

Quantifying Contingencies for the 2008 PM_{2.5} Plan

Section 1: Introduction

The San Joaquin Valley Air District's (District) *2008 PM_{2.5} Plan* is a comprehensive and innovative strategy demonstrating expeditious attainment of the U.S. Environmental Protection Agency's (EPA) 1997 air quality standards for PM_{2.5} (particulate matter that is 2.5 microns or less in diameter). On November 9, 2011, EPA approved this plan and related submittals, with the exception of the plan's contingency measures¹. This contingency disapproval triggers Clean Air Act (CAA) sanction clocks running from the effective date of the final Federal Register action (January 9, 2012). The goal of this document is to demonstrate sufficient contingency measure emissions reductions to meet federal requirements and stop the sanction clock.

Contingency measures are extra emissions reductions that go into effect without further regulatory action². In an attainment plan, the measures must be "extra" in the sense that the reductions are not accounted for in reasonable further progress (RFP) or in the attainment demonstration. The purpose of contingency measures is to continue progress in reducing emissions should the State Implementation Plan (SIP) need to be revised to meet a missed RFP milestone or correct continuing nonattainment.

Contingency measure emissions reductions are demonstrated for the RFP milestone years and for the attainment year. The discussion in EPA's PM_{2.5} implementation rule suggests that the amount of contingency reductions should be equivalent to about one year of reductions needed for RFP³, although this is not embodied in regulatory requirements related to contingency measures (40 CFR 51.1012 or in CAA §172(c)(9)). For the 1997 PM_{2.5} standard, this is based on the overall level of reductions needed to demonstrate attainment divided by the number of years between the base year (2005) and the attainment year (2014) (9-year timespan). Table 1 shows the resulting contingency need for each pollutant for the *2008 PM_{2.5} Plan*.

¹ EPA, Approval and Promulgation of Implementation Plans; California; 2008 San Joaquin Valley PM_{2.5} Plan and 2007 State Strategy; Final Rule. 76 Fed. Reg. 217, pg 69896-69926. (2011, November 9). Retrieved from <http://www.gpo.gov/fdsys/pkg/FR-2011-11-09/pdf/2011-27232.pdf>

² Clean Air Act Section 172(c)(9), 40 CFR 51.1012.

³ EPA, Clean Air Fine Particle Implementation Rule [PM_{2.5} Implementation Rule]. 72 Fed. Reg. 79, pp. 20586–20667. At 20642-43. (2007, April 25). Retrieved from <http://www.gpo.gov/fdsys/pkg/FR-2007-04-25/pdf/E7-6347.pdf#page=1>

Table 1: Contingency Reductions Target (in tons per day, or tpd)

	Contingency Target = "One year's worth of RFP" ⁴
PM2.5	2.5
NOx	31.6
SO2	0.2

Section 2: RFP milestone years

RFP contingencies are used if planned emissions controls fail to reach the emissions targets specified in the SIP for RFP. The need to implement RFP contingencies is based on the emissions occurring in the RFP milestone year. For the *2008 PM2.5 Plan*, the RFP milestone years are 2009 and 2012; however, EPA noted that only 2012 needed to be evaluated for purposes of correcting the contingency disapproval. If the 2012 RFP targets were met, then 2012 contingency reductions are not needed.

All control measure commitments from the *2008 PM2.5 Plan* have been adopted by the District and ARB except one: Rule 4905 (Natural, gas-fired, fan-type residential central furnaces) is to be amended in 2014, but emissions reductions from this rule amendment were not quantified or credited in the *2008 PM2.5 Plan*.

Table 2 is based on the most recent annual planning inventories available, from ARB's 2011 RFP tables for the Valley. The purpose of the 2011 demonstration was to show that RFP targets could be met, even setting aside some of the achieved emissions reductions for contingency (so, per Table 2, column 2 is less than column 1 for NOx and SOx). However, the purpose of this current demonstration is to show that RFP was met through actual emissions, and thus contingencies for the RFP year are not needed; therefore, it is now most appropriate to compare Table 2 Column 3 to Column 1.

