

Minutes of the
Air Pollution Control Advisory Board
August 18, 2014

I. Introductions

II. Public Session - Schroeder

III. Roll Call - Cook

Members Presents: Wanda Blasnitz, Jack Coogan, Wilbur "Bud" Dasenbrock, Phillip Nalley, Tim Plander, and Martha Shulski,

Members Absent: Cindy Rempe, Dave Skipton and Rachel Warman

Staff: Chris Schroeder, Doug Tangeman, Scott Holmes, Gary Bergstrom, Lilian Turcios, and Lori Cook

Guest: Larry Hudkins and Katie Gutierrez - NDEQ

IV. Approval of Minutes - Cook

Tim Plander made a motion to approve the 2-18-14 minutes with one correction that Martha Shulski was not at that meeting. Seconded by Wanda Blasnitz. Motion carried.

V. New Business - Information Items - Schroeder

- a) New Air Quality Program Employee - Lilian Turcios
Chris Schroeder introduced Lilian Turcios. She is from Houston, Texas and will be working in the Air Program doing source and asbestos inspections.
Chris Schroeder introduced out new APCAB member Phillip Nalley with Southwest Rural Fire Department representing the public.
- b) Budget Overview
Chris Schroeder gave an update on how the Air Quality Program Budget process is going. Discussion held.
- c) Program Updates
Chris Schroeder went over program updates. See attachment I.

VI. New Business - Action Items - Schroeder

- a) Modification to the Lincoln-Lancaster County Air Pollution Control Program Regulations and Standards
Chris Schroeder went over the regulation changes. Discussion was held. Tim Plander made a motion. Seconded by Wanda Blasnitz. Motion Carried.
- b) Air Quality Program Funding Options
Chris Schroeder went over the Options D & F that the Board had agreed on for

our Air Quality Program to look at further. Discussion was held.
Tim Plander made a motion to approved Option D. Seconded by Martha Shulski.
Motion carried.

Wanda Blasnitz made a motion to approved Option F. Seconded by Tim Plander.
Motion carried.

Chris Schroeder Thanked Bud Dasenbrock and Dave Skipton for serving on the Air Pollution Control Advisory Board several terms. Due to term limits they cannot serve again.

VII. Adjournment

Adjourned at 4:37 PM.

Next Meeting November 4, 2014 at 3:00 PM

APCAB 08-18-14.doc

ATTACHMENT I

Program Updates

Regulatory

1. SCOTUS Rulings:

A. CSAPR: (1) April 29, 2014 -The U.S. Supreme Court reversed the D.C. Circuit opinion vacating CSAPR. EPA is reviewing the opinion. (2) June 26, 2014 - The U.S. government filed a motion with the U.S. Court of Appeals for the D.C. Circuit to lift the stay of the Cross State Air Pollution Rule. While the Court considers the motion, CAIR remains in place and no immediate action from States or affected sources is expected.

B. GHG Regulations: The granted issue is: “Whether EPA permissibly determined that its regulation of greenhouse gas emissions from new motor vehicles triggered permitting requirements under the Clean Air Act for stationary sources that emit greenhouse gases.” The petitions were consolidated for one hour of oral argument. The Court denied review of three other petitions challenging EPA on greenhouse gas rules.

2. Lawsuits:

A. Twelve States Sue EPA Over Section 111(d) A dozen states have sued to prevent the Environmental Protection Agency (EPA) from finalizing its proposed Clean Power Plan (CPP). The suit, filed in the U.S. Court of Appeals for the District of Columbia Circuit, alleges that EPA may not regulate existing power plants under section 111(d) of the Clean Air Act. According to the state plaintiffs, EPA is prohibited from regulating existing power plants under section 111(d) because they are already regulated under section 112 of the Act. West Virginia is the suit’s lead plaintiff and is joined by Alabama, Indiana, Kansas, Kentucky, Louisiana, Nebraska, Ohio, Oklahoma, South Carolina, South Dakota, and Wyoming. For further information:

B. Parties File Motion to Enter Consent Decree on SO₂ Area Designations (August 8, 2014) – EPA, Earthjustice (on behalf of the Natural Resources Defense Council [NRDC]) and Sierra Club filed a motion in the U.S. District Court for the Northern District of California, San Francisco Division to enter a proposed consent decree on sulfur dioxide (SO₂) area designations. The parties ask the court “to find the consent decree to be fair, adequate, and reasonable, and enter it forthwith.” The consent decree will settle litigation brought by Sierra Club and NRDC alleging that EPA failed to take timely action to fulfill its nondiscretionary statutory obligation to promulgate and publish the remaining area designations under the new one-hour SO₂ National Ambient Air Quality Standards (NAAQS) established in June 2010. Under the consent decree, EPA will be required to complete area designations for the 2010 SO₂ NAAQS in three stages beginning 16 months from the date of the consent decree and extending through December 31, 2020. Generally, undesignated areas with three years of monitoring data showing air quality violations or with sources that emitted high levels of SO₂ in 2012 will be designated first (within 16 months of the final consent decree). Next will come

