

Third Biannual Report on the
Early Action Compact for
Northeast Texas

June 2004

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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 third (June 2004) progress report covering activities for the first half of 2004.

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

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. There have been no exceedences of the 1-hour ozone standard in Northeast Texas in the past 3 years and so the area is monitoring attainment of the 1-hour ozone NAAQS in 2003. The annual 4th highest 8-hour ozone values at monitors in Northeast Texas are shown in Table 2 along with the resulting 2001-2003 8-hour design values. Since Karnack and Waskom do not have 3 years of complete data they were not used by EPA for attainment designation, but they have 2 year design values that are below the level of the 8-hour ozone NAAQS. The monitors at Longview and Tyler have complete 2001-2003 data and are monitoring attainment of the 8-hour ozone NAAQS in 2003. EPA has designated all five NETAC counties as 8-hour ozone attainment areas.

Table 2. Annual 4th highest 8-hour ozone values (ppb) and 2003 8-hour ozone design values for Northeast Texas

Year	Longview	Tyler	Karnack	Waskom
2001	82	82	Partial season	Not Operating
2002	84	84	88	86
2003	82	79	80	82
2003 Design Value	82	81	N/A	N/A

I. 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 26-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 placed significant emphasis on 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 first half of 2004 NETAC held Technical Advisory Committee held six meetings on January 22, March 19, March 26, April 23, June 7, and June 25. The NETAC Policy Committee met on January 22 and March 26, 2004. The January 22 Technical and Policy Committee meetings discussed and approved submission of the draft Clean Air Action Plan (CAAP) to the TCEQ and EPA at the end of January 2004. The March 19 Technical Committee meeting discussed revisions to the draft CAAP. The March 26 Technical and Policy Committee meetings discussed and approved the final CAAP submitted to the TCEQ and EPA at the end of March 2004. The Technical Committee meetings held in April and June discussed the implementation of additional local emission reductions and plans for air quality monitoring activities.

The NETAC Public Education Committee met on April 6, 2004 to discuss activities for 2004 and preparations for the ozone season awareness kickoff event held on April 30, 2004.

II. Public Outreach

NETAC is actively engaged in public education and outreach activities concerning ozone air quality issues. NETAC held an ozone season awareness kickoff event on April 30, 2004 to raise public awareness of ozone air quality issues and encourage public support for programs designed to minimize ozone formation.

Public education and outreach programs that have been established and that continue on an ongoing basis include:

1. Production and distribution of public service announcements broadcast on local radio stations providing information on ozone air quality issues and recommending actions to reduce ozone levels on ozone action days.
2. Printing and distribution to local public schools book covers designed to increase public awareness of ozone air quality issues.
3. Establishment and maintenance of a website (<http://www.netac.org>) to provide information concerning ozone air quality issues and NETAC's ongoing activities.

4. Annual sponsorship of an ozone awareness event prior to the commencement of ozone season in order to highlight ozone air quality issues and encourage public support for programs designed to minimize ozone formation.

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.

III. Technical Activities

NETAC technical activities in the first quarter of 2004 (January to March) were focused on preparing the Clean Air Action Plan (CAAP) for submission to the TCEQ and EPA in accordance with the schedule of EAC deliverables shown in Table 1. The draft CAAP was completed in January 2004 by the Technical Advisory Committee, approved by the Policy Committee, and submitted by January 31, 2004. The final CAAP was completed in March 2004 by the Technical Advisory Committee, approved by the Policy Committee, and submitted by March 31, 2004.

The NETAC CAAP concludes that the area expects to remain in attainment of the 8-hour ozone standard through 2012. This conclusion is based on:

1. A modeling attainment demonstration for 2007 with projected 2007 design values of Tyler (77 ppb), Longview (80 ppb), Karnack (81 ppb) and Waskom (82 ppb).
2. A weight-of-evidence analysis supporting the 2007 modeling attainment demonstration.
3. A maintenance for growth analysis of emissions in 2012 showing further reductions in ozone precursor emission levels from 2007 to 2012.

The NETAC 8-hour ozone attainment demonstration for 2007 is based on local, State and Federal emissions reduction strategies that are currently enforceable. The NETAC CAAP also includes additional local control measures to further reduce ozone levels and safeguard ozone attainment for the region. NETAC technical activities in the second quarter of 2004 (April to June) have been analyzing the impacts of these strategies and making progress toward their implementation. Two strategies have been the main focus:

1. HRVOC reductions at chemical plants near Longview owned by Eastman Chemical Company and Huntsman. NETAC modeled the ozone impacts of these HRVOC reductions and they are estimated to reduce the 8-hour ozone design value for Longview by 0.1 ppb in 2007. These HRVOC reductions will result from improved leak detection and repair (LDAR) programs made enforceable by permits. The applicable permits for Eastman Chemical Company (Voluntary Emissions Reduction Permit numbers 47007,

48588 and 48590) have been approved by the TCEQ. Huntsman's permit (State of Texas permit number 18105) is under review by the TCEQ.

2. NO_x reductions from compressor engines used in the natural gas production industry. NETAC has identified these engines as a significant source of NO_x emissions in the five County NETAC area for which there are efficient and cost-effective retrofit technologies available now. NETAC's approach to reducing these emissions is to encourage the engine owner/operators to apply for grants from the Texas Emissions Reduction Program (TERP) to install retrofit technologies. This is discussed further in the next section on emission reduction measures.

