

State Advisory Board (SAB) Meeting Minutes
DEQ Piedmont Regional Office - Innsbrook
May 6, 2010
10:00am – 2:00pm

- Meeting was called to order by SAB Chair, Dan Ancona at 10:00 am.
- In attendance were: Daniel Ancona, Alma Banks, Brian Castelli, Jim Christman, Dean Downs, Mike Dowd, Charlie Forbes, Daniel Goldstein, Ted Handel, Paige Holt, Timothy Mallan, Kevin McGunnigle, Gerald Pellett, Patti Procise, Deborah Randolph, John Roland, William Shobe, Lowell Smith, and Chuck Turner.
- Members unable to attend were: Dan Demers, Evans Drake, Mark Feltner, Douglas Feuerbach, Dan Holmes, Richard Langford, Joe Loschiavo, Anil Mehrotra, Sheryl Raulston, and Cathy Taylor.
- John Heard from the VA Coal Association was also present at the meeting.
- Introductions of SAB members and DEQ staff.
- The March 6, 2010 meeting minutes were approved.
- Tim Mallan from the Appalachian Power Company gave a presentation on “The Mountaineer Carbon Capture and Storage Project”.
- Dan Ancona asked the Board to bring forward any future presenters.

Bill Shobe will be doing a demonstration on the UVaCollab website at the next meeting.

- Each workgroup had to give an update on their project:

Jim Christman gave a brief update for the Community Based Toxics Strategy Workgroup: The Community Air Toxics workgroup has posted three draft sections of its report on the UVA Collab website. First is a discussion of the "initiation" issue, which is how sites should be selected for toxics monitoring studies. This discussion draws on the experience of the Oregon DEQ and lists 13 factors that might be considered for selecting study sites in Virginia. Second is a detailed schedule for initiating, performing, and reviewing toxics studies, designed so as to include local officials, industry representatives, and the public early in the process. Third is a report on what regulatory agencies and academic researchers have learned about how best to communicate risk information to the public, especially where extremely small numbers, probabilities, and esoteric indicators like "hazard quotients" are involved. The workgroup will be revising all three sections and will post updated drafts before the

July 22 meetings. SAB members are encouraged to read the existing drafts and submit comments to the workgroup. In particular, the workgroup is interested in hearing SAB members' experiences with communicating risk information to the public.

Dean Downs gave a brief update for the Nox Rules, Monitoring, and Mitigation Workgroup: The NOx workgroup has completed their mission statement and outline. The report will include Rule Summary (NOx Standard & Monitoring), Issues of Concern (Potential for NOx nonattainment & Potential issues with monitoring approach) and Potential Mitigation (Other regs that may help attainment: NOx CAIR, Mobile source (truck engine reductions), Fleet turnover). Topic assignments will be completed today.

Brief update from the Cost of Compliance Workgroup: Bill Shobe reported on the history of the 2005 study for DEQ by consulting firm ERM on ways to reduce the cost of complying with DEQ regulations. The origins of the study were in the budget amendments of 2004, which raised DEQ permit fees but, in return, called for a study of how permitting costs could be reduced. DEQ gave ERM the contract for the study in 2004. The final report was presented in 2005 and was followed by a process at DEQ to investigate how the report recommendations might be implemented. This process included DEQ staff and 'stakeholders'. Kathy Frahm probably had the lead on this process. An interim report was produced in 2006 and a final report in August of 2009. All three of these reports are on the DEQ web site.

The final report does indicate some progress on computerization of internal records and 'cross-media' training of a small number of DEQ inspectors, but for many proposals, the process ended with the conclusion that federal statutory mandates prevented many of the options from being pursued.

New language on this issue found its way into sections 354 and 355 of the conference report on the 2010 appropriations bill. The original language set minimum and maximum percentages of DEQ permitting costs that should be covered by fees in the water and waste programs. Air was not included. The Governor modified the language some; he eliminated the minimum percentage language but left the maximum percentage language. His changes were sustained during the veto session. The fee language was accompanied by yet more language that DEQ study possible cost savings in the water and waste programs.

A big fee issue is on the horizon in the air program. EPA CO₂ regs do not provide for fees to pay for state costs of permitting under its CO₂ regs. DEQ has covered the costs of the air program with fees for some years, but these revenues will soon fall short even without the new CO₂ program. Add to that the cost of the CO₂ program, and you are looking at a big

budget shortfall. This issue will be the subject of a DEQ stakeholder process this year.

Climate Change Report Wrap Up: Dan Ancona reported progress in developing a short list of options for actions by the Commonwealth regarding climate change, as requested by the Air Pollution Control Board. Results provided in the draft Climate Report that was submitted to the Air Board in April 2009 are being reviewed. Of the 45 options reported previously, a small number, possibly five to eight, are being considered and prioritized. The approach used to select the "low hanging fruit" is to identify possible actions that are considered realistic in the Commonwealth and have largest potential benefits at least burden or cost. The suggested priorities and rationale are being prepared by the participants in the working group for consideration by the Board at the next meeting.

- The next SAB meeting will be held on July 22, 2010 at DEQ – Piedmont Regional Office, Innsbrook.
- The meeting adjourned at 2:00 pm.