State of California
AIR RESOURCES BOARD

Summary of Board Meeting
September 20, 2001

California Environmental Protection Agency
Air Resources Board
Coastal Hearing Room, Second Floor
1001 I Street
Sacramento, California

MEMBERS PRESENT: Hons. Alan C. Lloyd, Ph.D., Chairman
Dr. William A. Burke
Joseph C. Calhoun, P.E.
Doreen D'Adamo
Mark DeSaulnier
Matthew R. McKinnon
Barbara Riordan

AGENDA ITEM #

01-7-1 **Public Hearing to Consider the Adoption of a Proposed Airborne Toxic Control Measure for Emissions of Hexavalent Chromium and Cadmium from Motor Vehicle and Mobile Equipment Coatings**

SUMMARY OF AGENDA ITEM:

Staff presented a proposed Airborne Toxic Control Measure (ATCM) for Emissions of Hexavalent Chromium and Cadmium from Motor Vehicle and Mobile Equipment Coatings (automotive coatings). The proposed ATCM would prohibit the sale of automotive coatings that contain hexavalent chromium and/or cadmium for use in California. The proposed ATCM would also prohibit the possession and use of automotive coatings that contain hexavalent chromium or cadmium. A similar requirement has been in effect in the South Coast Air Quality Management District and the Antelope Valley Air Pollution Control District since 1996.

The proposed ATCM would eliminate emissions of hexavalent chromium and cadmium from automotive coatings and reduce emissions of lead. This would result in a reduction of the health risk to the public living near facilities that use automotive coatings that contain hexavalent chromium or cadmium.

The staff proposal presented at the hearing contained changes to the original proposal released on August 3, 2001. The revised proposal established a specific date of manufacture for products that would qualify for the sell-through provision. It also included specific dates for the sell-through and possession and usage provisions.

Mike Veney of Sherwin-Williams Automotive Finishes, testified that additional coats may be required due to performance problems with compliant coatings. This assertion is inconsistent with Sherwin-Williams' product claims.

ORAL TESTIMONY:

Mike Veney Sherwin-Williams Automotive Finishes

FORMAL BOARD ACTION:

The Board unanimously approved Resolution 01-30 adopting the proposed ATCM with staff's suggested modifications.

RESPONSIBLE DIVISION: SSD

STAFF REPORT: YES (82 pages + appendices)

01-7-2 Public Meeting to Consider a Status Report on the Public Transit Bus Fleet Regulation

SUMMARY OF AGENDA ITEM:

All seventy transit agencies that are subject to the transit bus regulation have selected a fuel path (either diesel or alternative-fuel). Fifty-six transit agencies either presently comply with the 4.8 g/bhp-hr NOx fleet average or will by October 1, 2002. The remaining 14 supplied insufficient information or miscalculated their NOx fleet averages. Staff has called these transit agencies, sent them letters, and will work with them to resolve non-compliance issues.

The engine standards in Section 1956.1 prohibit transit agencies from purchasing transit bus engines during model years 2004 through 2006 that exceed a certified NOx emission standard of 0.5 g/bhp-hr. An alternative strategy allows transit agencies the option to apply for an exemption, by June 30, 2001, from purchasing 0.5 g/bhp-hr NOx engines so long as: (1) they develop a plan to achieve NOx emission benefits greater through 2015 than if they

had purchased the complying engines and (2) they demonstrate advanced NOx aftertreatment technologies.

Among the 15 exemption applications received by the June 30 deadline, Santa Clara Valley Transit Authority was the only transit agency to submit a complete plan that demonstrates greater NOx emission benefits through 2015. After June 30, staff received four late requests for an exemption. None of the transit agencies that applied for exemptions indicated that they were demonstrating or have contracted to demonstrate advanced NOx aftertreatment technology. Staff will continue to work with the 14 transit agencies that submitted an exemption request by June 30, 2001 to finalize their plans. No allowance for late applications was made by the Board.

Transit agencies are required to reduce particulate matter emissions through retrofitting their bus engines with advanced aftertreatment technology that reduces particulate matter exhaust emissions by a minimum of 85 percent. As of August 2, 2001, two devices applicable to some 1995 and newer model year engines have been verified. Staff will update the Board by July 2002 on the availability of particulate matter retrofit devices for transit bus engines.

Technologies to reduce NOx from diesel exhaust are either still under development or at a very early state of commercialization. NOx absorbers are considered one of the most promising technologies for NOx reduction. Selective catalytic reduction has been in use in stationary sources for many years, but to date its application in mobile sources is limited and still needs further development. Manufacturers are focusing research and development efforts on achieving significant (i.e., 90 percent) emission reductions in the 2007 to 2010 time frame.

