

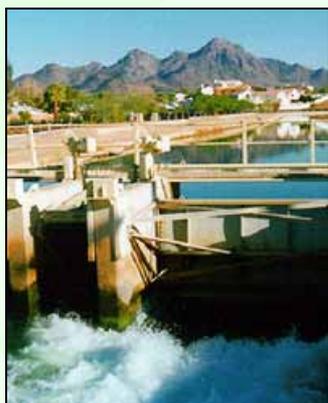
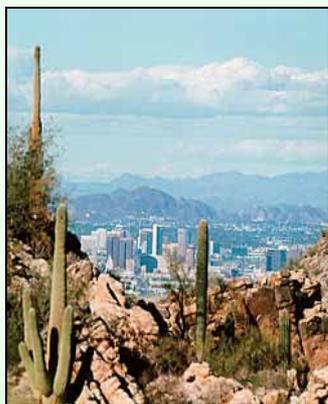


Update on Exceptional Events and MAG Five Percent Plan for PM-10

MAG Management Committee

September 8, 2010

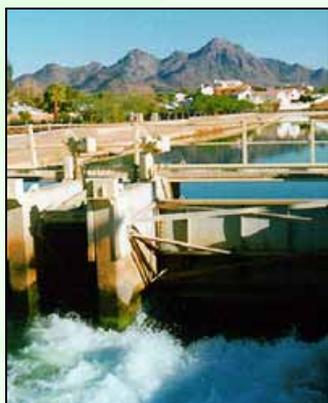
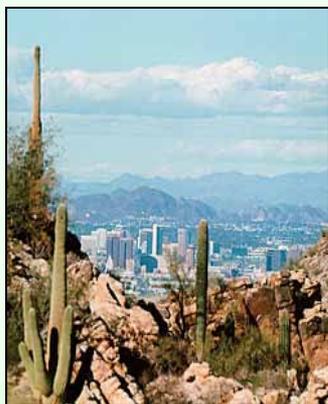
Overview



- n **MAG submitted the plan on time to EPA-Dec. 31, 2007.**
- n **ADEQ analyzes exceptional events and prepares documentation. ADEQ assured MAG that the region had a clean year in 2008 and 2009. Exceedances were due to high wind exceptional events.**
- n **EPA was late in taking action on the plan. Missed the June 2009 deadline.**
- n **Arizona Center for Law in the Public Interest filed a notice of intent to file a lawsuit against EPA for failure to take action on the plan-Aug. 2, 2009.**
- n **After the Center filed a notice of intent, EPA began to review the plan that had been submitted in 2007.**
- n **ACLPI filed a lawsuit to force EPA to take action on the plan-Dec. 2, 2009.**
- n **EPA announced nonconcurrency with 4 high wind exceptional events at the W. 43rd Ave. monitor. EPA admitted the Exceptional Events Rule is flawed. The exceedances will count as a violation and EPA intends to disapprove the plan. -May 25, 2010.**
- n **EPA entered into a proposed consent decree with the ACLPI to propose action on the plan-June 23, 2010. Propose action-Sept. 3, 2010 Finalize action-Jan. 28, 2011.**

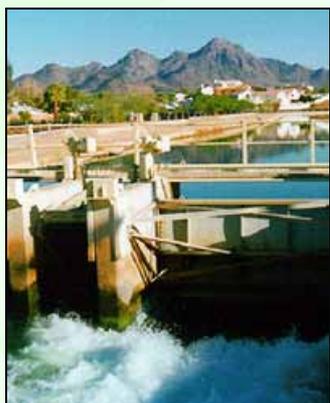
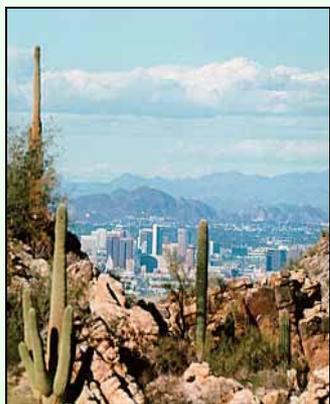
Overview

