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Manager, Southern California Region and Infrastructure Issues

VIA ELECTRONIC MAIL

August 31, 2012

Barry Wallerstein, D. Env.  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Re: **Comments on the Draft 2012 Air Quality Management Plan (AQMP)**

Dear Dr. Wallerstein:

The Western States Petroleum Association (WSPA) is a non-profit trade association that represents twenty-seven companies that explore, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and five other western states. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA member companies operate petroleum refineries and other facilities in the South Coast Air Basin and thus have a major stake in the Air Quality Management Plan (AQMP) being prepared by the South Coast Air Quality Management District (SCAQMD or District), and any rule developments that might stem from the final AQMP as adopted by the District's Governing Board.

WSPA appreciates the opportunity to submit these comments on the Draft 2012 AQMP and continues to support the South Coast regional air quality planning process and the successes achieved to date. The attainment of the National Ambient Air Quality Standard (NAAQS) for PM<sub>2.5</sub>, which is now imminent, represents a significant public health milestone for Southern California residents and industry. We also wish to acknowledge that the technical inputs and tools used by the District staff for this AQMP represent a significant improvement over prior plans. These important advances provide the opportunity for stakeholders and decision makers to be better informed about the state of air quality in Southern California and the regional economy. Over the last two decades, Southern California's industrial facilities (i.e., stationary sources including the region's petroleum refineries) have reduced their emissions by over 70 percent for most criteria pollutants including nitrogen oxides (NO<sub>x</sub>) and sulfur oxides (SO<sub>x</sub>).

This letter presents WSPA's general comments, with detailed comments on specific AQMP measures to follow under a separate letter. WSPA may submit additional comments during this process as the District releases additional 2012 AQMP documents including, but not limited to a reported second Draft AQMP. We understand all submissions will be given due consideration by the District staff and the Governing Board.

Our general comments on the Draft 2012 AQMP (dated July 2012) are as follows:

- 1. Although the District has prepared an integrated AQMP that addresses both PM<sub>2.5</sub> and ozone, the focus of the 2012 AQMP control strategy and the associated State Implementation Plan (SIP) submittal, should be limited exclusively to the PM<sub>2.5</sub> plan consistent with EPA requirements.**

The District's current obligation under the Clean Air Act is to prepare an AQMP to attain the PM<sub>2.5</sub> standard and continuing to implement 2007 AQMP measures. Showing attainment of the 8-hour ozone standard is the obligation of the 2015 AQMP. This strategy makes sense because there are scientific and technical improvements that need to be made before the District can provide a meaningful update to the basin's ozone strategy at this time. The magnitude of the ozone challenge for future milestone years (i.e., 2023 and 2032) is a function of forecasts and assumptions which will only become better understood with time, but under any scenario the District's "Black Box" commitment under Clean Air Act Section 182(e)(5) still requires significant emission reductions for which this plan quantifies very little. That is because the overwhelming majority of these emission reductions must come from transportation and can only be provided by new technologies which are as yet unidentified. While the District has "sketched out" a path for identification, development and commercialization of such technologies, this part of the AQMP remains speculative. Meanwhile, potential co-benefits from other regulatory initiatives like the California Air Resources Board's (CARB) AB32 Program (e.g., Cap-and-Trade, Low Carbon Fuel Standard, etc.) remain largely unconsidered in this plan.

Given these facts, there is no benefit to pushing new ozone measures into the SIP at this time. Rather, such action would only serve to unnecessarily constrain the future options available to the District and Southern California businesses. The District should wait and develop the revised ozone attainment strategy when it is required as part of the 2015 AQMP. At that time, we will all have a better understanding of the needed emission reductions and better information on the economic factors and technologies required to meet the region's air quality challenge. New control measures in the 2012 AQMP and the associated SIP submittal should be limited exclusively to the PM<sub>2.5</sub> attainment demonstration consistent with EPA requirements.

**2. WSPA agrees that the region can attain the PM<sub>2.5</sub> NAAQS by 2014 through the use of focused, time & place control measures. This is the most efficient and cost effective path to attainment of the PM<sub>2.5</sub> standard.**

Most of the basin is already in attainment of the PM<sub>2.5</sub> NAAQS, and the District’s modeling forecast suggests that the area around the Mira Loma monitoring station will be very close to achieving the standard by 2014. Based on the information provided in the Draft AQMP, measures BCM-01 and BCM-02 are by themselves sufficient to demonstrate PM<sub>2.5</sub> attainment in 2014. These measures would enhance restrictions on residential wood burning (BCM-01) and open burning (BCM-02) whenever key areas of the air basin are forecast to approach the federal 24-hour PM<sub>2.5</sub> standard. Similar measures been successfully implemented in other jurisdictions and are technologically feasible and cost effective.

