Air Quality Control Advisory Council Meeting Notes May 14, 2012 @ 8:15 am MDE Headquarters—Aqua Room, 1st Floor 1800 Washington Boulevard Baltimore MD 21230

AQCAC MEMBERS PRESENT

John Ouinn

Ronald White

Lorne Garrettson

Bill Cunningham

Andrea Bankoski

Kevin Barnaba

Larry Schoen

John Kumm

Kip Keenan

Sania Amr

AQCAC MEMBERS ABSENT

Sue Garonzik

Donald Moore

Ross Salawitch

John Britton

VISITORS

Sarah Barnett, Environmental Resources Management (ERM) Sara Tomlinson, Baltimore Metropolitan Council (BMC) David Cramer, Gen On

PARTICIPANTS VIA PHONE

Al Pacardi, Exelon/Constellation

MDE-ARMA

Tad Aburn

Diane Franks

Randy Mosier

Deborah Rabin

Katy Perry

Carolyn Jones

Husain Waheed

Kathleen Wehnes

Eddie Durant

Dave Mummert

This is a summary of the May 14, 2012 Air Quality Control Advisory Council Meeting and serves as a record of the Council's vote on regulatory action items. The meeting is recorded and the digital file is maintained by MDE/ARMA. This digital file is considered public information and may be reviewed in its entirety by anyone who is interested in the details of the discussions.

MEETING OPENING/OPENING REMARKS

Chairman Quinn opened the meeting with introductions of members and visitors.

Meeting Minutes from March 26, 2012:

Motion to approve meeting minutes from the March 26, 2012 meeting of the Council was made by Larry Schoen and seconded by Bill Cunningham. All members present voted in favor.

Tad Aburn discussed and briefly updated the members on the following topics:

- o Climate Action Plan
- o New ozone designation
- o California Low Emission Vehicles, etc.
- o Low sulfur fuel
- o Stage II vapor recovery
- Long range transportation conformity (from mobile sources)
- o Tier III vehicles/fuel
- o Cross State Air Pollution Rule
- o Transport (mentioned presentation that could be sent to Council members)

PRESENTATION, DISCUSSION, AND ACTION ON REGULATIONS

COMAR 26.11.17 - New Source Review

Though this topic was listed on the agenda, Diane Franks removed it from the schedule.

COMAR 26.11.09.08 and COMAR 26.11.14.06 - Kraft Pulp Mill

Eddie Durant presented on amendments to COMAR 26.11.09.08 and COMAR 26.11.14.06, which clarify processes and consolidate requirements into a separate chapter of COMAR, specific to Kraft pulp mills. The amendments address VOC emissions and apply to two coal fired units and one gas fired unit at the Kraft pulp mill located in Luke, Maryland. Overall, this action consolidates regulations located in multiple chapters of COMAR.

Larry Schoen asked if alternate test methods (alternative compliance) mentioned in the regulation are cheaper or better. Randy Mosier responded that the process depends on the plan proposed by the company; the company may ask for more flexibility, and the Department will review its request and plan. Eddie Durant informed the Council that the amendments do not introduce any new standards. John Quinn noted he contacted the source and they were aware and supportive of the effort to consolidate relevant information in one place, so that it is easier to track what is required. Tad Aburn stated that the amendments allow the regulation to work more effectively. He also noted that after implementation of the Healthy Air Act (HAA) the paper mill is Maryland's largest source of sulfur dioxide (SO2). Dr. Garrettson asked what kinds of issues are preventing the addition of a new scrubber at the paper mill. Mr. Aburn responded there are legal issues that must be resolved between EPA and the company before moving ahead with the new scrubber. Dr. Garrettson asked where the SO2 comes from at the mill; Mr. Aburn responded that it comes from the boilers.

Motion to approve this action was made by John Kumm and seconded by Bill Cunningham. All members present voted in favor.