⁴ This data is consistent with EPA's determination in its September 20, 2011 Technical Support Document and Responses to Comments, Final Rule on the San Joaquin Valley 2008 PM2.5 State Implementation Plan, page 132

Table 2: 2012 RFP Benchmarks⁵

	Column 1 2012 Benchmark Target	Column 2 "RFP Level," including contingency deduction	Column 3 Actual 2012 emissions	RFP benchmark met? (is column 3 less than column 1)
PM2.5	68	69	69	No – use inter-pollutant trading (Table 3)
NOx	354	354	328	Yes
SOx	24	23	20	Yes

Though there is a 1 tpd shortfall in PM2.5, there is a surplus of NOx and SOx. A NOx:PM2.5 trading ratio of 9:1 was established for the *2008 PM2.5 Plan* (see Appendix A to this contingency quantification document), and with this trading, the surplus NOx reductions more than make up the PM2.5 shortfall (see Table 2). In conclusion, 2012 RFP targets were met, and contingency measures are not needed for 2012.

Table 3: PM2.5 equivalent of NOx surplus

NOx RFP surplus	26 tpd (see Table 2, columns 3 and 1)
PM2.5 equivalent of NOx surplus, 9:1 NOx:PM2.5 trading ratio	2.9 tpd PM2.5 equivalent
PM2.5 RFP shortfall	1 tpd (see Table 2)
Does NOx surplus surpass PM2.5 shortfall?	Yes
<i>PM2.5 RFP is met with NOx surplus</i>	

Section 3: Attainment year

Attainment contingencies are implemented if a region fails to attain a federal standard by the final attainment date⁶. The need to implement attainment contingencies is based on ambient air quality data as of the end of the attainment year. This is contrasted against RFP contingencies, which are needed if emissions reductions targets are not met. The District and ARB have already adopted all plan control measures that included emissions reductions commitments to assure that the emissions levels needed for attainment will be achieved in 2014.

⁵ Based on ARB (April 28, 2011), 2011 PM2.5 SIP Revisions, Appendix C: Reasonable Further Progress Tables, http://www.arb.ca.gov/planning/sip/2007sip/2011_update_appendix_c.pdf

⁶ However, Clean Air Act Section 172(a)(2)(C) and EPA's Fine Particle Implementation Rule allow for two one-year attainment date extensions in the event that there is "clean data" in the attainment year, but not in the preceding two years that also factor into the three-year average attainment determinations.

However, if EPA finds that an area fails to attain a standard on time, contingency reductions must be implemented automatically. An area often must adopt a new attainment plan, and sometimes other penalties apply as well, depending on the requirements associated with the standard in question.

3.1 What Qualifies as a Contingency Measure?

As noted in the introduction (Section 1 of this document), contingency measures are extra emissions reductions that go into effect without further regulatory action. The amount of contingency reductions should be equivalent to about one year of reductions needed for RFP⁷. The plan should contain trigger mechanisms and a schedule for the contingency measure implementation. Contingency measures can include measures already adopted and scheduled for implementation, as long as these measures are not relied on to provide emissions reductions needed to provide for RFP or expeditious attainment.

Based on these general contingency requirements, the District is utilizing three types of contingency measures in this contingency quantification:

- Surplus reductions from implementation of traditional regulations
- Regulations with a contingency trigger
- SIP-creditable incentive-based emissions reductions

Each of these contingency measures was discussed in either Chapter 9 of the *2008 PM_{2.5} Plan*⁸ or ARB's resolution adopting the plan.⁹ As such, this document is not adding new contingency measures to the plan, but is more accurately quantifying the benefit of these measures to demonstrate that sufficient contingency reductions are being achieved.