The Draft AQMP currently proposes eight short term PM<sub>2.5</sub> control measures, but as summarized in Table 1, only three of these measures have any quantified emissions benefits for 2014.

**TABLE 1: 2012 AQMP Proposed PM2.5 Control Measures (Tons per Day) <sup>1</sup>**

2014 Emissions	NOx	SOx	PM2.5	VOC	NOx Equiv	Reference
Baseline Emissions	499.9	18.4	70.4	451.4	1821.6	App III, Table A-2
CMB-01	-2.0	0	0	0	-2.0	App IV-A
BCM-01	-14.84	-0.37	-5.36	-6.46	-95.4	App IV-A & App III Table A-2
BCM-02	-1.52	-0.47	-4.60	-3.23	-70.4	App IV-A & App III Table A-2
BCM-03	0	0	0	0	0	App IV-A
BCM-04	0	0	0	0	0	App IV-A
IND-01	0	0	0	0	0	App IV-A
EDU-01	0	0	0	0	0	App IV-A
MCS-01	0	0	0	0	0	App IV-A
Total Measures	-18.36	-0.84	-9.96	-9.69	-167.7	
Controlled Emissions	481.5	17.6	60.4	441.7	1653.9	

The Draft AQMP reports that BCM-01 and BCM-02 will reduce direct PM<sub>2.5</sub> emissions,<sup>2</sup> but these two measures also yield significant reductions in NO<sub>x</sub> and VOC emissions during control episodes which were not presented in the AQMP report. Those emission reductions, which are presented in Table 1, are based on the emission inventory presented in Appendix III of the Draft AQMP, will significantly contribute to attainment of the 24-hour PM<sub>2.5</sub> NAAQS.

Using the District’s “NO<sub>x</sub> equivalent” weighting system, BCM-01 and BCM-02 would provide about 166 tons per day (tpd) of NO<sub>x</sub> equivalent emission reductions which includes 16 tpd of

<sup>1</sup> “NO<sub>x</sub> Equivalent” emissions are computed based on the relative contributions of precursor emissions reductions to simulated controlled future-year 24-hour PM<sub>2.5</sub> concentrations discussed in Section 5 of the Draft AQMP. As presented in Table 5-2, PM<sub>2.5</sub> has a standardized contribution to ambient PM<sub>2.5</sub> mass of 14 times that of NO<sub>x</sub>. The factors for SO<sub>x</sub> and VOC are 6 and 0.5, respectively. (See Draft AQMP, p. 5-15).

<sup>2</sup> SCAQMD, Draft 2012 AQMP, Table 4-2.

NO<sub>x</sub> reductions. Based on these figures, 99% of the emission reductions quantified for the PM<sub>2.5</sub> attainment demonstration are attributable to BCM-01 and BCM-02. These two measures, by themselves, will deliver the needed emissions reductions and represent the most efficient and most cost effective path to attainment of the PM<sub>2.5</sub> standard by 2014.

**3. Proposed Control Measure CMB-01 (Further NO<sub>x</sub> Reductions from RECLAIM - Phase I) is not needed for the PM<sub>2.5</sub> attainment demonstration. CMB-01 should be removed from the Short-Term PM<sub>2.5</sub> Control Measures.**

In part, the 2012 AQMP is designed to evaluate potential control measures and their effectiveness in meeting the federal 24-hour PM<sub>2.5</sub> NAAQS. The predicted 24-hour PM<sub>2.5</sub> Design Value for 2014 at the Mira Loma monitoring station was 37.3 µg/m<sup>3</sup>, which exceeds the 24-hour PM<sub>2.5</sub> standard of 35 µg/m<sup>3</sup>.<sup>3</sup> The controlled scenario includes measures BCM-01 and BCM-02 which would restrict residential wood burning and open burning on a basin-wide basis on days predicted to have an ambient concentration of 30 µg/m<sup>3</sup> or greater (approximately 60 no-burn days used in the modeling). With those controls, the Design Value for 2014 was predicted to be 34.2 µg/m<sup>3</sup> which is below the 24-hour NAAQS.<sup>4</sup>

