Air Quality Committee Meeting Minutes

January 9, 2013

The Air Quality Committee (AQC) of the Environmental Management Commission (EMC) met on January 9, 2013, in the Ground Floor Hearing Room of the Archdale Building. The AQC members present: Chairman Marion Deerhake, Mr. Christopher Ayers, Mr. Marvin Cavanaugh, Ms. Yvonne Bailey, Mr. Les Hall, Dr. Ernest Larkin, Mr. Jeff Morse, Ms. Amy Pickle, Dr. David Peden, and Mr. Stephen Smith. The Director and staff members of the Division of Air Quality (DAQ), Mr. Frank Crawley of the North Carolina Attorney General's Office, and the general public were also in attendance.

Agenda Item #1, Call to Order and the State Government Ethics Act, N.C.G.S. §138-A-15(e) Chairman Deerhake called the meeting to order at approximately 10:00 a.m. Chairman Deerhake welcomed Ms. Bailey back to the AQC.

Chairman Deerhake reminded the AQC members of the State Government Ethics Act regarding conflicts of interests or appearance of conflicts of interests. No members recused themselves from agenda items.

Agenda Item #2, Review and Approval of the November 2012 AQC Meeting Minutes

Mr. Cavanaugh moved for approval of the minutes. Mr. Hall seconded the motion. The motion passed to approve the minutes.

INFORMATION ITEMS

Agenda Item #7, S.L. 2012-91 Section 4 Air Toxics Report (Mike Abraczinskas, DAQ)

Mr. Abraczinskas reminded the AQC that S.L. 2012-91 changed some of the requirements of the air toxics program and also required DAQ complete specified reports by the end of 2012. He reported that staff was still in the report drafting and review stage. Mr. Abraczinskas presented a PowerPoint presentation summarizing the required reports (see handout in AQC agenda package). He explained that S.L. 2012-91 contains four main sessions.

Section 1	Exempts sources subject to certain federal regulations and Codifies "Director's Call" provision
Section 2	Requires rule amendments
Section 3	Requires review of rules and their implementation
Section 4	Requires reports on implementation of this act

Mr. Abraczinskas explained that Section 1 provided a new exemption for particular sources that are subject to certain federal air toxics legislations. It also includes a review of all permit applications for new or modified facilities that increase air toxics emissions to ensure there are no unacceptable public health risks posed by that emissions increase, which, in many ways, codifies the "Director's Call' provision in our existing rules.

He explained that Section 2 requires the rulemaking process to adopt those changes provided in Section 1.

Section 3 requires the review of existing rules and their implementation.

Mr. Abraczinskas' presentation focused on Section 4, which requires the DAQ to report each of the next three years, starting December 2012, on the implementation of the Session Law. The law requires the DAQ to include an analysis of air toxics emissions changes and a summary of results of the DAQ's analysis of air quality impacts. He explained that the law became effective June 28, 2012, and the DAQ implemented it immediately. The analysis period covered June 28, 2012, through October 28, 2012. During that period, the DAQ received 115 permit applications and only 12 of those triggered a review pursuant to Section 1 of S.L. 2012-91. None of the 12 posed an unacceptable risk. Four of the applications did not exceed the emissions threshold in the rules that would trigger further analysis. In six of those applications, the facilities' emissions increases exceeded the threshold that required analysis but the DAQ already had modeling for that facility and was able to evaluate existing modeling to determine that the Acceptable Ambient Levels (AALs) was not exceeded . In two cases, the facility voluntarily submitted modeling for their sources of air toxics emissions. Mr. Abraczinskas said that the air toxics most frequently encountered in the review of those 12 permit applications were: formaldehyde, arsenic, beryllium, cadmium, nickel, manganese, benzene, and fluorides.

Mr. Abraczinskas told the AQC that the Session Law also required the DAQ to report on toxic air emissions. The near term trends in toxic air pollutants (TAPs) are identified in the handout's table. Those emissions include TAPs, 1990 Clean Air Act Amendments (CAAA) Section 112 HAPs (Hazardous Air Pollutants), and the combination of TAPs and HAPs. Mr. Abraczinskas noted that there is a significant overlap between the State TAPs list and the federal HAPs list. The longer term trends are also provided in the handout which represents a decade's worth of emissions inventory data for North Carolina. The trends are similar for each of those categories. Mr. Abraczinskas said that the bottom line message is that there have been significant decreases in air toxics emissions in NC in the past two decades. He said much of those reductions are due to implementation of a number of State and Federal measures intended to decrease air toxics pollution or from the co-benefits of measures that were put in place to address other air pollutants.

Chairman Deerhake stated that she had previously asked Mr. Abraczinskas some questions and wanted to share those with the AQC. Regarding the frequency table of pollutants commonly

encountered during review on slide 5, she asked whether the quantity of those pollutants represented is also available and whether this is a one-time report or a recurring report to the Legislature. Mr. Abraczinskas answered that the report is required on December 1, 2012, 2013, and 2014. Chairman Deerhake recommended that the report include estimated emission quantities that will be accompanied by the frequency table.

Mr. Morse asked whether the decrease in air toxics emissions between 2009 and 2011 indicated on the trends table was due to the Clean Smokestacks Act (CSA). Mr. Abraczinskas said that the CSA did contribute to the decrease in the last half decade or greater. He explained further that since the CSA focused on NO_x (Nitrogen Oxide) and SO_x (Sulfur Dioxide), there were tremendous co-benefits in terms of air toxics emissions removed by the installation of NO_x and SO_x control technologies.

Ms. Bailey asked whether the CAAA Title V program was a factor in the reduction of air toxics emissions. Mr. Abraczinskas said that those Title V permitting program rules went into effect in the mid-nineties and that there is not a definitive trend during that decade after the Title V permitting program. He said that Section 112 of the CAAA regulations regarding the MACT (Maximum Achievable Control Technologies) standards is the Federal program that probably had a greater impact on the structure of the data being presented in the report.

Chairman Deerhake asked whether the economic downturn in the past 5 to 10 years might have affected the decrease in production rates and, in turn, decreased emission rates. Mr. Abraczinskas said that the magnitude of that impact is unknown and the DAQ did not attempt in this report to normalize the emissions data to account for trends in facilities closing or starting up. He said that isolating that variable would be time consuming and would probably not tell the full story as there are many other variables to also consider.

CONCEPTS

Agenda Item #3, Amendments to Air Toxics Rules to Address S.L. 2012-91 (519) (Joelle Burleson, DAQ)

Ms. Burleson advised that several sections of S.L.2012-91 require reporting to the Legislature and that she would speak about Section 3 and the rulemaking process required to incorporate the necessary amendments . She said that S.L. 2012-91 exempts certain sources from NC air toxics rules, for example, the Maximum Achievable Control Technology (MACT) sources and similar sources that would be subject to CAAA Section 112(j). She said that Section 3 of the SL2012-91 requires the DAQ to review the State air toxics rule and their implementation to determine whether changes could reduce unnecessary regulatory burden and increase the efficient use of DAQ resources while maintaining protection of public health. The review was conducted in consultation with other interested parties. The DAQ undertook a stakeholder process, beginning with a meeting in September 2012, with approximately 30 people representing various interest groups attending. Eighteen written comments were received as a result of that process, and those

comments are included in the report to the Legislature that went forth on December 1, 2012. The DAQ began with an internal review of the rule to look for possible areas that could be amended. The DAQ has a Permitting Workgroup to help provide consistency across the State through implementation of the rules across the regional offices. The DAQ also has a Compliance Workgroup and MACT Implementation Workgroup to assist in finding areas where the rules could possibly be revised while maintaining protection of public health.

Ms. Burleson continued by describing the resulting recommendations of the legislation.

Recommendation 1. Develop an additional set of emissions threshold for pollutants coming from unobstructed vertical stacks.

Ms. Burleson explained that in the early development of the program, the toxics permitting emissions rates (TPERs) were often developed by back-calculating Acceptable Ambient Levels (AALs), using air modeling parameters that are very conservative and the DAQ has considered those parameters to determine whether they might be adjusted based on the DAQ's experience in modeling throughout the years. The resulting DAQ recommendation is to develop an additional set of emissions thresholds for pollutants emitted from unobstructed vertical stacks. Additional thresholds may be 5-7 times higher than current thresholds while health-based standards stay the same. Ms. Burleson said that based on the initial analysis, the DAQ estimates that about one-third of facilities could use this additional set of TPERs, and it would relieve a number of the facilities within that one-third from needing to model air toxics emissions only to find out that no unacceptable risk was associated with their emissions.

