APPENDIX B

RESPONSE TO COMMENTS RECEIVED ON NOTICE OF PREPARATION/INITIAL STUDY

Lee Wallace
Regional Affairs Manager – Air Quality
External Relations

555 West Fifth Street, GT26G3
Los Angeles, CA 90013-1044

213-244-8851

December 13, 2006

SENT VIA USMAIL, FACIMILE & EMAIL

Mr. Michael Krause
c/o CEQA
SCAQMD
21865 Copley Drive
Diamond Bar, CA 91765-4182
Fax: (909) 396-3324
Email: ceqa_admin@aqmd.gov

Subject: Comments to Notice of Preparation of Draft Program Environmental Impact Report and Initial Study for 2007 Air Quality Management Plan

Dear Mr. Krause:

1-1 Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) appreciate the opportunity to provide comments to the South Coast Air Quality Management District's (SCAQMD) Notice of Preparation of a Draft Program Environmental Impact Report (NOP) and Initial Study for the 2007 Air Quality Management Plan (AQMP). SoCalGas and SDG&E strongly support SCAQMD's effort to develop an AQMP that helps attain Clean Air Act standards through cost-effective measures. We also support SCAQMD's effort to undertake a thorough analysis of the AQMP's environmental impacts through issuance of an Environmental Impact Report (EIR). While we believe SCAQMD's Initial Study addresses a number of critical environmental concerns, there are certain environmental concerns that the Initial Study does not mention and which we request SCAQMD address in the draft EIR.

1-2 On December 1, 2006, SoCalGas and SDG&E filed comments to the Draft AQMP. Our draft comments raise a number of environmental issues and concerns that are appropriate for consideration in the draft EIR but which the Initial Study does not address. Our comments, which are enclosed as Attachment 1, are incorporated by reference and we request that SCAQMD respond to the questions and comments raised therein in the draft EIR.

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We also request that the draft EIR address the following issues:

Responsible Agencies

1-3 We believe SCAQMD should treat the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) as responsible agencies in this proceeding. Both agencies have discretionary approval power to implement some of the control measures proposed in the Draft AQMP. For example, only the CPUC has legal authority to establish gas specifications. Nevertheless, Control Measure CMB-04 – Natural Gas Fuel Specifications would establish a de facto gas specification for SoCalGas that would contradict and render obsolete CPUC's recent gas specification ruling establishing a maximum Wobbe number of 1385 for SoCalGas. Similarly, the CEC is charged with adopting and implementing energy efficiency standards under Title 24 of the California Code of Regulations and the CPUC is charged with regulating utility energy efficiency programs. The CEC and CPUC should be given the opportunity to comment on the SCAQMD's consideration of the environmental impacts associated with Control Measure MCS-03 – Energy Efficiency and Conservation. We believe SCAQMD's environmental impacts review will be incomplete without the valuable input these agencies could offer. Therefore, SCAQMD should distribute the NOP to these agencies, solicit their input and incorporate their comments in the draft EIR prior to circulation.

Impacts Not Identified in Initial Study

The Initial Study does not identify all of the potential air quality and energy impacts associated with Control Measure CMB-04 – Natural Gas Fuel Specifications. This control measure would establish a maximum Wobbe Number of 1360 for natural gas supplied to sources within SCAQMD's jurisdiction.

1-4 The attached comments to the Draft AQMP address a number of impacts that the draft EIR should consider. These impacts include, without limitation, the fact that extensive testing suggests that any air quality impact from the combustion of natural gas with a maximum Wobbe Number of 1385 versus a maximum Wobbe Number of 1360 is speculative. Even if any such impact exists, decades of experience in California and throughout the world show that re-tuning and adjustment of equipment and/or the development of improved emissions control and combustion technologies would mitigate any such impact.

1-5 Moreover, some evidence suggests that burning natural gas with a higher Wobbe Number would reduce Volatile Organic Compound (VOC), toxic and ozone emissions. The draft EIR should analyze the VOC and air toxic emission increases that would result from CMB-04's reduced maximum Wobbe Number.

1-6 We are also concerned that Control Measure CMB-04 could restrict gas supplies or otherwise result in increased natural gas prices. In turn, this could cause certain entities to shift away from natural gas and toward other fuels such as diesel. Such fuel shifting

could potentially increase air pollutant emissions. Increased natural gas prices could also result in electrification and significant effects on energy supplies and demands. Under CEQA Guidelines section 15064(e), the draft EIR must analyze the environmental impacts associated with these foreseeable economic and social impacts.

1-6 cont.

CMB-04 would also impose a natural gas fuel specification applicable to natural gas supplied within SCAQMD's jurisdiction that conflicts with the natural gas fuel specification applicable to natural gas supplied outside SCAQMD's jurisdiction. Because SoCalGas and SDG&E operate integrated natural gas systems that extend well beyond the borders of the South Coast Air Basin, segregating natural gas supplied only within SCAQMD's jurisdiction to meet SCAQMD's proposed fuel specification is not feasible as defined by CEQA Guidelines section 15364 and cannot be implemented. Thus, the draft EIR should consider alternatives to this control measure, including those alternatives described below.

The draft EIR should address all of the above environmental impacts, as well as those identified in the attached comments.

Alternatives

1-7

The draft EIR should consider feasible alternatives to the proposed control measures that, as discussed above and in the attached comments, could potentially result in environmental impacts. For example, the draft EIR should assess the alternative of reducing the required oxides of nitrogen (NOx) emission reductions and increasing the required VOC emission reductions through, among other things, elimination of CMB-04. We believe this alternative would be the lowest air toxics option and could also accelerate attainment of the 8-hour ozone standard.

1-8

The draft EIR should also analyze the alternative of reducing the required NOx emission reductions and increasing the required oxides of sulfur (SOx) emission reductions through, among other things, further cooperative measures with operators of ocean going vessels calling at West Coast Ports. The recent Maersk announcement to voluntarily reduce its own SOx and NOx emissions through the use of lower sulfur fuel shows the potential of this proactive approach. By further reducing SOx emissions, the fine particulate (PM2.5) standard could be achieved with reduced NOx emission reductions.

1-9

Thank you again for the opportunity to comment on the NOP and Initial Study. Please copy me on any future CEQA or other notices relating to the AQMP for the South Coast

1-9 cont.

Basin. If you have any questions, please do not hesitate to contact me at 213-244-8851 or lwallace@sempralutilities.com. We look forward to working with you to develop a comprehensive, feasible and cost-effective AQMP for the South Coast Air Basin.

Sincerely,

Lee Wallace

cc: Michael R. Peevey, President (CPUC)
Commissioner John Bohn (CPUC)
Commissioner Geoffrey Brown (CPUC)
Commissioner Rachelle Chong (CPUC)
Commissioner Diane M. Grueneich (CPUC)
Mr. Richard Myers, Energy Division (CPUC)

Jackalyne Pfannenstiel, Chair (CEC)
James Boyd, Vice Chair (CEC)
Commissioner Jeffrey Byron (CEC)
Commissioner John Geesman (CEC)
Commissioner Arthur Rosenfeld (CEC)
B. B. Blevins, Executive Director (CEC)
Valerie Hall, Deputy Director Energy Efficiency, Renewables and Demand Analysis Division (CEC)
Bill Pennington, Manager, Building and Appliances Office (CEC)

Enclosures (1)

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ATTACHMENT 1

Lee Wallace
Regional Affairs Manager–Air Quality
External Relations

555 W. Fifth Street, GT26G3
Los Angeles, CA 90013-1044

213-244-8851

December 1, 2006

Mr. Joseph Cassmassi
Planning and Rules Manager
Planning, Rule Development and Area Sources
SCAQMD
21865 Copley Drive
Diamond Bar, CA 91765
(909) 396-3155
Email: jcassmassi@aqmd.gov

Subject: Draft 2007 AQMP

Dear Mr. Cassmassi,

Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) appreciate the opportunity to provide comments on the South Coast Air Quality Management District's (SCAQMD) Draft 2007 Air Quality Management Plan (AQMP). As always, SoCalGas and SDG&E strongly support the efforts of the SCAQMD to develop an AQMP that will lead to the attainment of Clean Air Act standards through cost-effective control measures. The attainment of Clean Air Act standards is important and SoCalGas and SDG&E have demonstrated their continued support of the SCAQMD's plans through participation in your regulatory process, operation of our own facilities in compliance with SCAQMD's existing rules, and support to our customers in the clean and energy efficient operation of their natural gas-fueled equipment.

1-10

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company whose subsidiaries provide electricity, natural gas and value-added products and services. Through its two regulated utility subsidiaries, Southern California Gas Company and San Diego Gas & Electric, Sempra Energy has the largest regulated gas and electric utility customer base in the United States – more than 6 million meters serving 21million customers.

Our joint comments are provided in the following attachments by control measure. To facilitate further discussion and mutually beneficial coordination, we have included a contact person's name and contact information for each control measure commented upon. The most

effective way to contact us will be through email, but you can always contact me directly (213-244-8851). Comments are provided on the following control measures:

	Control Measure	SoCalGas/SDG&E Contact
Attachment A	LTM-02 – Further Emission Reduction from NOx RECLAIM Facilities (Phase 1)	Noel Muyco nmuyco@semprautilities.com
Attachment B	CMB-04 – Natural Gas Fuel Specifications	Kevin Shea kshea@semprautilities.com
Attachment C	CMB-01 – NOx Reduction from Non-RECLAIM Ovens, Dryers and Furnaces	Noel Muyco nmuyco@semprautilities.com
Attachment D	MCS-03 – Energy Efficiency and Conservation	Rick Hobbs rhobbs@semprautilities.com
Attachment E	LTM-04 – Concurrent Reductions from Global Warming Strategies	Lee Wallace lwallace@semprautilities.com
Attachment F	MCS-01 – Facility Modernization (Non-RECLAIM Sources)	Deanna Haines dhaines@semprautilities.com
Attachment G	LTM-02 – Further Emission Reduction from NOx RECLAIM Facilities (Phase 2)	Noel Muyco nmuyco@semprautilities.com
Attachment H	CMB-03 – Further NOx Reductions from Space Heaters	Lance DeLaura ldelaura@semprautilities.com
Attachment I	BCM-03 – Emission Reductions from Wood Burning Fireplaces and Wood Stoves	Lance DeLaura ldelaura@semprautilities.com 8
Attachment J	BCM-05 – Emission Reductions from Under-Fired Charbroilers	Steve Simons ssimons@semprautilities.com

1-10 cont.

SoCalGas and SDG&E look forward to further opportunities to provide input for the most comprehensive, feasible and cost-effective AQMP for the South Coast Air Basin.

Sincerely,

Lee Wallace

Southern California Gas Company and San Diego Gas & Electric Company
Comments on Draft 2007 Air Quality Management Plan

Attachment A

Control Measure LTM-02 – Further Emission Reduction from NOx RECLAIM Facilities (Phase 1)

SoCalGas and SDG&E cannot support Control Measure LTM-02 (Phase I). Further we are concerned that Control Measure LTM-02, as described in the Draft AQMP, lacks important detailed information and support. The comments below reflect the companies' request that the SCAQMD provide appropriate justification for LTM-02, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-133)
This proposed control measure would obtain further emission reductions of NOx from RECLAIM in two phases. Phase I seeks reductions through a shave mechanism of RECLAIM allocations to reduce emissions that might potentially result from the combustion of natural gas with a Wobbe Number greater than 1360 beginning in 2008. Phase II seeks to further reduce NOx emissions in the next 10 to 15 years as newer BARCT technology evolves and is phased in. Additional reduction is augmented as a reflection of BACT installation as RECLAIM NSR is triggered. The comments in this Attachment A refer only to Phase I.

Proposed Method of Control and Emissions Reduction (Page IV-A-134 &135)
Phase I is seeking to reduce 2.5 tons per day (tpd) of NOx through a reduction of RECLAIM allocations.

Comment

SoCalGas and SDG&E object to the proposed RECLAIM Phase I NOx reductions of 2.5 tpd. SoCalGas and SDG&E believe it is too early to accurately quantify any potential emissions increases or decreases that would result from burning natural gas with a Wobbe Number greater than 1360. The SCAQMD should base its control measures on objective, scientifically based data, beyond laboratory testing, that are confirmed with field experience. Attempts to impose control measures with incomplete information and inadequate evaluation would result in premature and ill-advised SCAQMD rulemaking.

1-11

Moreover, SoCalGas and SDG&E believe that many RECLAIM permitted sources (large and major sources) already have permit limits that effectively allow them to burn natural gas with a Wobbe Number greater than 1360. Operators already are managing changes in gas quality at their permitted sources, including scenarios where the gas quality may exceed 1360 Wobbe number. The companies operating such sources would be unnecessarily penalized and economically disadvantaged by an additional reduction obligation because they are already able to manage such variations in gas quality. We would also like to point out that there are a number of RECLAIM facilities that utilize other (waste, landfill, etc.) gaseous fuel as their primary fuel source and as such, would

also be disadvantaged by a reduction obligation aimed at perceived (but unproven) emissions increases that may be associated with burning certain types of natural gas.

SCAQMD has not presented sufficient evidence of (1) the population of RECLAIM sources that could potentially receive natural gas with a Wobbe Number greater than 1360 or (2) the PM2.5 or ozone impacts (whether from potential NOx increases or from potential Volatile Organic Compounds (VOC) decreases) that would result from those sources that could receive and would combust natural gas with a Wobbe Number greater than 1360.

Based on published studies and reports of operators, we should expect there to be negligible or no NOx emissions difference between combusting natural gas with a Wobbe Number of 1385 BTU/scf (the CPUC's existing gas specification for SoCalGas) and combusting natural gas with a Wobbe Number of 1360 (the SCAQMD's proposed gas specification). This is because, among other things, most commercial and industrial equipment can already tolerate variations in gas Btu values and any potential impact at more sophisticated or process sensitive equipment could be avoided through fine-tuning and systematic corrections of equipment controls. Additionally we can also expect development and application of new and improved emission and combustion control technologies with greater flexibility to use gas with varying specifications.

Interestingly, the published studies also show that combustion of higher Btu gas has directly reduced emissions of Reactive Organic Gases (ROGs) and air toxics emissions. The proposed Control Measure does not address these issues or the impact they have on ozone formation.

1-11 cont.

The SCAQMD has not provided sufficient information to allow meaningful review of the proposed Control Measure. However, we are concerned that SCAQMD's emissions estimates may be inaccurate because (1) the estimates seem to be based on limited laboratory data that has not been substantiated with real-world experience; and (2) we believe the estimates may fail to reflect realistic regional market penetration of new gas supplies including rich natural gas supplies.

Finally, the proposed Phase I RECLAIM shave appears clearly to fall outside the scope of the SCAQMD's legal authority. Under the California Health & Safety Code, the SCAQMD's authority to impose emission limitations on existing stationary sources is limited to those circumstances in which the Board finds that the proposed emissions reductions are technologically feasible and cost-effective. *See* Health & Safety Code §§ 40440(b)(1) (authorizing the District to require the use of "best available retrofit control technology for existing sources"), 40406 (defining BARCT as the "maximum degree of reduction achievable, taking into account environmental, energy and economic impacts . . ."), and 40703 (requiring the District to make findings of cost-effectiveness). Nowhere in the Health & Safety Code is the SCAQMD authorized to impose emission reduction obligations that go beyond such considerations. Certainly, it is not appropriate for the District to penalize RECLAIM combustion sources for alleged emission increases occurring outside of the RECLAIM program, and over which they have no control.

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1-11

Because the SCAQMD's proposed Phase I "shave" is explicitly tied to an attempt to offset any emission increases that may occur due to changes in natural gas characteristics and not to the technology and economic factors noted above, it falls outside the bounds of the District's retrofit authority. As the staff recommended and the Board determined during the most recent RECLAIM amendments, the market character of the RECLAIM program does not alter the Health & Safety Code's limitations on the District's authority to impose obligations on existing sources. *See* Health & Safety Code § 39616.

1-12

Based on the above comments and concerns, SoCalGas and SDG&E respectfully submit the following questions for the SCAQMD's response:

1. Please provide all reports, analyses, calculations, sensitivity assumptions and general assumptions that SCAQMD staff relied on to establish their proposed maximum Wobbe Number of 1360.
2. Please provide the results of all air quality models that SCAQMD staff relied on to establish the SCAQMD's proposed maximum Wobbe Number of 1360.
3. Please provide all reports, analyses, calculations, sensitivity assumptions and general assumptions supporting SCAQMD's proposed Phase I reductions.
4. How did the SCAQMD determine which RECLAIM sources will receive natural gas with a Wobbe Number greater than 1360? How did SCAQMD treat RECLAIM sources that will not, or may not, regularly or ever receive natural gas with a Wobbe Number greater than 1360?
5. Would a reduction of allocations be applied across the board to all RECLAIM sources?
6. What is the inventory of RECLAIM NOx sources that meet NOx BACT standards?
7. What is the inventory of RECLAIM sources that have permitted NOx emissions limits that give the sources the flexibility to combust natural gas with a Wobbe Number greater than 1360?
8. What is the breakdown of RECLAIM NOx source contribution for each of the four county regions within the SCAQMD?
9. What is the breakdown of NOx "emissions" from RECLAIM sources within each of the four counties?

Southern California Gas Company and San Diego Gas & Electric Company
Comments on Draft 2007 Air Quality Management Plan

Attachment B

Control Measure CMB-04 – Natural Gas Fuel Specifications

SoCalGas and SDG&E do not support CMB-04.

Summary Description of Control Measure (Page IV-A-43)
The purpose of this control measure is to avoid future emission increases, if any, that could potentially result from the combustion of natural gas with a Wobbe Number higher than 1360.

Proposed Method of Control and Emissions Reduction (Page IV-A-45 &46)
The control measure proposes to establish a maximum Wobbe Number of 1360 for natural gas supplied to sources within the SCAQMD's jurisdiction.

Comment #1: Jurisdictional Concerns
The CPUC recently established a gas-specification for SoCalGas which reduced the upper range of acceptable gas from approximately 1450 Wobbe number to a maximum of 1385 Wobbe number (CPUC Decision D.06-09-039). SCAQMD is now proposing to undermine that gas specification by adopting its own, contradictory gas specification, with a maximum Wobbe number of 1360. Due to the integrated nature of SCAQMD's gas distribution system, SCAQMD's proposed measure would establish a de facto gas specification for SoCalGas that would contradict and render obsolete CPUC's recent gas specification ruling.

1-13 Furthermore, if any other of the nine local air pollution control districts in our service territory adopted a different criteria for gas quality specifications, the system would be unable to operate, and stay in compliance at all times. This is because, among other things, SoCalGas operates an integrated "demand/pull" gas distribution system. Gas flows to the various portions of the distribution system as a result of demand from the customers, and not solely as a result of back pressure. Therefore gas flow cannot be limited to boundaries of individual air pollution control districts; the SoCalGas system is a fully integrated operation that cannot be compartmentalized.

State law gives the CPUC jurisdiction to establish natural gas specifications within the state. SoCalGas and SDG&E question SCAQMD's jurisdiction to adopt a gas specification that contradicts the gas specification established for SoCalGas by the CPUC.

Comment #2: Cost Savings to Customers
1-14 Our gas customers will potentially realize hundreds of millions of dollars a year in gas cost savings annually from additional supplies of natural gas such as new interstate supplies, new California supplies and new supplies of imported LNG. The SCAQMD's proposal to prohibit supply or combustion of natural gas with a Wobbe number greater than 1360 would prohibit 20% of existing supplies from the Rocky Mountains basin

Attachment B B-1

through Kern River Pipeline, 10 to 15% of existing supplies from California gas production and 90% of the LNG supply from the Pacific region, from entering California.

The California Energy Commission (CEC), in its *Integrated Energy Policy Report 2005, p. 133,* stated the following about LNG prices:

1-14 cont.

> "The cost to deliver natural gas to the West Coast via an LNG project could be well below the market prices that California pays at its borders. This potential new supply source close to or in California could have a dramatic effect on the market prices in California. For example, if West Coast LNG supplies drop $0.50 per mm Btu, then Californians would save over $1 billion annually on their natural gas bills. This magnitude of potential savings drives California's interest in LNG."