The Draft AQMP does not include a sensitivity analysis for the short-term PM<sub>2.5</sub> control measures, but using the District's "NO<sub>x</sub> equivalent" weighting system it is reasonably deduced that CMB-01 (Phase I) does not meaningfully contribute to the PM<sub>2.5</sub> attainment demonstration. As shown above in Table 1, BCM-01 and BCM-02 would provide about 166 tpd of "NO<sub>x</sub> equivalent" emission reductions, including 16 tpd of NO<sub>x</sub>. By comparison, proposed measure CMB-01 (Phase I) would only reduce 2 tpd NO<sub>x</sub> which represents a mere 1% of the NO<sub>x</sub> equivalent emission reductions proposed for 2014. This equates to less than 0.1µg/m<sup>3</sup> of quantified ambient improvement which is statistically irrelevant to the PM<sub>2.5</sub> attainment demonstration for 2014.

The Draft AQMP succeeds in showing that Control Measures BCM-01 and BCM-02 can provide all of the air quality improvement needed for the District to demonstrate attainment of the 24-hour PM<sub>2.5</sub> NAAQS by 2014. As such, CMB-01 should be removed from the Short-Term PM<sub>2.5</sub> Control Measures in this plan.

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<sup>3</sup> 2012 AQMP Chapter 5 and Appendix V.

<sup>4</sup> It is not clear from the Draft AQMP and supporting Appendix V whether the pollutant co-benefits (e.g., 16 tpd NO<sub>x</sub>) attributable to measures BCM-01 and BCM-02 were accounted in the CMAQ model. If not, that inclusion would drive the predicted design value for the controlled scenario lower than the reported value of 34.2 µg/m<sup>3</sup>.

**4. Proposed Control Measure CMB-01 (Further NO<sub>x</sub> Reductions from RECLAIM) needs to be wholly reconsidered. The Draft AQMP fails to properly consider RECLAIM market demand, or the cost implications of supply reductions. CMB-01 should be removed from the 2012 AQMP.**

As recognized by all stakeholders, the region still has a long way to go to meet the federal ozone NAAQS. The Draft AQMP notes:

“The Basin faces several ozone and PM attainment challenges, as strategies for significant emission reductions become harder to identify and the federal standards continue to become more stringent.

... In finding the most cost-effective and efficient path to meet multiple deadlines for multiple air quality and climate objectives, it is essential that an integrated planning approach is developed.”<sup>5</sup>

We agree with this concept and would suggest that the Draft AQMP does not achieve this objective. Proposed Control Measure CMB-01 (Phase I) suggests:

“The proposed Phase I reductions are designed to enhance timely attainment of the 24-hr PM<sub>2.5</sub> standard by 2014 by taking advantage of currently approximately 8 tpd of excess RTC in the market. A shave of 2 tpd of NO<sub>x</sub> RTCs should not cause a significant impact to the market.”<sup>6</sup>

This statement is inaccurate for several reasons: (1) the Draft AQMP provides no evidence to support the assertion concerning the future RECLAIM RTC supplies; (2) there is no evidence presented or implied to support a position that a 2 tpd NO<sub>x</sub> reduction in the market is reasonable nor feasible in the short- or long-term; and (3) there is no suggestion of a control strategy that would be the basis for such emission reductions. Finally, we reiterate that Control Measure CMB-01 is unneeded for the PM<sub>2.5</sub> attainment demonstration.

- **The market data used to support CMB-01 (Phase I) reflected a major recession (i.e., 2008-2010); those data do not reflect a “normal” economy and are not indicative of the RECLAIM RTC supply needed to support the Southern California economy.**

The Draft AQMP suggests that the NO<sub>x</sub> RECLAIM market has a surplus which can be “shaved” with no significant impact to the market. This supposition is based on the District’s review of NO<sub>x</sub> RTC data from 2008-2010. Elsewhere in the Draft AQMP it is acknowledged that the 2008-2010 period was impacted by a major recession. That recession significantly suppressed economic activity in most sectors of the economy including transportation, goods movement, and electricity demand. Those recessionary impacts are indeed reflected in the referenced 2008-2010

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<sup>5</sup> SCAQMD, Draft 2012 AQMP, p. ES-12.

<sup>6</sup> SCAQMD, Draft 2012 AQMP, Appendix IV-A, p. IV-A-14.