areas that have not yet initiated the required monitoring of SO₂; these areas will be designated by December 31, 2017. Any remaining areas will have to be designated within the next three years after that (by December 31, 2020). The Clean Air Act (section 107(d)(1)(B)(i)) provides EPA two years following promulgation of a new NAAQS to make designations but allows the agency to extend this time period by one year “in the event the Administrator has insufficient information to promulgate the designations.” On August 3, 2012, EPA announced that it was extending by one year the deadline for promulgating designations under the 2010 SO₂ standard. On August 5, 2013, EPA published final area designations for 29 areas in 16 states, finding those areas to be in nonattainment for the standard based on monitored air quality data.

3. Regulations:

A. Section 111(d) of the CAAEPA’s proposed Clean Power Plan. Under the proposal, states are required to create individual State Plans that achieve carbon dioxide (CO₂) emissions targets set by EPA. Numerous press releases, fact sheets, and other media intended for general public consumption tout the “30% reduction in CO₂e” figure. The figure can be somewhat misleading - what it represents is the proposed rule would reduce CO₂e emissions in 2030 by 30% compared to 2005 levels. HOWEVER the proposed rule uses 2012 emissions to calculate and quantify the necessary reductions in CO₂e levels. (2005 emissions are NOT used in calculation methodologies used to set emission limitations). CO₂e emissions from EGUs declined approx. 400 million metric tons between 2005 and 2012. This means that the rule actually only requires a reduction of about 15% in CO₂e in 2030 (compared to 2012). See Tables 4 and 9 on pages 71 and 547.

The rule specifies state-level emission CO₂e targets (no plant-level requirements) and requires the state to submit a plan to achieve these targets. The rule sets forth a target for the time period of 2020-2029 and then a final target to be achieved 2029 and after. States may also submit combined plans (i.e. regions) and use averaging times of up to 10 years to demonstrate compliance with the CO₂e emission rates.

EPA used four “blocks” to calculate state CO₂e targets and believes that state compliance plans will mostly comprise of emission reductions from these four blocks (but stresses that states are free to choose the amounts and mix of the blocks and use other carbon reduction measures in their plan...they are not REQUIRED to necessarily use these measures):

1. Heat rate improvements at fossil-fuel plants. EPA estimated an average of 6% improvement in the heat rate could be achieved at reasonable costs by 2030.
2. Re-dispatch to Natural Gas Combined Cycle Plants (NGCC). EPA determined that each state could re-dispatch generation from coal-fired plants to NGCC so that all NGCC plants were utilized at least 70% of their capacity factor.
3. Increase in low-and zero-carbon power production (wind, solar, hydro, geothermal, nuclear...either through new construction or increased utilization). EPA estimates Nebraska would need approximately 11% of total generation from this category by 2030 to effectively utilize this category as part of its carbon

reduction plan.

4. Demand-side reduction measures. EPA sets forth a number of “best practices” for demand-side reductions in electricity that the states can take credit for. EPA estimates Nebraska would need a cumulative reduction of about 10% in demand to utilize this category effectively.

Carbon capture and sequestration (CCS) was acknowledged as a possible additional technology states could potentially use to achieve their CO₂e targets, but EPA did not consider CCS when calculating emission limits and CCS is mentioned very little in the rule.

Nebraska’s limits for all fossil-fueled power plants are: 1,596 lbs CO₂e/ Net MWh produced for the “interim period” (2020-2029) and 1,479 for 2029 and beyond. These limits are the ninth highest among the states (only Indiana, Kansas, Kentucky, Missouri, Montana, North Dakota, West Virginia, and Wyoming have higher). These values are also “adjusted” to take into consideration new low-and zero-carbon generation, and emissions avoided by qualifying demand-side reduction measures (MWh from those two measures count towards Net MWh produced....thus the actual limits for the fossil plants could be adjusted higher).

For reference:

- Average CO₂e/ MWh for natural gas plant is approx. 1,100.
- Average CO₂e/MWh for coal plant is approx. 2,200.
- 2012 Nebraska state-wide CO₂e emission rate (all plants): 2,009
- 2030 reduction level (1,479): 26% below 2012 level (as cited in LJS)

Flint Hills / 4th of July

1. Noticeable impacts on March 29, April 5, April 11, and April 18.
2. 4th of July - 4th of July press release – air quality monitoring data over the 4th showed similar levels. 8:00 PM to midnights on the 4th. 2 hours in unhealthy for sensitive, 2 hours (9-10) unhealthy for everyone