Comment #3: Real World Experience

1-15 Our customers as well as gas customers in other countries have decades of experience with the use of higher value Btu gas. The SCAQMD has not provided an analysis of this real world experience, or determined the lessons that can be learned from others who have already gone through the experience of adjusting to the use of gas with different gas quality specifications, e.g. a higher Wobbe number.

Comment #4: Modification of Baseline Inventory

1-16 The SCAQMD used the *2006 California Gas Report* to construct the baseline inventory. The *2006 California Gas Report* does not separately identify how much of the gas supply will have a Wobbe Number greater than 1360 nor where such gas will be used in California. In order to calculate the impact of the use of such gas in southern California, it is necessary to make certain assumptions about the quantity of such gas in the system, how it will be delivered, and where it will be used. It is unclear in the proposed Control Measure how the SCAQMD modified the baseline inventory to quantify the amount of such gas and where consumption would occur in the South Coast Air Basin.

Comment #5: Attainment of Standards Would Not Be Jeopardized

1-17 SoCalGas and SDG&E testing, decades of experience with high Btu gas in our service territories, and world-wide experience shows that gas fired equipment can tolerate changes in gas Btu content with little to no emissions increases and some equipment actually shows emissions decreases. This information suggests a high probability that any impact on air quality from gas supplies with a maximum Wobbe Number of 1385 verses a maximum Wobbe Number of 1360 is speculative and, if any such impact does ultimately occur, that it could likely be mitigated or eliminated through re-tuning and adjustment of equipment and/or the development of improved emissions control and combustion technologies. Studies and reports validate and support SoCalGas' and SDG&E's position on existing equipment and forward-looking solutions. Such mitigation measures would be far more cost-effective in the long run than SCAQMD's

1-17 cont.

proposal to severely limit existing and potential new natural gas supplies. There is no need to limit the cost savings gas customers could realize from the availability of new gas supplies, when emission increases are speculative and when any minor increases that could result – if any -- could be effectively addressed through proven mitigation techniques.

Key Studies and Reports:

Power Turbine Performance During Heat Content Surge.
William Walters. Presentation to Gas Quality Technical Stakeholders. September 20, 2005.

Final Report – Gas Quality and Liquefied Natural Gas Research Study.
Southern California Gas Company. April 2005.

Low NOx Boilers Expanded Testing.
Southern California Gas Company. October 2006.

Gas Quality and LNG Research Study – Phase 2 Rich Burn Engine.
Southern California Gas Company. April 2006.

Equipment Studies 2003-2006. Southern California Gas Company.

"LNG Interchangeability Issues in Power Generation"
Presentation at Technology Institute's International Conference: Global LNG Interchangeability Challenges, Opportunities, Strategies. Bruce Rising, Siemens Power Generation Inc. September 11-12, 2006.

Impact of Changing Fuel Gas Wobbe Number on GE Gas Turbine Operations.
Memorandum from William H. Jayne, General Electric, to Lee Stewart, Southern California Gas Company. December 19, 2005.

1-18

As the SCAQMD moves forward in developing this control measure, SoCalGas and SDG&E request consideration and clarification of the following critical questions:

1. Please explain the basis for SCAQMD's determination that it has jurisdiction to adopt a gas specification that contradicts and renders obsolete a gas specification that the CPUC has established pursuant to state law.
2. Please provide SCAQMD's calculations and assumptions on the impact that CMB-04 would have on natural gas supply and prices in the region and the state.
3. Please provide all analysis SCAQMD conducted or considered regarding real world experience using natural gas with a Wobbe Number greater than 1360.

Southern California Gas Company and San Diego Gas & Electric Company
Comments on Draft 2007 Air Quality Management Plan

4. Please provide SCAQMD's assumptions regarding the quantity of rich gas that will be supplied within the Air Basin and where consumption in the Air Basin will occur. How did SCAQMD modify the baseline inventory to account for these assumptions?
5. Please provide all reports, analyses, calculations, sensitivity assumptions and general assumptions that SCAQMD staff relied on to establish their proposed maximum Wobbe Number of 1360. Please provide the results of all air quality models that SCAQMD staff relied on to establish the SCAQMD's proposed maximum Wobbe Number of 1360.
6. Please provide all reports, analyses, calculations, sensitivity assumptions and general assumptions supporting SCAQMD's proposed maximum Wobbe Number of 1360.
7. CMB-04 states that natural gas derived from LNG supplies could achieve the proposed control measure if a high-methane LNG, such as 99+%, it supplied. Please identify existing LNG supplies that are 99+% methane and the availability of such supplies to California. Provide a detailed cost analysis for delivering a 99+% methane LNG verses an LNG supply that meets a 1385 Wobbe Number.
8. CMB-04 indicates the objective could be met by removing more complex hydrocarbons or adding inert gases such as nitrogen. Please provide a cost analysis for removing complex hydrocarbons and/or adding inert gases. For hydrocarbon extraction facilities and nitrogen injection facilities required at an LNG receiving terminal, please provide estimates of all potential emissions resulting from the processes. If there are projects in the South Coast Air Basin that have proposed to utilize either of these processes, please provide specific emissions estimates and identify sources of potential emission offsets.
9. Please provide the cost estimates and emission impacts from California gas producers in the South Coast Air Basin adding facilities for removing hydrocarbons or adding nitrogen to meet the proposed maximum Wobbe Number of 1360 proposed in this control measure.
10. Please provide the cost estimates and emission impacts from California gas producers in Ventura, Santa Barbara and San Joaquin Valley adding facilities for removing hydrocarbons or adding nitrogen to meet the maximum Wobbe Number of 1360 proposed in this control measure.
11. Please provide the cost and emission impacts for Rocky Mountain gas producers for removing hydrocarbons or adding nitrogen to meet a 1360 Wobbe Number.
12. Please provide the economic impact analysis for California of Rocky Mountain gas supplies lost to markets outside of southern California because of the cost to meet a 1360 Wobbe Number.
13. Please provide a health and safety impact analysis utilizing 2001 California energy requirements, 2001 Hydro conditions and weather without the availability of Rocky Mountain gas supplies.

1-18 cont.

Attachment B B-4

Southern California Gas Company and San Diego Gas & Electric Company
Comments on Draft 2007 Air Quality Management Plan

Attachment C

Control Measure CMB-01 – NOx Reduction from Non-RECLAIM Ovens, Dryers and Furnaces

SoCalGas and SDG&E are concerned that Control Measure CMB-01, as described in the Draft AQMP, lacks the detailed information necessary. The comments below reflect the companies' request that the SCAQMD add appropriate justification, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-33)
This proposed control measure would obtain further emission reductions of NOx from non-RECLAIM ovens, dryers, furnaces, kilns, afterburners, and incinerators with no source specific (BARCT) NOx rules. SCAQMD believes further NOx reductions can be achieved if these specific sources employ the latest advancement in burner technologies.

Proposed Method of Control and Emissions Reduction (Page IV-A-33 &34)
The SCAQMD proposes to force these specific sources to employ the latest Low NOx burners. The SCAQMD is proposing to adopt source specific rules and may incorporate more stringent control requirements such as BACT as it subsequently seeks to adopt a Facility Modernization (MCS-01) control measure. In addition, as part of its rulemaking process, the SCAQMD may adopt emissions limits for new pieces of equipment that do not require a permit through an equipment certification program.

Comment

SoCalGas and SDG&E do not support the proposed Control Measure referenced as CMB-01 – NOx Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces. SoCalGas and SDG&E strongly urge the SCAQMD to develop a detailed technology-derived assessment of the technological and economic issues. When developing this assessment, SCAQMD should work with an industry-wide working group including, but not limited to, equipment manufacturers, end-users, affected industry trade associations, and corresponding air pollution control equipment vendors.

1-19 As with any previously adopted technology forcing rule such as Rule 1146.2, the SCAQMD must consider the cost effectiveness of any control measure it adopts. See, e.g., H&S Code Sections 40440, 40703, 40922. Most, if not all, non-RECLAIM sources operate under strict and modest profit margins and will face severe economic hardships if they are required to implement more stringent control requirements. Consistent with the SCAQMD's approach to Rule 1146.2, it is imperative that SCAQMD work with appropriate stakeholders to establish an "operational useful life" or "end of life cycle" that maximizes the operational flexibility and capital investment made by the impacted businesses. In effect, the prospect of companies shutting down and/or relocating their respective operations outside of SCAQMD jurisdiction would be a disservice to the economic viability of the region.

Attachment C C-1

Southern California Gas Company and San Diego Gas & Electric Company
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1-19 cont.

Furthermore, the SCAQMD should explore and implement all available and potential incentive mechanisms to assist small businesses in their efforts to satisfy this control measure. One suggestion would be to incorporate and apply the mechanisms being considered for the modernization control measures of energy efficiency rebates and discounts as well as state and federal tax incentives, and low interest loans. For example, equipment being replaced in advance of reaching its "useful life" might qualify for an early replacement rebate based on the remaining expected useful life horizon. Inclusion of such incentive programs is key to the success between maintaining the balance of environmental and economic viability of businesses in the region.

The SCAQMD should adopt an "exemption clause" for specific pieces of equipment that clearly have no current technological or viable emissions control options.

1-20

Finally, as the SCAQMD moves forward in developing this control measure, SoCalGas and SDG&E respectfully request response to the following questions:

1. Has the SCAQMD performed a review and assessment of currently available Low NOx burners for each specific class of ovens, dryers, and furnaces taking into account each specific and appropriate application and process. Please make this available.
2. Has the SCAQMD ascertained the cost differential between standard units and those already employing Low NOx burners, and will it be made available?
3. Has the SCAQMD assessed the certification and related standards (including Safety Standards) for each specific class of equipment, and will it be made available?
4. Will you give manufacturers time to address the proposed future BARCT for equipment that is subject to certification requirements.
5. Has the SCAQMD prepared a comprehensive cost-effectiveness evaluation for affected industries and small businesses, and will it be made available?
6. Will the SCAQMD factor a "loss of use" into the cost-effectiveness calculation for equipment forced to be replaced when it has 10 or more years of remaining useful life?
7. In lieu of the "loss of use" factor, will the SCAQMD consider an expanded equipment replacement time horizon of 10 to 15 years?
8. Will the SCAQMD provide a breakdown of the number of pieces of equipment in each equipment category referenced in Figure 1 of the control measure , and will it be made available?

Southern California Gas Company and San Diego Gas & Electric Company
Comments on Draft 2007 Air Quality Management Plan

Attachment D

Control Measure MCS-03 – Energy Efficiency and Conservation

SoCalGas and SDG&E fully support Control Measure MCS-03, as described in the Draft AQMP. The comments below reflect the companies' request that the SCAQMD consider the two proposals previously provided by SoCalGas.

Summary Description of Control Measure (Page IV-A-77)
This proposed control measure would obtain further emission reductions through the promotion of cleaner sources of energy, reductions in energy demand and support of state and federal energy efficiency and conservation initiatives and programs.

Proposed Method of Control and Emissions Reduction (Page IV-A-80 &81)
The proposed method of control is to provide incentives for businesses or residents to use energy efficient equipment in the SCAQMD and increase the effectiveness of existing energy conservation programs. The SCAQMD is proposing to develop and implement specific energy efficiency and conservation programs above and beyond the state and federal mandated programs to achieve further emission reductions.

Comments

SoCalGas and SDG&E are aggressively pursuing energy efficiency opportunities in their service areas to meet the energy savings goals outlined by the CPUC. As this effort is being pursued, SoCalGas and SDG&E have uncovered opportunities for savings that are not within the scope of our portfolios, but offer the opportunity for not only energy savings, but also significant emissions reductions. Unfortunately, from an energy efficiency program perspective, pursuit of those savings is not cost-effective. However, pursuing these opportunities, even if they are not cost effective on their own, may be possible by using other resources, or by joining our efforts together.

1-21 To that end, SoCalGas provided the SCAQMD with two proposals for programs that the SCAQMD could implement to achieve savings through early retirement/replacement of smaller commercial boilers and residential water heaters. In addition to providing the program concepts, on a moving forward basis, SoCalGas and SDG&E plan to fully support successful implementation of the programs including assistance with customer outreach and other related activities.

The cumulative load savings derived from the energy efficiency programs since 1990 and the programs authorized by the CPUC in D.04-09-060 are summarized in the table below. The data have been adjusted to reflect the energy savings for the four counties in the SCAQMD. The column titled "cumulative savings both programs" separates the estimated historical load impacts for 1990-2005 and the program's forecasted goals for the period spanning 2006-2013. The cumulative savings illustrate the continued effect of yearly energy reductions for those measures installed under SoCalGas' and SDG&E's

1-21 cont.

energy efficiency programs and the low income Direct Assistance Program. The credits are taken for measures that are installed as a result of these programs and only apply for the stipulated lives of the installed measures. Until 2006, the energy efficiency programs that generate the basis for this calculation have applied exclusively to the residential and small commercial and industrial (core) markets. Beyond 2006, the energy efficiency program savings include core segments and the large commercial and industrial (noncore) contributions. The historical data show that the greatest success on load savings has been achieved by the small commercial and industrial market segments.

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	Estimates for the 4 Counties in the SCAQMD					CO (lbs)	Nox (all uncontrolled) High End Estimate (lbs)	Nox (all controlled) Conservative Estimate (lbs)	Nox (Likely Average in lbs)	CO2 (lbs)	Lead (lbs)	N2O Uncontrolled (lbs)	N2O Controlled Low Nox Burner (lbs)
						Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf
Prog Yr	Cumulative Savings (Without LIEE) (M Therms)	Cumulative Savings LIEE (M therms)	Cumulative Savings Both Programs (M therms)	Cumulative Savings Both Programs (MMcf)	Emission Factor (Lbs./MMcf)	84	100	35	75	120,000	0.0005	2.20	0.64
1990	3,000	3,599	6,599	647		54,349	64,701	22,645	48,526	77,641,002	0.3235	1,423	414
1991	6,726	7,146	13,875	1,360		114,262	136,026	47,609	102,019	163,231,073	0.6801	2,993	871
1992	10,133	10,565	20,638	2,023		169,957	202,330	70,815	151,747	242,795,873	1.0116	4,451	1,295
1993	13,203	14,784	27,987	2,744		230,480	274,381	96,033	205,786	329,257,567	1.3719	6,036	1,756
1994	14,935	16,031	30,966	3,036		255,013	303,587	106,255	227,690	364,304,344	1.5179	6,679	1,943
1995	16,349	17,370	33,719	3,306		277,685	330,577	115,702	247,933	396,692,767	1.6529	7,273	2,116
1996	17,602	18,183	35,784	3,508		294,695	350,829	122,790	263,121	420,993,473	1.7541	7,716	2,245
1997	18,907	19,016	37,923	3,718		312,306	371,796	130,129	278,847	446,154,932	1.8590	8,180	2,379
1998	19,934	19,946	39,780	3,900		327,603	390,003	136,501	292,502	468,003,606	1.9500	8,580	2,496
1999	20,780	20,327	41,107	4,030		338,530	403,012	141,054	302,259	483,613,991	2.0151	8,865	2,579
2000	21,754	20,714	42,468	4,163		349,733	416,349	145,722	312,262	499,618,461	2.0817	9,160	2,665
2001	22,597	21,354	43,950	4,309		361,944	430,886	150,810	323,164	517,062,791	2.1544	9,479	2,758
2002	23,160	22,163	45,343	4,445		373,415	444,541	155,589	333,405	533,448,706	2.2227	9,780	2,845
2003	24,034	23,265	47,299	4,637		389,522	463,716	162,301	347,787	556,459,779	2.3186	10,202	2,968
2004	24,840	24,131	48,971	4,801		403,286	480,104	168,037	360,078	576,125,167	2.4005	10,562	3,073
2005	25,646	24,896	50,542	4,955		416,290	495,512	173,429	371,634	594,614,555	2.4776	10,901	3,171
2006	36,195	25,484	61,678	6,047		507,941	604,691	211,642	453,518	725,629,364	3.0235	13,303	3,870
2007	48,202	26,691	74,893	7,344		611,826	728,364	254,927	546,273	874,036,678	3.6418	16,024	4,662
2008	62,151	26,717	88,868	8,713		731,853	871,253	304,939	653,440	1,045,503,642	4.3563	19,166	5,576
2009	76,426	27,363	105,790	10,372		871,209	1,037,154	363,004	777,865	1,244,584,626	5.1858	22,817	6,638
2010	95,265	28,000	123,265	12,088		1,015,372	1,208,776	423,072	906,582	1,450,531,387	6.0439	26,583	7,736
2011	112,057	28,719	140,775	13,801		1,159,326	1,380,150	483,052	1,035,112	1,656,179,769	6.9007	30,363	8,833
2012	130,921	29,429	160,350	15,721		1,320,530	1,572,060	550,221	1,179,045	1,886,471,888	7.8603	34,565	10,061
2013	151,194	30,162	181,356	17,780		1,493,521	1,778,001	622,300	1,333,501	2,133,601,568	8.8900	39,116	11,379
Cummulative Achieved 1990-2005	25,646	24,896	50,542	4,955		416,290	495,512	173,429	371,634	594,614,555	2	10,901	3,171
Cummulative Planned 2006-2013	125,548	5,266	130,814	12,825		1,077,291	1,282,489	448,871	961,867	1,538,987,012	6	28,215	8,208
Cummulative Grand Total 1990-2013	151,194	30,162	181,356	17,780		1,493,521	1,778,001	622,300	1,333,501	2,133,601,568	9	39,116	11,379

Attachment D

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Estimates for the 4 Counties in the SCAQMD						PM (Total in lbs)	PM (Condesable in lbs)	PM (Filterable in lbs)	SO2 (in lbs)	TOC (in lbs)	Methane (in lbs)	VOC (in lbs)
						Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf	Lbs./MMcf
Prog Yr	Cummulative Savings (Without LIEE) (M Therms)	Cummulative Savings LIEE (M therms)	Cummulative Savings Both Programs (M therms)	Cummulative Savings Both Programs (MMcf)	Emission Factor (Lbs./MMcf)	7.60	5.70	1.90	0.60	11	2.30	5.50
1990	3,000	3,599	6,599	647		4,917	3,688	1,229	388	7,117	1,488	3,559
1991	6,726	7,148	13,875	1,360		10,338	7,753	2,584	816	14,963	3,129	7,481
1992	10,133	10,505	20,638	2,023		15,377	11,533	3,844	1,214	22,256	4,654	11,128
1993	13,203	14,784	27,987	2,744		20,853	15,640	5,213	1,646	30,182	6,311	15,081
1994	14,935	16,031	30,966	3,036		23,073	17,304	5,768	1,822	33,395	6,982	16,697
1995	16,349	17,370	33,719	3,306		25,124	18,843	6,281	1,983	36,364	7,603	18,182
1996	17,602	18,183	35,784	3,506		26,663	19,997	6,666	2,105	38,591	8,069	19,296
1997	18,907	19,016	37,923	3,718		28,256	21,192	7,064	2,231	40,898	8,551	20,449
1998	19,934	19,846	39,780	3,900		29,640	22,230	7,410	2,340	42,900	8,970	21,450
1999	20,780	20,327	41,107	4,030		30,629	22,972	7,657	2,418	44,331	9,269	22,166
2000	21,754	20,714	42,468	4,163		31,643	23,732	7,911	2,498	45,798	9,576	22,899
2001	22,597	21,354	43,950	4,309		32,747	24,560	8,187	2,585	47,397	9,910	23,699
2002	23,180	22,163	45,343	4,445		33,785	25,339	8,446	2,667	48,900	10,224	24,450
2003	24,034	23,265	47,299	4,637		35,242	26,432	8,811	2,782	51,009	10,665	25,504
2004	24,840	24,131	48,971	4,801		36,488	27,366	9,122	2,881	52,811	11,042	26,406
2005	25,646	24,896	50,542	4,955		37,659	28,244	9,415	2,973	54,506	11,397	27,253
2006	36,195	25,494	61,678	6,047		45,957	34,467	11,489	3,628	66,516	13,908	33,258
2007	48,202	26,091	74,293	7,284		55,356	41,517	13,839	4,370	80,120	16,752	40,060
2008	62,151	26,717	88,868	8,713		66,215	49,661	16,554	5,228	95,838	20,039	47,919
2009	78,426	27,363	105,790	10,372		78,824	59,118	19,706	6,223	114,067	23,855	57,043
2010	95,265	28,030	123,295	12,088		91,867	68,900	22,967	7,253	132,965	27,802	66,483
2011	112,057	28,719	140,775	13,801		104,891	78,669	26,223	8,281	151,816	31,743	75,908
2012	130,921	29,429	160,350	15,721		119,477	89,607	29,869	9,432	172,927	36,157	86,463
2013	151,194	30,162	181,356	17,780		135,128	101,346	33,782	10,668	195,580	40,894	97,790
Cummulative Achived 1990-2005	25,646	24,896	50,542	4,955		37,659	28,244	9,415	2,973	54,506	11,397	27,253
Cummulative Planned 2006-2013	125,548	5,266	130,814	12,825		97,469	73,102	24,367	7,695	141,074	29,497	70,537
Cummulative Grand Total 1990-2013	151,194	30,162	181,356	17,780		135,128	101,346	33,782	10,668	195,580	40,894	97,790

Attachment D

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The first step in this evaluation required making an appropriate conversion from MMcf to lbs for all identified pollutants linked to stationary combustion sources. Emissions from natural gas fired appliances include nitrogen oxides (NO_x), carbon monoxide (CO), and carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), volatile organic compounds (VOCs), trace amounts of sulfur dioxide (SO_2), and particulate matter (PM). The emissions factors for each of the identified pollutants are included in the tables and were obtained from the EPA.[1]

The greatest emissions reductions are observed for CO and NO_x. There are three estimates for NO_x reduction because the data we based the calculations on were not initially segmented by equipment type(s). We believe that the equipment inventory in the data pool is neither entirely comprised of uncontrolled units nor entirely controlled units but some combination of the two. We calculated what the NO_x reductions would be under each of the two extreme scenarios in order to generate a range for what the worst and best case scenarios could be. The column labeled "NO_x Likely Average" evaluates emissions in a world where the appliances are equipped with a 40 ng (NO_x)/joule rating, which is the current standard. We believe the emissions reductions achieved in response to the implemented energy efficiency programs have shown great promise in reducing smog and other pollutants. SoCalGas and SDG&E believe that with continued public outreach, a bigger impact on emissions reductions can be achieved through the energy efficiency program measures.

[1] *Emission Factor Documentation for AP-42 Section 1.4—Natural Gas Combustion,* Technical Support Division, Office of Air Quality Planning and Standards, U.S. Environmental Protection Agency, Research Triangle Park, NC, 1998.

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Attachment E

Control Measure LTM-04 – Concurrent Reductions from Global Warming Strategies

SoCalGas and SDG&E support in concept Control Measure LTM-04, but have a number of questions about how the proposal would be implemented

Summary Description of Control Measure (Page IV-A-139)
The Climate Action Team's (CAT) report, published in March 2006, recommends 46 specific emission reduction control strategies for greenhouse gas (GHG). Many of the strategies also reduce ozone, criteria and toxic pollutants. There are 11 control measures that were adopted by various state agencies and are underway. These measures were estimated to provide approximately 22 million tons CO_2 equivalent in emission reductions in 2010, and 68 million tons CO_2 equivalent in emission reductions in 2020, "or about half of the CO2 emission reductions needed to reach the Governor's goals." Two other key strategies in the state are the Energy Efficiency Programs and the Renewable Portfolio Standard which contributed about 16 and 11 millions tons CO_2 equivalent reductions in 2020.

Proposed Method of Control and Emissions Reduction (Page IV-A-145 &146)
This measure proposes to quantify the concurrent criteria pollutant (including precursor) emission reductions associated with Statewide GHG programs targeted at stationary and mobile sources in the South Coast Air Basin working with various state agencies.

Comments

SoCalGas and SDG&E support the intent of the SCAQMD's Proposed Control Measure. However the SCAQMD has assumed for the purpose of this draft plan, a 15% across the board reduction in criteria pollutant emissions from all fuel combustion source categories. The Measure has an initial estimate of 40 tpd of NOx emission reductions in 2020 and 27 tpd of VOC emission reductions in 2020. We have several questions about these estimates.

1-22 **Comment 1: Verifying the Inventory**
As the description of the Proposed Control Measure notes, a significant portion (but less than half) of the 174 million tons of CO_2 emission reductions currently estimated to be needed to reach the Governor's goals have been adopted. The baseline inventory for the 2007 AQMP already has been reduced to account for such proposed GHG emission control measures as the Energy Efficiency Programs and the current version of the Renewable Portfolio Standard.

1. Does your estimate of 40 tpd of NOx emission reductions in 2020 in this Proposed Control Measure exclude concurrent criteria pollutant emission reductions associated with these programs?

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2. Does the AQMP baseline inventory account for the other programs already adopted by state agencies, e.g., the regulations recently adopted by California Air Resources Board (CARB) (pursuant to AB 1493, Pavley) to reduce CO_2 emissions from passenger vehicles sold in California?

Comment 2: Plan Synchronization
CARB has reviewed the CAT report, and done a preliminary prioritization of the most cost effective CO_2 emission reductions measures. The following table shows their most recent thinking:

Source	% of 2020 Target
Electric sector	31
Passenger vehicles	20
Forestry management	20
HFC (refrigerants)	5
Waste management (methane)	5
Building, appliance efficiency	5

1-22 cont.

This leaves only 14% from "Other" sectors, which would include direct combustion from such things as heavy-duty trucks and stationary combustion sources outside of the Electric sector.

Considering the above chart, it seems that the 2007 AQMP and the preliminary AB 32 plan by CARB are not "synchronized." In other words, the criteria pollutant emissions (including precursor emissions) reductions required to reach attainment of PM2.5 and the eight hour ozone standards, may not correspond to the list of projects that the CAT has identified as cost-effective. If this is true, then CAT and the SCAQMD may be envisioning different sets of projects that will yield different emissions reductions. This could be a less efficient path to achieving all of the air quality objectives that the two agencies are trying to meet, i.e., the PM2.5 standards, the eight hour ozone standards, and the AB 32 reduction of 174 million tons of CO_2.

An example will illustrate the divergence. In the 2007 AQMP inventory, the NOx emissions from electric generation account for less than 3.5 tpd of NOx out of a total of 74 tpd of NOx for all stationary and area sources (2020 planning inventory of 7/12/06), or less than 5% of the total. However, the CAT is estimating that 31% of the CO_2 emission

Attachment E E-2

reductions currently estimated to be needed to reach the Governor's goals could be achieved cost-effectively from the Electric sector.

If the CARB plan under AB 32 follows the path outlined in the chart above, concurrent NOx emission reductions from direct combustion (mobile and stationary) outside of the electric generation sector would be a smaller portion of their plan than is anticipated in the AQMP. We urge the SCAQMD and CARB to compare and contrast these air quality plans to determine what must be done to achieve attainment of the federal National Ambient Air Quality Standards (NAAQS) and the AB 32 requirements. In the best case, there would be one path of concurrent emissions reductions that would include control measures that are both cost effective and most efficient at achieving all three air quality objectives.

Comment 3: Geographic Diversity
With regard to the above chart from CARB, we wish to note that emissions reductions from each sector will not be confined to the South Coast Air Basin, but may occur throughout the state, or even outside of the state. For example, many of the CO_2 emission reductions in the Electric sector will be attributed to electricity generated outside of the South Coast Air Basin.

1-22 cont.

Comment 4: Market Mechanisms and Surplus Requirements
AB 32 Section 38562 (d)(2), says that for market based compliance mechanisms,

> "…the [greenhouse gas] reduction [must be] in addition to any greenhouse gas emission reduction otherwise required by law or regulation, and any other greenhouse gas emission reduction that otherwise would occur."

It is important that SCAQMD draft its rules in a manner that does not undercut regulated sources' ability to obtain GHG credit under AB 32. Since we believe that market mechanisms offer a proven way to achieve low cost air quality compliance, we urge the SCAQMD to coordinate this AQMP with the CARB's plan for AB 32. Ideally, there would be one path of concurrent emissions reductions that would be both cost effective and most efficient at achieving all three air quality objectives, i.e., the PM2.5 standards, the eight hour ozone standards, and the AB 32 reduction of 174 million tons of CO_2.

In addition, the requirements that CARB will impose pursuant to AB32 will be state-only requirements, and will not be federally enforceable. SCAQMD should take care to draft its rules in a manner that maintains this federal/state distinction and should not create a situation where it turns AB32 measures into federally-enforceable State Implementation Plan requirements.

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Attachment F

Control Measure MCS-01 – Facility Modernization (Non-RECLAIM Sources)

SoCalGas and SDG&E are concerned that Control Measure MCS-01, as described in the Draft AQMP, lacks important information. The comments below reflect the companies' request that the SCAQMD add appropriate justification, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-65)
This control measure would obtain emission reductions of NOx, VOC and PM2.5 by requiring that facilities modernize or replace existing equipment at the end of its pre-specified "useful life."

Proposed Method of Control and Emissions Reduction (Page IV-A-69 &70)
This measure proposes to develop a list of useful equipment life by equipment category and equipment operators would be expected to achieve BACT or equivalent emission limits at the end of a piece of equipment's pre-determined "useful life."

Issue #1: Today's BACT

1-23 Proposed measure MCS-01, Facility Modernization, would require retrofitting or replacement of existing equipment "with today's BACT" at the end of a pre-determined life span. The Draft AQMP states that "[t]oday's BACT is likely to be less stringent than the future BACT that would ordinarily be applied for equipment replacement at a future date." See Draft AQMP at IV-A-67. The Draft AQMP does not provide any other definition or description of "today's BACT" for purposes of this requirement.

Comment #1

1-24 SoCalGas and SDG&E agree that any technology required pursuant to the Facility Modernization rule should be currently available technology that is identifiable today, as opposed to a moving target that cannot be determined until some later date. This structure is important because, among other things, it gives industry the certainty it requires for future financial planning and gives SCAQMD the certainty it requires for accurate air quality forecasting. We are concerned, however, that SCAQMD's proposal to define the applicable technology as "today's BACT" is confusing because BACT is a pre-existing term that defines technology requirements according to an evolving standard. We are similarly concerned that SCAQMD's discussion of the proposed rule in the context of new source review is confusing because the new source review program includes several elements that are not applicable to the Facility Modernization requirement. Therefore, SoCalGas and SDG&E recommend that SCAQMD develop a Facility Modernization Rule outside the context of new source review – as an entirely new rule that applies in addition to other existing rules. For example, the rule could reference a new technology requirement (e.g., Reasonable End of Life Technology

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("RELT")) defined to mean a technology relevant at a particular period in time. Moreover, instead of characterizing the rule as part of the new source review program, SoCalGas and SDG&E suggest that SCAQMD characterize the rule as an "other measure" necessary to attain the ozone and PM2.5 standards by the applicable attainment deadlines. See Draft AQMP at 1-16, Table 1-4, for a list of provisions appropriate for inclusion in a nonattainment plan.

1-24 cont.

Issue #2: Useful Equipment Life

Proposed Method of Control (Page IV-A-68)
The SCAQMD, as part of rulemaking will develop a list of useful equipment life by equipment category.

During the rulemaking process for this control measure, a more detailed analysis will be performed to establish appropriate useful lives for various equipment categories and size ranges.

Comment #2
The SCAQMD's efforts to establish "*appropriate useful lives for various equipment categories*" is intended to accelerate the replacement of aging equipment that does not effectively meet the latest Air Quality objectives. However, great care and diligence must be taken to define useful lives in a manner that is fair, appropriate and protective of the economy and companies with marginal profits. As such, the SCAQMD is urged to avoid a "one size fits all" approach. Some of the factors that we believe must be thoroughly examined and taken into consideration are the following:

Economic flexibility of a business or business sector:
Useful life should be defined according to real operational experiences (i.e., when a particular type of equipment is actually retired in practice) as opposed to hypothetical retirement dates established by manufacturers or without regard to actual operational practices. For many businesses, a purely operational "useful life" is determined by the availability of replacement parts, good maintenance practices, equipment reliability, and the ability to maintain compliance with existing permit conditions and emissions limits. If permitted emissions limits are being met and the equipment functions as expected there is no need for a replacement. These and other "real world" examples of circumstances under which equipment is actually retired in practice for a particular business segment should be closely examined in order to determine the appropriate useful life.

1-25

In addition, the analysis should reflect the possibility that companies may have to shut down or relocate their operations if they cannot replace critical equipment at a pre-determined "end of life" cycle. This would act to protect smaller, financially limited operations from being forced to shut down or relocate.

The SCAQMD should also explore implementing possible exemption mechanisms or replacement options for smaller businesses or businesses that have limited resources for

capital improvements. Incorporating such provisions would help to retain such businesses in the Air Basin and contribute to a diverse business infrastructure.

Identification of similar equipment types and processes

1-25 cont. "Appropriate useful life" should be defined for specific equipment types on a detailed level. A category such as "external combustion" may be too crude as it may include boilers, heaters, furnaces, melting pots, crucibles, etc.

The defined useful lives should also account for differences in sizes, throughputs and operating environments of otherwise similar equipment as these variables may affect actual operating life.

Issue #3: Tax Incentives for Modernization/Early Replacement

As part of its efforts to implement this control measure and to promote facility modernization, the SCAQMD will forge partnerships with local businesses, trade organizations, environmental groups, and other stakeholders, and pursue state and federal tax incentives. Early replacement of equipment significantly prior to specified useful life may qualify for the tax incentives or potential credit generation.

Comment #3

SoCalGas and SDG&E support the forging of partnerships to identify and pursue opportunities for state and federal tax incentives to modernize equipment, especially in the event of "early replacement". Further, we believe that focused efforts in this area are greatly needed for other incentive mechanisms (such as manufacturer rebates or discounts) to stimulate equipment and facility modernizations. Again, as with establishing a clear basis for the "useful life" definition (above), the SCAQMD needs to

1-26 be equally alert to define what it considers "*replacement... significantly prior to specified useful life...*"(Emphasis added).

One concern we have relates to the viability of an incentive program for replacements "significantly prior" to a specified end of useful life. If it is determined that a great number of the affected facilities are already near or at the "end of useful life" then such an incentive mechanism would have minimal effect in the regulated universe. Even so, the few who are in a position to benefit by such incentives may not be financially able to consider another replacement process on the heels of a relatively recent replacement effort. Unfortunately, exclusion would exist based largely on the timing of the rule adoption.

Issue #4: Impact on RECLAIM Facilities

This control measure would affect a wide variety of permitted equipment and processes. Consequently, the rules and regulations impacting the affected sources are extensive and are summarized briefly.

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Regulation XX (RECLAIM) specifies requirements for facilities participating in the market incentive program, which is designed to allow facilities flexibility in achieving emission reduction requirements for NOx and SOx.

Comment #4:

It is currently unclear exactly how extensively the Facility Modernization measures will affect RECLAIM sources. Clearly, NOx emissions from RECLAIM sources will remain subject to facility-wide emissions criteria under the RECLAIM Program. However, requirements to provide retrofits or replacements for other pollutants is unclear.

SoCalGas and SDG&E request that the SCAQMD provide information regarding the expected impacts, the associated cost-effectiveness and that the SCAQMD provide the following additional information:

1-27

1. The proposed Modernization Requirement (MSC-01) requires retrofitting or replacement of existing equipment with modern technology at the end of a pre-determined life span. Please confirm the pollutants for which control technology must be installed at the end of useful life. Specifically, does the requirement solely apply to NOx control technology, or will control technologies for other pollutants also be required at the end of useful life? Does the answer change if the NOx control technology a facility is required to install increases the facility's emissions of another pollutant (e.g., installation of certain NOx control technologies increase CO emissions)?

2. Our understanding is that the DC Circuit recently vacated the pollution control exemption from federal new source review and prevention of significant deterioration programs. In light of this development and the limited exemptions from SCAQMD's own new source review rules, will installation of technology pursuant to the Facility Modernization rule trigger federal or state new source review requirements? If so, has SCAQMD factored new source review costs and associated permitting delays into its cost-effectiveness analysis?

3. Please provide your cost-effectiveness calculations and assumptions for Control Measure MSC-01.

Comment #5:

1-28

Another concern relates to the permitting time required for a replacement project. Depending on the complexity of the equipment or process to be replaced, the planning, design and permitting phase can take several years. The increased workload on SCAQMD engineers due to numerous new applications to permit replacement equipment can exacerbate an ongoing backlog problem at the SCAQMD. As such, a strategy must be in place in advance so that the permit staff can address and track such time-sensitive projects. Also, clear guidance on what constitutes "early replacement" is critical and must

1-28 Cont.

be communicated to potential applicants. It should be clear what role the application date, permit issuance date, actual equipment installation date, source test approval date, etc., play in qualifying for and obtaining such early installation incentives. A facility should not be "penalized" while waiting for the SCAQMD to act on a permit application.

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Attachment G

Control Measure LTM-02 – Further Emission Reduction from NOx RECLAIM Facilities (Phase 2)

SoCalGas and SDG&E are concerned that Control Measure LTM-02, as described in the Draft AQMP, lacks important information. The comments below reflect the companies' request that the SCAQMD add appropriate justification, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-133)
This proposed control measure would obtain further emission reductions of NOx from RECLAIM in two phases. Phase I will seek reductions through a shave mechanism of RECLAIM allocations due to potential emissions increases of burning natural gas with a Wobbe Number greater than 1360 Btu/scf beginning in 2008. Phase II is expected to further reduce NOx emissions in the next 10 to 15 years as newer BARCT technology evolves and phased in as the required emissions control. Additional reduction is augmented as a reflection of BACT installation as RECLAIM NSR is triggered.

Proposed Method of Control and Emissions Reduction (Page IV-A-134 &135)
Phase II is estimated to reduce NOx emissions between 3 to 5 tpd with the development of new BARCT and BACT standards.

Comment

Please see SoCalGas' prior comments regarding Phase I of this proposal. SoCalGas' comments in this section address Phase II of the proposal.

1-29

SoCalGas and SDG&E do not support the SCAQMD's Control Measure LTM-02 Phase II seeking an additional 3 to 5 tpd of NOx reductions. The projected emissions are unsubstantiated and presently have no valid data or study. SoCalGas and SDG&E contend that before any reductions can be accurately quantified, the SCAQMD must perform a comprehensive BARCT and BACT equivalency assessment and related impact study. This study should be conducted with input from all affected stakeholders, including a broad cross section of affected industries, end-users, industry trade groups, technology trade groups, vendors, and suppliers. For a reasonable and accurate assessment approach, key evaluation criteria should include:

- Methodology of BARCT/BACT determination
- Cost-effectiveness evaluation
- Method of applying reductions (program wide or industry specific)
- Timing of reductions
- Socioeconomic impact

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Careful consideration must also be taken in establishing and committing to the proposed Phase II reductions as we could anticipate a more accelerated advancement in mobile source emissions control technology reductions which may offset the overall required reductions from stationary sources to meet our Ozone attainment goals in 2021.

In addition, as in previous RECLAIM BARCT equivalency analyses, great care and diligence must be considered to avoid a "one size fits all" approach as technological advancements become more sophisticated and process specific. The SCAQMD must further consider and identify equipment classes in a more detailed and finite level, taking into account economic and financial impacts as well as industry-specific operating environments. This approach is important as it gives industry the certainty it requires for effective business and financial planning and reflects upon the SCAQMD's certainty for accurate air quality emissions projections.

1-29 cont.

As anticipated future BARCT technologies evolve over the next 10 to 15 years, SoCalGas and SDG&E would support fostering partnerships with the SCAQMD and affected industries to help identify and develop additional opportunities to seek cost-effective equipment modifications and/or replacement.

Finally, SoCalGas and SDG&E are submitting the following questions and requests for information for SCAQMD response:

1-30

1. Please provide detailed calculations and assumptions supporting the proposed Phase II NOx reductions value.
2. Will the BARCT/BACT equivalency analysis incorporate a "useful life expectancy" in the equation? If so, what is it and what is the basis?
3. What is the breakdown of RECLAIM NOx equipment already at BARCT and/or BACT standards?
4. What is the breakdown of current RECLAIM NOx sources without BARCT and/or BACT standards?
5. In performing the BARCT/BACT equivalency analysis, what is the anticipated cost-effectiveness threshold and what is the basis for this number?
6. How will the SCAQMD seek the proposed Phase II reductions: system-wide versus industry specific?

