

State of California  
AIR RESOURCES BOARD

Summary of Board Meeting  
July 25, 2002

California Environmental Protection Agency  
Air Resources Board  
Central Valley Auditorium, Second Floor  
1001 I Street  
Sacramento, California

MEMBERS PRESENT: Hons. Alan C. Lloyd, Ph.D., Chairman  
Dr. William A. Burke  
Joseph C. Calhoun, P.E.  
Doreen D'Adamo  
Mark DeSaulnier  
C. Hugh Friedman  
Matthew R. McKinnon  
Barbara Patrick  
Barbara Riordan  
Ron Roberts

AGENDA ITEM #

**02-6-1 Health Update**

SUMMARY OF AGENDA ITEM:

Staff updated the Board on the results of a recently published study on ozone health effects. The impact of exposure to ambient concentrations of ozone on public health is of serious concern to health officials. Consequently, Air Resources Board (ARB) and Office of Environmental Health Hazard Assessment (OEHHA) staff are beginning to evaluate the scientific literature on ozone health impacts in preparation for the formal ozone ambient air quality standard review in 2003. This study is one that is being evaluated as a part of the review. The paper reports on the responses of young adults who underwent controlled exposures to ozone that simulated those experienced by people who work or exercise outdoors during multi-day episodes of elevated ozone concentration. The results indicated that with repeated ozone exposures, daily changes in the magnitude of respiratory symptoms, such as cough and chest tightness, and some lung function responses, become smaller. At the same time, however, airway inflammation and reductions in some other measures of lung

function persist. Significantly, the effects that become smaller with repeated ozone exposures are readily perceived by the exposed individual or are easily measured. In contrast, the persistent effects are observed in functions that give no outwardly apparent signs of abnormality, or are difficult to measure. So, a person can experience significant adverse effects without being aware of them. The study has implications for standards setting because of its evidence for both short- and long-term health impacts of ozone exposure.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None (Informational Item)

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: None

**02-6-2 &  
02-6-3**

**Public Hearing to Consider Proposed Amendments  
to the California Phase 3 Reformulated Gasoline Regulations**

SUMMARY OF AGENDA ITEM:

Staff presented an update regarding progress towards implementation of the California Phase 3 Reformulated Gasoline (CaRFG3) regulations, then staff proposed amendments to the CaRFG3 regulations to postpone the Methyl Tertiary Butyl Ether (MTBE) phase-out date to December 31, 2003.

Staff reported that the major California refineries will have completed their CaRFG3 refinery modifications by the end of the year. However, several key distribution terminals in the state will not be ready to blend ethanol into gasoline by the end of the year. Four major refiners, representing approximately 55 percent of the gasoline currently distributed in California, have announced that they will supply MTBE-free CaRFG, primarily through the use of ethanol, by Spring of 2003. Staff also updated the Board on their work on commingling, permeation, and other follow-up items identified in Board Resolution 99-39.

To implement the directives of the Governor's Executive Order D-52-02 to postpone the prohibition of MTBE by one year, staff presented draft amendments to the CaRFG3 regulations. It is expected that refinery and terminal modifications will be completed in time to allow compliance with the amended schedule proposed by staff.

Staff proposed the postponement of the prohibition of the use of MTBE and other oxygenates other than ethanol in California gasoline supplied by refiners and importers from December 31, 2002 to December 31, 2003.

Staff also proposed other amendments that are necessary to effectively implement the postponement of the MTBE ban. These proposed amendments include postponement by one year of the dates in the current schedule for reducing residual levels of MTBE in CaRFG3 after the addition of MTBE is banned, and postponement of the imposition of the CaRFG3 standards for gasoline properties for one year, from December 31, 2002 to December 31, 2003.

Also included in the staff's proposal were two amendments that would make minor changes to the CaRFG3 regulations. These were simplifying the testing provisions for determining whether gasoline blendstock designed for blending with ethanol will comply with the CaRFG standards after it is oxygenated, and correcting errors in the assignment of Reid vapor pressure (RVP) regulatory control periods for the North Coast Air Basin and the North Central Coast Air Basin.

