State of California
AIR RESOURCES BOARD

Resolution No. 07-28

September 27, 2007

Agenda Item No. 07-7-7

WHEREAS, the Legislature in Health and Safety Code section 39602 has designated the State Air Resources Board (ARB or Board) as the air pollution control agency for all purposes set forth in federal law;

WHEREAS, ARB is responsible for the preparation of the State Implementation Plan (SIP) for attaining and maintaining the national ambient air quality standards (NAAQS) as required by the federal Clean Air Act (the "Act"; 42 U.S.C. section 7401 *et seq.*), and to this end is directed by Health and Safety Code section 39602 to coordinate the activities of all local and regional air pollution control and air quality management districts (districts) necessary to comply with the Act;

WHEREAS, section 39602 of the Health and Safety Code also provides that the SIP shall include only those provisions necessary to meet the requirements of the Act;

WHEREAS, the ARB has primary responsibility for the control of air pollution from vehicular sources, including motor vehicle fuels, as specified in sections 39002, 39500, and part 5 (commencing with section 43000) of the Health and Safety Code, and for ensuring that the Districts meet their responsibilities under the Act pursuant to sections 39002, 39500, 39602, 40469, and 41650 of the Health and Safety Code;

WHEREAS, section 41712 of the Health and Safety Code authorizes the ARB to control volatile organic compound emissions from consumer products, and Health and Safety Code section 39650 *et seq.* authorizes the ARB to control toxic air contaminants;

WHEREAS, the ARB is authorized by Health and Safety Code section 39600 to do such acts as may be necessary for the proper execution of its powers and duties;

WHEREAS, sections 39515 and 39516 of the Health and Safety Code provide that any duty may be delegated to the Board's Executive Officer as the Board deems appropriate;

WHEREAS, the Bureau of Automotive Repair (BAR) is authorized to adopt, implement, and enforce a motor vehicle inspection and maintenance (I/M) program pursuant to Health and Safety Code section 44000 *et seq.*;

WHEREAS, in July 1997 the U.S. Environmental Protection Agency (U.S. EPA) promulgated a new 8-hour NAAQS for ozone of less than 0.08 parts per million;

WHEREAS, in July 1997 U.S. EPA promulgated a new particulate matter NAAQS for particulates that are less than two and a half microns in diameter (PM2.5); the standard

is less than 65 micrograms per cubic meter for 24 hours and an annual average of less than 15 micrograms per cubic meter;

WHEREAS, the Act and U.S. EPA regulations require the State of California to submit to U.S. EPA a SIP to demonstrate attainment of the national 8-hour ozone standard (attainment demonstration) for all ozone nonattainment areas designated as basic, moderate, serious, severe, and extreme;

WHEREAS, in April 2004 U.S. EPA finalized "Phase 1" of the 8-hour ozone implementation rule (Phase 1 Implementation Rule), which established the classification scheme for nonattainment areas and identified continuing obligations with respect to the existing one-hour ozone requirements;

WHEREAS, in November 2005 U.S. EPA supplemented its Phase 1 Implementation Rule with a "Phase 2" rule that specifies the emission controls and planning elements that nonattainment areas must address in their SIPs;

WHEREAS, section 172(c)(3) of the Act requires nonattainment area plans to include a comprehensive, accurate, current inventory of actual emissions from all sources of the relevant pollutant or pollutants.

WHEREAS, U.S. EPA's guidance requires each nonattainment area to submit a demonstration that it has adopted all reasonably available control measures (RACM) necessary to demonstrate attainment as expeditiously as possible;

WHEREAS, section 110(l) of the Act and title 40 C.F.R. section 51.102 require that one or more public hearings, preceded by at least 30 days notice and opportunity for public review, must be conducted prior to the adoption and submittal to U.S. EPA of any SIP revision;

WHEREAS, section 110(a)(2) of the Act requires states to submit a SIP to U.S. EPA that provides for implementation, maintenance, and enforcement of national ambient air quality standards (Infrastructure SIP);

WHEREAS, section 110(a)(2) of the Act requires states to submit implementation plans that ensure that their SIP does not interfere with another state's program to attain federal standards, prevent significant deterioration of its air quality or interfere with visibility in another state (Interstate Transport SIP);

WHEREAS, the California Environmental Quality Act (CEQA) requires that no project which may have significant adverse environmental impacts may be adopted as originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts, unless specific overriding considerations are identified which outweigh the potential adverse consequences of any unmitigated impacts;

WHEREAS, Board regulations provide that prior to taking final action on any proposal for which significant environmental issues have been raised, the decision maker shall approve a written response to each such issue;

