ENVIRONMENTAL MANAGEMENT COMMISSION AIR QUALITY COMMITTEE MEETING SUMMARY July 13, 2016 Archdale Building-Ground Floor Hearing Room 3:30-5:00 PM

The Air Quality Committee (AQC) of the Environmental Management Commission (EMC) met on July 13, 2016, in the Ground Floor Hearing Room of the Archdale Building. The AQC members in attendance were: Mr. Charlie Carter, Mr. E.O. Ferrell, Mr. Gerald Carroll, Dr. Lawrence Raymond, Mr. J.D. Solomon, and Mr. Steve W. Tedder, the Director and staff members of the Division of Air Quality (DAQ), Ms. Jennie Hauser of the North Carolina Attorney General's Office and the general public was also in attendance.

CALL TO ORDER (Charlie Carter)

Agenda Item #1, Call to Order and the State Government Ethics Act, N.C.G.S. §138A-15(e) General Statute §138A-15(e) mandates that the Chairman inquire as to whether any member knows of any known conflict of interest or appearance of conflict with respect to matters before the Environmental Management Commission's Air Quality Committee. No conflicts were identified.

MINUTES (Charlie Carter)

Agenda Item #2, Review and Approval of May 2016 Meeting Minutes

Chairman Carter inquired if everyone had been able to review the minutes from the March meeting and if there were any changes or corrections. No changes were cited. Chairman Carter asked for a motion to approve the minutes. Dr. Raymond made a motion to approve the minutes and Mr. Ferrell seconded. The minutes were unanimously approved.

CONCEPTS

None

DRAFT RULES

None

JULY EMC AGENDA ITEMS

Agenda Item #3 Request to Proceed to Hearing on Revision of Odor Control of Feed Ingredient Manufacturing Plants Rule per S.L. 2015-263 (536) (Patrick Knowlson, DAQ)

No presentation of this item was requested.

INFORMATION ITEMS

Agenda Item #4, Upcoming Rules and H74 Readoption Process (Michael Abraczinskas, DAQ) Mr. Michael Abraczinskas, Deputy Director of the DAQ, provided a presentation on the upcoming H74 rule re-adoption process for air quality rules. Mr. Abraczinskas highlighted ongoing and near term upcoming rulemakings and described the process moving forward noting further internal review and

organization of groups of rules will occur over the remainder of 2016 with stakeholder discussions of the organization and grouping and substance of some rules themselves beginning in 2017. The remaining rules would be readopted between 2018 and 2020. Per the May 19, 2016 approval of the Rules Review Commission, the EMC has until December 31, 2020 to complete re-adoption of all of the air quality rules.

There was discussion as to whether the odor rule would count toward re-adoption. Staff follow-up would be needed to determine if that would be the case given the legislative language sends the rule directly to the legislature and doesn't go through the Rules Review Commission.

There was also a comment expressing disappointment and frustration that the 15A NCAC 02D .1010 rule developed in 2010 to address nitrogen oxides and particulate emissions from diesel exhaust, which was a well thought out rule, would be repealed. It was noted that the repeal is per session law which also specifies that the rule is not to be implemented in the interim until its repeal.

Regarding the potential grouping of rules as having ongoing litigation, it was noted that based on experience with the stakeholder process with other Divisions, it may not be possible to delay work on particular rules just because they are under litigation.

Agenda Item #5, Update on Sulfur Dioxide (SO2) Data Requirements Rule Implementation (Donnie Redmond, DAQ)

Donnie Redmond, Chief of the DAQ Ambient Monitoring Section, provided a presentation on implementation of EPA's SO2 Data Requirements Rule (DRR) which was finalized in August 2015. The DRR requires certain facilities' emissions be further characterized to determine compliance with the SO2 NAAQS. North Carolina has nine facilities (mostly power plants) that are subject to this rule. DAQ will submit modeling to EPA for five of these facilities in January 2017 for designation by EPA in December 2017. Monitoring will be conducted for three years starting January 1, 2017 for four other facilities, with designations by EPA in December 2020.

There was discussion regarding facilities shutting down in the next 2-3 years having to be modeled, and status of monitoring sites, as well as particular facilities impacted by the DRR, and number of facilities impacted in other states. Other discussion surrounded potential opportunity for collocating particulate monitors.

Agenda Item #6, 2015 Ozone Standard Update - Data Evaluation and Upcoming Designation Process (Donnie Redmond, DAQ)

Donnie Redmond, Chief of the DAQ Ambient Monitoring Section, provided a presentation on the upcoming designation process for the revised 2015 Ozone standard. The EPA tightened the ozone standard in October 2015 to 70 ppb. The State will recommend designations in October, with EPA making final designations in October 2017. The most recent data (2013-2015) shows the entire state attaining the 2015 ozone standard. However, there have been an increase in the number of exceedances this summer, making some areas borderline, which must be taken into consideration when making the recommendations in October. Additionally, the EPA will have complete data available for 2014-2016, and partial data for 2017 before it makes the final designations in October 2017.

There was discussion regarding mountain top monitoring sites as indicators of transport and what strategies can be used if such areas are designated nonattainment. Other discussion surrounded Tier III motor vehicle emission reductions anticipated in coming years and effectiveness of volatile organic compound controls at gas pumps.

Agenda Item #7, Interstate Transport Analysis for Ozone (Sushma Masemore, DAQ)

Sushma Masemore, Chief of the DAO Planning Section, provided a presentation on interstate transport analysis for ozone. Ms. Masemore provided an overview of infrastructure state implementation plans (iSIP) related "good neighbor" provisions, ozone transport SIP history on rulemakings and court decisions, EPA's 2008 ozone transport analysis and North Carolina's "good neighbor" demonstration and findings. The CAA good neighbor provisions specifically prohibit any source or emissions activity within a state from emitting any air pollutant in amounts which will contribute significantly to nonattainment in, or interfere with maintenance by, any other state with respect to any National Ambient Air Quality Standard (NAAOS). EPA modeling as part of its proposed Cross State Air Pollution Rule update in December of 2015 implicates North Carolina as contributing significantly to a maintenance monitor in Baltimore, MD. After conducting a significant amount of technical analysis work, DAO submitted its "Good Neighbor" SIP finding that EPA's 2017 linkage to North Carolina at the Essex ozone monitor in Baltimore, Maryland is associated with inaccurate emissions inventories and deficiencies in the performance of the air quality modeling rather than a real contribution. In the submittal DAQ concluded that the state has achieved significant NOx reductions; is meeting that ozone standard throughout the state; considering all the evidence, NC does not contribute significantly to downwind air quality problems; and NC has met its good neighbor obligations for the 2008 ozone NAAQS.

There was discussion regarding EPA's response to the submittal. EPA's CSAPR update rule was recently transmitted to the Office of Management and Budget, so DAQ expects to know EPA's response to the comments DAQ provided on the EPA analysis for the CSAPR update rule in the late summer to early fall timeframe.

Agenda Item #8, Director's Remarks (Sheila Holman, DAQ)

Director Holman acknowledged that Donnie Redmond, DAQ Ambient Monitoring Section Chief, would be retiring at the end of the month and thanked him for his many years of service to the state.

Chairman Carter asked for additional questions or comments, and upon hearing none, noted that the next meeting of the AQC would be September 7. Chairman Carter adjourned the meeting.