3.1.1 Surplus Reductions from Implementation of Traditional Regulations

The year 2014 was modeled for attainment in the *2008 PM_{2.5} Plan*. As the attainment contingency need would not occur until 2015 (since attainment would be based on air quality data collected through the end of 2014), the additional reductions occurring between 2014 and 2015 due to further implementation of adopted controls and fleet turn-over can serve as attainment contingencies (Table 4). ARB documented the emissions reductions occurring between 2014

⁷ EPA, Clean Air Fine Particle Implementation Rule [PM_{2.5} Implementation Rule]. 72 Fed. Reg. 79, pp. 20586–20667. At 20642-43. (2007, April 25). Retrieved from <http://www.gpo.gov/fdsys/pkg/FR-2007-04-25/pdf/E7-6347.pdf#page=1>

⁸ District's (April 30, 2008) *2008 PM_{2.5} Plan*, Chapter 9, pages 9-7 through 9-9. http://www.valleyair.org/Air_Quality_Plans/docs/AQ_Final_Adopted_PM2.5/13%20Chapter%209.pdf

⁹ ARB (May 22, 2008). Resolution adopting the *2008 PM_{2.5} Plan*, page 6. http://www.arb.ca.gov/planning/sip/sjvpm25/resolution_sjv08.pdf

and 2015 in its May 18, 2011 letter to EPA, and EPA acknowledges this data in its contingency quantification in its TSD¹⁰.

Table 4: Attainment Contingencies from Traditional Regulatory Reductions: additional reductions in 2015 (tpd)

	Contingency
NOx	21
PM2.5	0
SOx	3

3.1.2 Regulations with Contingency Trigger

The District's 2008 Amendment to Rule 4901 (Wood Burning Fireplaces and Wood Burning Heaters) included a contingency provision (Section 5.6.5 of Rule 4901) that would lower the mandatory wood burning curtailment threshold if the Valley fails to attain the 1997 PM2.5 standard by April 2015. The contingency, if implemented, would lower the curtailment level from a forecast 24-hour level PM2.5 level of 30 µg/m³ to 20 µg/m³. This would result in more "No Burn" days and more PM2.5 and NOx emissions reductions from residential wood combustion. The trigger for this measure is that the lower threshold would become effective 60 days after final EPA rulemaking that the Valley failed to attain the federal annual PM2.5 standard set in 1997 by the applicable attainment deadline (April 2015, based on 2012-2014 data).

As part of the *2012 PM2.5 Plan* adopted by the District Governing Board in December 2012, the District has made a local commitment to lower the wood burning curtailment in 2014, with implementation starting November 1, 2014. This proactive strengthening of the rule does not change the status of the current Rule 4901 contingency, as these additional reductions were not relied upon to demonstrate attainment in the *2008 PM2.5 Plan*.

The emissions reductions that would be achieved by this contingency measure are based on the:

- Total emissions reductions that would be achieved by Rule 4901, as an annual average day, under implementation of the contingency level
- *Minus* the annual average emissions reduction plan commitment for Rule 4901 in 2014 without the contingency, and which was accounted for in the RFP demonstration and the attainment plan modeling.

¹⁰ EPA, September 20, 2011 Technical Support Document and Responses to Comments, Final Rule on the San Joaquin Valley 2008 PM2.5 State Implementation Plan, page 135, "New" Post Attainment Year Reductions. <http://www.regulations.gov/#!documentDetail;D=EPA-R09-OAR-2010-0516-0175>

Based on Tables 5 and 6 below, the emissions reduction attributable to the Rule 4901 contingency is, as an annual average, **3.12 tpd of PM_{2.5} and 0.32 tpd of NO_x**. This is higher than estimates previously supplied to EPA and noted in its September 20, 2011 Technical Support Document, page 135. However, previous estimates were based on 2006 air quality data, whereas the analysis presented here is based on 2009-2013 air quality data (during which the 2008 amendment to Rule 4901 has been fully implemented). Also, the previous estimate did not accurately account for the 2014 emissions reductions commitment from pre-contingency Rule 4901.

This conservative calculation is just one way to calculate the contingency benefit. However, this calculation greatly understates the full impact of Rule 4901 “No burn” days, which reduce some of the most harmful species of particulates in the times and places where air quality is forecast to reach unhealthy levels. The contingency achieves the greatest benefit during the winter, when PM_{2.5} is highest. **A Valley-wide no-burn day achieves a direct PM_{2.5} emission reduction of 16 tons.** No other single regulation achieves this level of effectiveness.