WHEREAS, the *Air Resources Board's Proposed State Strategy for California's 2007 State Implementation Plan* (State Strategy) relies on emission reductions from already adopted State control programs and the expected reductions from proposed new State measures;

WHEREAS, the State Strategy, in combination with local actions, will provide emission reductions necessary to the meet 8-hour ozone standard in the two most challenging regions of the State: the South Coast Air Basin and the San Joaquin Valley;

WHEREAS, emission reductions from the State Strategy are also necessary, in whole or part, to attain the 8-hour ozone standard in the Sacramento region, Ventura, and locations downwind of urban areas such as the Coachella Valley, Antelope Valley and Western Mojave Desert;

WHEREAS, emission reductions from the State Strategy are necessary to attain the PM2.5 standard in the South Coast Air Basin and the San Joaquin Valley;

WHEREAS, on January 31, 2007, ARB staff circulated for public review the *Draft Air Resources Board's Proposed State Strategy for California's 2007 State Implementation Plan*, identifying proposed new measures, federal actions needed, and potential long-term concepts that will be evaluated and refined for the next rounds of SIPs;

WHEREAS, on April 26, 2007, ARB staff released a revised draft *Air Resources Board's Proposed State Strategy for California's 2007 State Implementation Plan* (State Strategy) that incorporated changes based on further staff analysis and public comments;

WHEREAS, on May 7, 2007, ARB staff released Appendices A through G of the State Strategy;

WHEREAS, at its June 14, 2007 hearing, the Board directed staff to work with the San Joaquin Valley Unified Air Pollution Control District and stakeholders to identify additional measures to achieve emission reductions more quickly in the San Joaquin Valley,

WHEREAS, at its June 22, 2007 hearing, the Board encouraged staff to identify additional statewide measures to reduce PM2.5 emissions in the South Coast Air Basin,

WHEREAS, on September 21, 2007, ARB staff released a *Revised Proposed State Strategy for California's 2007 SIP*;

WHEREAS, the State Strategy quantifies SIP commitments for two of the areas that need the emission benefits from the proposed, new State measures to demonstrate attainment: the South Coast Air Basin and the San Joaquin Valley;

WHEREAS, the State Strategy will serve as the basis for additional quantified commitments as needed by the other federal nonattainment areas, as determined by the ARB Executive Officer;

WHEREAS, the State Strategy sets forth a commitment to achieve specified emission reductions by specific dates, a commitment to propose defined new SIP measures, and a long-term strategy commitment;

WHEREAS, ARB has compiled comprehensive emission inventories for regions designated as nonattainment for the 8-hour ozone or PM2.5 standards; these inventories are set forth in Appendix A to the State Strategy;

WHEREAS, Appendix B of the State Strategy (*110(a)(2) Infrastructure SIP)* and Appendix C (*Interstate Transport SIP),* demonstrate that California meets the requirements of section 110(a)(1) and (a)(2) of the Act;

WHEREAS, Appendix E of the State Strategy contains ARB's Environmental Impact Analysis and the Economic Impact Analysis;

WHEREAS, Appendix G of the State Strategy demonstrates that the State's mobile source program exceeds federal RACM requirements;

WHEREAS, technical and other clarifying modifications to the State Strategy have been proposed by ARB staff; these modifications are set forth in Attachment A to this Resolution;

WHEREAS, ARB staff has proposed modifications to the State Strategy that would achieve an additional 30 tons per day of NOx emission reductions in the South Coast Air Basin by 2014; these modifications are set forth in Attachment B to this Resolution;

WHEREAS, the State Strategy with the proposed modifications would achieve 88 to 93 tons per day of NOx emission reductions in the San Joaquin Valley Air Basin by 2017; the modifications are set forth in Attachment B to this Resolution;

WHEREAS, in consideration of the proposed SIP revisions, the written and oral testimony presented by the public, industry, and government agencies, and the environmental documentation prepared by Board staff, the Board finds that:

1. ARB has adopted 46 emission-reducing control measures since the approval of the 1994 one-hour ozone SIP; these measures will have a very significant impact on emissions and air quality between now and the target attainment years.

2. Additional emission reductions from new State measures are needed to protect public health and attain the federal 8-hour and PM2.5 NAAQS.

3. ARB's environmental analysis indicates that there may be potential adverse environmental impacts from the proposed, new State measures; however, these impacts are speculative and cannot be quantified until the scope of the measures is defined by actual proposed regulations.