RTC market data. But more importantly, that time period is an inappropriate basis for forecasting future RTC demand.

- **The District’s ozone attainment strategy is dependent on the advancement of zero/near-zero technologies for transportation. That strategy will require that the NO<sub>x</sub> RECLAIM market have sufficient RTC supply for significant new electricity generation.**

As explained in the Regional Transportation Plan (RTP) and the Draft AQMP, attainment of the ozone NAAQS will not be possible without significant NO<sub>x</sub> emission reductions from the transportation sector. The Draft AQMP notes this repeatedly:

“...a transition to zero- and near-zero emission technologies is necessary to meet 2023 and 2032 air quality standards and 2050 climate goals. Many of the same technologies will address air quality, climate and energy goals.”<sup>7</sup>

“Since most significant emission sources are already controlled by over 90%, attainment of the ozone standards will require broad deployment of zero- and near zero emission technologies in the 2023 to 2032 timeframe. On-land transportation sources such as trucks, locomotives, and cargo handling equipment have technological potential to achieve zero- and near-zero emission levels. Current and potential technologies include hybrid-electric, battery-electric, and hydrogen fuel cell on-road vehicle technologies. Other technologies and fuels may also serve regional needs, e.g. natural gas-electric hybrid technologies.”<sup>8</sup>

In short, this strategy involves transitioning the transportation sector from petroleum-based energy sources to electricity. California has some of world’s most aggressive policies to reduce emissions from the electricity sector including demand management (e.g., energy efficiency) programs and emission standards. Part of that strategy includes the Renewable Portfolio Standard (RPS) which would eventually have utilities supplying 33% of electricity generation from zero emission technologies like solar and wind. But that leaves 60+% of our electricity coming from fossil-fueled sources for the foreseeable future.<sup>9</sup>

Terminology aside, electricity is not zero-emissions and going forward much of the increased electricity demand in Southern California would need to be delivered from fossil-fueled power plants in the South Coast Air Basin. That electricity generation will need to be accommodated under the NO<sub>x</sub> RECLAIM market, and it is not in the 2008-2010 baseline.

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<sup>7</sup> SCAQMD, Draft 2012 AQMP, p. ES-13.

<sup>8</sup> SCAQMD, Draft 2012 AQMP, p. 4-20.

<sup>9</sup> Hydroelectric and nuclear power plants are expected to supply less electricity to Southern California going forward due to declining snow packs and the threatened retirement of SONGS (in part or whole).

- **The District needs to consider electricity sector impacts associated with a broad-scale electrification initiative for transportation before proposing any new NO<sub>x</sub> RECLAIM shave. Failure to plan for such a structural change would challenge the feasibility of the District’s zero/near-zero technologies strategy, negatively impact the Southern California economy, and may be contrary to State requirements under Assembly Bill 1318.**

Broad-scale transportation electrification will mean significant new demand for electricity. The District has worked to preserve emission offsets availability for electricity generation, in particular with certain exemptions for non-RECLAIM pollutants under Regulation XIII. But that could prove irrelevant if the NO<sub>x</sub> RECLAIM market lacks sufficient RTC supply to cover the NO<sub>x</sub> emissions associated with natural gas-fueled power plants needed to serve future load demand. And failure to plan for this under the RECLAIM market would complicate this AQMP’s ambitions for zero/near-zero emission technologies. Yet the Draft AQMP fails in this regard:

“Energy projections made in this chapter reflect past energy usage in the South Coast Basin and energy projections made from utility and other agencies’ planning documents. These projections reflect existing policies and regulations. This review does not include an analysis of energy implications from the control measures within this AQMP; this analysis is conducted within the EIR review.”<sup>10</sup> (emphasis added)

In fact, CARB is working on a similar study as required under California Assembly Bill (AB) 1318. That law requires CARB, in consultation with the California Energy Commission (CEC), California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), and the State Water Resources Control Board (SWRCB) to prepare a report for the Governor and Legislature that evaluates the electrical system reliability needs of the South Coast Air Basin. The report is to include recommendations for meeting those reliability needs while ensuring compliance with state and federal law requirements for emission offsets (i.e., ERCs and RTCs).