Table 5: PM_{2.5} emissions reductions, Rule 4901 contingency

Column 1	Column 2	Column 3	Column 4
County	Total “No Burn” days at contingency level, based on 2009-2013 wood-burning seasons	Direct PM_{2.5} emissions subject to the rule, tons/day	PM_{2.5} emissions prevented during contingency, tons (Column 2 x Column 3)
Fresno	85	5.40	459.34
Kern (Valley portion)	78	3.58	278.93
Kings	69	0.52	35.95
Madera	65	1.90	123.70
Merced	55	1.43	78.87
San Joaquin	49	3.51	172.04
Stanislaus	74	3.07	227.18
Tulare	67	2.29	153.10
Total tons of direct PM _{2.5} prevented			1529.1 tons
As an annual average day (divide by 365)			4.2 tpd
Minus the annual average emissions reductions commitment accounted for in the EPA’s TSD ¹¹			-1.08
Rule 4901 Contingency Benefit, annual average			3.12 tpd

¹¹ EPA, Technical Support Document and Responses to Comments, Final Rule on the San Joaquin Valley 2008 PM_{2.5} State Implementation Plan, page 93 (2011, September 20). <http://www.regulations.gov/#!documentDetail;D=EPA-R09-OAR-2010-0516-0175>

Table 6: NOx emissions reductions, Rule 4901 contingency

Column 1	Column 2	Column 3	Column 4
County	Total “No Burn” days at contingency level, based on 2009-2013 wood-burning seasons	Direct NOx emissions subject to the Rule, tons/day	NOx emissions prevented during contingency, tons (Column 2 x Column 3)
Fresno	85	0.57	48.37
Kern (Valley portion)	78	0.37	28.47
Kings	69	0.05	3.52
Madera	65	0.23	14.63
Merced	55	0.14	7.92
San Joaquin	49	0.35	16.95
Stanislaus	74	0.31	22.64
Tulare	67	0.28	19.03
Total tons of direct NOx prevented			161.53
As an annual average day (divide by 365)			0.44
Minus the annual average emissions reductions commitment accounted for in the EPA’s TSD ¹²			-0.12 tpd
Rule 4901 Contingency Benefit, annual average			0.32 tpd

3.1.3 SIP-Creditable Incentive-Based Emissions Reductions

The District’s successful incentive-based measures have been reducing pollutant emissions above and beyond reductions being achieved through traditional regulations. Historically, EPA has not granted credit for incentive-based reductions for use in SIPs to meet Clean Air Act obligations. New District Rule 9610 will establish appropriate mechanisms for the District to take SIP credit for eligible incentive programs achieving surplus, quantifiable, and enforceable emissions reductions. Once given credit, SIP-creditable, incentive-based emissions reductions will be used alongside regulatory measures to meet federal Clean Air Act requirements, such as requirements for contingency reductions. These criteria and the District incentive programs that meet these criteria are more fully discussed in draft District Rule 9610 and the accompanying staff report.

The 2013 Annual Demonstration Report shows emissions reductions being achieved across several applicable incentive programs. A total of 10.9 tpd of NOx and 0.44 tpd of PM2.5 is available for contingency through Carl Moyer, Prop 1B, and NRCS. This total amount of reductions surpasses the amount needed in this quantification. Conservatively, only about 70% of the total reduction in agricultural equipment (Carl Moyer and NRCS) is currently needed for this contingency quantification, for a total of about **4.15 tpd of NOx reductions and 0.10 tpd of PM2.5 reductions.**

¹² Ibid.

Under Section 7.0 of Proposed Rule 9610, each SIP submission in which the District relies on Rule 9610 reductions is to:

- **Identify incentive program guidelines (as specified in Section 3.0) used to generate projected SIP-creditable emission reductions. (Section 7.1)**

The District is using Carl Moyer agricultural equipment and NRCS guidelines specifically included in Section 3.1 of Rule 9610. See the 2013 Annual Demonstration Report for more information.

- **Identify emission reductions not to exceed the amount projected to be achieved through the use of secured or reasonably anticipated incentive program funding and the estimated availability of emission reductions projects and willing participants, based on historical participation and estimates of remaining equipment. (Section 7.2)**

With the commitment in this particular contingency quantification, the District is relying on already-executed, legally-binding contracts, rather than projections of emissions reductions based on anticipated funding and participation.

- **Be specifically adopted by the District as a part of the SIP and accounted for in the annual demonstration report as SIP-creditable emission reductions are achieved through provisions of this rule. (Section 7.3)**

The District adopted the use of incentive program reductions for contingency as part of the SIP in the *2008 PM2.5 Plan*. And now, this Rule 9610 emissions reductions commitment is to be adopted by the District as part of the SIP at an upcoming public hearing, and is specifically accounted for in the 2013 Annual Demonstration Report.

- **State that if either the District or EPA finds that there is a SIP shortfall for a particular year, the District will adopt and submit to EPA, by specified dates, substitute rules and measures that will achieve equivalent emission reductions as expeditiously as practicable and no later than any applicable implementation deadline in the Clean Air Act or EPA's implementing regulations. (Section 7.4)**

Since the reductions relied upon in this contingency quantification and documented in the 2013 Annual Demonstration Report are based on already-executed, legally-binding contracts, there should not be any shortfall. In addition, contracts executed between now and the end of 2014 will provide additional emissions reductions for 2015. That said, the District (per Section 7.4 of Proposed Rule 9610) will continue to track the implementation of executed agreements to ensure that no shortfall results

as these projects are implemented. If there is a shortfall, the District will remedy the shortfall per Section 7.4.

3.2 Sufficient Contingency Reductions

Areas like the Valley that have significant nonattainment challenges have developed several generations of aggressive and far-reaching emission reduction measures to meet various Clean Air Act requirements. The result of this “no stone left unturned” policy is that when viable emission reductions are identified, they are implemented to contribute to expeditious attainment. Reductions are not usually held in reserve to be used only if an area fails to meet a milestone. As a result, contingency measure demonstrations in the Valley have been a challenge, historically.

However, this document has outlined three types of contingency measures being used to meet the contingency reductions required for the *2008 PM2.5 Plan*:

- Surplus from traditional regulations (see Section 3.1.1)
- Regulations with contingency trigger (see Section 3.1.2)
- SIP-creditable incentives (see Section 3.1.3)

Table 7 shows how these approaches together generate enough emissions reductions to meet the contingency reductions required for this plan.

Table 7: Demonstration of Sufficient Contingency Reductions

	2015
PM2.5	
Contingency reductions required	2.5
Demonstration of contingencies achieved	
<i>Surplus from traditional regulations</i>	0.0
<i>Regulations with contingency trigger (Rule 4901)</i>	3.12
<i>SIP-creditable incentives (up to 0.44 tpd available)</i>	0.10
<i>Subtract PM2.5 reductions, trade for NOx*</i>	-0.72
Total contingency reductions achieved	2.5
Contingency need met?	Yes
NOx	
Contingency reductions required	31.6
Demonstration of contingencies achieved	
<i>Surplus from traditional regulations</i>	21.0
<i>Regulations with contingency trigger (Rule 4901)</i>	0.3
<i>SIP-creditable incentives (up to 10.9 tpd available)</i>	4.15
<i>Substitute PM2.5*</i>	6.48
Total contingency reductions achieved	31.93
Contingency need met?	Yes
SOx	
Contingency reductions required	0.2
Demonstration of contingencies achieved	
<i>Surplus from traditional regulations</i>	3.0
<i>Regulations with contingency trigger</i>	0.0
<i>SIP-creditable incentives</i>	0.0
Total contingency reductions achieved	3.0
Contingency need met?	Yes
* 1 ton of direct PM2.5 emissions reductions is equivalent 9 tons of NOx reductions in the 2008 PM2.5 Plan. See Appendix A to this contingency quantification document	

Appendix A 9:1 Trading Ratio, NOx:PM2.5

ARB provided the following “Attachment 3” to EPA on May 18, 2011 to document inter-pollutant trading ratios that depict the relative effectiveness of reductions in different precursors contributing to ambient PM_{2.5} levels in the San Joaquin Valley Air Basin (as well as South Coast). In the *2008 PM_{2.5} Plan*, as approved by EPA, the 9:1 trading ratio was used only for transportation conformity purposes¹³, because that was the need at that time. However, the analysis generating this trading ratio was based on the emissions inventory as a whole, and not just mobile source emissions, as described in “Attachment 3.” Since EPA has already accepted this non-source-specific demonstration, the resulting trading ratio is available for use beyond transportation conformity.