COMAR 26.11.09.08 and COMAR 26.11.30.06- Portland Cement Plan - Opacity

Randy Mosier presented on Chapter 30, which combines all of the existing requirements for cement plants into a new, single chapter (portions of 26.11.01, 26.11.06, 26.11.09 and 26.11.29). This chapter deals with nitrogen oxides (NOx), sulfur oxides (SOx), visible emissions, and particulate matter that apply to Portland cement manufacturing plants. Mr. Mosier stated that the Council had approved the majority of this new Chapter on January 31, 2011, and that the Council would only be reviewing Regulation .04 – Visible Emission Standards. Mr. Mosier noted that regulation .04C being presented was different than what was e-mailed to the Council members in that it removes the requirement for COMs to be installed and operated on clinker coolers. This action also repeals NOx RACT requirements in COMAR 26.11.09.08 which apply to cement manufacturing plants. The NOx requirements in 26.11.29, which were established during the NOx SIP call, now constitute RACT for Portland cement kilns.

John Quinn asked if the regulation enforces the 98% and 2% requirements associated with opacity, and if EGU opacity requirements apply to the cement plants. Mr. Mosier responded that they do not, and explained that they have 20 % and 10 % opacity requirements that apply 100% of the time. Dr. Garrettson asked about the different requirements that apply to different areas in the State. Mr. Mosier explained that areas 3 and 4, which are near I-95 and struggle more to meet attainment, are subject to stricter requirements, while requirements are less stringent for the wings of the state (areas 1, 2, 5, 6), where attainment is less difficult. Ronald White asked what determines whether a source is subject to MACT (Maximum Available Control Technology). Diane Franks answered that it is determined by the size of the source.

Motion to approve this action was made by Kip Keenan and seconded by Sania Amr. All members present voted in favor.

COMAR 26.11.08.08-2 - HWIWI - Interim Compliance Dates

Husain Waheed presented on this action, which amends the requirements pertaining to the compliance schedule for hospital, medical, infectious and medical waste incinerators (HMIWI) that are required to comply with COMAR 26.11.08.08-2. The amendments allow sources to follow alternate plans for compliance prior to the final compliance date of October 6, 2014, while still meeting the ultimate compliance date.

John Quinn asked if the amendment allows sources to have more time if they get a plan approved. Randy Mosier explained that the final deadline is the same, but this affects the interim compliance dates; a source may submit a plan saying that, for example, it will optimize existing controls to meet the deadline by October 6, 2014, rather than installing a new technology. John Quinn asked how many sources are affected. Mr. Mosier stated that this interim compliance requirement applies to two sources.

Larry Schoen asked if sources will scrap old incinerators and put in new ones. Mr. Waheed explained that sources will not scrap older incinerators, but rather modify the existing controls/operations in such a way that they can meet the standards. Mr. Schoen asked if dioxins are the main concern. Mr. Waheed said that sources are close to meeting the standard for dioxins, and have more work to do regarding HCl. Mr. Schoen asked about the maturity of the technology, since it sounds like there is some experimentation to be done. Mr. Waheed responded that although the technology is mature,

new standards bring about new testing and modifications. Mr. Aburn added that MACT standards are currently quite aggressive; EPA is now working to finalize MACT standards, which are extra challenging for existing sources at times. Mr. Schoen asked if the Department is confident that affected sources will meet the standard by the deadline. Mr. Aburn and Mr. Waheed affirmed that MDE is confident that sources will meet the standard by October 6, 2014.

Sania Amr asked where the largest incinerator is located, and if it brings in material from outside of the State. Mr. Waheed replied that it most likely does bring in material from outside of the state, since it is a commercial incinerator, and that it is located in Curtis Bay, Maryland.

John Quinn asked why the Department modified the regulation, rather than having sources complete plans for compliance, as is the case with some other compliance determinations. Mr. Waheed responded that EPA wants the requirements in a regulation.

Motion to approve this action was made by Sania Amr and seconded by Andrea Bankoski. All members present voted in favor.

