EAST TEXAS COUNCIL OF GOVERNMENTS NETAC POLICY COMMITTEE

Friday, March 12, 2010, 1:00 p.m. Harvey Convention Center 2000 West Front Street Tyler, Texas

MINUTES OF MEETING

1) Call to Order: NETAC Mayor Barbara Bass, City of Tyler

Mayor Bass called the meeting to order at approximately 1:00 p.m.

2) Roll Call: Rick McKnight, ETCOG Environmental Manager

Policy Committee Members Present

- NETAC Co-Chair Mayor Barbara Bass, City of Tyler
- Jim Mathews, NETAC General Counsel
- Mayor Buzz Fullen, City of Henderson
- Winston Robinson, City of Marshall
- Keith Honey, AEP/SWEPCO
- David Duncan, Luminant
- Darrell Rachels, Eastman Chemical Company
- Scott Snedden, Westlake Chemical
- Judge Richard Anderson, Harrison County
- Greg Morgan, City of Tyler
- Robert Ray, City of Longview
- Tammy Campbell, WE CAN
- Donna Maisel, Marshall Economic Development Corp.

Others Present

- Greg Yarwood, ENVIRON
- Sue Kemball-Cook
- Rick McKnight, ETCOG
- Luke Kimbrough, ETCOG
- Kathy Singleton, TCEQ
- Karen Owen, Longview MPO
- Rick Hanning, Luminant
- N.N. Dharmarajan, AEP/SWEPCO
- Kelly Spencer, AEP/SWEPCO
- 3) Discussion and approval of the NETAC Policy Committee meeting minutes of October 16, 2009: Co-Chair Mayor Bass

A motion was made to approve the October 16, 2009 minutes. A second was made and the motion passed without any dissent.

4) Discussion of EPA's proposed revision of the ozone standard: Jim Mathews & EPA Representative

EPA has made the decision to not implement the 2008 8 hour ozone standard that was previously set at 75 ppb and has temporarily postponed designations under this standard. EPA has announced revised standard will be in the range of 60-70 ppb to adequately protect public health. EPA has also suspended the designation process until they are done reconsidering the ozone standard. The public commenting period on this announced revision ends March 22, 2010. EPA has also announced setting a secondary ozone standard in addition to the revision to the primary standard. The final primary standard will be announced by August 31, 2010 with state recommendations for nonattainment designations due to EPA by January 7, 2011. EPA response to states will be due by March 11, 2011. Final designations and classifications will be made by July 11, 2011. State Implementation Plans will be due by December 2013. Alternative dates for the secondary standard have been proposed as a possibility.

5) Discussion of the Policy-Relevant Background Ozone: Environ

The sources of background ozone include natural sources in addition to human activities. Policy Relevant background (PRB) is "defined as the distribution of O3 concentrations that would be observed in the U.S. in the absence of anthropogenic (man-mad) emissions of precursor emissions (e.g., VOC, NOx, and CO) in the U.S., Canada, and Mexico." This represents the lowest ozone that could be achieved by air quality management efforts within the U.S. Because PRB is impossible to measure models are used to predict it. Work just published analyzed trends in ozone crossing the Pacific Ocean to the west coast of North America. These published reports have found ozone concentrations at the West Coast have been increasing at 3.4 ppb per decade due to emissions in Asia. Ozone background in Northeast Texas varies widely between clean and polluted conditions. Aircraft flights have characterized some days with very high background and the TCEQ monitors in Northeast Texas can also estimate background ozone, especially the Karnack monitor. Background ozone levels are trending downward with an approximately 4-7 ppb decrease from 2005-2009.

6) Status report on TCEQ implementation of East Texas Combustion Rule: TCEQ representative

In 2007, TCEQ adopted an East Texas Combustion Rule (ETxCR) as part of the DFW SIP revision. March 1, 2010 was the compliance date for this rule. Applicable engines were required to document compliance of the rule and document this to TCEQ. TCEQ has received reports but has not analyzed the information as engine operators have until sixty days after the compliance date to complete the compliance report and file it with

TCEQ. NETAC will continue to monitor the implementation and compliance with this rule as it is important to Northeast Texas attainment of the ozone standard.

