

NEW JERSEY CLEAN AIR COUNCIL

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AGENDA

NJ Department of Environmental Protection
401 East State Street, 6th Floor
Trenton, NJ 08625

Wednesday, November 13, 2019

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| 9:30 am | Call to order, roll call |
| 9:45 am | Administrative Report, Ken Ratzman |
| 10:15 am | Old Business/New Business
Approve prior meeting minutes
Discuss hearing topic |
| 12:00 pm | Adjourn |

1. **RGGI Strategic Funding Plan Development** – On October 25, 2019, the DEP, EDA and BPU jointly released a Scoping Document outlining the statutory and regulatory requirements associated with the distribution of RGGI auction proceeds and providing example initiatives that one or more of the state agencies could sponsor over the next three years. The document is designed to generate input from the public and interested stakeholders on how New Jersey will use the proceeds that will be generated starting with the first RGGI auction in March of 2020. The three agencies are hosting four public workshops and a webinar before the end of the year to garner input.

On November 7th, the DEP, along with BPU and EDA, hosted the first of four workshops at Atlantic Cape Community College. Three additional workshops will be hosted on:

- November 18th 6-9 pm at the New Jersey Institute of Technology Campus Center Ballroom A (BPU Sponsor)
- November 25th 9-12 pm at the Rutgers New Brunswick College Ave Student Center (EDA Sponsor)
- December 6th 1-4 pm at Township of Ocean, West Park Recreation Center Large Room (DEP Sponsor)
- December 12th 10-12 pm webinar

Registration for any of the sessions can be found at <https://www.nj.gov/rggi/>

The public can also provide input via NJRGGI@dep.nj.gov.

2. **Energy Master Plan Workshop** -- On October 16, 2019, the Board of Public Utilities hosted a 2nd stakeholder workshop focused on the results of the Integrated Energy Plan modeling results. The BPU's contractor, Rocky Mountain Institute, presented results that showed New Jersey can obtain its Global Warming Response Act and 100% Clean Energy goals with existing energy technologies and that capital, fuel, operation and maintenance costs in the "least-cost scenario" were \$2.1 billion dollars greater annually (approximately 0.2% of the Gross Domestic Product) than the business as usual reference case with no additional clean energy policies. Stakeholders were provided an opportunity to ask questions and participated in an exercise designed to formulate suggested policies that would lead to equitable pathways to obtaining the 2050 emission goals. This feedback will help inform the final Integrated Energy Plan report and the 2019 Energy Master Plan.
3. **RGGI, Inc. Contract Signed** – On October 18, 2019, the State fully executed a contract with RGGI, Inc., a non-profit corporation and sole source vendor created expressly to provide joint development of services necessary for the coordinated operation of the carbon dioxide trading programs of the states participating in the Regional Greenhouse Gas Initiative (RGGI). Without this contract in place, New Jersey would not be able to participate in the RGGI auctions. The contract, with a term from January 1, 2020 through December 31, 2021, identifies services that RGGI, Inc. will provide to New Jersey for a fee of \$650,000, to be paid out of RGGI proceed auction revenues. New Jersey is set to participate in the first auction of 2020, scheduled for the end of March.
4. **Ozone Attainment Planning** – On October 16, 2019, USEPA Region II hosted a meeting with representatives from New York, Connecticut, and New Jersey to discuss upcoming commitments for the Ozone Attainment Demonstration State Implementation Plan. Staff from USEPA Region I and Office of Air Quality Planning and Standards were also in attendance. The states agreed to share with USEPA work completed by the Ozone Transport Commission and made clear that the area will not

come into attainment unless USEPA does their share of work to address upwind State sources (transport) and motor vehicle emissions(transportation). USEPA committed to a coordinated effort to:

- Ensure that upwind State limitations and cost considerations are appropriate for the standard in question;
- Provide regional coordination between Regions I, II, III, IV, and V on reasonableness and equity of control measures;
- Further evaluate mobile sources;
- Share information associated with the CSPAR update and CSPAR close out court decisions and associated effects on the 2023 modeling; and,
- Answer to the question of “What will EPA do if the States submit SIPs that are complete but do not show attainment?”

