

MINUTES

REGIONAL AIR QUALITY COUNCIL

Thursday, March 1, 2001

MEMBERS PRESENT:

Jim Scherer, *CHAIRMAN*
Dennis Arfmann, *Holme Roberts & Owen*
Theresa Donahue, *City & County of Denver*
Jane Norton, *Colo. Dept. Public Health & Environment*
Don Parsons, *City of Northglenn / DRCOG*
Dave Sladek, *The Clayton Group*
Sharon Votruba, *City of Thornton*

MEMBERS NOT IN ATTENDANCE:

Tom Norton, *Colo. Dept. of Transportation*
Melanie Worley, *Douglas County*

OTHERS PRESENT:

Ken Lloyd, RAQC; Misty Howell, RAQC; Gerald Dilley, RAQC; Laura Hagg Nelson, RAQC; Meg Franko, RAQC; Annmarie Jensen, RAQC; Shirleen Tucker, APCD; Jim Ives, City of Aurora; Mike Silverstein, APCD; Doug Lempke, AQCC; George Gerstle, CDOT; Bob Farmer; Mark Komp, EPA; Cindy Rosenberg, EPA; Stan Dempsey, Colorado Petroleum Association; Frank Prager, Xcel Energy; John Van Kirk, URS; Doug Lawson, AQCC; Bob Lowdermilk, AQCC; and Frank Johnson, Attorney General's Office.

The meeting was called to order by Chairman Jim Scherer at 3:10 p.m. A quorum was present.

Approval of the Agenda

Don Parsons moved to approve the agenda. Seconded by Sharon Votruba. Motion passed without objection.

Approval of the Minutes

Don Parsons moved to approve the December 13, 2000 and February 1, 2001 minutes. Seconded by Jane Norton. Sharon Votruba and Dennis Arfmann indicated they would abstain from voting on the February 1 minutes since they were absent.

Jane Norton indicated she would abstain from the December 13 minutes due to her absence. The motion passed with noted abstentions and without objection.

Informational Items

Chairman:

No Report.

Executive Director:

Ken Lloyd informed Council the Supreme Court rendered its decision regarding EPA's 8-hour ozone and PM 2.5 standards. The Court reaffirmed the way EPA set the standard and indicated EPA did not use an unconstitutional delegation of authority. The Court ruled that EPA's ozone implementation policy was unlawful and remanded it to the lower court. Ken indicated this was good for the Denver area because it would give the region more time to demonstrate attainment with the standard.

Ken also told Council that there was an exceedance of the PM 2.5 24-hour standard on February 15. A memo outlining the air quality values on that day was distributed to Council. Ken emphasized that carbon monoxide and PM-10 levels remained relatively low. Ken suggested that it would be good for the APCD to make a presentation on PM 2.5 at the May or June Council meeting.

Members:

No Reports.

Committees:

No Reports.

Report from Air Quality Control Commission

Doug Lempke, Technical Secretary for the Air Quality Control Commission, distributed the agenda for the Commission's March 15 meeting. He indicated that the timeline for legislators to request a separate review of the Ozone Maintenance Plan has passed. The plan will now be sent to EPA for final approval.

He stated the AQCC is in the process of developing its annual report to the legislature on the I/M program. He welcomed any comments from the RAQC.

At its March 15 meeting, the Commission will have a hearing on the PM-10 Maintenance Plan. The Commission will also hear information on proposed revisions to Regulation Number 11 that would adjust the vehicle emissions repair limit waiver to compensate for the increases in inflation since the beginning of the program.

Public Comment

Bob Farmer praised the RAQC for its work with the gas cap replacement program and for coordinating car care clinics for the 2001 ozone season. He reiterated the importance of getting polluting vehicles off the road. He suggested Council try to get donations for radio time to promote vehicle maintenance and indicated he would be willing to contribute funds for this purpose.

Mr. Farmer also stated that inspecting vehicles does not get them clean. He believes more emphasis needs to be placed on repairing the vehicles.

Proposed Revisions to PM-10 Maintenance Plan

Ken Lloyd recognized the work of APCD staff, Jerry Dilley, and the Denver Public Works Department staff in preparing the information for the revised PM-10 Maintenance Plan.

Ken explained the revisions to the plan, which include:

- Refinements to the emission inventory;
- Corrections to emission reduction benefit calculations;
- Slightly revised motor vehicle emission budgets;
- Changes based on EPA comments; and,
- Adding other measures in the state implementation plan, including revising Regulation 16, which affects street sanding.

Street sanding emission reductions, an important component of the PM-10 Plan, include:

- 72 percent reduction from the central business district;
- 54 percent reduction from I-25 (from University to 6th Avenue);
- 50 percent reduction from the central Denver area (bordered by 38th, Federal, Louisiana and Downing);
- 30 percent reduction from the rest of the metropolitan area; and,
- 20 percent reduction from the foothills.

These reductions will become part of the state implementation plan in the 2001/02 winter season.

The emission budgets also were revised and the changes are reflected below.

Emission Budgets (tons per day)

	PM-10	NOx
Current Budgets	60	119.4
Proposed Budgets	52	103
Revised Budgets	51	105

Mr. Johnson gave Council his legal opinion regarding the issues. Retirement of Arapahoe 1 & 2 is included in an agreement between Xcel Energy and the State, therefore it is State enforceable. The State has taken credit for the SO₂ reductions in the past. There are good policy reasons for taking this credit. The emissions included in the calculations use the sources capacity to emit, which is a design limit. Because the design limits for the source are used, there is no reason to include absolute 24-hour emission limits. Permits do not need to be included in the SIP because they are already federally-enforceable through the State's permit program. If they are included, it would require a SIP revision to modify a permit. Regarding the Tier II credit, EPA wants the State to make a commitment based on a draft policy.

