Stan Dempsey, CPA, said that Gasoline Fuels Options chart in the Evaluation Tool document should reference the RVP without the waiver at 6.8 psi and 6.0 psi rather than 7.8 psi and 7.0 psi.

Kate Fay summarized Council’s direction to staff as follows:

- Identify the base line for each strategy
- Provide impacts of HB1365 and HB1331, as they become available
- Determine what is needed to reach attainment of the new standard
- Fine tune the costs/benefits of measures
- Ultimately Council will compare all strategies together

#### **Approval of Proposed DRCOG TIP Funding Applications**

Ken Lloyd provided Council with an overview of the DRCOG 2012-2015 TIP funding process and the staff recommendation for project applications. He said that through the DRCOG process there is approximately \$10-\$14 million for air quality improvement projects over the four-year TIP.

He indicated that RAQC staff has been working with public and private fleets and other stakeholders to develop the proposed programs. The first project builds off RAQC’s previous fleet efforts and is a comprehensive program that encompasses multiple fuel and vehicle options. The cost of the proposed project is \$6.1 million in federal funds over the four year period. The second project builds on the ozone awareness and outreach program. This program would enhance

outreach efforts for the new standard. The cost of this proposed project is \$3.3 million over the four years. He stated the applications are due to DRCOG by October 1, 2010 and asked Council for approval to submit the applications.

There was discussion on the effectiveness of public outreach and how it is measured. Jennifer Schaufele expressed concern regarding the measurement of this type of program. Ken Lloyd said the RAQC has used pre- and post- season surveys to gather information on behavior changes and awareness as well as information from other areas. He said while these program are often difficult to quantify, there is information to help demonstrate program effectiveness that meets DRCOG's requirements.

**Jennifer Schaufele moved to approve submission of the applications as outlined. Seconded by Jep Seman. Motion passed without objection.**

### **Adjournment**

There being no further business before the Council, the meeting was adjourned at 12:35 p.m.