COMAR 26.11.02.09 - Permits to Construct Requirements

Dave Mummert presented on this amendment, which makes a correction to a recent amendment to COMAR 26.11.01.01. Prior to this recent amendment MACT sources were exempt from permit to construct requirements, since they met criteria for COMAR 26.11.02.10 Sources Exempt from Permits to Construct Approvals. These sources have minimal emissions of air pollutants and negligible environmental impact. This action will allow this exemption to remain effective.

John Quinn confirmed that the Department did not want to bring new small sources into permitting requirements, when they would typically qualify for an exemption.

Motion to approve this action was made by John Kumm and seconded by Ronald White. All members present voted in favor.

NONVOTING ITEMS:

BRIEFINGS:

California Low Emission Vehicles:

Tim Shepherd presented on updates to COMAR 26.11.34.02, in which California's Low Emission Vehicle (Cal LEV) Program regulations are adopted through Incorporation by Reference (IBR). California has adopted more stringent requirements, referred to as Cal LEV III, for criteria pollutants, greenhouse gas (GHG) emissions, and its zero emissions vehicles (ZEV) Program. New standards will phase in from 2015 through 2025.

The group discussed the alternative compliance option in the regulation that allows manufacturers sufficient time to incorporate sales of electric vehicles. John Quinn asked if this is also part of California's regulation; Tim Shepherd confirmed that it is part of the regulation, although California will not pursue that route. Tad Aburn added that there is a close working relationship between California and the states that adopt these standards.

Bill Cunningham asked how natural gas vehicles would measure up against electric vehicles. Mr. Shepherd said that they are treated as fuel vehicles, but also considered cleaner vehicles. Marcia Ways added that credits given to manufactures are based on emissions, rather than fuel economy. Mr. Aburn noted that California wanted to drive technology for zero emissions vehicles (ZEV). Mr. Shepherd added that California reviews its regulation to determine whether technology is at a point where goals are achievable, and that this program will be reviewed again in 2018. Federal and California standards are currently similar regarding fuel economy standards, and there is coordination between CARB and EPA to ensure that EPA's Tier III standards are similar to Cal LEV III. John Quinn asked if there are mandates for clean fuels; Tim Shepherd responded that when Maryland adopted Cal LEV, it opted not to adopt its fuel standards.

Mr. Aburn said that the sulfur/ fuel piece is an important part of the process, and that environmental organizations and automobile manufacturers are in support of low sulfur fuel. He stated that low sulfur fuel will create benefits immediately as opposed to the LEV program, where the benefits come with fleet turnover. Larry Schoen asked how difficult it is for refineries to meet the new standard. Mr. Shepherd said that industry is saying there will be an increase in fuel cost (8 cents), whereas studies have said that it will be in the range of a 1-3 cent increase. He also noted that most of Europe is already using this fuel. John Quinn brought up the issue of Maryland and other states having this update in their State Implementation Plans (SIPs). Mr. Shepherd said that many states have already included low sulfur fuel in their SIPs, which adds to the pressure to adopt the new standard.

Kip Keenan asked if, in the case that certain percentages of fleets are mandated to be electric, the State would regulate charging stations. Mr. Shepherd responded that a work group (Electric Vehicle Infrastructure Council) will be looking into that issue, among others, and that the PSC will likely regulate charging stations.

Low Sulfur Fuel and Home Heating Oil:

Tad presented on the State's effort to move forward with a low sulfur home heating oil program, which is part of the regional haze piece of the Clean Air Act. Maryland will be moving ahead with regulations to meet regional recommendations on how to move ahead with the program. MDE will not adopt it, but rather coordinate with the Comptroller. Mr. Aburn stated that the Petroleum Council is pushing for this regulation so that there is consistency up and down the East Coast. He also noted that this regulation will lead to PM-fine reductions.

Ronald White asked about the status of other states on this issue. Ms. Ways and Mr. Aburn responded that New Jersey and Massachusetts have adopted it, and Pennsylvania is in the process of doing so.

The regulation will most likely be updated within the next six months (as a Comptroller regulation), and the Department will keep the Council up to speed on the process.

Future AQCAC Meeting Dates:

Monday, September 10, 2012 Monday, December 10, 2012

The meeting adjourned at 10:40 a.m.