Mark Komp, EPA, stated the technical document for the plan, which is not available yet, may contain the answers EPA is looking for.

Don Parsons moved to approve the changes to the PM-10 Maintenance Plan. Seconded by Jane Norton. Theresa Donahue made a friendly amendment to vote separately on the emission budgets portion of the plan. This was acceptable to Don Parsons.

Motion to approve the changes to the PM-10 Maintenance Plan, excluding the emissions budgets passed without opposition.

Motion to approve changes to the emission budgets passed 6-1 (Theresa Donahue opposed).

Dennis Arfmann said the memo on power generation growth that was included with the supplemental pre-hearing statement was very informative. It shows that the region is still under federal limits.

Telework Emissions Trading Pilot Program

Ken introduced Meg Franko, who has returned to the RAQC staff.

Meg gave Council an overview of the Telework Emissions Trading Pilot Program. The National Air Quality and Telecommuting Act of 1999 was enacted by Congress as part of a transportation appropriations bill and is designed to promote a reduction in VMT and related air quality impacts. The program is administered nationally by the National Environmental Policy Institute (NEPI), who advocates government and industry collaboration to promote a strong business voice in environmental policy.

The Denver area will receive a one-year grant of \$250,000 to manage and implement the project. The project objectives include:

- Evaluate emissions trading as an incentive for increasing telecommuting;
- Calculate air quality impact of increased telecommuting; and
- Evaluate potential for broader implementation.

The Denver metropolitan area assembled a Design Team made up of business and government representatives to direct and implement the project. The Design Team determined that the Denver Regional Council of Governments (DRCOG) and the Regional Air Quality Council (RAQC) will jointly manage and coordinate the project, with fiscal responsibilities falling to DRCOG. A Steering Committee, chaired by State Representative Bill Swenson and co-chaired by Mayor Don Parsons, will direct the project. The Steering Committee includes participation from a number of business and government representatives.

The RAQC's role in the project management includes:

- assisting with marketing and training;
- providing support on the air quality and emissions trading aspects of the program; and
- taking the lead on certifying emissions credits and documenting emission reductions from the program.

Meg Franko indicated that companies would generate emissions credits by reducing employees' VMT and then could trade, sell or donate the credits to achieve a net reduction in air pollution. She stated NEPI has hired an attorney to look into tax credit options.

Meg told Council that the pre-marketing plan and draft work plan, which provide more detail, were included in their packets.

The next steps for the project include a kick-off breakfast in April to solicit business participation and highlight the objectives of the program. Special invitations will be sent to CEO's. Marketing and recruitment will begin in March and continue throughout the year. Training seminars, conducted by DRCOG's Telework Colorado and RAQC, will be held throughout the region beginning in May.

There are plans to meet with businesses on an individual basis to solicit participation in the project. Dave Sladek asked whether DTC companies would be targeted for this program. Meg indicated they would be included, especially with the upcoming I-25 construction. She is working to get the Southeast Business Partnership involved.

Theresa Donahue suggested contacting local governments' Economic Development Councils, as well as Chambers, to assist with identifying potential companies for participation.

Dennis Arfmann asked if a cost/benefit analysis will be included for the project. Meg said NEPI has hired a consultant to collect data via email, which will be used to calculate the VMT reduction. This collected data could also be used to do modeling the following year, if NEPI is successful in securing additional funding.

Meg stated the Steering Committee is discussing the many details of the project. The Steering Committee will try to get 20 companies, ranging in size, to participate in the pilot project.

There was discussion on how credit would be banked. Ken Lloyd stated that currently there is a registry through the CDPHE. There is also a bill in the legislature to create bank. Ken indicated there is authority to develop a bank through Regulation 5.

Jane Norton expressed concern with the Health Department's participation on the Steering Committee. She indicated the Telework Pilot Project is not a priority at CDPHE.

Council should contact Meg with comments or suggestions.

Status of Legislation

Anmarie Jensen gave Council an overview of the legislation of interest. She explained **HB 1091**, concerning the method of payment associated with expanding the Clean Screen Program, passed the House with minor amendments and is scheduled for hearing in Senate Committee on Government, Veterans and Military Relations. The bill was changed to include a \$12.50 annual fee on registrations instead of a \$25 biennial fee. She indicated that she and Margy Christiansen have been explaining the air quality aspects of this bill to many legislators. Also, there is an outstanding issue between the State and County Clerks, which is being addressed by both parties.

HB 1248, concerning measures that will encourage employers to enable their employees to telecommute and creating a tax credit, has been postponed indefinitely.

HB 1270, concerning authorization to create entities to facilitate the exchange of emissions credits, was tabled at the request of the sponsor pending discussions with interested parties.

HB 1326, concerning regulation of air pollution emissions from stationary sources, passed in House Committee on Transportation and Energy and has been referred to Appropriations.

Ken indicated a new bill was introduced, HB 1346, which may allow the PM-10 Maintenance Plan to be added for legislative approval. He indicated there have been no discussion with the sponsors yet.

Don Parsons stated he received an email from Don Thompson asking if the RAQC would support HB 1329, concerning increasing funding above TABOR limits for transit. Don wanted to confirm that Council did not want to take a position on bills not related to the work of the RAQC. He will let Mr. Thompson know the RAQC's policy.

There being no further business before the Council, the meeting was adjourned at 4:30 p.m.