Attachment G G-2

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Attachment H

Control Measure CMB-03 – Further NOx Reductions from Space Heaters

SoCalGas and SDG&E are concerned that Control Measure CMB-03, as described in the Draft AQMP, lacks important information. The comments below reflect the companies' request that the SCAQMD add appropriate justification, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-40)
This proposed control measure would obtain further emission reductions of NOx from low NOx burners on space heaters.

Proposed Method of Control and Emissions Reduction (Page IV-A-40 &41)
This proposed control measure would likely require the use of power premix burners in space heaters and the promotion of heat pump usage.

Comments

SoCalGas and SDG&E support the development of and use of clean natural gas-fired technologies for the improvement of the environment in Southern California. However, the implementation of a control measure should be technically feasible without a negative impact to the consumer or unfair advantage to any one entity. Therefore, SoCalGas and SDG&E seek further clarification to the assumptions made in CMB-03.

1-31

1. As the use of a furnace is seasonal, emissions occur during the winter months only and not during the hot summer months when ozone exceedances are worse, has the SCAQMD considered the effectiveness of emissions reductions throughout the year for this control measure? What months of the year are included in the Summer Planning Inventory? What assumptions were used in developing the NOx inventory for the summer?
2. Has the SCAQMD considered the additional costs to the consumer for newer technology associated with low NOx fan-type furnaces? Will this result in fewer appliance choices for the consumer? Please provide data on your estimate of $10,000 per ton NOx reduction?
3. The SCAQMD states that most single-family homes and many multiunit residences have natural gas-fired fan-type furnaces. Can the SCAQMD provide estimates of the quantity of homes with natural gas-fired fan-type furnaces?
4. The SCAQMD states that NOx emissions from natural gas-fired fan-type furnaces can be controlled with low NOx burners. Can the SCAQMD provide information on any currently available technology to support this statement?
5. The SCAQMD proposes the use of premix burners (power and atmospheric). Can the SCAQMD provide the range of furnace inputs of the power and premix burners? Are there current technology or burners that can support this statement? Has the SCAQMD developed preliminary estimates for costs and time associated with

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developing and testing of premix burner technology for fan-type furnaces? Has the SCAQMD considered the additional electric energy use of the premix burner?

6. The SCAQMD is proposing the use of electric heat pumps as an alternative control strategy for space heating. Has the SCAQMD considered the impact of electric heat pump to:
   a. The electric grid?
   b. The emissions associated with electric generation?
   c. The effectiveness of heat pumps to provide space heating throughout the SCAQMD?
7. The SCAQMD states that an emissions reduction of 50% to 75% is possible. Is it possible for existing fan-type furnaces of similar size and heat exchanger configurations or will a new design of a furnace be required? If a new design will be required, has the SCAQMD estimated the costs and time associated with developing and testing this technology as ultimately these costs are going to be borne by the consumer?
8. Can existing test protocols be utilized for testing and certification or will new protocols be required?
9. Please provide SCAQMD's cost effectiveness and emissions reduction calculations and assumptions.

1-31 cont.

SoCalGas and SDG&E have identified inconsistencies between the SCAQMD NOx projection and our own NOx calculations.

On Page IV-A-40 of the Draft 2007 AQMP in the summary table of the NOx emissions projections and the NOx reductions anticipated from CMB-03. The table below shows the projection:

NOx Emissions (tons/day)

	2002	2014	2020
Annual Average	9.7	10.5	11.0
Summer Planning Inventory	3.4	3.6	3.8

1-32

SoCalGas and SDG&E have calculated the following projection:

Annual Average	Burner Technology	2005	2014
Residential	40 ng (NO_x)/J	9.28	10.16
Residential	14 ng (NO_x)/J	2.38	2.61
Commercial	40 ng (NO_x)/J	1.69	1.90
Commercial	14 ng (NO_x)/J	0.43	0.49
Summer Planning Inventory			
Residential	40 ng (NO_x)/J	2.06	2.25
Residential	14 ng (NO_x)/J	0.53	0.58
Commercial	40 ng (NO_x)/J	0.38	0.42

Attachment H H-2

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Commercial	14 ng (NO_x)/J	0.10	0.11

1-32 cont.

The charts above illustrate how emissions are projected to grow if the technology were to remain fixed at the current level of 40 ng (NOx)/J. Residential and commercial space heating load is expected to grow in the future but if new technology is acquired by 2011 which would require a 14 ng (NOx)/J technology, the emissions reductions would be reduced by more than 75%. These numbers reveal larger NOx savings resulting from the new technology than what is calculated by the SCAQMD.

1-33

SoCalGas and SDG&E seek to better understand the manner in which the published numbers were derived. Please provide information on the following:

1. How does the SCAQMD define the summer season?
2. What is the source of the current and forecasted space heating load?
3. What relevant emissions factors were utilized in converting the space heating load in therms into an emissions inventory in NOx tons/day?
4. Were the published numbers exclusive of commercial space heating load? If not, what are the relevant splits between the residential and commercial sectors?
5. Were any other adjustments applied to the NOx calculations which may be relevant for this end use?

1-34

We strongly encourage the SCAQMD to meet with furnace manufacturers, furnace distributors, installing contractors, local utility companies, consumer groups and other key stakeholders to develop realistic objectives and a timeline for this control measure.

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Commercial	14 ng (NO_x)/J	0.10	0.11

The charts above illustrate how emissions are projected to grow if the technology were to remain fixed at the current level of 40 ng (NOx)/J. Residential and commercial space heating load is expected to grow in the future but if new technology is acquired by 2011 which would require a 14 ng (NOx)/J technology, the emissions reductions would be reduced by more than 75%. These numbers reveal larger NOx savings resulting from the new technology than what is calculated by the SCAQMD.

SoCalGas and SDG&E seek to better understand the manner in which the published numbers were derived. Please provide information on the following:

1. How does the SCAQMD define the summer season?
2. What is the source of the current and forecasted space heating load?
3. What relevant emissions factors were utilized in converting the space heating load in therms into an emissions inventory in NOx tons/day?
4. Were the published numbers exclusive of commercial space heating load? If not, what are the relevant splits between the residential and commercial sectors?
5. Were any other adjustments applied to the NOx calculations which may be relevant for this end use?

We strongly encourage the SCAQMD to meet with furnace manufacturers, furnace distributors, installing contractors, local utility companies, consumer groups and other key stakeholders to develop realistic objectives and a timeline for this control measure.

Attachment H H-3

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Attachment I

Control Measure BCM-03 –Emission Reductions from Wood Burning Fireplaces and Wood Stoves

SoCalGas and SDG&E are concerned that Control Measure BCM-03, as described in the Draft AQMP, lacks important information. The comments below reflect the companies' request that the SCAQMD add appropriate justification, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-53)
This proposed control measure would obtain further emission reductions from wood burning fireplaces and wood stoves.

Proposed Method of Control and Emissions Reduction (Page IV-A-56)
This proposed control measure will implement a number of control strategies that would limit or prohibit the use of wood burning appliances.

Comments

SoCalGas and SDG&E support the overall SCAQMD goals of reducing particulates emission from wood burning fireplaces and wood stoves. However, SoCalGas and SDG&E also wish to ensure that implementation of the control measure recognizes, and proactively minimizes, the impacts on its residential and business customers.

Accordingly, SoCalGas and SDG&E seek further clarification on the following questions and requests for information:

1. The AQMP states Fireplace Inserts and wood stoves are much more efficient than conventional fireplaces. Please provide comparative efficiency ratings for the devices.
2. The AQMP states: "majority of particulate emissions from residential wood burning are less than 2.5 micrometers". Please provide a complete breakdown of emissions from incomplete wood burning, including polycyclic organic matter.
3. Please provide details of the estimated number of wood burning households and the amount of wood burned per household by county, which constitutes the basis for the emissions inventory presented in the control measure summary?
4. The AQMP states, "new device technology and non-conventional fuels (natural gas, manufactured logs, etc.) can increase combustion efficiency and thus reduce emissions" and accordingly proposes EPA certification standards (or more stringent standards) on all wood combustion devices. This is somewhat open- ended and may be redundant. What higher standards are being considered, and has the SCAQMD considered the financial impact on residential customers? How does the SCAQMD propose to develop and implement such standards?
5. When does the SCAQMD expect to conclude a re-evaluation of the emissions inventory and feasibility study? Will the results be made available to interested stakeholders?

1-35

Attachment I I-1

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6. How does the SCAQMD define "uncontrolled" fireplaces?
7. The AQMP proposes to prohibit the sale, installation, and transfer of non-EPA-certified wood burning appliances. Has the SCAQMD considered the impact on home sales and the real estate brokerage community as well as customers interested in selling their homes? How will the SCAQMD monitor the installation of uncertified wood burning appliances and what would be the estimated cost for this activity?
8. The AQMP proposes to require proper operation of EPA-certified wood burning appliances. Please elaborate on how this will be implemented how proper appliance function will be ensured, and the estimated costs.
9. The AQMP proposal relies exclusively on targeting manufacturers and dealers of wood burning fireplaces, and not any voluntary measures. The suggested alternative fuels (natural gas, propane, etc.) may not be available or feasible in certain locations, which might render installation of less polluting devices impossible. These areas may have to be exempt from the rulings. In areas where natural gas and propane may not be readily available, what is the estimated cost to consumers to convert to an alternative fuel source?

1-35 cont.

10. While the control measures may be welcomed by some of the medically disadvantaged customers (e.g., asthmatics) it may place undue burden on SoCalGas' and SDG&E's limited income or fixed income customers, with other medical conditions. Please provide the cost implications for the communication efforts or the impact on these customers.
11. SoCalGas and SDG&E have observed (from the programs being implemented in other territories in the north) initial adverse reactions from real estate professionals, homebuilders, and low income / medically disadvantaged customer segments. Please provide the identified appropriate educational strategies and the estimated costs to implement them.
12. In general, the variety of fireplaces available and the array of fuel options are very wide and could be very confusing. Consequently, customer education of the control measures and consumer benefits could be a very daunting task. Please provide the estimated education and outreach costs.

In summary, the SCAQMD should take the time necessary to fully understand the customer impact in general and the impacts on specific customer segments, and develop appropriate strategies for managing the implementation aspects. As part of this assessment, SCAQMD should provide complete data for the incremental cost effectiveness and estimated emissions reductions calculations. Finally, we believe that the SCAQMD should work closely with the Hearth, Patio, and Barbecue Association and the local utilities to ensure success.

Attachment I I-2

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Attachment J

Control Measure BCM-05 – Emission Reductions from Under-fired Charbroilers

SoCalGas and SDG&E are concerned that Control Measure BCM-05, as described in the Draft AQMP, lacks important information. The comments below reflect the companies' request that the SCAQMD add appropriate justification, including the basis of assumptions and a more thorough explanation of the factors involved.

Summary Description of Control Measure (Page IV-A-62)
This proposed control measure would obtain further emission reductions from restaurant operations using under-fired charbroilers.

Proposed Method of Control and Emissions Reduction (Page IV-A-63)
This proposed control measure would implement in two phases: Phase I would examine the feasibility of charbroilers controls; Phase II would implement any feasible controls.

Comments

1-36 SoCalGas and SDG&E want to ensure that the impact of this control measure on the restaurant industry is minimized. The SCAQMD must ensure that any hood capture systems developed to control particulate emissions from under-fired charbroilers meet existing safety standards, are reliable and are affordable. Additionally, the cost effectiveness analysis must demonstrate that the cost of control is reasonable. Our specific comments follow.

1-37 1. **Phase 1 Feasibility Study:** SoCalGas and SDG&E support the proposed plan to conduct an initial Feasibility Study to identify cost-effective particulate controls for use with under-fired charbroilers. This is particularly appropriate when considering the long history of efforts devoted to finding effective control strategies. Since 1991, SCAQMD has worked with the restaurant industry and with equipment vendors to develop and validate a multitude of control equipment. Unfortunately, none of the tested new products demonstrated a high degree of particulate reduction at a reasonable cost, resulting in the SCAQMD Board adopting a "finding of infeasibility" in December 2004.

SoCalGas and SDG&E recommend that this Feasibility Study be conducted by an independent third party that is familiar with the existing testing protocols and is knowledgeable about under-fired charbroiler / restaurant operations.

1-38 2. **Technology issues:** As the SCAQMD is well aware, having assessed various control systems for over 16 years, developing a system that effectively removes particulate emissions over an extended period of time in a commercial cooking environment is extremely difficult. Cost considerations, for both first cost and for periodic maintenance, are critical issues for a restaurant owner, many of whom are small businesses. Other unique technical challenges include a need for direct access to the front of the under-fired charbroiler to manage the cooking process and the need for the cooked meats to maintain a charbroiled taste and appearance. Many restaurants base their culinary reputations on charbroiled foods. The Feasibility Study needs to consider all these technical issues, in addition to

1-38 cont.

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emission reduction capabilities.

1-39

3. **Market impacts**: SoCalGas and SDG&E estimate that over 3,500 food service operations in the SCAQMD use under-fired charbroilers. Operations range from large fast food chains like El Pollo Loco and Carl's Jr. to many smaller independent restaurants. If regulations are developed for under-fired charbroilers, we recommend that the SCAQMD continue to exempt smaller operators. (The existing Rule 1138, for chain driven charbroilers, exempts operators who cook less than 875 pounds of meat per week.)

1-40

In summary, the SCAQMD should take the time necessary to fully understand the technology and product issues, related costs, and assess impacts on various food service operations. As part of this assessment, SCAQMD should provide complete data for the incremental cost effectiveness and estimated emissions reductions calculations. Finally, we believe that the SCAQMD should work closely with the California Restaurant Association and with key food service operators in Phase 1 and, if justified, during Phase 2 product assessments.

Attachment J J-2

COMMENT LETTER NO. 1
SEMPRA ENERGY

Response 1-1

The SCAQMD staff appreciates support expressed in the comment for the 2007 AQMP. Specific responses to concerns raised in this comment letter are provided below.

Response 1-2

Suggested environmental issues have been addressed either in the following responses or in the Draft PEIR. Comments in Attachment 1 to the comment letter relate primarily to the 2007 AQMP and it's associated control measures and, in general do not specifically raise environmental impact issues.

Response 1-3

The SCAQMD disagrees with the opinion expressed in this comment that CPUC and CEC should be considered responsible agencies because they have no approval authority over the 2007 AQMP itself. CPUC and CEC may have approval authority over subsequent projects that implement 2007 AQMP control measures, but this does not qualify them as a responsible agency for the 2007 AQMP. The CPUC and CEC were included on the list of reviewing agencies sent to the State Clearinghouse. This means the State Clearinghouse sent them copies of the NOP/IS, which afforded these agencies the opportunity to comment on the NOP/IS. No comments were received from either of theses two agencies. They will be sent copies of the Draft PEIR through the same process.

Response 1-4

Staff disagrees with the commenter. As stated on page 7 of the *Amicus Curiae* Brief of California Attorney General Bill Lockyer:

> *"None of these experts disputed that NOx emissions would rise; they differed only in their assessment of the significance of that emissions increase"*

For additional information in this issue the commenter is referred to responses 1-11, 1-12, 1-13, 1-14, 1-15, 1-16 and 1-17.

Response 1-5

The commenter does not provide any evidence, data or other information that supports the opinion expressed in this comment that control measure CMB-04 would reduce VOC emissions. As indicated in Chapter 6 – Alternatives, of the Draft PEIR, the 2007 AQMP relies on a NOx heavy control approach. Allowing higher NOx emissions through natural gas with a Wobbe index substantially greater that 1,360 is not consistent with the

2007 AQMP control strategy. A strategy that does not rely heavily on NOx emissions reductions, would require substantially greater VOC emission reductions, which means more VOC control strategies or more stringent VOC control strategies, which potentially increases environmental impacts (and costs) of implementing the 2007 AQMP.

During the rule development process, SCAQMD staff will further evaluate potential emission reductions and any adverse environmental impacts from implementation of CMB-04. SCAQMD staff invites SoCalGas to participate in discussions during rule development.

Response 1-6

The SCAQMD disagrees with the opinion expressed in this comment that CMB-04 would restrict natural gas supplies or increase natural gas costs. The primary issue that CMB-04 would address is import of LNG that could have a higher Wobbe index (and, therefore, higher heating value). Reducing the Wobbe index of imported LNG supplies can be done relatively inexpensively, for example, by injecting small quantities of an inert gas such as nitrogen. Therefore, environmental impacts associated with economic and social impacts are not anticipated. See also response to comment 1-11, 1-12, 1-14, 1-15, 1-16 and 1-17. With regard to different districts establishing different Wobbe index requirements, the commenter is referred to response 1-13.

Response 1-7

With regard to evaluating an alternative with reduced NOx emission reductions and increased VOC emission reductions, the commenter is referred to response 1-5 and the Alternatives Rejected as Infeasible discussion in Chapter 6 of the Draft PEIR. Chapter 6 does consider an alternative, Alternative 2, with less NOx and more VOC emissions reductions. Alternative 2 is not expected to be environmentally superior to the proposed project because an additional 230 tons per day are required with related environmental impacts. Please refer to sections 6.4 and 6.6 of the Draft PEIR. The 2007 AQMP does not include emission reduction estimates from implementing CMB-04. Thus, reducing NOx emissions does not necessarily imply that CMB-04 could be eliminated.

Response 1-8

An alternative that would increase SOx emissions and reduce NOx emissions is not considered to be feasible. Additional SOx emission reductions are not considered feasible because the 2007 AQMP has already identified all credible SOx emission reductions. Further, reducing NOx emissions would require substantially greater VOC emission reductions. As already noted in response 1-5 an alternative with reduced NOx emissions and increased VOC emissions reductions was rejected as infeasible. See also Response 1-7

Response 1-9

The commenter will be sent a copy of the Draft PEIR when it becomes available.

Response 1-10

The SCAQMD appreciated the support for the 2007 AQMP expressed in the comment.

Response 1-11

- **Scientific, Objective Based Data to Support Control Measure CMB-04**

On September 21, 2006, the California Public Utilities Commission (CPUC) adopted a major decision affecting the state's natural gas industry, including setting a maximum Wobbe Index (WI) of 1,385 Btu/scf for natural gas in California without complying with the California Environmental Quality Act. The SCAQMD filed an application for rehearing with the CPUC, and a lawsuit on January 23, 2007 asking the CPUC to reconsider its decision, comply with CEQA, and adopt a maximum WI of 1,360 Btu/scf to preserve the "status quo". (The WI of 1,360 Btu/scf is within 2 percent of the five-year Basin historical average WI of 1,332 Btu/scf.) As stated on page 2 of the *Amicus Curiae* Brief of California Attorney General Bill Lockyer[1]:

> *"Such compliance would require the PUC to develop and gather the relevant environmental facts, make the facts public, consider those facts along with the public, and adopt all feasible mitigation…"*

Staff believes that when CPUC reevaluates its decision by conducting a complete CEQA process, additional "*objective, scientifically based data, beyond laboratory testing, that are confirmed with field experience*" will surface and assist in prevailing the SCAQMD's recommendation of preserving the status quo.

It should be noted that the control measure CMB-04 as proposed does not specify an emission reduction target; therefore, the eight-hour ozone attainment demonstration is not dependent on this measure. However, the SCAQMD will continue to research the air quality effects associated with gas that has high Wobbe Index at or above 1,360 Btu/scf to refine emissions reduction estimates. During rule development the SCAQMD staff will assess emission reduction potential, cost-effectiveness, potential socioeconomic and adverse environmental impacts, other impacts (e.g., constraints on fuel supply, air quality modeling and impact). Such analyses would be performed with input from all stakeholders and be presented to the SCAQMD Governing Board prior to their consideration of a proposed rule.