The AB 1318 study was demanded by the legislature specifically because of concerns about current air permitting issues facing power plants under SCAQMD jurisdiction. The CARB report is to include recommendations for long-term, sustainable permitting of additional needed capacity. Under the statute, this report was due on or before July 1, 2010 but was not delivered. At this time, the draft AB 1318 report is scheduled for release in “Fall 2012.”<sup>11</sup> The results of this study, which is the first of its kind for Southern California, are critical to understanding the baseline forecast against which the District would consider the additional electricity sector impacts associated with a broad-scale electrification initiative for transportation. It would be

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<sup>10</sup> SCAQMD, Draft 2012 AQMP, p. 10-1.

<sup>11</sup> CARB, AB 1318 Project Overview and Status Report: South Coast Air Basin Electric Reliability and Offset Needs Assessment, June 22, 2012.

premature to consider any new NO<sub>x</sub> RECLAIM shave which could constrain future power plant operations prior to the review of this report and additional needs analysis.

Based upon the above and given that the proposed NO<sub>x</sub> RECLAIM shave under CMB-01 (Phase I) is not needed for the PM<sub>2.5</sub> attainment demonstration, we recommend that CMB-01 (Phase I and Phase II) should be removed from the 2012 AQMP.

- **Any future RECLAIM shave should be limited to those required under BARCT authority.**

According to the Draft AQMP, the California Health and Safety Code (H&SC) requires the District to monitor the advancement in Best Available Control Retrofit Technology (BARCT), and if BARCT advances the District is required to periodically reassess the RECLAIM market, overall facility caps, and reduce the RTC holdings, as if the equipment located at the facilities would be subject to applicable equivalent command-and-control BARCT levels. The BARCT evaluation must include an evaluation of the maximum degree of reduction achievable with advanced control technologies taking into account the environmental, energy, and economic impacts for each class or category of source.

Any proposed NO<sub>x</sub> RECLAIM shave should be limited to those required under this BARCT authority. The size of any such shave cannot be specified until the required BARCT evaluation has been completed.

- **Any NO<sub>x</sub> RECLAIM shave would impose significant costs on the Southern California economy. The AQMP must include a proper cost effectiveness analysis for CMB-01.**

The Draft AQMP makes several representations concerning the cost effectiveness of Control Measure CMB-01.

CMB-01 (Phase I): “It is expected that the cost effectiveness for this control measure would be in the neighborhood of \$7,950 per ton for Phase I based on the most recent RTC trading prices.”<sup>12</sup>

CMB-01 (Phase II): “It is expected that the cost effectiveness for this control measure would be in the neighborhood of \$16,000 per ton NO<sub>x</sub> reduced.”<sup>13</sup>

Subsequent to the release of the Draft, District staff suggested in several public meetings that the cost of the Phase I NO<sub>x</sub> shave could actually be “zero.” The cost to Southern California businesses of the proposed CMB-01 would most certainly not be zero, and we would respectfully submit that the cost figures presented in the Draft AQMP are also improperly deduced.

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<sup>12</sup> SCAQMD, Draft 2012 AQMP, Table 6-4 and Appendix IV-A-15.

<sup>13</sup> SCAQMD, Draft 2012 AQMP, Table 6-5 and Appendix IV-A-59.

RECLAIM is the oldest locally designed and implemented air emissions “cap and trade” program. As with any cap and trade program, the cost of allowances (i.e., RTCs) is dictated by both the market’s view of the current supply-demand balance and the market’s view of the future supply-demand balance. Any reduction in market supply (e.g., a shave), will cause the market to reassess the supply-demand relationship and the RTC market price will adjust accordingly. Past market prices cannot be used to forecast future prices when a major structural change is being proposed, such as a nearly 20% supply reduction. And if RECLAIM is unable to support key industrial sectors, the economic consequences could be enormous.

Stakeholders and decision makers need to be presented a cost effectiveness analysis that is based on appropriate economic principles and information. The Draft 2012 AQMP fails to do that for proposed Control Measure CMB-01 (Phase I or Phase II).

- **There is insufficient time to implement the proposed CMB-01 (Phase I) control measure.**

The Draft AQMP proposal for Control Measure CMB-01 (Phase I) suggests that the rulemaking for amending Regulation XX would be completed in 2013 and be in effect in 2014. This timetable is inadequate. First, a rulemaking of this type would be difficult to complete in 12 months especially because the proposed measure includes a number of controversial issues. Key among those issues would be the shaving methodology. The Draft AQMP states “staff will work with stakeholders to evaluate various shaving methodology (e.g., sector-specific or across-the-board).”<sup>14</sup> That analysis alone will take time. Depending on the outcome of that evaluation, certain stationary sources may need to evaluate installation of new emission controls. Stationary sources would need no less than 2-4 years to design, construct, and operationalize new emissions controls necessitated by a reduction of NO<sub>x</sub> RTC allocations (assuming control technology options are available). Given these realities, the implementation schedule for proposed measure CMB-01 (Phase I) is simply not achievable.