Recommendation 2. Exempt natural gas and propane fired boilers.

Ms. Burleson talked about sources where the aggregate allowable heat input value is less than 450,000,000 BTU/hour, and those sources are the only sources of benzene emissions at the facility. The DAQ analyzed the information regarding such sources and their emissions and determined that larger boilers would have the potential to exceed the benzene TPER and total emissions at a facility with multiple natural gas or propane fired boilers or other sources of benzene might also exceed the TPER. Therefore, the DAQ has proposed to limit the exemption to natural gas and propane fired boilers that represent the only source of benzene emissions at a facility and have an aggregate allowable heat input value of less than 450,000,000 BTU/hour. She said that based on the initial estimates, the DAQ would expect that about 150 facilities have sources that might qualify for this type of exemption.

Recommendation 3. Exempt emergency engines

Ms. Burleson said that the DAQ recommends this threshold-based exemption for emergency engines with aggregate capacity less than 4,843 horsepower and those sources are the only sources of emissions for formaldehyde at the facility. The DAQ wants to define the emergency engines consistent with subpart ZZZZ(4)(z), which is the MACT standard developed by EPA for

such engines. Those engines are designed primarily for use in emergency situations when critical equipment is down, when normal power is interrupted or when it is necessary for powering sources such as fire pumps. The DAQ's analysis indicated that sources below the 4,843 horsepower threshold do not exceed the TPERs for any TAP, but any emergency engine would have the potential to exceed that hourly TPER for formaldehyde. The DAQ's recommendation is that those exemptions be limited to engines that represent the only source of formaldehyde at a facility and for which the aggregate horsepower is less than 4,843. The DAQ would expect that about 150 facilities might have sources that qualify for this exemption.

Recommendation 4. Eliminate SIC (Standard Industrial Classification Code) call

Ms. Burleson noted that in the current rules, 15A NCAC 02Q. 0705, provides a mechanism for the Director to require all facilities under the same four-digit SIC to submit an application to comply with the NC air toxics rules. The DAQ has not used this SIC Call rule and the DAQ believes that the existing Director's Call Rule within the rule and now incorporated into S.L. 2012-91 provides adequate authority to address any unacceptable risks to human health from any facility.

Recommendation 5. Clarify use of actual rate of emissions

Ms. Burleson explained that this recommendation is to clarify the rule to ensure that the DAQ is implementing it consistently. Currently, the term is used in several rules when describing the air toxics permitting process. However, within 15A NCAC 02Q .0711, there is a reference to permitted rate of emissions that exists, and the DAQ recommends clarifying that reference to ensure consistency to the actual emission rate for use when comparing emissions to TPERs for initial evaluation.

Recommendation 6. Remove the term "unadulterated wood" from rules

The DAQ believes that removing this term would prevent confusion with definitions for combustion sources in Federal rules. In EPA's regulations published on March 21, 2011, any combustible material including wood is classified as either a fuel or a solid waste. It would seem unnecessary to make any further distinctions in the state rule at this time.

The basic requirement of the statute that the MACT be removed or exempted from air toxics evaluation would be incorporated as noted in the concept. The DAQ has the onus to consider those sources when permit applications are submitted as opposed to the sources providing that as part of the modeling.

Ms. Burleson said that the DAQ anticipated coming back to the AQC with more information as they begin drafting the rules and the associated economic assessment.

Mr. Morse asked whether any specific recommendations were made as a result of the stakeholder process that were included in the final recommendation from the DAQ, or was there stakeholder

consensus.. Ms. Burleson said that there may have been one recommendation that did not come forth and that recommendation was relative to Maximum Feasible Control Technology equaling MACT. Director Holman said that there were different opinions across the board, ranging from DAQ adopting rules before implementing S.L. 2012-91 to completely eliminating the air toxics rules. She said that several of the comments supported many of the recommendation that the DAQ presented at the stakeholder meeting.

Chairman Deerhake requested that the DAQ keep the AQC abreast of staff responses to specific comments as comments are received. She asked the DAQ to have more directed responses to each and every comment when preparing the response to public comments for the final rule.