IV. Emission Reduction Measures

The HRVOC reductions at the Eastman Chemical Company and Huntsman facilities in Gregg County were included in NETAC's Clean Air Action Plan as enforceable measures. As noted above the Eastman reductions are federally enforceable through permits number 47007, 45588, and 48590. The Huntsman permit is currently under review by TCEQ. No obstacles in implementing these measures are anticipated.

An additional measure included in the Clean Air Action Plan for Northeast Texas is a voluntary measure that focuses on reducing NO_x emissions from gas compressor engines used in natural gas production in the five County NETAC areas. 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. Non-Selective Catalytic Reduction (NSCR) systems combined with an electronic air/fuel ratio controller can achieve a NO_x reduction of more than 90% for these sources. Owners and operators of gas compressor engines in the five county NETAC area should be eligible to receive grant funding from the Texas Emission Reduction Plan (TERP) for installation of these technologies.

East Texas Council of Governments (ETCOG) has entered into a grant agreement with the Texas Commission on Environmental Quality that will allow ETCOG and NETAC to develop and implement a pilot project, which would demonstrate the effectiveness of NO_x reductions on gas compressor engines using catalyst technology. This pilot program is intended to encourage and facilitate owners and operators of gas compressor engines in the NETAC area applying for TERP grants.

The NETAC Technical Advisory Committee has approved the pilot project work plan. Identification of candidate engines for retrofitting should occur before August 31, 2004. By February 1, 2005 NETAC plans to obtain, install, and test retrofit equipment on up to four gas compressor engines. A final report documenting the pilot project and providing materials to be used in public outreach is due for completion by February 28, 2005.

NETAC does not anticipate obstacles in implementing its pilot program. However, unless sufficient funds are available under the TERP program NETAC's goal of encouraging and

facilitating owners and operators of gas compressor engines to achieve broader reductions through individual TERP grants could be impaired.

V. Implementing the Clean Air Action Plan

As discussed above, NETAC met the EAC timeline for developing a CAAP by March 31, 2004. The next stage in implementing the CAAP is for the TCEQ to incorporate NETAC's CAAP into a State Implementation Plan (SIP) revision submitted to EPA by December 31, 2004. The TCEQ has developed a detailed timeline of the steps needed to complete the SIP revision as shown in Appendix 4. NETAC is working with the TCEQ in developing the SIP by supplying information needed for the SIP documents and assisting with scheduling public hearings in Northeast Texas.

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 Murray Moore, City of Longview
- Mayor Edward Smith, City of Marshall
- Mayor Foy Brown, City of Henderson
- Tony Williams, City Manager, City of Kilgore
- Greg Morgan, Project Coordinator, City of Tyler
- Councilman Johnny Taylor, 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
- L. Dale Rhoades, Environmental Supervisor, LaGloria Oil & Gas Co.
- 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 Murray Moore, City of Longview
- Robert Ray, Assistant City Attorney, City of Longview
- Councilman Gaylon Butler, City of Longview
- Karen Owen, Longview MPO
- Greg Morgan, Projects Coordinator, City of Tyler
- Tanya McCuller, Tyler MPO
- Janet Cook, Asst. City Manager, City of Marshall
- Jim Mathews, NETAC General Counsel
- Erik Snyder, EPA Region 6
- Michael Morton, EPA-Region 6
- Jud May, EPA-Region 6
- Gerry Wolfe, SIP Coordinator, TCEQ-Austin
- James Red, TCEQ-Austin
- Charles Murray, TCEQ-Region 5 Air Program
- Dale Spitz, TXDOT-Tyler District
- Sharon Wellman, Eastman Chemical Company
- L. Dale Rhoades, LaGloria Oil & Gas Company
- Kelly Spencer, AEP/SWEPCO
- Howard Ground, Manager Air Quality, AEP/SWEPCO
- Dick Robertson, TXU Air Quality Manager
- David Duncan, TXU
- Dennis Leahey, Huntsman Chemical
- Dwight K. Shellman, Jr., 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

Attachment 4

TCEQ Draft Timeline for Developing a Northeast Texas SIP Revision in 2004

TASK	DATE(S)
EAC plans submitted to TCEQ	March 31, 2004
Summarize plans in prep for work session/Begin to draft rules/ Continue working w/locals on outstanding issues	April 1-16
Briefings	April 19-21
Work Session executive summary due	April 22
Commissioners Work Session - EAC plans presented for discussion	April 30
Finalize rules (if necessary) and plans, incorporate into SIP revision format Continue meeting w/locals	May 3-June 4
Rules processing by Texas Register staff (if necessary)	June 7-11
Final review/sign-off of proposed SIP revisions	June 14-18
Pre-filing briefings	June 21-24
Back-up due to Chief Clerk's Office	June 25
Commissioners agenda - proposed SIP revision presented for approval to publish	July 14
Rules published in the Texas Register (if necessary)	July 30
Public hearings	Aug 23-27
Close of Public Comment Period	Aug 30
Analyze comments, prepare final SIP revision packages including rules (if necessary)	Aug 30-Sep 24
Initial legal/management review	Sep 27-Oct 1
Initial Briefings	Oct 4-8
Final coordination meetings w/locals	Oct 11-22
Rules processing by Texas Register staff (if necessary)	Oct 25-29
Final internal review/sign-off	Nov 1-5
Pre-filing briefings	Nov 8-10
Back-up due to Chief Clerk's Office	Nov 12
Commissioners agenda - adoption SIP revisions presented for approval	Dec 1
SIP revision submitted to EPA	by Dec 31, 2004