[1] Amicus Curiae Brief of California Attorney General Bill Lockyer Before the Public Utilities Commission of the State of California, October 27, 2006

- **Capability of Combustion Equipment to Adjust to Different Wobbe Index**

Staff disagrees with the commenter. As stated on page 8 and page 9 of the *Amicus Curiae* Brief of California Attorney General Bill Lockyer:

> *"Many witnesses testified that we simply do not know how many types of equipment will perform on high-Wobbe gas until testing or real-world experience shows us."*
>
> *"Neither can the PUC be certain that such measures as tuning or re-tuning gas burning equipment can avoid the NOx emissions increases, given the disagreement among experts in the testimony about its efficacy and how extensive its use might be."*

At this stage, the expert testimonies indicate that only some commercial and industrial equipment can be fine-tuned to tolerate variations in gas with different WI, and reduce the emissions increase. However, many commercial and industrial equipment, and most importantly many non-sophisticated, residential equipment do not have this capability. Hundred of thousands of combustion devices could require retuning. Additional surveys and analysis need to be conducted to identify this group of population and the full environmental harm that may result. If SoCalGas and the other utilities were to propose a plan to retune all sensitive units the SCAQMD would consider this as an alternative. However, it may be simpler and less expensive for gas customers to treat the gas at a few new large LNG terminals of the few large pipelines serving this area.

- **ROG and Toxic Emissions from Gases with High Wobbe Index**

Currently, there is very limited technical information on the amount of ROG and toxic emissions from burning high WI gas. A recent SoCalGas test of a rich-burn engine showed that NOx and ROG emissions increased with WI. The ROG emissions correlated well with the VOC content of the gas. Higher WI gases tend to have higher VOC content. During the rulemaking process, the SCAQMD staff will prepare the appropriate CEQA document and analyze potential adverse environmental impacts.

- **RECLAIM Adjustment**

RECLAIM is designed to achieve the same level of emissions reductions as would have been achieved in aggregate by implementing subsumed command-and-control measures. The RECLAIM NOx baseline was developed based on the use of combustion gases with current gas quality varying between 1,014-1,038 Btu/scf. This baseline will increase due to the introduction of hot gases and the changes in gas quality, and the increased baseline of emissions needs to be offset. It should be noted that the control measure LTM-02 as proposed does not specify an emission reduction target; therefore, the eight-hour ozone attainment demonstration is not dependent on this measure. It should be noted, Control Measure LTM-02 is being deleted and any reductions which occur from this measure will be sought in Control Measures CMB-04.

Response 1-12

All data to support Control Measure CMB-04 was provided to the CPUC through their rulemaking process (CPUC Rulemaking 04-01-025). As summarized below, the District believes that much more research and testing data are needed to support a higher WI. It should be emphasized that Control Measure CMB-04 as proposed does not specify an emission reduction target; and therefore, the eight-hour ozone attainment demonstration is not dependent on this measure.

- **Reports, Analyses, Testing Information**

It should be noted that in changing the requirement on the gas quality, the CPUC had not analyzed sufficient information (including testing) prior to making the decision on the WI, as stated in the Opening Brief of the SCAQMD before the CPUC[2], page 11:

> *"The Commission should order a testing program that is coordinated with CEQA's process and that will supply crucial information about the effects of increasing the Wobbe Index standard."*

The testing conducted by the SCAQMD was limited, however all showed emission increases. The SCAQMD sponsored two test projects to evaluate the effect of varying blends of natural gas to quantify the effects on emissions. The University of California, Riverside performed analyses of gas composition and boiler emissions from a 250,000 Btu per hour gas-fired boiler; the University of California, Irvine tested a 60-kW microturbine generator. The results show that "hot gas" can increase NOx emissions by greater than 20 percent. Even "hot gas" at only 1,100 Btu/dscf had significantly higher NOx emissions[3].

The testing information provided by SoCalGas to the CPUC to support its recommendation of a higher WI gas was also limited, as stated in the Opening Brief of the SCAQMD before the CPUC, page 20:

> *"First, the testing simply ignored the effect of a higher Wobbe Index on large emitting facilities in the South Coast Basin, such as electric generating facilities."*
>
> *"Turbines, stationary engines, boilers, NGVs, industrial/commercial and other uses were not included in SoCalGas' testing program as the test facilities were limited to equipment with less than 2 MM Btu/hour heat input."*
>
> *"The number of appliance units tested was extremely small."*
>
> *"The primary focus of this test was safety and operability."*

[2] Opening Brief of SCAQMD Before the Public Utilities Commission of the State of California, January 18, 2006

[3] 2003 AQMP, Control Measure MSC-07 – Natural Gas Specifications

Since emissions information are not abundantly available, the Opening Brief of the SCAQMD before the CPUC, page 9, concluded:

> "*since necessary information was not presently available for informed decision making, the CPUC should have rejected the SoCal as proposal, and adopted the WI of 1,360 to preserve the status quo until there was enough evidence to justify such a change*."

- **Information on affected population, emissions, emission reductions, air quality modeling, and emission distribution per county**

Further analyses are required to establish inventory and emission reductions (such as determining the population that could potentially receive gas with a WI greater than 1,360, and emission estimates to determine the level of emission increase from various groups of combustion equipment.) Therefore, the control measure CMB-04 does not specify any emission reduction targets. Since emission reductions for CMB-04 have not yet been determined, the eight-hour ozone attainment demonstration is not dependent on this measure, and no air quality modeling was conducted to estimate PM2.5 and ozone impacts from this control measure. Other information requested by the commenter is beyond the scope of the control measure writeup and District staff will further evaluate these issues during the rulemaking process.

Response 1-13

Staff disagrees with the commenter. First, the basin is classified as "Severe-17" for eight-hour ozone non-attainment, is not likely to meet the ozone standard by the attainment date, and will request a "bump-up" to "Extreme" classification. Congress has recognized this severe problem in the basin and as stated in the Opening Brief of the SCAQMD before the CPUC, page 8:

> "*Congress has repeatedly recognized the extent of the public health problem that air pollution poses in this region, for example, it authorized more stringent emission standards for vehicles sold in California than in the other 49 states. 42 U.S.C. §7543(b) (authorizing EPA to waive preemption on vehicle emission standards for California.)*"

The District has the legal authority to set natural gas specifications. For example, SCAQMD has adopted Rule 431.1 (Sulfur Content of Gaseous Fuels) to restrict the transfer, sale or offer for sale natural gas containing sulfur compounds (calculated as H2S) in excess of 16 parts per million by volume for use in the jurisdiction of the District. Therefore, the fact that CPUC decided to adopt a statewide Wobbe Index between 1,290-1,385 Btu/scf does not dictate that this number is suitable for the District.

Second, it is highly speculative to assume that all nine air pollution control districts in the SoCalGas territory will adopt different gas quality specifications. However, the District's

proposal would apply to new large producers, not to individual areas in the SoCalGas territory. The District however may need to seek additional legislation to implement Control Measure CMB-04.

Response 1-14

Staff disagrees with the commenter. First, Control Measure CMB-04 has no intention to curtail existing supplies. The District made clear to CPUC that requiring all existing supplies to meet a 1,360 WI is unnecessary. According to SoCalGas Wobbe Index data for the basin for a recent 5-year period, the WI in the basin does not exceed 1,360 Btu/scf with the current supplies. However, a *new* LNG terminal importing LNGs with high Wobbe Index to the basin would cause the overall WI to increase above 1,360 in some areas. That is why the District recommended to CPUC to limit the WI of the gas from *new large sources*, such as LNG terminals.

Second, Control Measure CMB-04 does not restrict additional supply of natural gas to the basin. Two suppliers have proposed to comply with the maximum WI of 1,360 Btu/scf, as stated in the Opening Brief of the SCAQMD before the CPUC, page 12:

> *"The overriding purpose of the proposals is import LNG is to increase the supply of natural gas in California. This goal, is largely achievable through the Sound Energy and BHP Billington proposals without the SoCalGas proposal. And the Sound Energy and BHP Billington proposals promise no environmental impacts, since those companies will adhere to the historic Wobbe Index levels reflected in the District's proposal."*

Third, Control Measure CMB-04 does not jeopardize the cost savings to the consumers. In fact, allowing natural gas suppliers to supply higher heating natural gas will put the burden on the consumers, as stated in the Opening Brief of the SCAQMD before the CPUC, page 13 and page 18

> *"... end-users of the gas would be responsible for undertaking operational and equipment changes to burn the higher Wobbe Index gas within emission standards."*

> *"The SoCalGAs proposal places the burden of adjusting to high Wobbe Index gas on the thousands of end-users, while the District's proposal places the burden of compliance on the LNG importer."*

Response 1-15

Staff disagrees with the commenter. Many witnesses have testified to the uncertainties of the real world experience and manufacturers refuse to provide equipment warranty for end-users, as stated in the Opening Brief of the SCAQMD before the CPUC, pages 22-25:

> *"turbines of the vintage similar to those at Mountainview may require significant equipment replacement to meet performance availability, emission and performance guarantees."*
>
> *"The SCE witnesses emphasize that, despite repeated attempts, the manufacturers refuse to confirm that they will warrant the turbines to run burning the higher Wobbe Index gas."*

The CPUC[4] also confirms, as stated in the Proposed Alternate Decision of President Peevey, page 156:

> *"We are concerned with the potential impacts of high Wobbe gas on emissions and the performance of end-use equipment. The NGC White Paper lists eleven different undesirable performance behaviors and emission characteristics that can result in changing natural gas quality. The District correctly notes that many gaps remain in our understanding of precisely how different Wobbe Indices influence these behaviors."*

Because of these uncertainties, Southern California Edison Company, which operates a large natural gas-fired power plant in Southern California, supports SCAQMD proposal. They are concerned about the predicted fluctuations in gas quality on the stability and operation of their power plant.[5]

Because of these uncertainties in the real world experience, staff proposes to preserve the status quo until further studies have been completed.

Response 1-16

The emission increase of 1.2 tons per day estimated in the CMB-04 was developed for SoCalGas using SoCalGas data by Environ[6]. If rule development is warranted, staff will conduct additional research and surveys to refine and adjust the baseline emissions if necessary and determine the emissions reduction associated with this control measure. It should be noted that currently the control measure CMB-04 does not specify any

[4] Proposed Alternate Decision of President Peevey, Rulemaking 04-01-025, August 8, 2006
[5] Letter from SCAQMD to the Public Utilities Commission of the State of California, May 3, 2006
[6] Prepared Rebuttal Testimony of Joseph Hower, San Diego Gas & Electric Company and Southern California Gas Company, Before the Public Utilities Commission of the State of California, November 30, 2005.

emission reduction targets. Since emission reductions for CMB-04 have not yet been determined, the eight-hour ozone attainment demonstration is not dependent on this measure, and air quality modeling was not conducted to estimated PM2.5 and ozone impacts from this control measure.

Response 1-17

Staff disagrees with the commenter. As stated on page 7 of the *Amicus Curiae* Brief of California Attorney General Bill Lockyer:

> *"None of these experts disputed that NOx emissions would rise; they differed only in their assessment of the significance of that emissions increase"*

There are no technical studies, reports, or evidences that demonstrate the differential increase in NOx emissions from combustion of gas with a maximum WI of 1385 versus 1,360. There are conflicting testimonies on whether or not re-tuning and adjustment of equipment will mitigate the emission increase. Additional analyses are required to develop inventory, emissions reduction, and costs associated with this control measure.

Response 1-18

The commenter is referred to the Responses 1-11, 1-12, 1-13, 1-14, 1-15, 1-16 and 1-17. With regard to your questions 9 through 12, SCAQMD staff made clear to CPUC that requiring all existing supplies to meet a 1,360 WI is unnecessary. According to SoCalGas Wobbe Index data for the SCAQMD area for a recent 5-year period, the WI in SCAQMD does not exceed 1,360 Btu/scf with the current supplies. However, a new LNG terminal importing hot gas to our area could cause WI to increase above 1,360 in some areas depending on the LNG quality. That is why SCAQMD staff recommended to CPUC to limit the WI of the gas from new large sources, such as LNG terminals. Other information requested by the commenter is beyond the scope of the control measure writeup and District staff will further evaluate these issues when and if rulemaking goes forward.

Response 1-19

The SCAQMD staff will develop a staff report and socioeconomic assessment during rule development. 2007 AQMP control measures are initial assessments used to estimate emission reductions and cost effectiveness. As with all programs, the SCAQMD staff will include affected businesses, manufacturers and other interested parties in the rule development process.

A more detailed analysis of costs and cost effectiveness will be prepared during rule development. The SCAQMD staff evaluates the impact of its proposed rules on equipment life and performs a socioeconomic assessment to estimate impacts on local businesses. While a more detailed technical and socioeconomic assessment will be

prepared during the rule development process, a socioeconomic assessment is being prepared for the 2007 AQMP.

The SCAQMD staff is proposing to evaluate the use of incentive based programs in other control measure in the 2007 AQMP. The SCAQMD staff will propose specific incentive programs after more detailed analysis of cost and potential emission reductions can be performed.

As a part of the normal rule development process the SCAQMD evaluates which categories of equipment should be regulated and which categories should be considered for a rule exemption.

Response 1-20

The 2007 AQMP control measure is a preliminary assessment of potential emission reductions and cost effectiveness. During rule development the SCAQMD staff develops a detailed technology and socioeconomic assessment which includes applicable technologies, BARCT, cost and cost effectiveness, equipment life, number of affected businesses and equipment, and safety concerns. While a more detailed technical and socioeconomic assessment will be prepared during the rule development process, a socioeconomic assessment is being prepared for the 2007 AQMP.

Response 1-21

The SCAQMD appreciates the information provided by Southern California Gas Company and San Diego Gas and Electric Company. Staff will work with all utilities in the district to refine concepts and develop and promote energy efficiency programs that make contributions to emission reductions.

Response 1-22

The intent of Control Measure LTM-04 (Concurrent Reductions from Global Warming Strategies) (which has been revised to MPB-07 in the proposed modification the Draft 2007 AQMP) was to take credit for the concurrent reductions in criteria pollutants associated with the implementation of global warming strategies in this region. The estimated reduction for this measure in 2020 was based on the assumption that achieving the 2020 greenhouse gas reduction target (i.e., 25 percent reduction) will result (to some extent) in direct reduction of fossil fuel consumption (i.e., stationary and mobile sources) and corresponding emissions. The SCAQMD will work with CARB to quantify any concurrent reductions from GHG strategies in the future and apply these reductions toward the long-term emission reduction obligations

Response 1-23

For NOx reductions, this control measure proposes to apply non-major source BACT, which is currently detailed in the District's Best Available Control Technology Guidelines, Part D: BACT Guidelines for Non-Major Polluting Facilities. For instance, for natural-gas fired boilers with a maximum rated heat input of less than 20 MMBtu/hr, the current NOx limit is 12 ppm at 3 percent oxygen.

Response 1-24

This control measure proposes the application of non-major source BACT, which is not necessarily as stringent as the Lowest Achievable Emission Reduction (LAER). LAER is determined on a case-by-case basis. Greater predictability is associated with the application of non-major source BACT, than for LAER. As indicated in Response 1-23, non-major source BACT is presented in Part D of the District's Best Available Control Technology Guidelines. The determinations are presented in tables by equipment category.

Any revisions made to non-major source BACT must first undergo a public review process. During this process, the public and the Scientific Review Committee are notified and provide comments. Subsequently, the proposed revisions are presented to the Governing Board for approval at a public hearing. Consequently, there is some inherent predictability with non-major source BACT. Whether Control Measure MCS-01 ultimately applies BACT that is current at future dates, or applies a less current version of BACT at future dates will require further evaluation during the rulemaking process.

Response 1-25

We agree that it is important to avoid a "one size fits all" approach in establishing appropriate useful lives for various equipment categories that will be subject to NOx reductions. The SCAQMD staff understands that “useful life” can vary by equipment type, size, industry and other variables. During the rulemaking process, the SCAQMD staff will work with stakeholders and further evaluate control strategy options.

Response 1-26

Your comment is noted. If incentives are contingent upon replacement or retrofit occurring significantly earlier than required, some facilities will not be eligible for incentives. This would apply to equipment already at the end of the determined useful life when rule implementation begins. This issue will be more thoroughly analyzed during the rulemaking process.

Response 1-27

This measure would reduce emissions of NOx, VOCs, and PM2.5 from stationary sources. However, no NOx reductions will be obtained from NOx RECLAIM facilities through this control measure. Instead, further NOx reductions from RECLAIM facilities would be obtained through Control Measure MCS-07, Application of All Feasible Measures.

By contrast, for VOC and PM2.5 reductions, both RECLAIM and non-RECLAIM facilities would be subject to this control measure. Although, if Control Measure FLX-02, Petroleum Refinery Pilot Program, is adopted as a rule, then petroleum refineries would be subject to FLX-02 instead of MCS-01 for VOC and PM2.5 reductions. Facilities already subject to Rule 1132, "VOC Emissions from High-Emitting Spray Booth Facilities," would be exempt from Control Measure MCS-01 for VOC reductions because these facilities are currently subject to a 65 percent facility-wide reduction in VOC emissions. The text of Control Measure MCS-01 has been revised to provide these details.

With respect to the pollution control exemption, the D.C. Circuit decision does not affect the District's exemption, which does not apply to BACT. The SCAQMD's exemption applies to offsets, which can meet federal requirements on an aggregate rather than source by source basis. The SCAQMD meets federal offset requirements through an equivalency demonstration now embedded in Rule 1315.

Response 1-28

Thank you for your comment relating to the permitting time for a replacement project. During the rulemaking process we will also need to address resource impacts and guidance on early replacements.

Response 1-29

Phase II of CM #2007LTM-02 mentions the three to five tons per day as reductions goals. SCAQMD staff does not plan to submit these reductions into the SIP submittal. On this basis, a comprehensive BARCT and BACT equivalency assessment or any of the other analysis requested by the commenter is not needed at this time. These types of analysis are more appropriately done during rulemaking. It should be noted that the RECLAIM sources in LTM-02 has been transferred to Control Measure MCS-07 Application of All Feasible Control Measures. Similarly, there is no firm commitment for the NOx reductions in MCS-07.

As part of the planning process, SCAQMD staff will try to anticipate accelerated advancement in mobile source emissions control technology reductions in assessing the most effective way of meeting the ozone attainment goals.

In formulating rules SCAQMD staff tries to consider and identify equipment classes in a more detailed and finite level, taking into account economic and financial impacts as well as industry-specific operating environments. On one hand, there are practical limits in creating a rule so detailed and cumbersome that it could become too complex for many of the regulated community to fully understand, and difficult for the SCAQMD to enforce. Consequently, the rulemaking process proceeds in such a manner that input by the regulated community helps craft a proposed rule that identifies equipment classes at an acceptably detailed and finite level, taking into account economic and financial impacts as well as industry-specific operating environments.

Staff looks forward to fostering partnerships with SoCalGas, SDG&E, affected industries, and other interested parties to help identify and develop additional opportunities to seek cost-effective equipment modifications and/or replacement.

Response 1-30

As described in the response to comment 1-29, there is no firm commitment for the NOx reductions in LTM-02. Consequently, SCAQMD staff is not prepared to provide the level of details requested by the commenter. This type of information would be developed and made available during rulemaking. It should be noted that the RECLAIM sources in LTM-02 has been transferred to Control Measure MCS-07 Application of All Feasible Control Measures. Similarly, there is no firm commitment for the NOx reductions in MCS-07 in the 2007 AQMP.

Response 1-31

The 2007 AQMP is a preliminary assessment of potential emission reductions and cost effectiveness. During rule development the SCAQMD staff develops a detailed technology and socioeconomic assessment. The key issues in that analysis are: 1) will technology be available, 2) will it be cost effective, and 3) what are the environmental and socioeconomic impacts. The information available to the SCAQMD indicates that technology is available and that it will be cost effective. While a more detailed technical and socioeconomic assessment will be prepared during the rule development process, a socioeconomic assessment is being prepared for the 2007 AQMP.

Although space heaters are rarely in operation during the summer ozone season, the district must meet PM2.5 standards in addition to the ozone standard. The South Coast Air Basin (SCAB) faces a deadline to attain the annual PM2.5 standard of 15 µg/m3 by April 2015. In addition, in the final revisions to the NAAQS for PM promulgated in September 2006, U.S. EPA lowered the 24-hr PM2.5 standard from 65µg/m3 to 35µg/m3. Although, final designations have not been made, it is anticipated that our attainment date is April, 2020.

PM2.5 is a multi-component air pollutant consisting of secondary particles of ammonium, nitrate, sulfate, secondary organic carbons formed by chemical reactions, and directly emitted primary particles of elemental carbon, primary organic carbon, and other trace metals. In the SCAB, PM2.5 concentrations can reach very high levels under stagnant conditions in winter, producing a PM episode similar to an ozone episode in summer. During a PM episode, high PM2.5 concentrations may last several days. In 2005, the 24-hr PM2.5 concentration reached 106 μg/m3 or three times the new 24-hr standard.

A major chemical component of PM2.5 in the SCAB is nitrate; its concentration is high in wintertime because cool temperature and high relative humidity in winter favors the formation of ammonium nitrate. A precursor gaseous emission of nitrate is NOx, which is chemically transformed to nitrate in the atmosphere. The chemical reactions of NOx in the atmosphere also contribute to the formation of additional particulates in the form of secondary organic compounds. The PM2.5 standard will be very difficult to attain. According to current analysis, NOx emissions must be reduced by at least 50 percent to attain the annual PM2.5 standard by April 2015. Therefore, the SCAQMD must consider all feasible measures and evaluate every potential NOx control measure for its impacts during both summer and winter seasons. This control measure will result in significant reductions and help attain the ambient PM2.5 standards.

The emissions inventory is based upon data provided to the CEC and CARB by the Southern California Gas Company. The emission calculations are performed using a standard protocol that has been used by the CARB and SCAQMD for previous AQMPs and was developed in cooperation with gas utilities. The protocol is available for review by the public from the CARB or the SCAQMD emission inventory sections and is available on the CARB website.

The SCAQMD will develop a detailed technology, environmental and socioeconomic assessment during rule development. 2007 AQMP control measures are preliminary assessments used to estimate emission reductions and cost effectiveness. As with all programs, the SCAQMD will include consumers, affected businesses, manufacturers and other interested parties in the rule development process. While a more detailed technical and socioeconomic assessment will be prepared during the rule development process, a socioeconomic assessment is being prepared for the 2007 AQMP.

A more detailed analysis of costs and cost effectiveness will be prepared during rule development. The current cost and cost effectiveness estimates are based on a range of costs from low NOx technologies used in residential water heaters and small residential boilers of similar rating (heat output). The original cost and cost effectiveness estimates are available in the SCAQMD staff reports for the rule amendments to SCAQMD rules 1121 and 1146.2. These documents are available upon request or may be downloaded from the SCAQMD website.

An alternative technology using heat pumps is another option available to consumers and in some situations are a cost effective alternative. The discussion of heat pumps in the control measure is meant to provide the public with information on an alternative that is not as well known as residential heating boilers and electric or gas radiant heaters.

SCAQMD staff anticipates that future space heater designs will be similar to current designs, will incorporate a combustion exhaust fan to address safety concerns and use multiple premix atmospheric burners. If new units are based on current design concepts, cost increases can be minimized. Power burners are an option that manufacturers may choose for higher rated units (higher heat output) typically used in commercial applications. Multiple premix atmospheric burners can also be used for these higher output units.

It is not anticipated that test protocols will need to be revised. However, the SCAQMD staff will evaluate the need for changes to test protocols during rule development.

Response 1-32

The SCAQMD is evaluating the emissions inventory information provided by the commenter. The emissions inventory in the 2007 AQMP is based upon data provided to the CEC and CARB by the Southern California Gas Company. Staff feels that the estimated inventory adequately represents this source category. However, the SCAQMD staff does encourage the commenter to provide the input data, assumptions, and methodology used to calculate emissions so that any inventory discrepancy can be resolved.

Response 1-33

The summer planning inventory is for May through October. The emissions inventory is based upon data provided to the CEC and CARB by the Southern California Gas Company. Note that this control measure will contribute to PM2.5 reductions during the winter season. The emission calculations are performed using a standard protocol that has been used by the CARB and SCAQMD for previous AQMPs. The protocol was developed in cooperation with gas utilities. Growth assumptions for the emissions inventory are based upon information provided by gas utilities, CEC and SCAG. The protocol is available for review by the public from the CARB or the SCAQMD emission inventory sections and is available on the CARB website.

If the commenter feels that a different baseline and growth assumptions should be used in the 2007 AQMP, please provide specific detailed assumptions, calculations and recommendations to the CARB and SCAQMD emission inventory sections.

Response 1-34

The SCAQMD will establish a space heater working group with manufacturers and other industry representatives to identify cost effective and technologically feasible emission

limits for space heaters. However, the 2007 AQMP must include implementation dates and emission reduction targets in order to estimate the impact of emission reductions from proposed control measures. An implementation date of 2012 as currently proposed provides timely reductions for this control measure and provides sufficient time for rule development and testing of technology.

Response 1-35

Item 1.

Section 1.9 of U.S. EPA AP-42 includes the following description for heating efficiency of masonry fireplaces.[7] "Masonry fireplaces usually heat a room by radiation, with a significant fraction of the combustion heat lost in the exhaust gases and through fireplace walls. Moreover, some of the radiant heat entering the room goes toward warming the air that is pulled into the residence to make up for that drawn up the chimney. The net effect is that masonry fireplaces are usually inefficient heating devices." Section 1.10 of U.S. EPA AP-42 identifies net efficiencies for the various types of wood stoves, pellet stoves, and masonry heaters that range from 54 to 68 percent.

Item 2.

The POM emission factor for fireplaces included in Section 1.9 of U.S. EPA AP-42 is 16 E-03 pounds per ton of wood.

Item 3.

The control measure emissions inventory includes estimates of emissions from both fireplaces and wood burning stoves. The emissions inventory for fireplaces was based on the estimate that there are approximately 570,000, 240,000, 100,000 and 170,000 wood burning households in Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively. The estimate further included an assumption that 70 to 95 percent of wood burning households burn very little wood per year and that the remainder burn approximately 800 pounds per year. The emissions inventory for wood stoves is based on CARB methodology that can be viewed or downloaded at the CARB web site.[8] Please refer to response to comment number five below for a discussion of the re-evaluation of the emissions inventory.

Item 4.

Examples of such standards include prohibition of traditional masonry fireplaces in new construction projects/remodels and change-out of woodstoves to certified units at the time of property transfer. The impacts will be evaluated in conjunction with regulatory development.

[7] Masonry fireplaces, also referred to as traditional uncontrolled fireplaces, have air to fuel ratios in excess of 35 to 1 and are exempt from U.S. EPA Phase II-certification standards and should not be confused with masonry heaters that are designed to have secondary combustion chambers.

[8] http://www.arb.ca.gov/ei/areasrc/fullpdf/full7-1.pdf

Item 5.
A reevaluation of the existing emissions inventory for wood burning appliances is currently being developed in conjunction with rule development efforts. A working group has been convened and available information has been presented to the working group. When available, a revised emissions inventory will be presented to the working group and will also be distributed with any potential rulemaking documents such as a draft staff report.

Item 6.
Uncontrolled fire places are exempt from U.S. EPA requirements set forth in Title 40 CFR, Part 60, Subpart AAA and can be thought of as permanently installed masonry or factory-built device designed to operate with an air-to-fuel ratio greater than or equal to 35-to-1, a burn rate over 11 pounds (five kilograms) per hour, or a weight over 1,760 pounds (800 kilograms).

Items 7 through 12.
2007 AQMP control measure BCM-03 identifies numerous potential control strategies based on a review of CARB's recommended control measure and other local government, air district, and state wood smoke control programs. Program implementation costs and impacts to manufacturers and the public for any potential regulation would be provided in conjunction with any future rulemaking efforts.

Response 1-36

Rule development for restaurants has in the past and will in the future take into consideration cost-effectiveness. The SCAQMD staff has worked with the industry in past rule development to ensure the controls were compatible with all safety features. The SCAQMD staff is aware of the level of expertise in restaurant operations help and the turn-over rate of employment and considered such factors in evaluating the complexity of controls.

Response 1-37

The determination of who will conduct the Feasibility Study will not be made at this time. Regardless of who conducts the Feasibility Study, any study will be publicly available for review and comment.

Response 1-38

The SCAQMD is aware of the myriad of issues associated with finding a cost-effective, technically sound control for under-fired charbroilers. Any Feasibility Study will consider issues like the small business form, the need for appearance and taste of food to be unchanged, the ease of maintenance, and cost, in addition to emission reductions.

Response 1-39

Development of a rule for underfired charbroilers would include the determination of cost-effectiveness and the appropriateness of an exemption based on the amount of emissions. The exemption level on Rule 1138 for chain drive charbroilers was based on an emission factor of 7.42 pounds of PM emissions/1000 pounds of meat cooked (at 21 percent fat content). On a daily basis, 135 pounds of meat cooked creates one pound of PM emissions. In an attempt to account for measurement uncertainties, the exemption level was set at 875 pounds per week (125 pounds per day X seven days). Emission factors for underfired charbroilers are different (see staff report for Rule 1138, November 14, 1997).

Response 1-40

Thank you for the comment. The staff worked closely with the California Restaurant Association throughout the rule development process for Rule 1138 and will continue to do so throughout any rule develop efforts associated with the industry. Incremental cost-effectiveness and estimated emission reduction calculations are an open process of rule develop and always open to public scrutiny and comment. These issues will be addressed using the feasibility study and subsequent rule development, if deemed appropriate.

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December 13, 2006

Mr. Michael Krause
c/o CEQA
South Coast Air Quality Management District
21765 Copley Drive
Diamond Bar, CA 91865

SUBJECT: City of Los Angeles Comments on the Notice of Preparation (NOP) and Initial Study (IS) for the 2007 Air Quality Management Plan (AQMP)

2-1 The City of Los Angeles (City) appreciates the opportunity to comment on the NOP/IS for the 2007 Air Quality Management Plan (AQMP) released by the South Coast Air Quality Management District (SCAQMD) on November 14, 2006. The City supports the clean air goals of the 2007 AQMP. Through the AQMP Advisory Group (AQMPAG) and the Scientific, Technical, and Modeling Peer Review Advisory Group (STMPRAG), the City has participated in the development of every AQMP since the 1991 AQMP. These comments have been prepared by City staff. Depending on the content of the Draft EIR, we may seek policy direction from the Mayor and City Council prior to submitting comments on that document.

2-2 City staff has two major comments to make on the NOP/IS. First, the scope of the proposed alternatives seems restrictive since appear to be limited to variations of emission reductions in the "black box" only. As noted on our December 1, 2006 comment letter on the draft 2007 AQMP (which was released in October 2006), there are technically many potential attainment strategies (and carrying capacities) to achieve both the PM2.5 and ozone standards, although other strategies, beyond those put forth, have not been substantively discussed in the AQMP Advisory Group (AQMPAG) and Scientific, Technical, Modeling Peer Review Advisory Group (STMPRAG). Some of the alternative attainment strategies may not be feasible, but the SCAQMD has not clearly demonstrated that only the control approach in the preliminary draft 2007 AQMP is feasible or that it would be the preferred strategy for the Basin (e.g. least impact/greatest benefit).

Therefore, City staff requests that the SCAQMD discuss additional alternative attainment strategies in the Draft Environmental Impact Report (DEIR) that it will be preparing. As one example, an alternative attainment scenario that is based on a 2014 PM2.5 attainment scenario based on CARB's mobile source strategy, and no additional stationary source NOx control

2-2 cont. measures (unless required by other sections of the federal Clean Air Act) could be assessed. Any additional NOx reductions necessary to demonstrate PM2.5 attainment would come from incentive or other programs to increase on- and off-road mobile retrofit or fleet turnover. The ozone attainment for this alternative would be a more VOC / less NOx reduction scenario, with an emphasis on VOC reductions and no further stationary source NOx reductions.

2-3 Second, the Environmental Checklist in the NOP/IS indicates that there will be no potentially significant impacts due to the 2007 AQMP. However, based on our understanding of the proposed measure, it appears that control measure EGM-01 could have significant impacts on land use and planning, population and housing, and transportation / traffic, depending on the specific strategies incorporated into the measure. The City is concerned that control measure EGM-01 (Emission Reductions from New and Redevelopment Projects) could adversely impact large Community Redevelopment Agency-approved projects, among others. It is important to note that redevelopment projects are funded through tax increment financing and additional fees could inhibit or prevent some needed and beneficial development. Thus, we request that potential impacts on the categories noted above be addressed.

2-4 The City has already submitted comments on the October 2006 preliminary draft 2007 AQMP and we ask that those comments in the letter dated December 1, 2006 be incorporated by reference into these comments on the NOP/IS, particularly the comments on specific control measures. Given the comprehensive nature of the Plan and the implications on all Basin stakeholders, including local governments and the public, we request that as detailed an analysis as possible of the environmental impacts of each and every control measure be presented in the DEIR for the 2007 AQMP.

The City appreciates the monumental task facing the entire region and looks forward to continue working with the SCAQMD on the path forward to cleaner air. Per your request, I will serve as the contact person for this letter. My phone number is (213) 978-0852 and my address is listed above.

Sincerely,

Gretchen Hardison
Air Quality Director

COMMENT LETTER NO. 2
CITY OF LOS ANGELES

Response 2-1

Thank you for commenting and participating in the 2007 AQMP development process.

Response 2-2

The SCAQMD disagrees with the comment that "there are technically many potential attainment strategies. Please refer to Chapter 5 and Appendix V of the 2007 AQMP for discussion on PM2.5 control strategy. The modeling analysis indicates that the ambient PM2.5 is most responsive to SOx and PM2.5 reductions, followed by NOx. As a result, the PM2.5 attainment strategy is developed to maximize SOx and PM2.5 reductions and requires implementing all relevant short-term control measures. Necessary NOx reduction strategies are added to demonstrate attainment, which is also needed for downwind areas as well as the Basin's eight-hour ozone attainment. In addition to the No Project Alternative (the 2003 AQMP), a combined VOC and NOx control strategy is analyzed.

With respect to ozone attainment, a NOx-heavy scenario vs. a VOC-heavy scenario is discussed to illustrate various control choices and their environmental impacts. The VOC-heavy scenario has been deemed not to be technically feasible (see Chapter 6 of the Draft PEIR). The SCAQMD staff recommends the NOx-heavy scenario for the 2007 AQMP and is taking comments from stakeholders at this time. Please refer to Response 1-7.

The Draft 2007 AQMP clearly stated that the purpose of releasing the draft 2007 AQMP was to initiate public discussion on various elements of the plan with the understanding that CARB had not released its EMFAC and Off-road Models and the state and federal control element was not ready either. As a result, control strategy decisions were not made; since that would defeat the purpose of public engagement. The technical peer review is ongoing, but the initial round of comments has been incorporated into the proposed modifications to the Draft 2007 AQMP. Please see Appendix V of the 2007 AQMP for model performance, peer review comments, and attainment strategy development. Please refer to Response 1-7.

Response 2-3

The NOP/IS prepared for the 2007 AQMP identified potential adverse impacts to air quality, energy, hazards, hydrology and water quality, and solid/hazardous wastes.

The SCAQMD disagrees with the opinion expressed in this comment that the EGM-01 will adversely affect land use planning, population and housing and transportation/traffic. Development projects occur for reasons unrelated to the AQMP. Such projects are subject to land use decisions made by the local land use agencies, not the SCAQMD.

Further, Brownfields and infill developments are likely to have lower operational emissions because these developments are typically in urban areas with shorter commutes, higher public transit usage, and more parking restrictions. These mitigation measures as part of the project design will be considered as mitigation measures during rule development.

Response 2-4

Attainment of the federal ambient PM2.5 and eight-hour ozone standards will require significant levels of additional emission reductions above and beyond those already achieved. To meet this goal, the region as a whole would have to bear the implementation cost of the strategies needed for attainment. To that end, the 2007 AQMP seeks to incorporate a fair share of reductions from all emissions sources in the district. During the rule development process, the SCAQMD would conduct more detailed technical and economic analysis and evaluate the socio-economic impacts of the proposed strategies. Finally, the level of detail analysis in the Draft PEIR is commensurate with the level of detail of the proposed 2007 AQMP and need not be as detailed as an EIR on the specific construction projects that might follow (CEQA Guidelines § 15146).

CITY OF RIVERSIDE

Community Development
Department
Planning Division

December 13, 2006

Mr. Michael Krause
C/o CEQA
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4182

SUBJECT: NOTICE OF PREPARATION OF A DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE DRAFT 2007 AIR QUALITY MANAGEMENT PLAN

Dear Mr. Krause:

3-1 The City of Riverside offers the following in response to the Notice of Preparation (NOP) for the Draft 2007 Air Quality Management Plan (AQMP). The City of Riverside is regulated by the rules of the South Coast Air Quality Management District (SCAQMD) and the California Air Resources Board (CARB) and could be further affected through the additional rules proposed in the Draft 2007 AQMP. The following comments are provided for your consideration when preparing the final EIR for the 2007 AQMP as they appear to be within the City's jurisdiction.

AQMP Control Strategies

BCM-02 – PM Emission Hot Spots – Localizes Control Program (PM)

3-2 AQMD proposes methods of control that are intended to supplement the District's regional approach in an attempt to reduce emissions from direct sources of particulate matter (PM) through local control programs. Areas currently undergoing significant economic development are subject to higher particulate emissions due to increased construction activity. As such, this proposal seeks to implement a method of control requiring the fencing of vacant lots to prohibit dumping, mowing for weed abatement, implementing a street sweeping program, and encouraging residents with dirt driveways to cover them with gravel – all efforts to stabilize the ground surface in order to minimize wind blown dust ('fugitive' dust), a contributor to PM emissions.

To implement this method of control, the Draft AQMP recommends that the City be responsible for fencing vacant properties. This would force the City to incur the costs of installing the necessary fencing without additional sources of funding. The proposed method of control also requires mowing for weed abatement. Although current regulations permit discing for weed abatement, this proposal would mark a significant change in

3900 Main Street • Riverside, CA 92522 • 951.826.5371 • fax 951.826.5981 • www.riversideca.gov

established policy and could lead to more stringent policy guidelines that have the potential to burden the City with additional costs associated to the implementation of this policy shift. Riverside's hilly terrain is not conducive to mowing as it potentially poses a fire hazard, increases the insurance costs of our contractors, and generates faster re-growth of vegetation in the area. Despite the City's proactive approach, the implementation of all methods of control remains difficult as rural areas are present in the City. Additional fees necessitated by the proposed methods of control may detrimentally impact the economic development of the area creating a disproportionate burden on the City. Further analysis on the cost effectiveness of this measure is warranted.

3-2

BCM-03 – Emission Reductions from Wood Burning Fireplaces and Wood Stoves (PM)

AQMD proposes to reduce PM emissions (as well as other hazardous air pollutants) from wood burning fireplaces and stoves by preventing the installation of new, permanently installed, indoor or outdoor, wood burning appliances in all new developments and existing homes. In addition, the sale, installation, or transfer of non-USEPA (United States Environmental Protection Agency) certified wood burning appliances would be prohibited.

While the City can implement a requirement prohibiting the installation of indoor/outdoor uncontrolled (non-certified) fireplaces in all new developments or existing homes, the City would have to incur the costs associated with an additional level of review not currently in place. Additional staff time would also be needed to ensure compliance with the proposed methods of control. Such a proposal would be most effectively implemented through a district-wide, coordinated effort aimed at providing commercial retailers, manufacturers, and other stakeholders with the most up-to-date information regarding this method of control and all other applicable local, regional, state, and federal regulations.

3-3

MCS-02 – Urban Heat Island

AQMD's proposed method of control aims to encourage activities that would lower ambient temperatures in urban areas through the use of lighter, more reflective surface (roofing and pavement) materials, solar roofing membranes, and increased tree planting. The proposal includes the development of a program that would promote the use of these strategies.

The City supports the proposal in concept, but further analysis as to the cost effectiveness of this measure is warranted. The proposed methods of control may detrimentally impact the economic viability of future private development as well as the City's own ability to provide for public improvements. The City's design review process of landscape and irrigation proposals already ensures that adequate amounts of fauna are included per each development; the City recommends that local entities continue making this determination on a case-by-case basis. A District-wide, coordinated effort should be made to provide access to sources of funding or tax incentives (or other market-based incentive programs) to expand the viability of such a proposal.

3-4

MCS-03 – Energy Efficiency and Conservation

This proposed method of control intends to reduce the emissions of all pollutants in a cost effective manner while promoting energy efficiency and conservation. It would require that incentives be provided for businesses or residents to use energy efficient equipment above and beyond the state and federally mandated programs in order to achieve further emissions

3-5

reductions. The proposal would be funded through the District's Priority Reserve or through the implementation of mitigation fees.

3-5 cont.

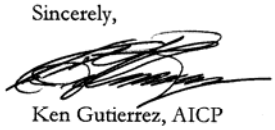
The City supports the proposal in concept, but additional mitigation fees incurred through the entitlement process of each development proposal may detrimentally affect local economic development initiatives. Further analysis is warranted to determine the potential impact throughout the region and the City of Riverside, as well as to the potential collection process and additional staff time associated with the implementation of the proposed mitigation fees. Other, non-mitigation fee oriented programs should be developed on a District-wide level to strengthen the viability of such a proposal.

3-6

The costs associated with various methods of control are not included in this initial draft nor are estimates as to the potential emissions reductions. As such, further analysis on multiple levels is needed to compose a more complete analysis of the Draft 2007 AQMP.

Please forward any future drafts of the PEIR and AQMP to the City for further review. Should you have any questions regarding this letter, please feel free to contact Moises A. Lopez, Assistant Planner at (951) 826-5264 or mlopez@riversideca.gov.

Sincerely,



Ken Gutierrez, AICP
Planning Director

cc: Ronald Loveridge, Mayor
Riverside City Council Members
Brad Hudson, City Manager
Michael Beck, Assistant City Manager
Tom DeSantis, Assistant City Manager
Scott Barber, Director, Community Development Department (CDD)
Dan Chudy, Building Official, CDD - Building Division
Mark Salazar, Code Enforcement Manager, CDD - Code Enforcement Division

COMMENT LETTER NO. 3
CITY OF RIVERSIDE

Response 3-1

Thank you for commenting and participating in the 2007 AQMP development process.

Response 3-2

Specific regulatory requirements will be decided during the rulemaking process. The SCAQMD staff invites the City of Riverside to participate in stakeholder meeting during the rule development process. Cost impacts will be evaluated in the Socioeconomic Assessment.

Response 3-3

BCM-03 is currently being promulgated as proposed Rule 445. The proposed rule would be applicable district-wide as suggested by the commenter. In general, the provisions of proposed Rule 445 would be enforced by the SCAQMD, with the exception of ensuring compliance during property transfers by 2012.

Response 3-4

MCS-02 would be a voluntary program, so any impacts, either environmental or economic, would be speculative at this time. The SCAQMD staff, however, commends the City of Riverside for implementing landscaping conducive to providing shade in the City's design review.

Response 3-5

Control measure MSC-02 is a voluntary control measure. The SCAQMD staff commends the City of Riverside for implementing landscaping conducive to providing shade in the City's design review. As this control measure is developed the SCAQMD encourages the participation of cities, counties and other local governments. This measure does not in itself propose collection of mitigation fees, but rather uses funds collected under other SCAQMD programs as seed monies to incentivize energy efficiency and energy conservation.

Response 3-6

The SCAQMD appreciates the City's support for MSC-03. The control measure is currently incentive-based so any effects would be based on voluntary participation in the program.

The SCAQMD is conducting a Socioeconomic Assessment for the 2007 AQMP. In addition, the 2007 AQMP does include potential emission reductions for those control measures where emission reductions can be estimated.

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City of
Santa Clarita

November 25, 2006

Michael Krause, Air Quality Specialist
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 East Copley Drive
Diamond Bar, CA 91765

Subject: 2007 Draft Air Quality Management Plan Notice of Preparation Initial Study Comments

Dear Mr. Krause:

4-1 Thank you for your support to help the Santa Clarita Valley improve air quality. We greatly appreciate the assistance the South Coast Air Quality Management District (SCAQMD) has provided the City of Santa Clarita in our fight to enhance the air we breathe and the opportunity to comment on the 2007 draft Air Quality Management Plan (AQMP) Notice of Preparation/ Initial Study (NOP/IS) related to the AQMP.

4-2 As you know, the Santa Clarita Valley's air quality rests amongst the worst in the country and is being even further threatened by the proposed citing of a CEMEX mega-mine, *which would result in significant amounts of dust and emissions to be released into the air, exceeding the maximum risk allowed by the AQMD Toxic Rules for new sources by 250%.* It is for these reasons and others that the City of Santa Clarita has made every effort to work with the SCAQMD and participate, as possibly allowed, in the planning efforts and decisions made that impact the air we breathe.

4-3 Specifically, we would like to be sure that the Biological Resources: Geology and Soils, and Hydrology: and Water Quality chapters of the Environmental Impact Report analyze the affects of dust control chemicals. It has recently come to our attention that the most commonly utilized dust control chemical is a magnesium chloride based product. As a result of the significant water quality concerns in our watershed, due to chlorides, it is anticipated non-chloride based stabilizers will become much more common in this area. The non-chloride based stabilizers produce highly toxic by-products, such as arsenic, lead, and mercury which are toxic to fish located in the Santa Clara River. The 1,600 square mile Santa Clara River watershed is home to several endangered fish species (i.e. unarmored three spine stickleback, arroyo chub, etc.), well documented throughout the area.

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4-4 In addition, there is no discussion of how the runoff during and after rain events would be contaminated by these operations, as well as the surface water pollution once the water flows from the sites into the storm drain system. The storm drain system does not include treatment for the most part. Where there is treatment, it usually only includes trash and floatable materials. Other toxics and pollutants, such as those coming from soil-stabilizing chemicals, would travel to the Santa Clara River and our local groundwater supplies. In many cases these sites are grading or mining operations; the runoff from these sites would flow directly into the Santa Clara River without a storm-drain system. It does not appear that any of these issues were considered in your original analysis. We request that the Environmental Impact Report analyze and detail mitigations for these impacts. Specifically, we would like to see mandatory shut down of sites during high wind conditions in the Santa Clara River watershed area as mitigation.

4-5 I am grateful for the SCAQMD's efforts to help reduce air pollution that affects the Santa Clarita Valley and the South Coast region. By working together, we can help protect the health of this community and others by helping to provide clean air for current and future generations.

Sincerely,

Ken Pulskamp
City Manager

KP:TL:HM:kms
S:\ENVSRVCS\AIR\AQMP\AQMP NOP IS Comment ltr.doc

cc: City Councilmembers
Ken Striplin, Assistant City Manager
Michael Murphy, Intergovernmental Relations Officer
Travis Lange, Environmental Services Manager
Toi Chisom, Management Analyst
Dr. Anupom (Pom Pom) Ganguli, Assistant Deputy Executive Officer/Public Advisor, SCAQMD

COMMENT LETTER NO. 4
CITY OF SANTA CLARITA

Response 4-1

The SCAQMD appreciates the support shown by the City for the SCAQMD's air quality improvement programs.

Response 4-2

The SCAQMD is aware of the CEMEX project. To reduce air quality impacts from the proposed project it would be subject to a number of existing rules and regulations. For example, Regulation XIII requires best available control technology and emission offsets of 1.2 to 1 for new emissions over one pound per day. Rule 1157 also regulates emissions from aggregate facilities and any fugitive dust emissions not covered by Rule 1157 would potentially be subject to Rule 403. Additionally, the SCAQMD does not have land use authority, which falls solely under the purview of local governments.

Response 4-3

Chemical dust suppressants have been evaluated in the hydrology water quality subchapter, 4.4, of the Draft PEIR. Any fugitive dust control measures adopted as rules or regulation, will likely include provisions similar to Rule 403 and other dust control rules prohibiting chemical dust suppressants that are prohibited for use by regional water quality control boards, CARB, U.S. EPA, etc.

Like Rule 403 and other dust control rules, it is likely that chemical dust suppressants will not be required. Instead, affected operators will likely have a menu of fugitive dust control options in addition to chemical dust suppressants. This issue will be evaluated in more detail in CEQA documents during actual rule development.

Response 4-4

Impacts to water quality from the proposed control measures have been evaluated in the Draft PEIR. Refer to subchapter 4.4.

Response 4-5

The SCAQMD appreciates your comments and participation.

Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Catherine H. Reheis-Boyd
Chief Operating Officer and Chief of Staff

December 13, 2006

Michael Krause
Planning, Rule Development and Area Sources (CEQA)
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Dear Mr. Krause:

WSPA COMMENTS ON THE DRAFT PROGRAM EIR FOR THE DRAFT 2007 AQMP

The Western States Petroleum Association (WSPA) appreciates the opportunity to comment on the proposed draft Program Environmental Impact Report for the draft 2007 AQMP. Our brief comments – on selected control measures – are shown in the enclosed matrix.

5-1 As you will note, our comments are generally about three issues of concern:

1. Several proposed control measures have a potential affect on the operation of refineries and gasoline dispensing facilities. Accordingly, we believe that these measures need to evaluated from the perspective of Energy (i.e., fuel) and/or Transportation/Traffic impacts.

5-2 2. Several measures in the Off-Road Mobile Source category would affect ocean-going vessels, including tankers. Because there are unique safety considerations applicable to tankers, we believe that there are Hazards and Hazardous Materials considerations that need to be addressed.

5-3 3. Compliance flexibility programs are, essentially, alternatives being incorporated into the AQMP. WSPA believes that there would be some benefit to providing some additional discussion to clarify that point.

Please feel free to contact me or Jodie Muller at (310) 808-2143 if you have any questions about these comments.

Sincerely,

Catherine Reheis-Boyd
Chief Operating Officer

Enclosure

1415 L Street, Suite 600, Sacramento, California 95814
(916) 498-7752 • FAX (916) 444-5745 • cathy@wspa.org • www.wspa.org

WSPA COMMENTS ON THE DRAFT CEQA ANALYSIS FOR THE 2007 AQMP UPDATE

Control Measure No.	AQMP Control Measure Title	Control Measure Description	WSPA Comment
MEASURES TO BE IMPLEMENTED BY THE SCAQMD			
FUG-01	Improved Leak Detection and Repair	Use "Smart LDAR" to readily detect a leak. Smart leak detection/repair program.	It would be more correct to describe this measure as a pilot program followed by potential rule provided that the pilot program was successful. There has been no conclusion yet that Smart-LDAR can "readily detect a leak".
FUG-02	Emission Reductions from Gasoline Transfer & Dispensing Facilities (GDF)	Reduce VOC and toxic emissions from GDF operations by improving CARB enhanced vapor recovery (EVR) regulation. Enhanced in-station diagnostics.	Implementation of this control measure as drafted could have an adverse impact on the operation of gasoline dispensing facilities by causing shut downs. Possible impacts, which should be evaluated, include Energy and Traffic.
FUG-04	Emission Reductions from Pipeline & Storage Tank Degassing	Require the vapor space exhaust to be vented to an air pollution control device. Enhanced control technology, increased control efficiency; establish concentration limits; expand source categories (smaller tank, etc.).	Implementation of this control measure could have the affect of prolonging equipment downtime. Thus, the potential Energy (i.e., fuels) impact of this control measure should be evaluated.
FUG-04	Natural Gas Fuel Specifications	Establish an upper limit of the heating value of natural gas.	The Energy impact of this control measure should be evaluated.
MCS-01	Facility Modernization	Existing equipment retrofitted or replaced with BACT at the end of a pre-determined lifespan & use of super compliant materials/process change.	The method for implementing this proposed control measure is vague. Specifics, once developed, may prove so onerous that businesses will elect to close or relocate (although tax incentives have been mentioned, there can be no assurance that such incentives will become available). In addition to socio-economic impacts, these potential outcomes could have impacts on Energy, Waste, Traffic/Transportation, etc.
MCS-06	Improved Startup, Shutdown, & Turnaround Procedures	Reduce emissions during equipment startup, shutdown & turnaround procedures. Best mgmt practices.	The specific requirements of a potential amended rule might have the affect of prolonging maintenance activities at refineries. The Energy (i.e., fuels) impact of this measure needs to be evaluated.
FLX-01	Economic Incentive Programs	Complement command-and-control measures using an Intercredit Trading Program. Incentive program; early installation of advanced control technology.	WSPA suggests that the District may wish to provide additional discussion describing this measure as a potential alternative to other requirements.
FLX-02	Petroleum Refinery Pilot Program	Provide an alternative means of compliance to existing refineries (e.g. offsite reductions).	WSPA suggests that the District may wish to provide additional discussion describing this measure as a potential alternative to other requirements, including the fact that there could be differences in the spatial distribution of emission reductions attributable to the two different approaches.
District Staff's Recommended Control Measures for Sources Under State and Federal Jurisdiction			
ONRD-07	Greater use of Diesel Fuel Alternatives and Diesel Fuel Reformulation	Two-phase approach to achieve add'l (sic) emissions from diesel fuel engines. Fuel reformulation; diesel alternatives (Fischer-Tropsch, biodiesel, emulsified).	The District has noted that Energy impacts will need to be evaluated. Because refineries do not have unlimited flexibility to shift production between diesel fuel and other products, we concur that the Energy (i.e., fuels) impact needs to be addressed.
OFFRD-06	Clean Marine Fuel Requirements for Ocean-Going Marine Vessels	Require all ocean-going vessels to use 0.2 % sulfur content marine distillate fuels beginning in 2008.	Safety issues will need to be considered when evaluating the "Hazard" category of potential impacts.

n:\247\BAQMP\Impact Matrix

A-1

12/14/2006

WSPA COMMENTS ON THE DRAFT CEQA ANALYSIS FOR THE 2007 AQMP UPDATE

Control Measure No.	AQMP Control Measure Title	Control Measure Description	WSPA Comment
OFFRD-07	Further Emission Reductions from Ocean-Going Marine Vessels & Harbor Craft While at Berth	Use shore-side power or other equivalently clean alternative technology while at berth, clean technologies (i.e., SCR, hood)	Safety issues, such as the need for a supply of inert gas for cargo tanks, will need to be considered when evaluating the "Hazard" category of potential impacts.
OFFRD-10	Further Emission Reductions from Ocean-Going Marine Vessels	Slide valve designs and other technologies can reduce oxides of nitrogen emissions. Retrofits (i.e., catalyst, SCR, slide valves, etc).	The "Hazard" category of impacts should be evaluated, and safety issues will need to be considered.

Note: The Control Measure Titles and Descriptions were taken from the SCAQMD's "2007 AQMP Control Measure Environmental Analysis" checklist.

RRW
12/12/2006

n:\2478\AQMP Impact Matrix A-2 12/14/2006

COMMENT LETTER NO. 5
WESTERN STATES PETROLEUM ASSOCIATION

Response 5-1

Potential energy impacts have been evaluated in the Draft PEIR in subchapter 4.2. Potential energy impacts from control measures affecting refineries will be evaluated in more detail in the CEQA documents prepared during the rulemaking process. With regard to transportation/traffic impacts, the commenter does not specify what types of transportation/traffic impacts would be generated by the 2007 AQMP. Since no impacts were identified in the NOP/IS, this topic area was not further evaluated in the Draft EIR.

Response 5-2

The commenter does not specifically identify any hazard impacts associated with marine tankers. Hazard impacts for alternative fuels, however, are analyzed in subchapter 4.3 of the Draft PEIR.

Response 5-3

Specific recommendations on the 2007 AQMP control measures should have been provided directly to SCAQMD staff. There will however, be opportunities to provide specific recommendation and participated in relevant rule promulgation processes.

December 13, 2006

Mr. Michael Krause
Manager Planning, Rule Development and Area Sources SCAQMD
21865 Copley Drive
Diamond Bar, CA 91765-4182

RE: CEQA Analysis of the 2007 Air Quality Management Plan (AQMP); NPCA Comments

Dear Mr. Krause:

NPCA has already submitted comments on the 2007 AQMP draft Plan. These CEQA comments on the Plan incorporate by reference our earlier comments.

6-1 At the outset, we recognize the difficulties any CEQA analysis has in evaluating the large ticket items that are necessarily part of an AQMP. The impacts are usually large and futuristic which makes them more difficult to define and evaluate with the same level of precision that may be achieved with more concrete and immediate projects. Indeed some of the elements of the proposed Plan of most concern to us are titled "Black Box" measures.

6-2 That said, while seeming to recognize that additional mass-based VOC reductions from AIM coatings are not feasible based on currently available technology, the Plan nonetheless calls for a 56 ton reduction in emissions from this source. The Plan states that the reductions are to be achieved from AIM coatings and other solvents from "Black Box" reactivity-based controls and potential "advanced technologies". Despite the unproven nature and feasibility of these emission reduction strategies, the Plan assumes they will work, and consequently scores the project as having no "No Impact" in key areas that most certainly will be affected if these unproven strategies do not work -- "Aesthetics" "Energy", "Hazards and Hazardous Materials" and "Hydrology and Water".

If the strategy fails, key performance characteristics of coatings will be affected. A realistic CEQA analysis should take into account possibilities like those set out below:

6-3 1. Aesthetics – If coatings fail or do not last as long, the appearance buildings and structures will be negatively impacted.

6-4 2. Energy- A key source of reduced energy consumption are the "cool building" coatings that go on roofs. If the coatings mandated by the Plan do not perform as well, there will be obvious impacts on energy consumption.

1

3. Hazards and Hazardous Materials—Coatings that are applied in industrial and utility settings are often used for containment of hazardous materials and large water holdings. Failures of such coatings present obvious risks of hazards and exposures to hazardous materials. Yet the Plan assumes these risks away on the basis of "Black Box" solutions and undefined "advances in technologies". 6-5

4. Hydrology and Water – The comment relating to Hazards and Hazardous Materials applies here as well. Failed containment of hazardous materials will have potential impacts upon hydrology and water. 6-6

Again, we recognize the difficulty in defining such potential impacts precisely.

Still the impacts discussed above are at least as definable as the potential outcomes from such hazy solutions as the "Black Box" measures and "advanced technologies" and merit at least equal acknowledgment in the CEQA analysis. 6-7

By assuming them away entirely, the CEQA analysis avoids identifying very significant potential negative impacts of the Plan and undermines the very purpose of CEQA analysis.

In this connection, we reiterate the concerns we raised in our comments on the Plan, which are best captured by the following:

> "NPCA is greatly concerned that if this extreme and unproven reduction target is adopted by the SCAQMD Board as a short-or mid-term control measure of the AQMP, and approved as part of the California SIP by ARB and EPA, the industry will be arbitrarily 'locked' into achieving the target whether or not it is technologically possible. NPCA and the paint industry have been subject to other SIP-approved AQMP control measures in the past, and SCAQMD sidestepped technical concerns claiming it was 'locked' into these measures through the SIP approval and enforcement process. 6-8
>
> On Page 4-63, the proposed SCAQMD plan itself notes that reformulation based on lower reactive compounds need to be evaluated and considered and does not know what additional reductions are actually achievable.... NPCA recommends that a specific numerical goal not be set until technical feasibility issues are carefully examined."

Our comments expressed serious reservations about the Plan's call for a 50% reformulation of coatings with materials of reduced reactivity potential. We suggested that the Plan recognize that any specified numerical "goal or target" be capable of future adjustment based on technological and economic feasibility findings. 6-9

6-10 An adequate CEQA analysis requires addressing the potential negative impacts that might occur if the suggested measures do not work as the Plan expects. Without such realistic assessments in the beginning, unrealistic expectations are established and it becomes difficult to anticipate and make any needed adjustments required by future realities.

Sincerely,

/s/ /s/

Jim Sell
Senior Counsel

David Darling, P.E.
Director, Environmental Affairs

COMMENT LETTER NO. 6
NATIONAL PAINT AND COATINGS ASSOCIATION

Response 6-1

Although not well defined the Draft PEIR includes a qualitative analysis of long-term measures based the most likely control strategies applicable to the specific source categories. Please refer to Response 6-2.

Response 6-2

The reactivity based long-term measure has been eliminated as part of the proposed project. During the rulemaking process for coating related short-term control measures, the SCAQMD staff will work with stakeholders to address various control options. It is the objective to balance the VOC limit with coating and solvents that can meet the industry standards of performance, reliability, durability, etc. It is not the intent of the SCAQMD regulations to encourage manufacturers to produce products that do not meet industry standards. Moreover, it is not an accurate assumption that these advanced low VOC coatings and solvents will fail.