A test procedure for the evaluation of hybrid-electric bus emissions is under development by staff. This issue requires more time to resolve. The Air Resources Board is actively participating in a government-industry working group and is testing hybrid-electric bus emissions to develop a test procedure and certification standards. Staff anticipates updating the Board with a test procedure for certification of diesel hybrid-electric bus systems in late 2002.

Staff recommended that the Board direct the Executive Officer to allow transit agencies that applied for an exemption until December 31, 2001 to finalize their plan to achieve greater NOx benefits through 2015 and to demonstrate advanced NOx aftertreatment technology. Transit agencies must commit resources to a demonstration project as of December 31, 2001, and

advanced NOx aftertreatment demonstrations must be in progress as of December 31, 2002.

ORAL TESTIMONY:

John Bates	San Luis Obispo Regional Transit
Richard Burton	Monterey-Salinas Transit
Paul Wuebben	South Coast Air Quality Management District
Art Douwes	Santa Clara Valley Transportation Authority
Pam Jones	Diesel Technology Forum
Gene Walker	Golden Gate Bridge Highway and Transportation Authority
Stuart Hoffman	Alameda/Contra Costa Transit
DiAnn Hillerman	Stuart and Stevenson

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: MSCD

STAFF REPORT: Yes (42 pages)

01-7-3 Public Meeting to Consider Research Proposals

The Board approved Resolution Nos. 01-32 through 01-37 by a unanimous vote.

01-7-4 Public Meeting to Consider an Informational Update on California's Electricity Situation

SUMMARY OF AGENDA ITEM:

The Air Resources Board (ARB or Board) staff provided an informational update to the Board on activities taken by the Governor, state agencies, and the local air districts to address California's energy situation. Staff's presentation covered background on the deregulated California power market and predictions for Summer 2001, response from the Governor and regulatory agencies, what actually happened during summer 2001, estimated air emissions impacts, and next steps.

As a result of the deregulated California power market, the state experienced numerous days of power emergencies and curtailments during the winter 2000/2001 season and anticipated worse conditions for the summer of 2001, with expected high use of diesel back-up generators and the need to run all plants at maximum capacity. In response to the potential crisis, the Governor issued a series of Executive Orders in February, March,

and June 2001 to increase output from existing power plants, streamline the power plant permit approval process, and accelerate power plant construction, while protecting the environment. In direct response to the Executive Orders, the districts and California Energy Commission expedited permitting of new power plants; the ARB, districts, and United States Environmental Protection Agency (U.S. EPA) instituted permit flexibility mechanisms; the ARB created a State Emission Reduction Credit Bank to ensure a supply of offsets for summer projects; and all agencies maintained a close and coordinated working relationship to resolve issues.

Despite an early bleak outlook, the outcome of the summer 2001 electricity situation included an adequate power supply, no rolling blackouts, no need to run diesel generators, and the startup of several new, clean power plants. Factors that helped create this positive summer power outcome were market stabilization through state long-term power contracts, price caps on spot market electricity sales by the Federal Energy Regulatory Commission, statewide energy conservation, additional generating capacity from new power plants, and a temperate summer season with no extended heat waves. With respect to air quality impacts, staff estimated a 24% average NOx reduction between summer 2000 and summer 2001. Reasons for the NOx decrease included completion of nearly 5000 MW worth of pollution control retrofits on existing power plants; energy conservation; new power plants displacing the need for older, less efficient and higher polluting plants; and no need to run diesel generators.

California's future power goals incorporate adding 15,000 MW of generating capacity by 2004, maintaining a 15% power reserve, promoting greater use of renewable energy, and retaining conservation. Therefore, staff expects to continue to be heavily involved in energy issues over the next two to three years. This will include coordinating with the districts, California Energy Commission, California Independent System Operator, and the U.S. EPA to resolve permitting issues; tracking the status of power plant projects; and providing guidance and technical assistance as needed. Near-term energy-related ARB measures include the distributed generation regulations and guidance, Senate Bill 28X power plant retrofit regulations, and power plant siting guidance update.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: SSD

STAFF REPORT: None

01-7-5 Public Meeting to Consider Appointments to the Research Screening Committee

SUMMARY OF AGENDA ITEM:

The staff recommended appointments to the Board's Research Screening Committee: Dr. Steven Japar of the Ford Motor Company and Dr. Chung Liu of the South Coast Air Quality Management District. This Committee reviews and recommends air pollution research projects to the Board.

ORAL TESTIMONY: None

FORMAL BOARD ACTION:

The Board approved the staff recommendations for appointments to the Research Screening Committee by a unanimous vote.

RESPONSIBLE DIVISION: RD

STAFF REPORT: None