- n **ADEQ and MAG submitted comments to EPA on their exceptional events technical review document-June 30 and July 2, 2010.**
- n **MAG, ADEQ,MC, Salt River Pima-Maricopa Indian Community submitted comments requesting a 6 month delay on the proposed and final action-Aug. 2, 2010.**
- n **EPA sent a letter indicating that the proposed action will occur on Sept. 3, 2010 to ADEQ-Aug. 24, 2010.**
- n **ADEQ and MAG submitted additional exceptional event documentation to EPA-August 27, 2010.**
- n **Congressional Delegation sent a letter to EPA requesting a 6 month delay-August 30, 2010. Delegation had a conference call with EPA- Sept. 2, 2010. ADEQ and MAG sent a joint letter to EPA requesting a 6 month delay-Sept. 2, 2010.**
- n **EPA sent a letter indicating that the proposed action will occur on Sept. 3, 2010 to the Delegation and ADEQ and MAG-Sept. 2, 2010.**



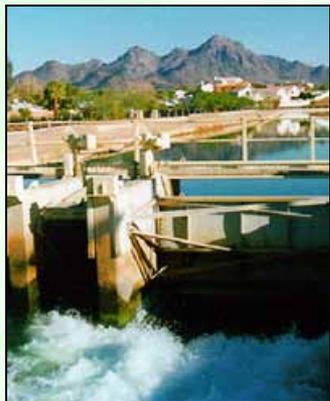
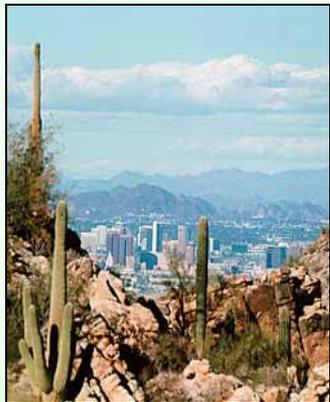
Overview

- n EPA proposed to partially disapprove and approve the plan, which has the same consequences as a disapproval. Approvability issues were identified-Sept. 3, 2010.
- n The approvability issues did not cause the high wind exceptional events at the W. 43rd Ave. monitor.
- n The plan has been effective. There have been no violations during stagnant conditions at the monitors since the plan was submitted in 2007.
- n ADEQ and MAG believe that the region had its first year of clean data in 2008. EPA disagrees and has not considered all of the scientific information submitted.
- n At risk are \$1.7 billion in FHWA funds and the \$7.4 billion Transportation Improvement Program. A conformity freeze on the TIP could occur by February 28, 2011.
- n Unless the flawed Exceptional Events Rule is fixed, this issue will remain unresolved.