Chairman Deerhake suggested that it would be beneficial to the EMC and to the public if the DAQ could provide two or three other pieces of information associated with the recommendations. She gave the example that there is a reference in one of the comments to the stakeholders that asked for guidelines for setting the TPERs and whether or not those guidelines are available to the public. Chairman Deerhake asked the DAQ to make that document available as part of the package to help facilitate review and public comment. DAQ staff agreed to provide.

Chairman Deerhake also noted that there is a call-out for a DAQ analysis in reference to the development of the natural gas and propane boilers recommendation. She asked for that rule to be included in the package or as an attachment.

The third item Chairman Deerhake requested dealt with the reference to the residual risks reviews that are made as part of the MACT standards. She reminded attendees that MACT standards are promulgated by EPA and a residual risks review is required eight years after the effective date of each of standard to ensure there is no additional risk that is not captured by control technologies under the original standard. Chairman Deerhake suggested it would be useful to see, on a source category by source category basis, the status of EPA's residual risks review, if completed, the findings of the reviews, and whether the DAQ believes that the risk determination deems that there is no risk to the citizens of NC that should be addressed by a State air toxics program action. She said it would be useful to track the progress of EPA's residual risks reviews. She said a simple table would satisfy that request.

Agenda Item #4, Asbestos Acceptable Ambient Level (AAL) Correction (518) (Steve Schliesser, DAQ)

Mr. Schliesser explained that when North Carolina's air toxics program was developed, in order to provide scientific expertise over time, a standing science advisory board was established to assess the toxicological effects of TAPs and advise the Environmental Management Commission (EMC) as to the essential level of control of those pollutants for protection of human health and the environment. The Secretary's Science Advisory Board (SAB) on TAPs was chartered by the Secretary of the Department of Environment and Natural Resources to make recommendations to

the EMC to minimize the potential health hazards resulting from inhalation exposures to TAPs. The SAB uses scientific risk assessment methods and standard practices to develop recommendations for AALs for TAPs emitted in North Carolina.

Mr. Schliesser said that a mathematical mistake made during the original determination of the asbestos AAL was discovered during a review of the AAL documentation. Members of the SAB discovered and confirmed the mistake. In the original calculation, a value of 100,000 that should have been used in the AAL determination was omitted. This error of omission resulted in an AAL that is five orders of magnitude (factor of exactly 100,000) below what it should be. The asbestos AAL should be 2.8×10^{-6} fibers per milliliter (f/mL) and not the 2.8×10^{-11} f/mL currently listed in 15A NCAC 02D .1104, Toxic Air Pollutant Guidelines. The revised asbestos AAL value is closer to both the EPA (4×10^{-6} f/mL) and the California Office of Health Hazard Assessment (6.7×10^{-6} f/mL) inhalation exposure limit values than the original AAL. The revision will bring the North Carolina asbestos AAL in line with comparable asbestos inhalation exposure limits for a federal government agency and another state government agency. Existing rule numerical values for the asbestos AAL in 15A NCAC 02D .1104 and the associated asbestos TPER in 02Q .0711 will need to be modified.

Chairman Deerhake asked whether there is a quality assurance procedure in place to review these calculations**.** Mr. Schliesser explained that in the mid-1980s when these AALs were originally derived, the collection of nearly 100 AALs was derived in a different format than the format used today. Now they are derived individually as they are revised in a process that normally takes several months.

Mr. Morse asked whether this error that occurred in 1989 would have had any substantial impact on any of the stakeholders or any businesses. Mr. Schliesser said that the error makes the corrected AAL less stringent, and records indicate that there were only three years in the mid-1990s when there were any asbestos emissions reported. Since 1996, there have been no asbestos emissions reported. Mr. Morsequestioned whether this error or correction would have any impact on removal of asbestos from buildings noting that the asbestos removal requirement is just based on whether there is any asbestos there. Mr. Schliesser agreed that Mr. Morse was correct that there would be no impact on asbestos removal from buildings and further said that the DAQ is not aware of any significant financial or other impacts that have resulted due to the asbestos error or that would result from its correction.

With no objections or concerns expressed by AQC members, Chairman Deerhake advised the staff to proceed with rule drafting for this revision.

Agenda Item #5, Amend Permitting Rules to Clarify Permitting Requirements for Sources Subject to a MACT or GACT Standard (520) (Patrick Knowlson, DAQ)

Mr. Knowlson said that the purpose of this concept is to update the rules 15A NCAC 02Q .0102 and .0302 to clarify the permitting requirements for facilities subject to a MACT or a generally

available control technology (GACT) standard that does not require a control device for compliance.

Mr. Knowlson explained that with the U.S. EPA's promulgation of GACT standards, there are potentially a large number of unpermitted facilities that would be required to submit a permit application to comply with the current permitting rules. Currently, all unpermitted facilities subject to a GACT standard would be required to submit a construction and operation permit application under Section NCAC 02Q .0300, including unpermitted facilities with a GACT standard that contains only work practice standards.

He explained further that this amendment will eliminate the automatic requirement for all facilities subject to GACT to submit a construction and operation permit application under Section NCAC 02Q .0300. If an unpermitted facility is required to install a control device to comply with a GACT, then the facility will be required to submit a permit application under Section NCAC 02Q .0300.

Mr. Knowlson said that under the current general permitting exemption rule 15A NCAC 02Q .0102, MACT sources that only require work practice standards are not exempted from permit requirements. The rule would be amended to clarify the permitting requirements for MACT sources that only require work practice standards. These amendments would reduce burden to sources or facilities subject to a MACT or GACT standard that do not require a control device to comply with the standard. The amendments would also allow the Division to focus on permitting activities that result in the greatest environmental benefit. Mr. Knowlson advised that the DAQ staff recommends the rule amendment.

With no objections or concerns expressed by AQC members, Chairman Deerhake advised the staff to proceed with draft rule development for this revision.

DRAFT RULES

Agenda Item #6, Revision of Arsenic Acceptable Ambient Level (AAL) (514) (Joelle Burleson, DAQ)

Ms. Burleson reminded the AQC that the DAQ presented a concept to revise the arsenic AAL at the March 2012 meeting. She said that the SAB reviewed the arsenic AAL and determined the need to update the recommended value for the AAL for arsenic and arsenic containing organic compounds in 15A NCAC 02D .1104 from 2.3×10^{-7} mg/m^3 to 2.1×10^{-6} mg/m^3. The corresponding value for the TPER for arsenic compounds in 15A NCAC 02Q .0711 has changed from 0.016 pounds per year to 0.053 pounds per year. The SAB based this change on updated information and used risk assessment methods that are widely accepted and used by regulatory bodies. The SAB conducts a public process and brings in speakers on the various pollutants and health impacts and goes through a public review process that can take many months to develop their recommendation based on that literature of the health effects of a particular TAP. The

DAQ believes that there are three groups of affected parties. About 450 facilities that emit arsenic compounds possess air quality permits. The DAQ believes that this draft amendment could reduce regulatory burden on about 137 facilities. The DAQ also thinks that there would be fewer reviews of modeling demonstrations due to the less stringent TPERs that trigger air toxics modeling. The DAQ developed an economic assessment (EA) for the draft rule and published the draft EA on December 21, 2012. The DAQ received DENR approval of a revised EA which is posted on the DAQ website. There were changes to the structure of the EA to make it easier to read and understand based on the comments the DAQ received from its DENR analyst and interactions with the Office of State Budget and Management (OSBM). There were also some numeric rounding changes. She said that the restructuring aspect of the EA was basically to take the upper and the lower bounds that the SAB provided and move those from the central body of the document into an alternate section. There were corresponding language changes in the text surrounding those tables to reflect that change.

Ms. Burleson said that the DAQ does not yet have final OSBM approval on the EA. However, it has been reviewed and deemed approvable at the OSBM staff level. OSBM is currently in leadership transition, so there needs to be opportunity for its leadership to review this assessment and make final approval before publication of notice of text in the *North Carolina Register*. Ms. Burleson asked whether the AQC is ready and willing to proceed with the SAB's recommendation as a draft rule to the EMC in March 2012. If not, the DAQ would recommend that the AQC consider a 30-day waiver in the March timeframe with the DAQ providing this version, as well as the final OSBM version, to the full Commission as soon as possible.