7) Discussion of TCEQ Rider 8 SIP Planning: Jim Mathews and TCEQ Representative

TCEQ will be responsible for developing SIP revisions for all potential nonattainment areas when EPA revises the ozone standard. TCEQ is asking areas that receive Rider 8 funding to develop specific components they will be able to use in the SIP planning process. These include local emissions inventory and photochemical modeling. They have proposed all areas modeling a June 2006 episode for a statewide model. They would also like recommendations for local controls from each area.

8) Discussion of Proposed Activities for FY2010-2011: Environ

The draft Work Plans for FY 2010 and 2011 were discussed. TCEQ has asked that two separate work plans be developed with the first work plan tasks ending on August 31, 2010. The second work plan would start September 1, 2010 and run through August 30, 2010. NETAC activities will continue to focus on monitoring, modeling, and emission inventory development. Projects and activities will aid TCEQ in developing a SIP revision for Northeast Texas.

9) Update on Ozone Modeling of 2012: Environ

Future year modeling is done to show emission reductions that lead to attainment of the ozone standard. The base year of 2005 has been developed and evaluated against observed ozone and precursors levels. 2005 had unfavorable meteorological conditions which have not repeated during 2006-2009 period, but could recur. The modeled future year is 2012. An emission inventory for human activities in 2012 will be developed and used with meteorology and biogenic and fire emissions for human activities for 2012. This will allow for the affect of changes from 2005 to 2012 emission changes from human activities to be determined. The model predicts nonattainment of the 75 ppb ozone standard for Longview and Tyler in 2012, while Karnack attains the standard. A regional ozone reduction of 4-6 ppb in 2012 is seen with smaller ozone reductions in oil and gas production areas. There is a modeled decrease in background ozone consistent with observed trends. Local NOx emissions decrease overall from 2005-2012, but area source emissions increase, lessening effects of regional ozone reductions within 5-county area. These results emphasize importance of oil and gas sources to regional air quality. The model results are reasonable given trends in observed ozone and emissions and can be used to assess effects of emissions growth as well as control strategies.

NETAC analyses have shown that the area can be brought close to an exceedance of the 75 ppb standard through transport alone. A revised lowered standard will increase the importance of transported background ozone. The role of transport of ozone and precursors from regions outside of Northeast Texas on high ozone days has been assessed. Transported ozone background from outside of Texas decreases from 2005 to

2012 on high ozone days and across the entire episode. On average, local contribution increased slightly going from 2005 to 2012. The 2005/2012 results are consistent with 2002 where both transport and local sources are important. Local controls can be effective, but regional strategies are required.

The impact of the East Texas Combustion Rule and the development in the Haynesville Shale have been analyzed. The emission inventory projects increases in emissions from natural gas development through the end of 2020. A high and low scenario for ozone impact from Haynesville Shale development have been run. Average 8-hour ozone impacts in Northeast Texas range from 0-6 ppb with the largest impacts being seen in Louisiana. Average impacts greater than 1 ppb are restricted to Northeast Texas, Louisiana, Arkansas, and Oklahoma. In the high case scenario maximum 8-hour impacts over greater than 10 ppb are seen within Northeast Texas. Peak impacts in the low scenario are between 6-8 ppb. The Haynesville Shale development is an area of concern for future air quality in Northeast Texas and additional study is required and would be benefited from more data regarding well site compression, well decline curves, etc.

In 2007, TCEQ adopted an East Texas Combustion Rule (ETxCR) as part of the DFW SIP revision. NOx emissions reductions of approximately 17 tons/day in the 5-county area in 2012 are expected. In 2012, ETxCR results in reductions in daily max ozone averaged over episode that reach 1-2 ppb. Maximum reduction from ETxCR over the episode is approximately 5 ppb. Compliance with the rule will continue to be tracked and modeled.

10) Other Business

No other business was discussed.

11) Adjournment

The meeting adjourned at approximately 2:30 p.m.