5. **NuStar Logistics Operating Permit Renewal** -- On October 30, 2019, Air Quality hosted a public hearing in Gibbstown on the Draft Title V Operating Permit Renewal for NuStar Logistics. The renewal permit includes requirements for the facility to reduce annual throughput and increase stack height to reduce facility-wide health risk at the fence line. The hearing was held at a commenter’s request. That commenter did not attend but submitted written comments. No other comments were received during the public hearing. The public comment period closes November 13, 2019.

6. **Newark Energy Center Draft Title V Renewal** –On November 7th, Air Quality posted on its website a Draft Renewal Operating Permit, Public Notice and Statement of Basis for the Newark Energy Center, an existing natural gas power plant in the Ironbound section of Newark. The renewal will also include permit modifications that:

- Reduce stack test requirement for PM₁₀ and PM_{2.5} emissions from quarterly to once every 5 years, as allowed under the current permit after 8 consecutive quarterly test results are below 80 percent of the allowable emissions;
- Remove the auxiliary boiler;
- Add a permit limit for Polycyclic Organic Matter, as the potential to emit for this Hazardous Air Pollutant is above the recently revised reporting threshold;
- Add hourly heat input, sulfur dioxide, total suspended particulates, PM₁₀, PM_{2.5} and ammonia emission limits to the start-up and shut down operating scenarios for the turbines; and,
- Add Regional Greenhouse Gas Initiative (RGGI) requirements.

At the facility’s request, the Department will host a public hearing at least 30 days after the public notice documents are posted, with the close of the public comment period following a few a days after.

7. **New Jersey’s Vehicle Inspection and Maintenance Program** -- On August 28, 2019, Treasury released a request for proposal (RFP) for a contractor to operate the statewide vehicle inspection and maintenance program. The Motor Vehicle Commission authored the RFP and Air Quality technical staff is on the bid evaluation committee. The existing contractor, Parsons, has continued to operate under numerous extensions to their original contract. The bid openings, originally scheduled for November 7, 2019, has been extended to December 5, 2019. It is unclear if the new contract will begin on February 11, 2020 as originally scheduled.

8. **FY2020 Consumer Price Index (CPI) Adjustments** – A notice was published in the November 4th New Jersey Register announcing changes to air permitting fees. Pursuant to N.J.A.C. 7:27-8 and 22, Air Quality has applied the latest Consumer Price Index (CPI) to adjust the Annual Emission Fee, the air permitting service fees, and the reconstruction threshold capital cost.

- The annual emission fee for major air facilities (adjusted each fiscal year) in FY2020 is \$124.77 per ton of pollutant released, 1.9% greater than in FY2019. Approximately 30% of the Department's major facilities program's funding comes from annual emission fees.
- Service fees for preconstruction permits, general permits, and for operating permit significant modifications (adjusted once in a five-year period) will increase by 7.9%.
- The threshold dollar amount for reconstruction for FY2020 is \$134,512. This is a 68% increase from the base amount of \$80,000 (relative to the 1995 CPI). A facility must use this dollar amount when calculating reconstruction thresholds relative to fixed capital cost.

The annual emission fee invoices will be mailed with the updated fee and facilities are obligated by rule to pay emission fees by January 31, 2020. The new service fees would be effective on all applications received after January 1, 2020.

Outer Continental Shelf -- A rule proposal was published in the November 4, 2019, New Jersey Register to incorporate by reference the relevant provisions of 40 CFR Part 55 in New Jersey's Administrative Code. This rule, if adopted, would allow New Jersey to seek delegation of the authority to issue and enforce air permits on the outer continental shelf. A public hearing is s