- **In summary, proposed measure CMB-01 (Phase I or Phase II) is not well considered. Since CMB-01 (Phase I) is not needed for the PM<sub>2.5</sub> attainment demonstration, proposed measure CMB-01 (Phase I and Phase II) should be removed from the 2012 AQMP.**

**5. If EPA issues a SIP call for an updated attainment plan for the (now revoked) 1-hr ozone NAAQS, that should be covered in a standalone plan (i.e., not in the 2012 AQMP).**

There has been much discussion over the last several months concerning recent litigation and court decisions suggesting that the District might need to prepare a new 1-hour ozone SIP. Should the District actually receive a SIP call to prepare a 1-hour ozone plan (which has not yet

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<sup>14</sup> SCAQMD, Draft 2012 AQMP, Appendix IV, p. IV-A-14.

occurred), that requirement should be satisfied in a separate plan in accordance with the schedule applicable to that SIP call. The District should not attempt to deal with that requirement in the 2012 AQMP because the requirements applicable to the 1-hr ozone standard, including inventory, model performance, modelled output, and emission reduction strategies are wholly different from those required under the current AQMP.

We expect that a revised 1-hour ozone plan will be eclipsed by the District's 8-hour ozone strategy as presented in the 2007 AQMP and revised in the 2015 AQMP. The compliance milestones for the 1-hour and first 8-hour (80 ppb) ozone plans would both be 2023. Based on prior District estimates, the overall emission reduction requirements for meeting the 1-hour ozone standard are within the range needed for the 8-hour ozone standard (particularly the 75 ppb NAAQS). To date, no full-scale assessment has been made to confirm this assertion.

The District has not prepared a recent attainment demonstration for the 1-hour ozone NAAQS, so the existing analyses are based on outdated inputs, models and EPA guidance. The 1-hour and 8-hour ozone NAAQS also have different forms (beyond the averaging periods) which make quantitative comparisons problematic. The Draft 2012 AQMP notes these issues:

“If a 1-hour ozone SIP is requested by U.S. EPA, the SIP would be due within 12 months of such a SIP call. The attainment demonstration in the SIP would have to show attainment within 5 years with a potential 5-year extension, which would be a similar timeframe as is required for the 1997 8-hr ozone standard (deadline of 2023). However, many new technical issues such as modeling for the attainment demonstration and other CAA requirements would require U.S. EPA's guidance, since the previous preambles/guidelines are no longer directly applicable. Based on previous modeling estimates, the control strategies that are needed to attain the 8-hour ozone standard are nearly identical to those that would be needed to attain the 1-hour ozone standard.”<sup>15</sup> (emphasis added)

Should EPA issue a 1-hour ozone SIP call, the District should take the full 12 months allotted to develop a standalone 1-hour ozone AQMP using current inputs, models and updated EPA guidance. The 2012 AQMP should make no assertions concerning the attainment strategy for the 1-hour ozone NAAQS; the required technical analyses have not been completed.

**6. Proposed Control Measure MCS-03 (Improved Startup-up, Shutdown and Turnaround Procedures) was covered in the 2007 AQMP and is already in rule development based on that authority. The measure should be removed from the 2012 AQMP.**

As noted in the Draft AQMP, this proposed measure would be a carryover from the 2007 AQMP and SIP submittal. The District has already commenced rule development activities for this measure on the basis of the 2007 AQMP authority. For that very reason, the inclusion of proposed measure MCS-03 in the 2012 AQMP is duplicative and unnecessary.

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<sup>15</sup> SCAQMD, Draft 2012 AQMP, p. 8-3.

Proposed Control Measure MCS-03 should be removed from the 2012 AQMP. Notwithstanding this fact, WSPA will submit detailed comments on proposed Control Measure MCS-03 under separate cover.