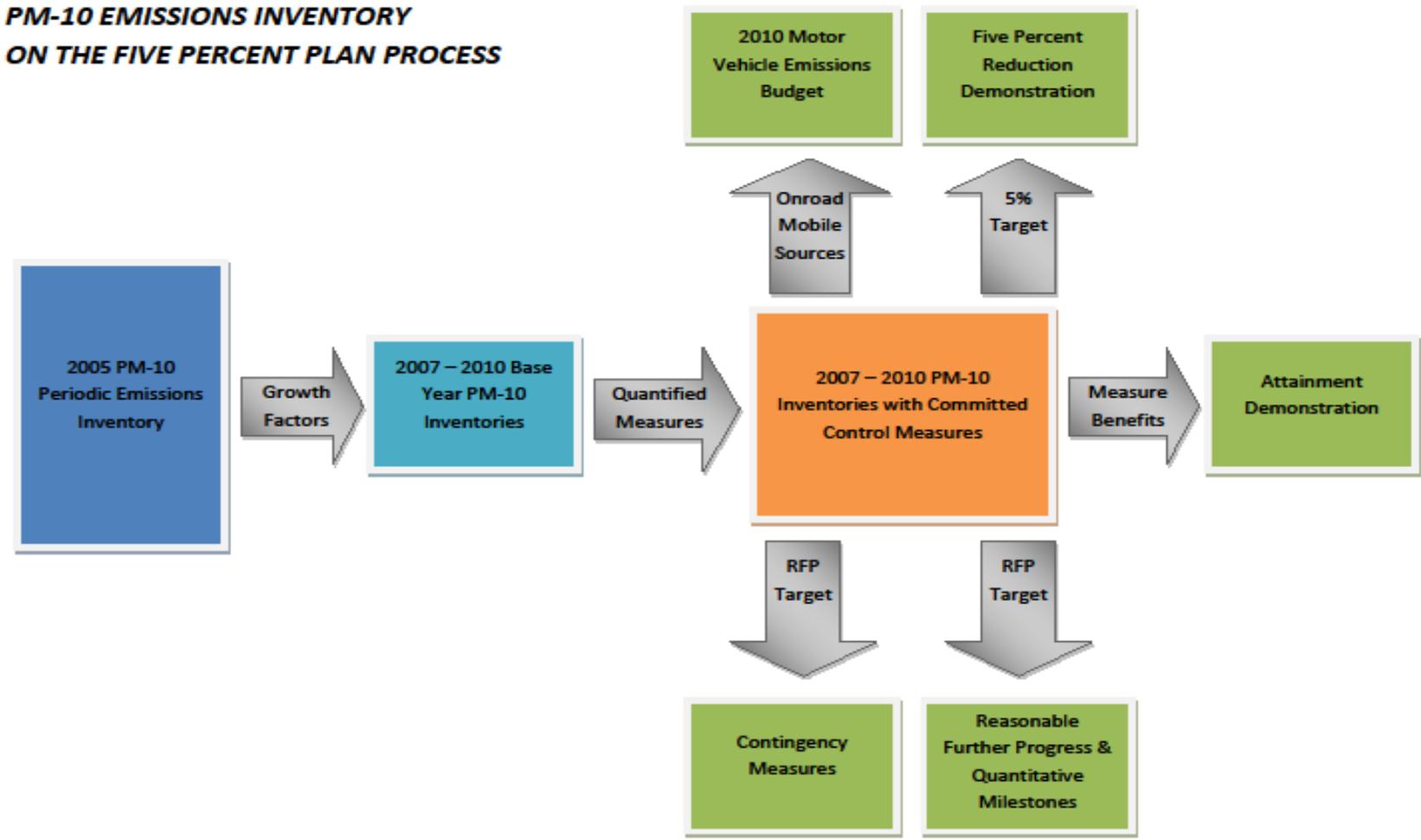


EPA Proposed Action on Five Percent Plan for PM-10-September 3, 2010

- n **EPA proposed partial approval and disapproval of the plan**
- n **Proposed disapproval of:**
 - l 2005 baseline emissions inventory prepared by Maricopa County overestimated construction emissions and other emissions due to a rule effectiveness issue.
 - l Projected inventories prepared by MAG were based on the 2005 inventory.
 - l Modeling attainment demonstration cannot be approved if actual monitor data show the area cannot attain by the attainment date (EPA nonconcurrence with the 4 high wind exceptional events at West 43rd Avenue Monitor in 2008). Issues with measure assumptions based on increased compliance.
 - l Five percent reduction in emissions calculation was based on the 2005 inventory and did not provide for reductions after 2010.