Chairman Deerhake clarified that there are two items for AQC decisionmaking. First, the AQC only received the revision yesterday and second, the fact that the OSBM has not approved the final version of the EA. She asked whether there is any potential that comments from OBSM would lead to substantive changes to the EA. Ms. Burleson said that the DAQ does not think so but pointed out that they do not have experience yet with the new OSBM management. She also said that the DAQ has worked diligently between the DENR and OSBM analysts who reviewed this draft to ensure that it is approvable under the current process.

Before discussing the content of the draft rule, Chairman Deerhake asked the AQC members whether there was a preference to proceed with a motion to go to drafting, or if the AQC would prefer to wait for the OSBM approval of the EA.

Mr. Morse asked whether it would create any schedule challenges for the DAQ staff if the AQC did wait for OSBM approval. Ms. Burleson answered that if the DAQ had to wait until March to ask for the 30-day waiver from the EMC, they could still work with the same timeframe, and the projected date that this amendment could become effective would be in the fall of this year. Mr. Morse asked what would be the preference for the DAQ staff. Ms. Burleson said that the DAQ's preference would be to proceed. Mr. Morse recommended that the AQC proceed with DAQ staff's recommendation.

Dr. Larkin commented that it is important that the SAB has determined that there is no increased danger to public health. He suggested having the SAB report made accessible. Ms. Burleson said that the SAB's recommendation would be available on the March AQC agenda.

Dr. Larkin made a motion that the AQC proceed with the rule change. Mr. Morse seconded the motion.

Chairman Deerhake advised that the DAQ website has a subpage for the SAB, and all their records are published on that page.

Chairman Deerhake asked for clarification whether the revision is based on new studies or on a new method of calculation that was presented to the SAB. Lori Cherry, DAQ Toxics Branch Supervisor, answered that it was a new assessment of existing epidemiological study, and the SAB has a standard method they use to assess the final values that they recommend. Based on Ms. Cherry's response, Chairman Deerhake concluded that the SAB recommended AAL revision was based on a new method of calculation, not a new epidemiological study, and Ms. Cherry confirmed that was the case.

The motion was approved by the AQC.

JANUARY EMC AGENDA ITEMS

Agenda Item #A-1, Request that the Environmental Management Commission Delegate Authority to a Special Air Permit Appeals Committee for Final Agency Decision (Action Item-AQC and EMC 13-06)

Chairman Deerhake advised the AQC that this requirement has risen out of the State Implementation Plan (SIP) review between the DAQ and EPA. This request was discussed in the Steering Committee Meeting that was held prior to the AQC meeting and is scheduled to be discussed further at the January EMC meeting.

INFORMATION ITEMS

Agenda Item #8, Update on 2012 Particulate Matter National Ambient Air Quality Standards (NAAQS) (Sushma Masemore, DAQ)

Ms. Masemore presented an update on the final NAAQS for Particulate Matter (PM) that Donnie Redmond of the DAQ Ambient Monitoring Section presented at the July 2012 AQC meeting. Ms. Masemore said that the revised PM NAAQS was signed by the EPA Administrator on December 14, 2012. The final rule is not published in the *Federal Register* yet but once it is published, many of the implementation requirements related to the CAA requirements will go in effect. She explained that this rule is a revision of the last update to the PM NAAQS which occurred in October 2006 and prior to that PM NAAQS was revised in 1997 and in 1987. Ms. Masemore said that one of the primary reasons for these changes was litigations filed by several

groups and states requesting EPA to issue the revised NAAQS in the five year timeframe specified in the CAA. It was also in response to a February 2009 decision by the DC Court of Appeals which remanded Fine Particulate ($PM_{2.5}$) standards back to EPA. The court said that EPA had failed to demonstrate how the health standard for the primary standard would be adequate to assure an adequate margin of safety. The court also said that the secondary standard was not adequately explained in terms of how it would protect visibility impairment. In response to those actions, EPA issued the December 14, 2012, final rule. Ms. Masemore said that the overview is that EPA only changed the annual Fine Particulate standard and retained all other primary and secondary standards.

Ms. Masemore explained that the $PM_{2.5}$annual standard is now 12 $\mu g/m^3$ down from 15 $\mu g/m^3$. This means that if a geographic area has ambient monitors that measure less than 12 $\mu g/m^3$, they would be attaining this NAAQS. EPA is retaining the daily standard at the current level of 35 $\mu g/m^3$. She said that the result is good news for the State of NC and is a result of actions taken by the DENR with help from the EPA and federal standards, as well as the regulated community. Ms. Masemore referred to a map on her PowerPoint that showed the annual $PM_{2.5}$ design values for the three year period between 2009 and 2011. The highest value in the Mecklenburg area was 11.2 $\mu g/m^3$ for a standard that is at 12 $\mu g/m^3$. The map showed daily $PM_{2.5}$ design values, and the highest value there is 23 $\mu g/m^3$ for a 35 $\mu g/m^3$ standard. She said that the Fine Particulate standards for the State were in good shape. Ms. Masemore continued by saying that nationally, there are six states that currently so not meet the 12 $\mu g/m^3$ $PM_{2.5}$ annual standard.

For the coarse particles (PM_{10}) which are particles with diameter between 2.5 and 10 microns, the EPA is retaining the daily standard of 150 $\mu g/m^3$ level. All areas of the State continue to meet that standard. Ms. Masemore said that secondary NAAQS are intended to protect public welfare. For PM, public welfare relates to impairment to visibility, ecological effects and other environmental factors. EPA is retaining the existing secondary NAAQS for both the annual and the daily levels. EPA concluded in their final rule preamble that the current secondary $PM_{2.5}$ standard is adequate based on EPA's risk and exposure assessment, thousands of comments they received, and review of the most recent air quality data. EPA concluded that the 35 $\mu g/m^3$ is sufficient to visibility in urban areas. Ms. Masemore advised that there really is no impact to NC based on current data for the secondary standards.

Ms. Masemore continued by saying that in the final rule, EPA revised the air quality index (AQI) which is the tool that EPA uses to inform the public of the ambient level of pollutants in the atmosphere. It basically scales the concentrations for monitors in a normalized scale of 0-500. In the rule, the "Good" [air quality] category is revised to create the upper bound of 12 $\mu g/m^3$ which is the annual standard and the upper bound for the moderate category is revised to 35 $\mu g/m^3$ which is the daily standard. This will go into effect 60 days after publication in the *Federal Register.*

Ms. Masemore said that in the rule, EPA said they didn't want to delay any permit actions that are pending, so they are allowing grandfathering of preconstruction permit applications if the application has been deemed complete by an air agency by Dec. 14, 2012, and/or if public notice for draft permit or preliminary determination is issued prior to effective date of the standard. Grandfathered applications will still have to comply with the 2006 $PM_{2.5}$ standards.

Regarding ambient monitoring, EPA is requiring states to establish near-roadway $PM_{2.5}$ monitoring. Any population with greater than one million would require near-roadway $PM_{2.5}$ monitoring which would mean relocating North Carolina's monitors to these specific urban areas. The DAQ anticipates that the monitors will be required in Charlotte and Raleigh in Phase 1 by January 2015 and possibly in Durham and Greensboro by January 2017. She said that EPA did note that because there currently are no near-road $PM_{2.5}$ data, this data will not be used to establish attainment and non-attainment designations.

Ms. Masemore said that states will be required to recommend areas to be designated attainment or nonattainment to EPA by the end of 2013. After considering the states' recommendations, EPA will allow states the opportunity to revisit those recommendations and will then issue the final designations by December 2014. States that are designated as nonattainment will have three years to submit their SIPs which will be due at the end of 2018. Those states will have between three to five years to attain the standards by 2020.

Agenda Item #9, Director's Remarks (Sheila Holman, DAQ Director)

Director Holman reported on the status of the SO_2 standard in NC. She said that the monitor in New Hanover County is in compliance. The three year design value is roughly 0.71 ppb and the standard is 0.75 ppb. She said that lower SO_2 levels are being seen at the monitors. EPA plans to conduct their designation process for the 1-hour standard by no later than June 3, 2013. Director Holman said that the Governor would be receiving a letter in early February 2013 discussing EPA's plans for designations in NC, and the DAQ will share that letter with the AQC.

Director Holman also reported on three other rulemaking actions that EPA finalized in late December 2012. She said she would be working with Chairman Deerhake as to whether a more detailed discussion of any of those rules is requested for the March meeting. She said that on December 20, 2012, the EPA Administrator signed the Boiler MACT rule, the Incinerator Rule, and the Portland Cement Standard Rule.

Chairman Deerhake adjourned the meeting and announced to the Committee that the next meeting is scheduled for March.