Response 6-3

The previous analysis of PAR 1113 did not reach the same conclusion. This subject is evaluated in the Draft PEIR for the 2007 AQMP. Please refer to section 4.1.5 - Potential Impacts and Mitigation for clarification. It is speculative to conclude that reformulated coatings will fail or not last as long as existing products. Performance of new coatings will continue to be studied so the proper conclusions regarding aesthetics can be made.

Response 6-4

Light colored roof coatings are part of a voluntary control measure and not a mandatory requirement at this point in time it is speculative to assume mew reformulated low VOC coatings will fail. Only until the new coatings are studied can a conclusion be made.

Response 6-5

It is speculative to assume that future low VOC industrial maintenance coatings used for containment will fail. As with past amendments to coatings rules, evaluation of the durability of these types of coatings will be performed in conjunction with any future rulemaking.

Response 6-6

With regard to failure of containment coatings, please refer to Response 6-5.

Response 6-7

With regards to analyzing certain broad measures such as "black box", the Draft PEIR included a qualitative analysis of the impacts because there is a lack of specificity and data to define the impact quantitatively.

Response 6-8

In the draft 2007 AQMP, Control Measure LTM-01 (Reactivity-Based Controls) was proposed to achieve further VOC reductions from coatings, solvents, and consumer products by using lower-reactivity formulations. For the draft final AQMP, this measure is replaced with another long-term measure which is aimed at reducing VOC emissions from consumer products through any combination of product reformulations or replacements. Lower-reactivity formulations could provide an alternative means of compliance for achieving these reductions. For coatings and solvent categories, the SCAQMD will continue to evaluate the feasibility of reactivity-based controls (as well as ultra low-VOC formulations) and pursue additional technical studies to support these efforts.

Long-term "black box" reductions rely on the development of new technologies and improvement of existing technologies. As these technologies are developed and become available, more detailed technical and economic analysis will be conducted to determine their feasibility and reduction potential. The SCAQMD looks forward to continue working with NPCA in future rulemakings.

Response 6-9

With regard to potential requirements in future coatings rulemakings, please refer to Response 6-8.

Response 6-10

The environmental analysis of control measures in the 2007 AQMP is commensurate with the level of detail of the 2007 AQMP controls, consistent with CEQA Guidelines §15146. More detailed environmental analyses will be prepared during the specific rulemaking processes for the individual control measures.

STATE OF CALIFORNIA — Arnold Schwarzenegger, Governor

NATIVE AMERICAN HERITAGE COMMISSION
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November 15, 2006

Dr. Steve Smith, Program Supervisor
Los Angeles Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

SENT BY FAX: to 909-396-3324
Number of Pages: 9

Re: SCH# 2006111064; CEQA Notice of Preparation (NOP) 2007 Air Quality Management Plan (AQMP); Initial Study for draft Environmental Impact Report (DEIR) for the Los Angeles Air Quality Management District; Riverside, San Bernardino, Orange, Los Angeles Counties

Dear Dr. Smith:

7-1 Thank you for the opportunity to comment on the above-referenced document. The California Environmental Quality Act (CEQA) requires that any project that causes a substantial adverse change in the significance of an historical resource, that includes archeological resources, is a 'significant effect' requiring the preparation of an Environmental Impact Report (EIR) per CEQA guidelines § 15064.5(b)(c). In order to comply with this provision, the lead agency is required to assess whether the project will have an adverse impact on these resources within the 'area of potential effect (APE),' and if so, to mitigate that effect. To adequately assess the project-related impacts on historical resources, the Commission recommends the following action:

7-2 √ Contact the appropriate California Historic Resources Information Center (CHRIS). The record search will determine:
- If a part or the entire (APE) has been previously surveyed for cultural resources.
- If any known cultural resources have already been recorded in or adjacent to the APE.
- If the probability is low, moderate, or high that cultural resources are located in the APE.
- If a survey is required to determine whether previously unrecorded cultural resources are present.

√ If an archaeological inventory survey is required, the final stage is the preparation of a professional report detailing the findings and recommendations of the records search and field survey.
- The final report containing site forms, site significance, and mitigation measurers should be submitted immediately to the planning department. All information regarding site locations, Native American human remains, and associated funerary objects should be in a separate confidential addendum, and not be made available for pubic disclosure.
- The final written report should be submitted within 3 months after work has been completed to the appropriate regional archaeological Information Center.

7-3 √ Contact the Native American Heritage Commission (NAHC) for:
- A Sacred Lands File (SLF) search of the project area and information on tribal contacts in the project vicinity who may have information on cultural resources in or near the APE. Please provide us site identification as follows: USGS 7.5-minute quadrangle citation with name, township, range and section. This will assist us with the SLF.
- Also, we recommend that you contact the Native American contacts on the attached list to get their input on the effect of potential project (e.g. APE) impact.

7-4 √ Lack of surface evidence of archeological resources does not preclude their subsurface existence.
- Lead agencies should include in their mitigation plan provisions for the identification and evaluation of accidentally discovered archeological resources, per California Environmental Quality Act (CEQA) §15064.5 (f). In areas of identified archaeological sensitivity, a certified archaeologist and a culturally affiliated Native American, with knowledge in cultural resources, should monitor all ground-disturbing activities.

STATE OF CALIFORNIA Arnold Schwarzenegger, Governor

NATIVE AMERICAN HERITAGE COMMISSION
915 CAPITOL MALL, ROOM 364
SACRAMENTO, CA 95814
(916) 653-6251
Fax (916) 657-5390
www.nahc.ca.gov
ds_nahc@pacbell.net

7-4 cont.

- Lead agencies should include in their mitigation plan provisions for the disposition of recovered artifacts, in consultation with culturally affiliated Native Americans.

√ Lead agencies should include provisions for discovery of Native American human remains or unmarked cemeteries in their mitigation plans.

* CEQA Guidelines, Section 15064.5(d) requires the lead agency to work with the Native Americans identified by this Commission if the initial Study identifies the presence or likely presence of Native American human remains within the APE. CEQA Guidelines provide for agreements with Native American, identified by the NAHC, to assure the appropriate and dignified treatment of Native American human remains and any associated grave liens.

√ Health and Safety Code §7050.5, Public Resources Code §5097.98 and Sec. §15064.5 (d) of the CEQA Guidelines mandate procedures to be followed in the event of an accidental discovery of any human remains in a location other than a dedicated cemetery.

√ Lead agencies should consider avoidance, as defined in § 15370 of the CEQA Guidelines, when significant cultural resources are discovered during the course of project planning.

Please feel free to contact me at (916) 653-6251 if you have any questions.

Sincerely,

Dave Singleton
Program Analyst

Cc: State Clearinghouse
Attachment: List of Native American Contacts

Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Cabazon Band of Mission Indians
John A. James, Chairperson
84-245 Indio Springs Parkway — Cahuilla
Indio , CA 92203-3499
lweaver@cabazonindi
(760) 342-2593

(760) 347-7880 Fax

Cahuilla Band of Indians
Anthony Madrigal, Jr., Interim-Chairperson
P.O. Box 391760 — Cahuilla
Anza , CA 92539
tribalcouncil@cahuilla
(951) 763-5549

(909) 763-2808 Fax

Pala Band of Mission Indians
Robert Smith, Chairperson
12196 Pala Mission Rd.; PMB 50 — Luiseno
Pala , CA 92059 — Cupeno

(760) 742-3784

(760) 742-1411 Fax

Pauma & Yuima
Christobal C. Devers, Chairperson
P.O. Box 369 — Luiseno
Pauma Valley , CA 92061
kymberli_peters@yah
(760) 742-1289

(760) 742-3422 Fax

Pechanga Band of Mission Indians
Paul Macarro, Cultural Resource Center
P.O. Box 1477 — Luiseno
Temecula , CA 92593

(951) 308-9295
(951) 676-2768
(951) 695-1778 Fax

San Manuel Band of Mission Indians
Henry Duro, Chairperson
26569 Community Center Dr. — Serrano
Highland , CA 92346
dmarquez@sanmanu
(909) 864-8933

(909) 864-3370 Fax

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Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Soboba Band of Mission Indians
Robert J. Salgado, Sr., Chairperson
P.O. Box 487 — Luiseno
San Jacinto , CA 92581
luiseno@soboba-nsn.
(951) 654-2765

(951) 654-4198 - Fax

Torres-Martinez Desert Cahuilla Indians
Raymond Torres, Chairperson
PO Box 1160 — Cahuilla
Thermal , CA 92274

(760) 397-0300

(760) 397-8146 Fax

Twenty-Nine Palms Band of Mission Indians
Dean Mike, Chairperson
46-200 Harrison Place — Luiseno
Coachella , CA 92236 — Chemehuevi
tribal-epa@worldnet.
(760) 775-5566

(760) 775-4639 Fax

Chemehuevi Reservation
Charles Wood, Chairperson
P.O. Box 1976 — Chemehuevi
Chemehuevi Valley , CA 92363
chemehuevit@yahoo.
(760) 858-4301

(760) 858-5400 Fax

Fort Mojave Indian Tribe
Nora McDowell, Chairperson
500 Merriman Ave — Mojave
Needles , CA 92363
mojave@ftmojave.
(760) 629-4591

(760) 629-5767 Fax

Ti'At Society
Cindi Alvitre
6602 Zelzah Avenue — Gabrielino
Reseda , CA 91335
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(714) 504-2468 Cell

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Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Juaneno Band of Mission Indians
David Belardes, Chairperson
31742 Via Belardes
San Juan Capistrano , CA 92675

(949) 493-0959

(949) 493-1601 Fax

Juaneno

Acjachemen Nation
Juaneno Band of Mission Indians
Sonia Johnston, Chairperson
P.O. Box 25628
Santa Ana , CA 92799
ajuaneno@verizon.

(949) 462-0710
(714) 323-8312 (Cell)

(949) 462-9451 Fax

Juaneno

Colorado River Reservation
Betty Cornelius, Cultural Contact
Route 1, Box 23-B
Parker , AZ 85344
symi@rraz.net
(928) 669-9211

(928) 669-5675 Fax

Mojave
Chemehuevi

San Fernando Band of Mission Indians
John Valenzuela, Chairperson
P.O. Box 221838
Newhall , CA 91322
tsen2u@msn.com
(661) 753-9833
Office
(760) 949-1604 Fax

Fernandeño
Tataviam
Serrano
Vanyume
Kitanemuk

AhaMaKav Cultural Society, Fort Mojave Indian Tribe
Linda Otero, Director
P.O. Box 5990
Mohave Valley , AZ 86440
ahamakav@citlink.net
(928) 768-4475

(928) 768-7996 Fax

Mojave

Santa Rosa Band of Mission Indians
John Marcus, Chairman
P.O. Box 609
Hemet , CA 92546

(951) 658-5311
(951) 658-6733 Fax

Cahuilla

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Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Augustine Band of Cahuilla Mission Indians
Mary Ann Green, Chairperson
P.O. Box 846 Cahuilla
Coachella , CA 92236

(760) 369-7171

Gabrielino/Tongva Council / Gabrielino Tongva Nation
Sam Dunlap, Tribal Secretary
501 Santa Monica Blvd., Suite 500 Gabrielino Tongva
Santa Monica , CA 90401-2415

(310) 587-2203

(310) 587-2281 Fax

Juaneno Band of Mission Indians Acjachemen Nation
Anthony Rivera, Chairman
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San Juan Capistrano , CA 92675-2674
arivera@juaneno.com
949-488-3484
949-488-3294 Fax

Gabrielino Band of Mission Indians of CA
Ms. Susan Frank
PO Box 3021 Gabrielino
Beaumont , CA 92223

(951) 845-3606
Phone/Fax

Morongo Band of Mission Indians
Britt W. Wilson, Cultural Resources Coordinator
245 N. Murray Street, Suite C Cahuilla
Banning , CA 92220 Serrano
britt_wilson@morongo.org
(951) 849-8807
(951) 755-5206
(951) 922-8146 Fax

San Manuel Band of Mission Indians
Bernadette Brierty, GIS Coordinator/Cultural Resource
26569 Community Center Dr. Serrano
Highland , CA 92346
bbrierty@sanmanuel-
(909) 864-8933 EXT
-2203
(909) 862-5152 Fax

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Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Torres-Martinez Desert Cahuilla Indians
William J. Contreras, Cultural Resources Coordinator
P.O. Box 1160 Cahuilla
Thermal , CA 92274

760) 397-0300

(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Alberto Ramierz, Environmental Coordinator
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760) 397-0300

(760) 397-8146 Fax

Juaneno Band of Mission Indians Acjachemen Nation
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(949) 493-0959

(949) 493-1601 Fax

Fort Mojave Indian Tribe
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Needles , CA 92363
region9epa@ftmojave
(760) 326-1112
(760) 629-4591
(760) 629-5767 Fax

Ramona Band of Mission Indians
Manuel Hamilton, Chairperson
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Anza , CA 92539
ramona41@gte.net
(951) 763-4105

(951) 763-4325 Fax

Juaneno Band of Mission Indians
Alfred Cruz, Culural Resources Coordinator
P.O. Box 25628 Juaneno
Santa Ana , CA 92799

714-998-0721

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Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Juaneno Band of Mission Indians
Joe Ocampo, Environmental Coordinator
P.O. Box 25628 Juaneno
Santa Ana , CA 92799

(949) 462-0710

(949) 462-9451 Fax

Cupa Cultural Center (Pala Band)
Shasta Gaughen, Assistant Director
35008 Pala-Temecula Rd.PMB Box 445 Luiseno
Pala , CA 92059
cupa@palatribe.com
(760) 742-1590

Agua Caliente Band of Cahuilla Indians
Richard Milanovich, Chairperson
600 Tahquitz Canyon Way Cahuilla
Palm Springs , CA 92262

(760) 325-3400

(760) 325-0593 Fax

Pechanga Band of Mission Indians
Mark Macarro, Chairperson
P.O. Box 2183 Luiseno
Temecula , CA 92593

(951) 676-2768

(951) 695-1778 Fax

Serrano Band of Indians
Goldie Walker
6588 Valeria Drive Serrano
Highland , CA 92346

(909) 862-9883

Soboba Band of Luiseno Indians
Harold Arres, Cultural Resources Manager
P.O. Box 487 Luiseno
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harres@soboba-nsn.
(951) 654-2765

FAX: (951) 654-4198

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Native American Contacts
Riverside County; San Bernardino County
Los Angeles County; Orange County
November 15, 2006

Agua Caliente Band of Cahuilla Indians
Richard Begay, THPO Director
650 Tahquitz Canyon Way Cahuilla
Palm Springs , CA 92262
rbegay@aguacaliente
(760) 883-1368

(760) 325-6952 Fax

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COMMENT LETTER NO. 7
NATIVE AMERICAN HERITAGE COMMISSION

Response 7-1

The 2007 AQMP is a general guideline containing strategies for improving air quality to meet state and federal ambient air quality standards. As such, it does not identify specific locations that may be affected by implementing AQMP control measures as rules or regulations. For this reason, it is speculative to assume that cultural resources would be adversely affected by 2007 AQMP control measures. SCAQMD staff is aware of relevant CEQA requirements related to discovery of cultural resources during the construction of proposed projects, including CEQA Guidelines §15064.5. As part of subsequent rulemaking to implement 2007 AQMP control measures, a more detailed analysis of cultural resources will be considered. As necessary, appropriate data bases will be consulted, the NAHC will be consulted, and other appropriate mitigation measures will be required. However, there are procedures in place to conduct an archeological reference search, etc., to minimize cultural resources impacts and it is expected these procedures will be followed.

Response 7-2

With regard to consulting appropriate data bases, please refer to Response 7-1.

Response 7-3

With regard to contacting the NAHC, please refer to Response 7-1.

Response 7-4

CEQA Guidelines are expected to be followed during the rulemaking process. The list of attached names will be contacted at the release of the Draft PEIR for the 2007 AQMP.

With regard to mitigation measures in the event that cultural resources are discovered, the SCAQMD will keep the attached names on file. Also, please refer to Response 7-1.

COUNTY OF ORANGE
RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT

Bryan Speegle, Director
300 N. Flower Street
Santa Ana, CA
P.O. Box 4048
Santa Ana, CA 92702-4048
Telephone: (714) 834-2300
Fax: (714) 834-5188

NCL 06-045

December 13, 2006

Michael Krause
c/o CEQA
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4182

SUBJECT: NOP of a DPEIR for the 2007 Air Quality Management Plan (AQMP)

Dear Mr. Krause:

8-1 Thank you for the opportunity to respond to the above referenced item. The County of Orange has reviewed the Notice of Preparation (NOP) of a Draft Program Environmental Impact Report (DPEIR) and has no comments at this time. However, we would like to be advised of any further developments.

If you have any questions, please contact Charlotte Harryman at (714) 834-2522.

Sincerely,

Ronald L. Tippets, Chief
Current & Environmental Planning

COMMENT LETTER NO. 8
COUNTY OF ORANGE

Response 8-1

Thank you for your comment. The SCAQMD understands that the county has no comment at this time.

STATE OF CALIFORNIA—BUSINESS, TRANSPORTATION AND HOUSING AGENCY ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF TRANSPORTATION
District 12
3337 Michelson Drive, Suite 380
Irvine, CA 92612-8894
Tel: (949) 724-2267
Fax: (949) 724-2592

Flex your power!
Be energy efficient!

FAX & MAIL

December 12, 2006

Mr. Michael Krause
SCAQMD Headquarters
21865 Copley Drive
Diamond Bar, California 91765

File: IGR/CEQA
SCH#: None
Log #: 1798

Subject: 2007 Air Quality Management Plan (AQMP)

Dear Mr. Krause,

Thank you for the opportunity to review and comment on the **Initial Study for the Draft Program Environmental Impact Report: 2007 Air Quality Management Plan (AQMP).** The proposed AQMP would update the 2003 AQMP. The 2007 AQMP identifies control measures to be implemented by the state, federal, and local agencies to demonstrate that the region will attain the federal 8-hour ozone standard and the federal standard for particulate matter less than 2.5 microns in diameter by the applicable target dates. The AQMP also includes the most current air quality setting, updated emissions inventories of stationary and mobile sources, updated growth projections, new modeling techniques, rate of progress demonstration for NOx and VOC emissions, and an implementation schedule for adoption of the proposed control measures.

9-1

Caltrans District 12 is a commenting agency on this project and has no comment at this time.

Please continue to keep us informed of this project and any future developments, which could potentially, impact State transportation facilities. If you have any questions or need to contact us, please do not hesitate to call Maryam Molavi at (949) 724-2267.

Sincerely,

Ryan Chamberlain, Branch Chief
Local Development/Intergovernmental Review

"Caltrans improves mobility across California"

COMMENT LETTER NO. 9
CALIFORNIA DEPARTMENT OF TRANSPORTATION, DISTRICT 12

Response 9-1

Thank you for your comments. The SCAQMD understands that CalTrans District 12 has no comments at this time.

Comments and Responses from the 2007 AQMP Scoping Meeting 11/15/06

Comment 1: What happens if the AQMP changes and there are control measures not included and evaluated in the Draft Program EIR?

Response 2: The analysis of environmental impacts in the Draft Program EIR is based on the proposed modifications to the Draft 2007 AQMP released on March 2, 2007. The project description includes all SCAQMD short- and long-term control measure, CARB's control measures, the SCAQMD's "overlay" control measures, and all other long-term control measures. Any control measures identified after release of the Draft Program EIR will be evaluated to determine whether or not they are within the scope of the analysis or change any conclusions in the Draft PEIR and, depending on the results of the evaluation, incorporated into the Final PEIR.

Comment 2: The Draft PEIR needs to evaluate cost impacts from control measure EGM-01 on new residential development and housing affordability.

Response 2: Economic and social effects of a project are not a topic required to be analyzed in a CEQA document unless they create physical changes to the environment (CEQA Guidelines §15131). However, based on input from the EGM-01 stakeholder working group, the fee component of control measure EGM-01 has been removed.

Comment 3: The Draft PEIR needs to evaluate air quality impacts on water quality, in particular how PM10 affects water quality.

Response 3: The Draft PEIR includes an analysis of water quality and water demand impacts from implementing 2007 AQMP control measures. To the extent that 2007 AQMP control measures control PM10 and PM2.5 (e.g., control measures FUG-03, BCM-01, BCM-02, MCS-05, EGM-01, etc.), any PM10 air quality impacts on water quality would be reduced.