¹³ ARB, 2011 PM_{2.5} SIP Revisions, Appendix D: Transportation Conformity Budgets, page 2 (2011, March 29). Retrieved from <http://www.arb.ca.gov/planning/sip/sivpm25/appd.pdf>

Attachment 3

Precursor Effectiveness

In order to understand the relative effectiveness of reductions in different precursors contributing to ambient $PM_{2.5}$, staff of the Air Resources Board (ARB) and the South Coast Air Quality Management District (SCAQMD) conducted air quality modeling sensitivity runs using the modeling conducted for the attainment demonstrations. These relative effectiveness ratios were used to guide control strategy development as well as to normalize the benefits of multiple precursors so they can be reflected in terms of a single equivalent precursor. This method also provides a uniform metric for tracking progress relative to the attainment emissions targets. Documentation on the methodologies used for calculating the effectiveness ratios in each area is provided below.

South Coast

A description of the methodology used by SCAQMD staff is provided in Appendix C of ARB's staff report on the SCAQMD 2007 State Implementation Plan which can be found at:

<http://www.arb.ca.gov/planning/sip/2007sip/southcoast/staffrepappc.pdf>

San Joaquin Valley

In order to evaluate precursor effectiveness, ARB staff focused on the response in the Bakersfield metropolitan area where the highest $PM_{2.5}$ concentrations in the San Joaquin Valley occur. Staff conducted two grid-based modeling sensitivity runs where the NO_x and primary $PM_{2.5}$ emissions were reduced, one at a time, by 10% relative to the future-year modeled attainment scenario. From these sensitivity runs we calculated a future year modeled design value reflecting the further 10% emission reduction assumptions. The difference between the attainment scenario (before 10% reduction in emissions) and adjusted (after 10% reduction in emissions) design values were then compared. Table 1 shows results for NO_x and primary $PM_{2.5}$ emission reductions as well as the efficacy of reducing primary $PM_{2.5}$ relative to that for NO_x .

The 1st column of Table 1 lists the Bakersfield area monitoring sites and the 2nd column contains the monitored 2006 design value for those sites. The 3rd column contains the 2014 modeled design values taking into account all of the reductions in the attainment strategy. The 4th and 5th columns list the adjusted 2014 design values with additional 10% emissions reductions for NO_x , and primary $PM_{2.5}$, respectively. The 6th column lists the effectiveness of controlling primary $PM_{2.5}$ relative to that of controlling NO_x . This analysis showed that controlling primary $PM_{2.5}$ is approximately nine times more effective than controlling NO_x based on the average across the three Bakersfield area sites.

Attachment 3

The precursor effectiveness values were calculated by determining the difference between the modeled 2014 attainment design value (3rd column) and the design value of the sensitivity run (4th or 5th columns). This difference was then divided by the tonnage of each precursor corresponding to a 10% domain-wide reduction in emissions to develop the respective precursor effectiveness ratios. The PM_{2.5} effectiveness value was then divided by the NO_x effectiveness value to determine a relative ratio (6th column).

Table 1: The effectiveness of precursor controls on the 2014 design value.

Site	Measured 2006 Design Value (ug/m3)	Modeled 2014 Design Value With SIP Attainment Strategy (ug/m3)	Modeled 2014 Design Value With Additional 10% NO _x Reduction (ug/m3)	Modeled 2014 Design Value With Additional 10% PM _{2.5} Reduction (ug/m3)	PM _{2.5} Effectiveness Relative to NO _x
Site 1 (Bakersfield-California)	18.5	14.3	14.1	13.6	8.7
Site 2 (Bakersfield-Planz)	18.9	14.7	14.6	14.0	9.3
Site 3 (Bakersfield-Golden)	18.6	14.4	14.2	13.7	8.6