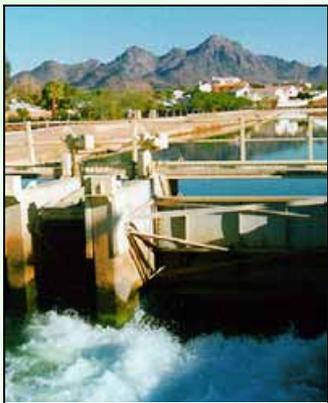
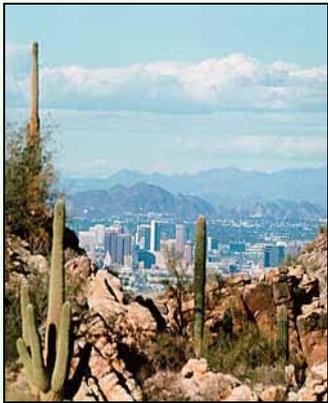
**ROLE OF THE 2005
PM-10 EMISSIONS INVENTORY
ON THE FIVE PERCENT PLAN PROCESS**



EPA Proposed Action on Five Percent Plan for PM-10-September 3, 2010

Proposed disapproval of:

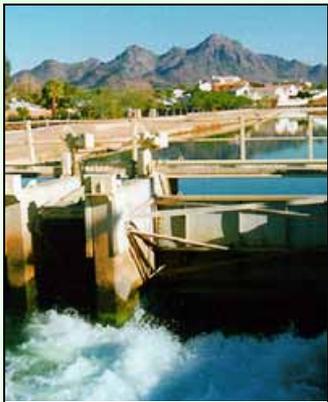
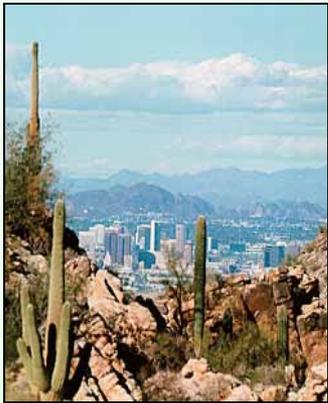
- | Reasonable further progress and milestone demonstrations cannot be approved since the area cannot attain the standard by 2010 (EPA nonconcurrency with exceptional events).
- | Contingency measures are not extra measures if the region cannot attain the standard by 2010. Issues: emissions reductions tied to the 2005 emissions inventory, measure assumptions, local resolutions conditioned with good faith efforts and funding availability, measures that required further regulatory actions (ordinances), measures not fully implemented yet, and ordinances submitted by ADEQ as supplemental information rather than as a SIP revision.
- | 2010 Motor Vehicle Emissions Budget for conformity was based on the 2010 emissions inventory projected from the 2005 inventory.



EPA Proposed Action on Five Percent Plan for PM-10-September 3, 2010

Proposed approval of:

- | Arizona Revised Statutes mandating 20 measures in the plan.
- | Agricultural Best Management Practices Guidance Booklet and Pocket Guide.

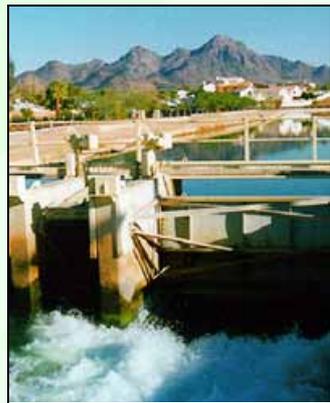
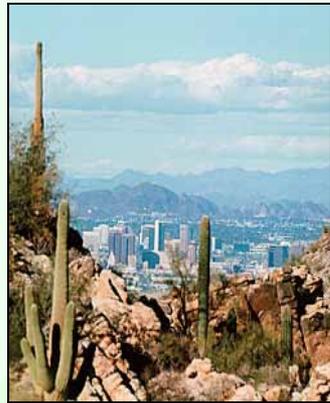




EPA Proposed Action on Five Percent Plan for PM-10-September 3, 2010

Proposed limited approval and disapproval of agricultural regulations:

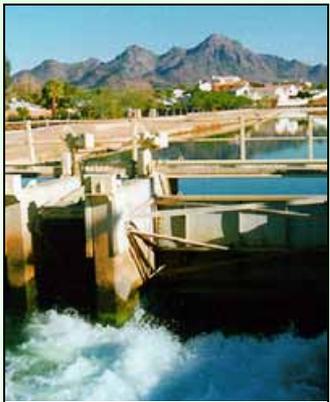
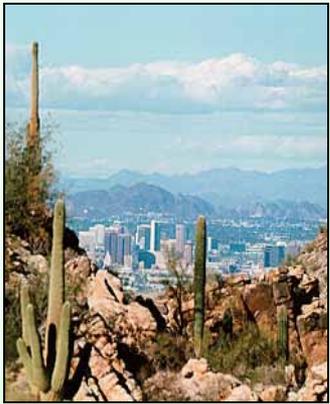
- | Ag rules strengthen the SIP but do not meet the requirements for enforceable Best Available Control Measures.
- | Ag general permit rule needs to be revised.

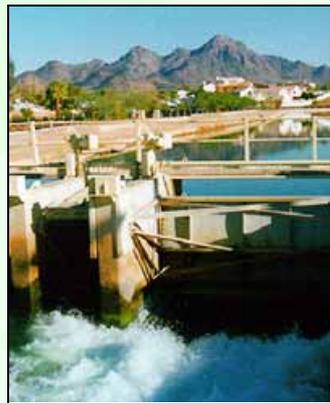




Consequences of Plan Disapproval Action

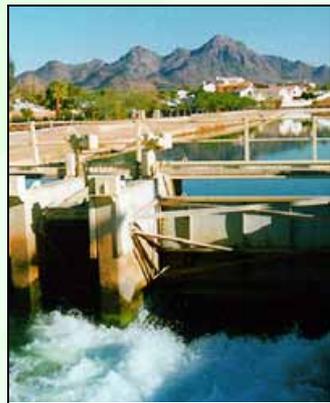
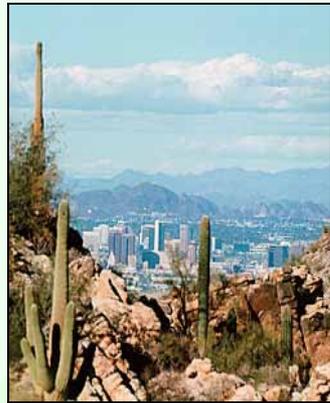
- n **Conformity Freeze – 30 days after final disapproval in Federal Register**
 - | Only projects in 1st four years of the conforming TIP and Regional Transportation Plan (RTP) can proceed.
 - | No new TIPs, RTPs or projects until a Five Percent Plan revision is submitted that fulfills the Clean Air Act requirements, EPA finds the conformity budget adequate or EPA approves the submission, and conformity to the plan revision is determined.





Consequences of Plan Disapproval Action

- n **Clean Air Act sanctions would be imposed if the problem is not corrected within**
 - l 18 months from disapproval action
 - n Tighter controls on major industries (2:1 offsets in emissions)
 - l 24 months from disapproval action
 - n Loss of federal highway funds - \$1.7B at risk in Draft FY 2011-2015 MAG Transportation Improvement Program (TIP)
 - n Federal implementation plan imposed
- n **Imposition of highway sanctions may trigger a conformity lapse**
 - l Major projects in \$7.4B Draft TIP could not proceed



Consequences for the Five Percent Plan for PM-10

- n **New emissions inventory needed**
 - l Major downturn in economy since 2005 has changed mix of sources
 - l New 2008 inventory was completed June 30, 2010
- n **Best Available Control Measure Analysis**
- n **May need to add more measures to reduce emissions by 5 percent per year until attainment, as measured at the monitors**
- n **Will need to revise modeling in the Plan**
- n **Will need to address agricultural BACM and enforcement issues**
- n **Will need 3 years of clean data at all PM-10 monitors for attainment**



For More Information

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