STATE OF CALIFORNIA California Environmental Protection Agency

ENVIRONMENTAL POLICY COUNCIL

Resolution

April 30, 2004

WHEREAS, pursuant to the California Health and Safety Code (HSC) section 43830.8, the Air Resources Board (ARB) may not adopt any regulation that establishes a specification for motor vehicle fuel unless that regulation, and a multimedia evaluation conducted by affected agencies and coordinated by the ARB are reviewed by the California Environmental Policy Council;

WHEREAS, the California Environmental Policy Council (Council) – consisting of the Secretary for Environmental Protection; the Chairpersons of the California Air Resources Board (ARB), the State Water Resources Control Board (SWRCB) and the California Integrated Waste Management Board (IWMB); and the Directors of the Office of Environmental Health Hazard Assessment (OEHHA), the Department of Toxic Substances Control (DTSC), and the Department of Pesticide Regulation (DPR) – was established by Public Resources Code section 71017 in 1993;

WHEREAS, a multimedia evaluation shall include the identification of any significant adverse impact on public health or the environment including air, water, soil, that may result for the production, use, disposal of the motor vehicle fuel that may be used to meet the ARB motor vehicle fuel specification;

WHEREAS, the multimedia evaluation shall be based on the best available scientific data and include at a minimum an evaluation of the following:

- Emissions of air pollutants, including ozone forming compounds, particulate matter, toxic air contaminants, and greenhouse gases.
- Contamination of surface water, groundwater, and soil.
- Disposal or use of the byproducts and waste materials from the production of the fuel;

WHEREAS, the ARB shall prepare a written summary of the multimedia evaluation, and shall submit the summary for external scientific peer review in accordance with HSC section 57004;

WHEREAS, if the Council determines that the proposed regulation will cause a significant adverse impact on public health or the environment, then the Council shall recommend alternative measures to reduce the adverse impact on public health and the environment;

WHEREAS, to address the ambient air toxic risk associated with diesel particulate matter (PM), the ARB adopted the Diesel Risk Reduction Plan, which incorporates emission control strategies to reduce diesel PM from new and existing diesel vehicles and equipment in on-road, off-road, and stationary applications;

WHEREAS, the ARB adopted the Diesel Emission Control Strategy Verification Procedure ("Procedure") as set forth in sections 2700 to 2710, Title 13, of the California Code of Regulations to verify the efficacy of diesel emission control technologies;

WHEREAS, the Procedure requires a multimedia evaluation to be conducted pursuant to Health & Safety Code section 43830.8;

WHEREAS, the Lubrizol Corporation (Lubrizol) submitted an application for PuriNOX as an emission control strategy pursuant to the Procedure;

WHEREAS, the ARB, SWRCB, OEHHA, and DTSC conducted a multimedia evaluation for PuriNOx and submitted it for peer review by the University of California, Davis and the University of California, Berkeley;

WHEREAS, the Council conducted a meeting on April 30, 2004, to consider the March 2004 report entitled "Multi-media Assessment of Lubrizol's PuriNOx Water/Diesel Emulsion (Multimedia Report);

WHEREAS, the Council has heard presentations from the ARB, DTSC, SWRCB and OEHHA summarizing the benefits and effects of using PuriNOx in California diesel and findings in the Multimedia Report;

WHEREAS, PuriNOx has completed Tier 1 and Tier 2 testing under the United States Environmental Protection Agency's fuels registration program and has received registration;

WHEREAS, the use of PuriNOX in non-retail facilities would achieve significant reductions in NOx and PM, and has a wide range of diesel fuel applications;

WHEREAS, the Council has received written and oral comments from interested parties on the Multimedia Report and the expected environmental impacts expected to result from the use of PuriNOx; and

WHEREAS, the Council finds that:

- The ARB, DTSC, SWRCB, and OEHHA chapters of the Multimedia Report have received public comment and have been adequately peer reviewed;
- The OEHHA health assessment shows no significant change in health risks from use of PuriNOx additive to diesel compared to California Diesel;
- The DTSC analysis found that a PuriNOx spill most likely will not cause a significant adverse impact to groundwater, but may cause some increase in soil contamination due to the strong soil adsorption of some PuriNOx additives;

- The ARB analysis of the fate and transport of combustion byproducts, and transformation products that result from using PuriNOx in California diesel fuel showed emissions benefits compared to California diesel fuel; and
- The SWRCB analysis of the environmental fate and transport of PuriNOx in California diesel fuel found that although some knowledge gaps exist, the SWRCB did not identify issues that preclude the limited use of PuriNOx while concurrently developing additional information.

NOW, THEREFORE BE IT RESOLVED, that the Council approves the Multimedia Report and the individual elements prepared by the ARB, DTSC, SWRCB, and OEHHA.

BE IT FURTHER RESOLVED that, based on the Multimedia Report and comments received, the Council determines that there will not be a significant adverse environmental impact on public health or the environment, including any impact on air, water, or soil, that is likely to result from the limited use of PuriNOx in California diesel fuel; however, to fill knowledge gaps as identified in the Multimedia Report, Lubrizol shall provide additional information and studies according to the following schedule and conditions:

- For national annual PuriNOx sales less than 5 million gallons:
 - Analytical test methods (complete by June 2005);
 - Material compatibility information (complete by June 2005); and
 - Short term soil column, aquatic toxicity, and biodegradation studies (complete by June 2006).
- For national annual PuriNOx sales greater than 15 million gallons:
 - Supplemental biodegradation study (design within 1 year and complete within 5 years); and
 - Supplemental aquatic toxicity study (design within 1 year and complete within 5 years).
- For national annual PuriNOx sales greater than 30 million gallons, or when the national cumulative sales volume exceeds 180 million gallons:
 - Environmental fate and transport comparative study (design within 1 year and complete within 7 years); and
 - Comparative emissions tests for nitrosamines (complete within 4 years).
- The requested information and studies shall be reviewed and approved by the appropriate Board, Department, or Office of California Environmental Protection Agency (Cal/EPA) and shall be coordinated through ARB;
- Before the submission of information and design of studies requested, Lubrizol shall consult with the appropriate Board, Department, or Office of the Cal/EPA;
- In the event that short term studies indicate significant risks to public health or the environment, the supplemental biodegradation and aquatic toxicity studies shall be conducted on an expedited schedule; and

• In the event that the requested information and studies indicate significant risks to public health or the environment, the use of PuriNOx may be considered by the Council for appropriate action.

DATED: 1. 0. 31, 721-

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Terry Tamminen, Secretary California Environmental Protection Agency