**7. The schedule for this AQMP has not provided stakeholders with the opportunity to effectively review and comment on key documents. The District should lengthen the AQMP schedule to ensure stakeholder input and comments can be given due consideration.**

Despite the best intentions of District staff, the process and schedule for this AQMP has been altered and compressed, which has impaired stakeholders ability to effectively review and comment on key documents. Despite months of AQMP Advisory group and Scientific, Technical & Modeling Peer Review (STMPR) group meetings, the strategy outlined in the Draft AQMP released on 12 July was radically different from that which had been presented by District staff to public stakeholders only two weeks earlier. We cannot understand how such abrupt change of direction occurred given that EPA and CARB stakeholders were active participants in those Advisory and STMPR group meetings.

Then the Notice of Preparation/Initial Study required for compliance with the California Environmental Quality Act (CEQA) was released on 28 June. That document contained outdated information and other material errors which led to a revised NOP/IS having to be issued on 2 August. Despite that, stakeholders are being “strongly urged” to deliver their comments on the Draft AQMP by 31 August when it has already been announced that a brand new Draft AQMP is set to be released in mid-September with as-yet-unspecified changes. It seems unlikely that public comments submitted by 31 August could reasonably be considered prior to issuance of the second draft plan. Furthermore, the as-yet-unseen socioeconomic analysis and the Draft Environmental Impact Report (DEIR) won’t be released until mid-September, yet the District continues to suggest this public process can be completed by December 2012.

This continued schedule compression has left stakeholders without sufficient time for review of AQMP products (those actually released, as well as yet to be released). Furthermore, District staff are not going to have sufficient schedule or resources to fairly consider and respond to stakeholders’ comments. This is an unacceptable situation for a plan of such importance to the health and welfare of Southern Californians. The only available remedy for this condition is to relax the 2012 AQMP schedule to allow for full and proper consideration of stakeholder inputs and comments.

As for the 2015 AQMP, we would strongly encourage the District staff to defer debate on the region’s ozone strategy for that plan and begin that public process much earlier. The District should confer with key stakeholders early to ensure the current AQMP process situation is not repeated.

**8. Economic impacts need to be considered in the AQMP. The Draft AQMP has not provided sufficient information to stakeholders and decision makers. Information on the economic impacts of the AQMP should be released with sufficient schedule to allow proper review, comment, and decision making.**

The regional air quality plan should strive to achieve our environmental objectives as cost efficiently as possible. And plan actually states that as an objective:

“...this Draft 2012 AQMP strives to identify the most cost-effective and efficient path to achieve federal clean air standards.”<sup>16</sup>

Stakeholders and the Governing Board need to have a full and (reasonably) complete understanding of the costs and benefits of the policy options before them. While the Draft AQMP provides some of this information, to date it has fallen short of providing an acceptable level of detail on the economic costs and impacts associated with the proposed plan. The cost analyses provided in this Draft AQMP have often been incomplete, deferred or summarily dismissed. The plan suggests certain control measures are cost effective without providing evidence to support those claims. And certain economic analyses, most notably the socio-economic analysis, are still yet-to-be-released. This is interesting given that one of the actions under the “AQMD Air Quality-Related Energy Policy” directed the following:

“Conduct appropriate socioeconomic studies to identify the societal costs and benefits for the implementation of zero and near-zero emissions strategies, including but not limited to, further electrification and impacts on businesses and jobs.”<sup>17</sup>

These studies have not been released to the public, leaving stakeholders and the Governing Board without sufficient information to consider important policy choices. We would suggest that the AQMP schedule needs to be revised (i.e., extended) to allow these important economic information to be released and sufficient time for stakeholders to review, understand, and comment on the economic information related to this plan. In the meantime, we reiterate our position that the SIP submittal for this 2012 AQMP should be limited exclusively to the PM<sub>2.5</sub> attainment demonstration consistent with EPA requirements to allow proper consideration of the region’s next ozone strategy.

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<sup>16</sup> SCAQMD, Draft 2012 AQMP, p. ES-12.

<sup>17</sup> SCAQMD, Draft 2012 AQMP, p. 10-3.

WSPA appreciates the opportunity to submit these general comments. As noted in our preamble, WSPA intends to submit detailed comments on specific measures contained in the Draft 2012 AQMP under separate cover. WSPA may submit additional comments during this process as the District staff release additional 2012 AQMP documents.

Please contact me with any questions at (310) 678-7782 or [psenecal@wspa.org](mailto:psenecal@wspa.org).

Sincerely,

A handwritten signature in cursive script that reads "Patty Senecal". The signature is written in black ink and is positioned above the typed name and title.

Patty Senecal  
Manager, Southern California Region and Infrastructure Issues  
Western States Petroleum Association