

CITY OF SAN ANTONIO, TEXAS AGENDA ITEM NO. 24

CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
ENVIRONMENTAL SERVICES DEPARTMENT

TO: Mayor and City Council

FROM: Daniel V. Cárdenas, Director of Environmental Services

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer; City Attorney's Office

SUBJECT: Approval of Proposed Revisions to the State Implementation Plan for San Antonio Regional Air Quality

DATE: February 12, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance approves and endorses San Antonio regional revisions to the Texas State Implementation Plan (SIP) that includes lower Reid Vapor Pressure gasoline, controls on degreasing operations, and Stage I Vapor Recovery as local emission controls, anticipated by the Early Action Compact, commonly referred to as the area's "Clean Air Plan," a regional agreement entered into earlier by the City of San Antonio.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The City of San Antonio has worked in partnership for many years to protect and improve the air quality for the citizens of San Antonio. San Antonio is currently the largest city in the nation that has not been declared "non-attainment" (out of compliance) with the National Ambient Air Quality Standards (NAAQS). Since 1997, local air quality monitors have occasionally recorded ozone concentrations exceeding what is allowed under the 8-hour ozone standard in the NAAQS. Using the Metropolitan Statistical Area (MSA) as the boundary for 8-hour ozone non-attainment designation, as the Environmental Protection Agency (EPA) suggests, air quality planning has focused on Bexar, Comal, Guadalupe, and Wilson counties.

In June 2001, the EPA issued guidelines for developing a non-traditional type of air quality plan, which allows local governments to make voluntary, early reductions of pollutants and encourages innovative efforts that are cost-effective, flexible, and that make sense for a particular region. In December of 2002, the local governments of the San Antonio MSA signed the Early Action Compact (EAC) which is an agreement among the local governments, the Texas Commission on Environmental Quality (TCEQ), the Alamo Area Council of Governments (AACOG), and endorsed by EPA, to choose and implement clean air strategies that will reduce regional ozone

pollution to meet federal clean air standards. The San Antonio Clean Air Plan, for revised SIP, incorporates the EAC in addition to describing local voluntary initiatives intended to reduce air pollution. These initiatives, combined with state and federal regulations, are formalized through the SIP and are expected to keep the San Antonio MSA in attainment of air quality standards.

A regional committee was established through AACOG that has been instrumental in developing air quality strategies and recommending local clean air policy. This committee is known as the Air Improvement Resources Committee (AIRCO). The AIRCO is comprised of elected officials and staff who serve on Executive/Advisory, Technical, Public Education, and Off-Road subcommittees.

The AIRCO was created with the following mission: To facilitate the completion of the air quality studies and necessary planning activities and to develop a comprehensive emission reduction plan that will guide the region's fight for attainment under the new 8-hour standard. In order to accomplish its mission, the AIRCO directed the Natural Resource/Transportation Department of AACOG to perform technical analyses of local air quality. Through these efforts, AACOG staff identified and quantified sources of emissions that form ground-level ozone and evaluated strategies for controlling regional ozone pollution. These efforts have culminated in a "Clean Air Plan".

The SIP is the State's blueprint for achieving and maintaining clean air. SIPs are devised by the state, but require EPA approval. The proposed SIP, revised to accommodate the San Antonio area, contains air quality modeling and regional clean air strategies as well as State regulations that will allow TCEQ to enforce the clean air strategies. The AIRCO approved and recommended local government approval of the proposed SIP. Presented before City Council for consideration today are the three local emission control strategies that were approved, and that will be enforced by the State. They are as follows:

- Vapor Recovery - The Stage I Vapor Recovery Systems would apply to gasoline stations that dispense 25,000 gallons or more of gasoline / month. This system captures gasoline vapors displaced when the tanker truck fills a tank with gasoline, returning vapors to the tanker truck. The technology is simple, easy, and readily available. In fact, the system is already in use at many gasoline stations in San Antonio. The use of Stage I Vapor Recovery Systems is currently a state law for large gas stations east of IH35 / IH37. There is no additional cost to the consumer for this process.
- Lower Reid Vapor Pressure (RVP) fuel - Volatile organic compounds (VOCs) in gasoline are released to the air, especially during warm weather, contributing to ozone pollution. Reduced RVP gasoline will volatilize less easily, thus reducing ozone formation. Refiners lower the RVP by removing certain components during summer production cycles. In the winter, those components may be blended back into the fuel. To implement the revised SIP for the San Antonio region, the State would write and enforce a law requiring suppliers to provide gasoline with RVP, adjusted from the current 7.8 to 7.2 psi, during the ozone season (April - October). San Antonio has been supplied lower RVP fuel on a voluntary basis in recent years. Under the revised SIP, lower RVP

gasoline would be mandatory. Other communities such as El Paso, Dallas and Houston are mandated to use reformulated fuels during the summer months. The cost to produce this gasoline is estimated to be ½ to 1 cent per gallon.

- Degreasing controls - Degreasing solvents can volatilize into the air as VOCs. The proposed control would lower VOC emissions by requiring that cleaning equipment be equipped with covers. This measure is currently implemented in Houston, Dallas, and Beaumont. It would impact auto repair shops, auto body shops, and industries that must remove grease from a surface before coating or welding. The City of San Antonio shops are currently using this equipment; however, those private business that are not, will need to purchase the necessary equipment.

The AIRCO determined that the San Antonio region's air will be just slightly below the standard without additional local controls in 2007. However, the Clean Air Plan requires the implementation of local control strategies. Additional control strategies are also required to provide a safety factor, ensuring that the standard is not exceeded in 2007. The AIRCO examined over 150 clean air strategies, alone and in various combinations, and has determined that these three local strategies are necessary and beneficial for making the Clean Air Plan work.

POLICY ANALYSIS

Approval of this ordinance is consistent with City Council policy to help preserve clean air and honors commitments the City made in the Early Action Compact previously endorsed by City Council. Approval of the revised SIP further ensures that all protective options have been exercised to both protect San Antonio's air and preserve federal funding opportunities.

Failure to approve the SIP and not adopt these strategies by the required deadline will void the Clean Air Plan as previously approved by the City Council. Without the Clean Air Plan, the EPA will designate the San Antonio area in "non-attainment", with enforcement to begin immediately. This enforcement will include federal mandates, that when imposed, will not be revoked. These mandates include; more stringent air quality controls on business, transportation conformity by the federal highway administration, inspection and maintenance (vehicle testing), and emissions offsets for new businesses. All of these federal mandates, if required, would create a serious hardship to economic development and our citizens.

FISCAL IMPACT

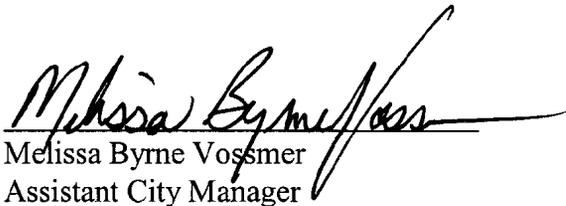
The implementation of control measures in the revised SIP will not have a direct fiscal impact on the City of San Antonio since these control strategies are already in place. Competition and many other variables will determine the actual price of gasoline in San Antonio. Therefore, it is difficult to project how suppliers will respond to this measure. However, as seen in other cities, cost increases at the pump were negligible if at all affected by similar controls. The businesses and industries that are affected by the control strategies will be required to invest in the appropriate equipment or adjust their operations to be in compliance with the State law that will enforce the control strategies.

COORDINATION

This request for ordinance has been coordinated with the City Attorney's Office and AACOG.



Daniel V. Cárdenas
Director of Environmental Services



Melissa Byrne Vossmer
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager