

**Sixth Biannual Report on the
Early Action Compact for
Northeast Texas**

DRAFT - DO NOT CITE OR QUOTE

December 20, 2005

Sixth Biannual Report on the Early Action Compact for Northeast Texas

December 20, 2005

Background

On December 20, 2002 local governments in a five county area of Northeast Texas (Gregg, Harrison, Rusk, Smith, and Upshur counties) entered into an Early Action Compact (EAC) with the U.S. Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ). The purpose of the EAC is to develop and implement a Clean Air Action Plan (CAAP) that will reduce ground level ozone concentrations throughout the five county area to comply with the 8-hour ozone standard by December 31, 2007 and maintain the standard beyond that date. The EAC includes a series of milestones to guide progress toward the development of the CAAP and as shown in Table 1. The area also must submit progress reports to EPA documenting progress in implementing the EAC and achieving the milestones. The requirements for the progress reports are given in EPA's April 4, 2003 guidance. This is the sixth (December 2005) progress report covering activities for the second half of 2005. EPA provided additional guidance for this progress report in an October 17, 2005 memorandum.

Table 1. Key milestone dates for the Northeast Texas Early Action Compact (EAC).

Date	Item
December 31, 2002	Signed EAC agreement
June 16, 2003	Identify/describe potential local emission reduction strategies
November 30, 2003	Initial modeling emission inventory completed Conceptual model completed Base case (1999) modeling completed
December 31, 2003	Future year (2007) emission inventory completed Emission inventory comparison for 1999 and 2007 Future case modeling completed
January 31, 2004	Schedule for developing further episodes completed Local emission reduction strategies selected One or more control cases modeled for 2007 Attainment maintenance analysis (to 2012) completed Submit preliminary Clean Air Action Plan (CAAP) to TCEQ and EPA
March 31, 2004	Final revisions to 2007 control case modeling completed Final revisions to local emission reduction strategies completed Final attainment maintenance analysis completed Submit final CAAP to TCEQ and EPA
December 31, 2004	State submits SIP incorporating the CAAP to EPA
December 31, 2005	Local emission reduction strategies implemented no later than this date
December 31, 2007	Attainment of the 8-hour ozone standard

Implementing the Clean Air Action Plan

The TCEQ incorporated NETAC's CAAP into a SIP revision on November 17, 2004. The TCEQ submitted the SIP revision to EPA on schedule by December 31, 2004. On May 16, 2005, the EPA published a proposed rule for approval and promulgation of the Northeast Texas CAAP (Federal Register 70(93): 25794-25798). NETAC is on schedule in implementing the CAAP.

Ozone Attainment Status

The Northeast Texas ozone monitoring data determine whether the area is in compliance with the National Ambient Air Quality Standards (NAAQS) for ozone. The TCEQ operates three ozone monitors (Continuous Air Monitoring Station, CAMS) in Northeast Texas at Longview, Tyler and Karnack. NETAC operates a research ozone monitor that was located at Waskom in 2002/2003 and in Panola County in 2004/2005. The Panola research monitor operated from April 30 to October 20, 2005 and reports data through the TCEQ as CAMS 627.

The annual 4th highest 8-hour ozone values at monitors in Northeast Texas are shown in Table 2 along with the resulting 2003-2005 8-hour design values. These data are preliminary pending final quality assurance by the TCEQ in 2006. The monitors at Longview, Tyler and Karnack have complete 2002-2004 data and monitored attainment of the 8-hour ozone NAAQS in 2004. The Panola monitor also is attaining the 8-hour standard based on two years of data. EPA designated all five NETAC counties as 8-hour ozone attainment areas on April 15, 2004 (see 69 FR 23858).

Table 2 Annual 4th highest 8-hour ozone values (ppb) and preliminary 2005 8-hour ozone design values for Northeast Texas

Year	Longview	Tyler	Karnack	Panola
2003	82	79	80	N/A
2004	83	81	77	75
Preliminary 2005	88	83	84	79
Preliminary 2003-2005 Design Value	84	81	80	77

Note: 2005 data are preliminary pending final quality assurance by the TCEQ

The recent trends in 8-hour ozone design values for Northeast Texas monitors are shown in Table 3, including the preliminary 2003-2005 design values. Design values have declined at Karnack and are holding steady at 81 ppb at Tyler. The design value at Longview has increased over the past three years and the preliminary 2003-2005 value of 84 ppb is just below the level of the 8-hour standard. Based on the 2005 preliminary data, the Longview monitor must have a 4th high 8-hour ozone of 83 ppb or lower in 2006 for the Longview design value to remain in compliance with the 8-hour standard.

Table 3. Recent trends in 8-hour ozone design values (ppb) for Northeast Texas

Years	Longview	Tyler	Karnack	Panola
2001-2003	82	81	84	N/A
2002-2004	83	81	81	N/A
Preliminary 2003-2005 Design Value	84	81	80	77

Note: 2005 data are preliminary pending final quality assurance by the TCEQ

NETAC will study high ozone days in 2005 and other days for which enhanced monitoring data are available (i.e., aircraft data and VOC canister samples at Longview, discussed below) to determine how the 2005 ozone season compares to previous high ozone days that were considered in developing the CAAP for the EAC. NETAC will continue moving ahead with the emission reduction measures described in the CAAP.

Stakeholder Process

In 1995 local elected officials and other leaders in local government, business and industry created Northeast Texas Air Care (NETAC) in order to provide leadership and guidance in addressing ozone air quality issues in a five county area consisting of Gregg, Harrison, Rusk, Smith, and Upshur counties. A 23-member policy committee consisting of representatives of local government, business and industry, the general public and environmental interest groups governs NETAC. (Attachment 1)

From its inception NETAC has emphasized the need to ensure that air quality planning activities are developed using scientifically sound techniques. In order to achieve this objective NETAC created a Technical Advisory Committee to undertake, supervise, and guide technical studies such as emission inventory development, air quality modeling and control strategy development, and specialized monitoring studies. The Technical Advisory Committee reports to the policy committee. The Technical Advisory Committee consists of representatives from local government, local business and industry, EPA technical staff, TCEQ technical staff, Texas Department of Transportation planning staff, and the general public and environmental interest groups. (Attachment 2)

NETAC is actively involved in public education and outreach programs concerning ozone air quality issues. This work is guided by NETAC's Public Education/Outreach Committee, which consists of representatives from local government, local business and industry, TCEQ staff, and environmental interest groups (Attachment 3). The Public Education/Outreach Committee reports to the NETAC Policy Committee.

NETAC receives staff support for its activities from the East Texas Council of Governments (ETCOG), which receives and administers grant funds provided by the Texas Legislature for air quality planning activities.

NETAC and its subcommittees meet on an as-needed basis. All meetings are open to the public and are posted at the East Texas Council of Governments and advertised through the distribution of information packets to local media outlets.

During the second half of 2005 NETAC the Technical Advisory Committee held meetings on June 28, October 14, and December 20, 2005. The NETAC Policy Committee met on December 20, 2005.

The June 28, 2005 Technical Committee meeting discussed and approved the June 2005 EAC progress report submitted to EPA. The meeting also discussed: progress on NETAC's Pilot Project to demonstrate emission reduction technologies for gas compressor engines; ETCOG's application to TCEQ for a Supplemental Environmental Program (SEP) to fund implementing emission controls on gas compressor engines; NETAC's air-quality monitoring activities in 2005 including the Panola research site, VOC sampling at Longview, local-scale wind monitoring around Lake Cherokee near the Longview monitor, and plans for an aircraft study in August/September 2005.

The October 14, 2005 Technical Committee meeting discussed and approved a workplan for NETAC air quality projects in FY 2006/07. The meeting also discussed and provided comments on the draft final report on NETAC's Pilot Project to demonstrate emission reduction technologies for gas compressor engines. Other topics discussed were; Northeast Texas ozone levels during the summer of 2005 and implications for 2006/07; results from NETAC air-quality monitoring activities in 2005 including the Panola research site, VOC sampling at Longview, local-scale wind monitoring around Lake Cherokee near the Longview monitor, and the successful aircraft study held in August/September 2005. The committee was informed of a workshop on clean school buses and heavy-duty vehicles being held in Tyler on November 15, 2005.

The December 20, 2005 Technical and Policy Committee meetings included discussion of the December 2005 EAC progress report to be submitted to EPA (this document). Also on the agenda were: (a) Northeast Texas ozone levels during the summer of 2005 and implications for 2006/07; (b) Results from NETAC's 2005 aircraft study; (c) Results of NETAC's compressor pilot program and status of TERP funding for this NOx emission reduction strategy; (d) TCEQ's proposed power plant emission reduction rule.

Public Outreach

NETAC is actively engaged in public education and outreach activities concerning ozone air quality issues. The public outreach committee met on March 16, 2005 and organized an ozone season awareness kickoff event for April 21, 2005. The purpose of the "kickoff event" is to raise public awareness of ozone air quality issues and encourage public support for programs designed to minimize ozone formation.

NETAC Public Education/Outreach activities for 2005 consisted of the following:

- Hosting the NETAC website (www.netac.org). The website is regularly updated with meeting dates, associated agendas and enclosures for Committee meetings. The public

can also find minutes of past meetings, various air quality reports, and a directory of all participants in NETAC.

- In cooperation with the Texas Commission on Environmental Quality, NETAC and local governments in the area provide “ozone action alerts” for the public on days when TCEQ predicts meteorological conditions are favorable for high ozone formation. Notification is provided through the NETAC website, local government public access channels, and the display of ozone alert flags.
- The Annual Ozone Season Awareness Event was held in Longview at Maude Cobb Activity Center on April 21, 2005. The purpose of the event is to draw the public's attention to the upcoming ozone season and the impact they can have in helping the region achieve improved air quality. Hanover Compression was given an award at the 2005 event for their environmental achievements in air quality by participating in NETAC's compressor pilot project. Also highlighted at the event was the East Texas Clean Cities Coalition and their participation in the Honda Civic GX/Fuelmaker Demonstration program. Through this program both the Cities of Longview and Tyler tested the worlds cleanest burning internal combustion engine.
- NETAC also sponsored a series of public service announcements (PSAs) that ran on several local radio stations from May through September, 2005. A series of five different PSAs sought to educate the public about what they can do at both work and home during the ozone season to reduce their impact on air quality readings.
- NETAC purchased book covers for school districts in the five county region. The book covers have an informational theme as well as including information on where to learn more about air quality. This is one of the most well received activities as ETCOG receives numerous thank you letters from students and school administrations.
- NETAC purchased signage for the inside of transit buses operated by City of Longview, City of Tyler, and ETCOG Rural Transit. The signage promotes the air quality benefits of public transit and the alternative-fueled buses operated by these transit providers.

Technical Activities

NETAC carried out the following technical activities in 2005 to support the EAC and CAAP.

Air Monitoring

Air-quality data for Northeast Texas in 2005 are available from TCEQ monitoring sites and several NETAC studies. The air-quality data collected by NETAC and TCEQ in 2005 will

be analyzed and used to prepare an updated conceptual model for ozone formation in Northeast Texas in the first part of 2006. NETAC's air monitoring activities in 2005 are described below.

NETAC has operated an ozone research-monitoring site for several years. For the 2005 ozone season the research monitor was located in northern Panola County near the border between Texas and Louisiana. The research monitor collects data for ozone, oxides of nitrogen (NO_x), sulfur dioxide (SO₂) and meteorological parameters that are reported via the TCEQ's web site as CAMS 627. The measurement of SO₂ was added to the research monitor for 2005 to help identify the origin of any high ozone levels observed at the Panola monitor.

For several years, NETAC has collected canister VOC samples at CAMS 19 to augment the TCEQ's monitoring activities at Longview. NETAC constructed a new VOC auto-sampler for 2005 that can collect VOC samples at preset times (e.g., on ozone action days) or when high total VOC levels are detected. The VOC auto-sampler was installed at CAMS 19 and collected data in the second half of 2005. VOC sample collection at CAMS 19 in 2005 was restricted by the availability of canisters from the analytical laboratory.

NETAC conducted an aircraft study in August/September, 2005 to obtain data on ozone contributions from local sources in Northeast Texas and ozone transport. This is the second NETAC aircraft study, the first being in August/September 2003. The aircraft was operated by Baylor University and collected data for ozone, nitric oxide (NO), nitrogen oxides (NO_x), total reactive nitrogen (NO_y), sulfur dioxide (SO₂), carbon monoxide (CO), light scattering by haze, total olefins and meteorological parameters. Successful flights were completed on seven days from August 24 to September 9, 2005. The aircraft observed ozone production from sources in Northeast Texas including chemical plants, power plants, forest fires, and urban areas. The aircraft observed ozone transport into Northeast Texas across the border with Louisiana.

The CAMS 19 monitor near Longview frequently records higher maximum ozone levels than other monitoring locations in Northeast Texas. Contributing factors appear to be proximity to local point sources and wind patterns that sometimes re-circulate emissions from nearby sources. Lake breezes from nearby Lake Cherokee may influence the wind patterns at CAMS 19. NETAC is conducting a low-cost study of wind patterns near Lake Cherokee using home weather stations operated by local volunteers. The goals are to determine whether lake breezes re-circulate emissions from sources near lake Cherokee and, if so, how extensive is the area influenced by the lake breeze.

Ozone Modeling

NETAC is performing seasonal ozone modeling for June to September of 2002. This period was selected to coincide with NETAC's 2002 aircraft study in August/September 2002. The modeling will study the relative contributions of local sources and ozone transport throughout a summer. The modeling makes use of recently completed emissions and meteorological data from the Central Regional Air Planning Association (CENRAP). The seasonal modeling will be less detailed than the SIP quality modeling completed for the CAAP and EAC.

Emission Reduction Measures

NETAC's CAAP includes a demonstration that the area expects to remain in compliance with the 8-hour ozone standard through 2007 and 2012 due to a combination of local and regional emission reduction measures. The local measures included in the attainment demonstration are reductions in NO_x emissions at several facilities operated by AEP, TXU and Eastman Chemical Company in Northeast Texas and VOC reductions at facilities operated by Eastman Chemical Company and Huntsman Chemical Company. The local NO_x reduction measures are in place now. The local VOC reduction measures are enhanced leak detection and repair (LDAR) programs at two chemical plants near Longview. Eastman Chemical completed projects in their polyethylene units in 2004 and completed implementing ethylene MACT regulations in their cracking plants before July 12, 2005. Huntsman Chemical completed implementing their enhanced LDAR programs in the first half of 2005.

The CAAP also describes additional local emission reduction strategies that go beyond the attainment demonstration to further improve air quality in Northeast Texas. In particular, NETAC completed a pilot program to demonstrate NO_x emission reduction technologies for gas compressor engines. Previous studies by NETAC indicate that an estimated 32 tons/day of NO_x emissions are generated by a large number of relatively small gas compressor engines that are widely distributed throughout the five county area. NETAC's pilot program retrofitted five gas compressor engines and demonstrated that NO_x emissions could be reduced by approximately 96% at a cost effectiveness of less than \$200 per ton of NO_x reduced. NETAC sought funding in 2005 for broader implementation of the gas compressor retrofit program through TCEQ's supplemental environmental projects (SEP) program and through the TERP program. To date, funding has not been authorized under either program.

EPA's October 17, 2005 memorandum to EAC areas provided guidance on reporting progress with implementing local emission reductions. Six local measures discussed in the CAAP are described below.

1. Eastman Chemical Company enhanced leak detection/repair (LDAR)

- Summary: Enhanced leak detection/repair programs were implemented in the cracking plants and polyethylene units at Eastman Chemical Company near Longview.
- Status: Measures were implemented by July 11, 2005 and are documented by Voluntary Emissions Reduction Permits #47007, #48588 and #48590.
- Implementation date: 11-Jul-05.
- Emission reductions: 0.63 TPD of VOC.
- Resources: Eastman Chemical Company implemented the LDAR programs.

2. Huntsman Chemical Company enhanced leak detection/repair (LDAR)

- Summary: Enhanced leak detection/repair programs at Huntsman Chemical Company near Longview.
- Status: Measures were implemented in the first half of 2005 and are documented by Flexible Plant-wide Applicability Permit Limit (PAL) Permit # 18105.

- Implementation date: 2005
- Emission reductions: 0.08 TPD of VOC by 2005; 0.12 TPD of VOC by 2008
- Resources: Huntsman Chemical Company implemented the LDAR programs

3. NOx reduction strategies for gas compressor engines

- Summary: Retrofit small (< 500 hp), spark-ignited, rich-burn compressor engines used in natural gas production with exhaust catalysts and electronic air/fuel ratio controllers.
- Status: In 2005, NETAC completed a pilot project to demonstrate the effectiveness and cost-effectiveness of this strategy on five engines within the NETAC area. Four of the pilot project control devices are in service at the end of 2005 for an estimated emission reduction of 0.1 TPD NOx. This emission reduction is not claimed because the pilot project was a demonstration project, not an enforceable emissions reduction strategy. NETAC sought funding in 2005 for wider and enforceable implementation of this strategy through the TCEQ "TERP" and "SEP" programs. To date, funding has not been authorized under either program.
- Implementation date: Not yet implemented.
- Emission reductions: No enforceable emissions reductions to date.
- Resources: "TERP" and "SEP" program funding required for wider implementation.

4. DOE "Clean Cities Program" voluntary on-road vehicle emission reductions

- Summary: Funding for clean-fueled propane vans for local transit agencies.
- Status: 23 propane-fueled vans placed in service by the end of 2005
- Implementation date: On-going through 2005
- 0.5 TPY 2.5 TPY
- Funded by DOE's Clean Cities program

5. Public awareness program

- East Texas Council of Governments (ETCOG) runs public awareness programs for the NETAC area. Includes: ozone watch and warning communications network between local gov't & industries to communicate ozone action day forecasts issued by TCEQ; a NETAC website; public service announcements; school programs and teacher training workshops; distribution of public information & educational materials; and an Annual Ozone Season kick-off meeting for the NETAC area.
- ETCOG ran the NETAC public awareness program in 2005 as in previous years.
- Implementation date: On-going through 2005.
- Emission reductions: This measure has program-based benefits but specific emission benefits are not quantified.
- Funded by the State of Texas through Rider funding for near-nonattainment areas (NNAs)

6. Energy efficiency programs

- Summary: The City of Tyler program includes: building lighting; HVAC & Controls Upgrades; Traffic Light Upgrades; Park Lighting Upgrades; and Wastewater Plant Motor and Controls Upgrades. The City of Longview program includes: Improvements in lighting; HVAC systems; swimming pool operations; and purchase of energy efficiency rated equipment for Public Safety communications; The City of Marshall is initiating an energy efficiency plan with assistance from Texas A&M University.
- Status: On-going.
- Implementation date: 2003-2008
- Emission reductions: Emission benefits for the NETAC area are not quantified because it is difficult to determine where the reduced electrical generation would occur.

Attachment 1

NETAC Policy Committee

- Mayor Joey Seeber, Co-Chair, City of Tyler
- Judge Bill Stoudt, Co-Chair, Gregg County
- Judge Becky Dempsey, Smith County
- Judge Fowler, Upshur County
- Judge Wayne McWhorter, Harrison County
- Judge Sandra Hodges, Rusk County
- Mayor Jay Dean, City of Longview
- Mayor Edward Smith, City of Marshall
- Mayor John Fullen, City of Henderson
- Jeff Howell, City Manager, City of Kilgore
- Greg Morgan, Project Coordinator, City of Tyler
- Jeff Ellington, City Manager, City of Gilmer
- Ricky Childers, City Manager, City of Longview
- Janet Cook, Asst. City Manager, City of Marshall
- Tammy Campbell, WE CAN
- David Duncan, Environmental Regional Manager, TXU
- Darrell J. Rachels, Eastman Chemical Company
- Keith Honey, General Manager, AEP/SWEPCO
- Eric Albritton, Attorney
- Scott Snedden, Environmental Supervisor, Delek Refining
- Lou Ann Nisbett, Director, MEDCO
- John M. Stroud, Executive Director, LEDCO
- Tom Mullins, Executive Director, Tyler Economic Development Corporation

Attachment 2

NETAC Technical Advisory Committee

- Mayor Jay Dean, City of Longview
- Robert Ray, Assistant City Attorney, City of Longview
- Councilman John Bolster, City of Longview
- Karen Owen, Longview MPO
- Greg Morgan, Projects Coordinator, City of Tyler
- Stephanie Rollings, Tyler MPO
- Janet Cook, Asst. City Manager, City of Marshall
- Jim Mathews, NETAC General Counsel
- Erik Snyder, EPA Region 6
- Carrie Paige, EPA-Region 6
- Tom Lawshae, SIP Coordinator, TCEQ-Austin
- Doug Boyer, TCEQ-Austin
- Charles Murray, TCEQ-Region 5 Air Program
- Dale Spitz, TXDOT-Tyler District
- Sharon Wellman, Eastman Chemical Company
- Scott Snedden, Delek Refining
- Kelly Spencer, AEP/SWEPCO
- Bruce Moore, Manager Air Quality West, AEP/SWEPCO Environmental Services
- Dick Robertson, TXU Air Quality Manager
- David Duncan, TXU
- Dennis Leahey, Huntsman Chemical
- Rick Lowerre, Caddo Lake Institute, Inc.
- Ramon Alvarez, Ph.D., Environmental Defense Fund
- Eric Albritton, Attorney
- Henry C. Bradbury, Environmental Solution
- Micaela Crooks, CenterPoint Energy

Attachment 3

NETAC Public Education/Outreach Committee

- Robert Ray, Assistant City Attorney, City of Longview
- Greg Morgan, Project Coordinator, City of Tyler
- Janet Cook, City of Marshall
- Sharon Wellman, Eastman Chemical Company
- Don Montgomery, TXU
- Kathy Bell, TCEQ-Region 5 Air Program
- Darrell Powell, TCEQ-Austin
- Kelly Spencer, AEP/SWEPCO
- Scott McCloud, AEP/SWEPCO
- Henry C. Bradbury, Environmental Solution