At the hearing, the staff proposed the following modifications to the original proposal:

- Postpone by one year, the date for the reduction of the CaRFG3 sulfur content cap limit from 60 ppm to 30 ppm, making it consistent with the proposed one-year postponement of the implementation dates for the other CaRFG3 gasoline specifications.
- Retain the original 2002 date for the removal of the month of October from the wintertime oxygen requirement in the South Coast Air Basin.
- Delay by one month the start of the 2003 RVP season for production and import facilities that make the transition from MTBE gasoline to ethanol gasoline on the original MTBE phase-out schedule.

The testimony at the hearing was generally supportive of the proposed amendments. Testimony not supporting the proposed amendments came from the Alameda Flood Control and Water District.

The Board approved the proposed amendments to the CaRFG3 regulations with the modifications proposed by staff. The modifications presented by the ARB staff at the hearing will be made available for public review and comment for a 15-day period in a Notice of Public Availability of Modified text.

ORAL TESTIMONY:

|               |   |
|---------------|---|
| James Uihlien | Western States Petroleum Association                            |
| Steve Douglas | Alliance of Automobile Manufacturers                            |
| Gary Herwick  | General Motors Corporation                                      |
| Gary Welch    | Williams Bioenergy  |
| Cal Hodges    | A 2nd Opinion, Inc.   |
| John Marchand | Alameda County Flood Control and<br>Water Conservation District |
| James White   | White Environmental Associates                                  |
| Neil Koehler  | California Renewable Fuels Partnership                          |
| Steve Smith   | Phillips Petroleum  |

FORMAL BOARD ACTION:

The Board approved Resolution 02-25 by a unanimous vote.

RESPONSIBLE DIVISION: Stationary Source Division

STAFF REPORT: Yes (206 pages)

**02-6-4 Public Meeting to Update the Board on Annual Enforcement Activities**

SUMMARY OF AGENDA ITEM:

The ARB's blueprint for achieving its air quality goals includes air quality planning, regulatory development, and enforcement to assure that the adopted regulations are consistently and comprehensively implemented. The Enforcement Division (ED) conducts day-to-day inspections and special investigations in the areas of fuels, consumer products, cargo tank vapor recovery systems, and all categories of regulated mobile sources. Where violations are discovered, the Division, in conjunction with the Office of Legal Affairs, prepares cases for settlement or litigation. The ED has published an annual report of its activities (see: <http://www.arb.ca.gov/enf/enfrpt.pdf> ) for calendar year 2002, and presented an overview of programs and activities to the Board.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: Enforcement Division

STAFF REPORT: Report of Enforcement Activities for January 1 to December 31, 2001

**02-6-5 Public Meeting to Consider the Approval of New Grants under the Innovative Clean Air Technologies (ICAT) Program**

SUMMARY OF AGENDA ITEM:

The ARB staff recommended grants for three projects:

GE Energy & Environmental Research Corp.: "Integrated Autothermal Cyclic Reformer and PEM Fuel Cell" -- \$200,000 (\$100,000 provided by South Coast Air Quality Management District (SCAQMD))

S. T. Johnson Co.: "Demonstration of the Ultralow NOx Burner in a Firetube Burner" (renewal of an existing ICAT project) -- \$132,526

Southwest Texas State University: "High Performance Low VOC Waterborne Coatings" -- \$99,324 (\$20,000 provided by SCAQMD)

ORAL TESTIMONY: None

FORMAL BOARD ACTION:

The Board approved the grants.

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: None

**AB 1498, Pavley Overview**

SUMMARY:

Staff presented the Board with an overview of the recently adopted AB 1493, Pavley (Chapter 200, Statutes 2002) which was signed into law on July 22, 2002. This bill will require the ARB to adopt regulations by January 1, 2005, that achieve the maximum feasible and cost-effective reduction of greenhouse gas (GHG) pollution from new passenger vehicles, beginning with the 2009 model year. The ARB must consider technological feasibility, cost effectiveness, economic impacts and consumer costs related to the regulations.

The Legislature is provided one year to review the regulations. ARB is prohibited from banning any vehicle category, including sport utility vehicles (SUVs) and minivans.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: Chairman's Office  
Office of Legislative Affairs

STAFF REPORT: None