4. The Board has considered alternatives to the State measures and has identified no feasible alternatives at this time which would reduce or eliminate any potential adverse environmental impacts, while at the same time ensuring that necessary emission reductions will be achieved.

5. At this time there are no feasible mitigation measures that ARB can impose to lessen the potential adverse impacts of the proposed State measures on the environment, and no less stringent alternatives which will accomplish the goals imposed by federal law with fewer potential environmental impacts.

6. None of the modifications made to the State Strategy since May 7, 2007 alter any of the conclusions reached in the environmental impact analysis, or would require recirculation of the environmental analysis as provided in CEQA Guidelines section 15088.5.

7. The potential adverse environmental impacts of the proposed State measures are outweighed by the substantial air quality benefits that will result from their adoption and implementation.

8. The considerations identified above override any adverse environmental impacts that may occur from adoption and implementation of the State measures.

9. As regulations implementing the proposed new State measures are developed, detailed environmental impact analyses, including a discussion of regulatory alternatives and mitigation measures, will be performed in conjunction with the rulemaking process.

10. As regulations implementing the proposed new State measures are developed, specific economic impact analyses will be performed in conjunction with the rulemaking process and considered by the Board in acting on those regulations.

11. ARB regulations which have been adopted and are reflected in the baseline emission projections in the SIP were subjected to environmental review by the Board at the time of their adoption and no further analysis is required at this time.

12. The criteria pollutant emission inventory for the SIP includes anthropogenic emissions from on-road mobile, off-road mobile, stationary, and area-wide sources and the emission estimates are based on the most currently available model versions and estimation methodologies;

13. The emission inventory incorporates the "state of the science" knowledge in the development of emission factors, emission activity, temporal activity, growth surrogate assignment and activity, and control efficiency influence factors;

14. The proposed SIP revisions meet the requirements of the Act and U.S. EPA regulations.

NOW, THEREFORE, BE IT RESOLVED, that subject to the Executive Officer's approval of any written responses to environmental issues that have been raised, the Board is initiating steps toward the final adoption as a SIP revision of the State Strategy (including Appendices A through G), as modified by Attachments A and B to this Resolution;

BE IT FURTHER RESOLVED, that if any significant environmental issues are raised, the Board directs the Executive Officer to prepare and approve written responses to any significant environmental issues, and then to either: (1) return the proposed SIP revision to the Board for further consideration if the Executive Officer determines that this is warranted, or (2) take final action to approve the SIP revision with such modifications as may be appropriate in light of the issues raised, including appropriate modifications to insure that all feasible mitigation measures or feasible alternatives that would substantially reduce any significant adverse environmental impacts have been incorporated into the final action;

BE IT FURTHER RESOLVED, that once final action has been taken by the Executive Officer to approve the SIP revision, the Board directs the Executive Officer to forward it to U.S. EPA for inclusion in the SIP to be effective, for purposes of federal law, upon approval by U.S. EPA.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to work with the U.S. EPA and take appropriate action to resolve any completeness or approvability issues that may arise regarding the SIP revision.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to perform the environmental analyses required by CEQA in conjunction with the rulemaking process for the new ARB measures that may be developed into regulations, and to ensure that the potential environmental impacts identified in the State Strategy, and any other impacts which are subsequently identified, are avoided or mitigated to the extent feasible.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to calculate and commit to appropriate emission reductions from implementation of the State Strategy in specific nonattainment areas, as attainment SIPs are developed or revised for these areas.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to initiate a coordinated government, private, and public effort to establish emission reduction goals, assess technology advancement opportunities and, along with the air districts classified as extreme ozone nonattainment areas, prepare appropriate revisions to the 8-hour ozone SIP that identifies additional strategies needed to achieve the necessary emission reductions for these regions by 2023.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to work with the South Coast Air District and SCAG staff to develop a discussion paper that explores potential strategies for identifying the additional reductions needed to meet the 8-hour ozone standard and future ambient air quality standards, including a consideration of new or transformative strategies such as state-of-technology zero and near-zero transportation systems, other mechanisms such as fee-based incentives, and the role and availability of public funding assistance program.

BE IT FURTHER RESOLVED that the Board certifies pursuant to 40 C.F.R. section 51.102 that the proposed SIP revision was adopted after notice and public hearing as required by 40 C.F.R. section 51.102, and directs the Executive Officer to submit the appropriate supporting documentation to U.S. EPA along with the approved SIP revision.

I hereby certify that the above is a true and correct copy of Resolution 07-28, as adopted by the Air Resources Board.

Lori Andreoni

Lori Andreoni, Clerk of the Board