



California Council for Environmental and Economic Balance

100 Spear Street, Suite 805, San Francisco, California 94105
415-512-7890 phone, 415-512-7897 fax, www.cceeb.org

VIA ELECTRONIC MAIL

June 25, 2012

Ms. Carol Lee
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

RE: Proposed Amendments to Second Draft - Regulation 2, Rules 1, 2, 4 & 6

Dear Ms. Lee:

This letter provides the comments of the California Council for Environmental and Economic Balance (“CCEEB”) to the District’s second draft of proposed changes to the above referenced regulation. As you will note in our comments below, most of our concerns arise as a result of a proposal that attempts to blend PSD (attainment) requirements with NSR (non-attainment) requirements.

1. Concerns with Requirement for Proposed NAAQS Compliance Demonstration for Non-Attainment Pollutants (Section 2-2-308)

Our first concern in this section is its application to ozone. We ask, is it even possible to perform photochemical modeling for a specific facility? We understand that staff will be meeting with EPA on this issue and will withhold additional comments on this point until after we hear the results of that meeting.

We are also concerned about this section as it applies to other criteria pollutants, including PM_{2.5} and SO₂. Banked ERCs and offset provisions have been traditionally used to assure reasonable progress towards attainment and provide flexibility for future growth and development. The new proposal is based on net emission increases that include on-site contemporaneous reductions, not off-site banked ERCs. A proposed new facility or expansion of an existing facility that would emit significant emissions of a non-attainment pollutant would not be permitted in an area that has an ambient background (monitored) concentration in excess of a NAAQS (an impact less than a SIL would still incrementally contribute to background concentration). As written, we believe this proposal would essentially redline portions of the Bay Area.

Finally, with regard to Section 2-2-308 and PM_{2.5} in particular, we question whether the proposal is premature. While we recognize that monitoring data is trending down, is there enough confidence in the data to move to a PSD-type

program for non-attainment pollutants? If, due to climate conditions or other unforeseen events, monitoring begins to show an increase in PM_{2.5}, facilities will face great uncertainty on future permitting decisions. In addition, U.S.EPA now requires near-road ambient monitoring for NO₂ and CO; potential changes in monitoring requirements for PM_{2.5} (and potentially ultrafine PM) would add uncertainty to the long-term impacts of 2-2-308.

2. Potential Federal Backstop Provision Adds Unnecessary Complexity

EPA has indicated that NSR reform is as stringent as earlier rules. Given this view, we question the need for the backstop provision.

3. Conversion of PM₁₀ to PM_{2.5} Offsets will Require Time

We continue to have concerns with the conversion of PM₁₀ to PM_{2.5} offsets and specifically, the time needed to go through this process. We fear significant delays in permitting will result without a more detailed plan to allow for the conversion.

Thank you for considering our views. We would be pleased to meet with you should you wish to discuss in more detail.

Sincerely,



William J. Quinn
Vice President & Chief Operating Officer

cc: Mr. Gerald D. Secundy