

NEW JERSEY CLEAN AIR COUNCIL

Clean Air Council Members

James Blando, Ph.D., Chairman
Leonard Bielory, M.D., Vice Chairman
Ferdows Ali, Ph.D.
Jorge H. Berkowitz, Ph.D.
Joseph Constance
Michael Egenton
John Elston
Elease Evans
Manuel Fuentes-Cotto
Toby Hanna, P.E.
Richard M. Lynch, Ph.D.
John Maxwell
Joyce Paul

Clean Air Council Members

Joseph Spatola, Ph.D.
Kenneth Thoman
Junfeng (Jim) Zhang, Ph.D.
Irwin Zonis

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Draft Approved: May 9, 2007

NJ CLEAN AIR COUNCIL MEETING RECORD

March 14, 2007, 9:30 a.m.
Atlantic City Electric
Bank of America Building
150 West State St
3rd Floor Conference Room
Trenton, NJ

CALL TO ORDER: James Blando opened the meeting.

COUNCIL MEMBERS PRESENT: All of the Council members were present with the changes noted below. (See Attachment 1 – Attendance Sheet)

EXCUSED: John Elston, Elease Evans

REPRESENTATIVE: Jason Herrington for Jim Zhang

SPEAKERS: Bill O’Sullivan, Director, Division of Air Quality; Energy Master Plan (EMP), Lance Miller, Chief of Staff; Clean Energy Program, Michael Winka, Director, Board of Public Utilities

PUBLIC: Kelly Moretta, Schering-Plough Corp., Dan Cunningham, PSEG; Dennis Poole, NJ Environmental Lobby

Meeting Record

Roll call was taken. Chairman called for motion to approve the February minutes. Irwin Zonis made the motion to approve the February minutes with edits. Dr. Bielory seconded the motion. Richard Lynch and Jorge Berkowitz abstained. The February minutes were approved by a majority vote.

Administrative Report

Presented by Bill O’Sullivan, Director, Division of Air Quality:

- National Air Toxics Assessment uses (See Attachment 2). Suggested a fall CAC meeting be dedicated to air toxics.

- Municipalities are being encouraged to pass no-idling ordinances. Penalties go to the agency issuing the summons.
- On March 2, 2007, the Ozone Transport Commission (OTC), including Commissioner Jackson, voted to implement a High Electrical Demand Day strategy. The states in the middle portion of the OTC (Maryland through Connecticut) will take actions to reduce emissions from electrical generating utilities on high electric demand days, which generally coincide with high ozone days.
- On March 5, 2007, a public fact-finding hearing was held regarding the use of Ultra-Low-Sulfur Diesel (ULSD) fuel in New Jersey. The purpose of this hearing was to gather information on ULSD production and the distribution supply chain to meet the demand, in order that the NJDEP can determine if more ULSD fuel can be required sooner than the federal EPA requirements.
- On March 5, 2007, a notice was published in the NJ Register proposing revision to the NJ State Implementation Plan (SIP) covering Reasonably Available Control Technology (RACT) for the 8-hour Ozone National Ambient Air Quality Standard (NAAQS). Included are other associated SIP revisions for the Fine Particulate Matter NAAQS, Regional Haze, and the Clean Air Act (CAA) requirements on Transport of Air Pollution. The proposal includes commitments to reduce emissions from the following source categories: Asphalt Paving; Asphalt Production; Glass Furnaces; Electrical Generating Units; High Electric Demand Day Units (HEDD); Industrial Adhesives; Industrial, Commercial and Institutional (ICI) Boilers; Petroleum Refineries; External Floating Roof Tanks; and Facility Specific Emission Limit (FSEL) & Alternate Emission Limit (AEL).
- The US Court of Appeals for the D.C. Circuit Court ruled on December 22, 2006, that the USEPA failed to heed the restrictions in the CAA when it promulgated the Phase one 8-Hour Ozone Implementation Rule (April 30, 2004). The Court vacated the rule and remanded the matter to the USEPA for further proceedings.
- The final mobile source air toxics (MSAT) rule adopted by the USEPA on February 9, 2007 will not provide additional emission reductions in MSAT in New Jersey. In particular, the adopted rule will not reduce the level of benzene in New Jersey's gasoline beyond levels already being achieved. The USEPA accepted NJDEP comments regarding the need to set a cap on each refiner's maximum benzene levels and to extend the fuel container specifications to diesel and kerosene containers. Comments not included were: lowering benzene content in gasoline; changing the averaging, banking and trading program; extending the MSAT rule to cover additional mobile source air toxics; harmonizing with the California Low Emission Vehicle program's zero evaporative emission standards for vehicles; and adopting further measures to reduce diesel particulate emissions.
- The Northeast States for Coordinated Air Use Management (NESCAUM) Heavy Duty Workgroup issued a report supporting New Jersey's draft rule to lower smoke opacity standards for heavy-duty diesel vehicles. The study will encourage other states to join New Jersey in proposing tighter standards for diesel.
- USEPA proposed regulations that would require the emission control systems of large highway diesel and gasoline trucks to be monitored for malfunctions via onboard diagnostic systems (OBD), similar to those OBD systems that have been required on passenger cars since 1996. The phase-in would start with model year 2010.
- On January 16, 2007, the NJDEP launched rulemaking to modify its consumer products and portable fuel containers (gas cans) rules and to establish new volatile organic compound (VOC) emission limit requirements for adhesives and sealants.

The changes to the consumer products rules will be based on an OTC model rule that establishes more stringent limits and additional requirements for some of the currently regulated categories. Other changes are based on a California Air Resources Board (CARB) rule.

- The Mid-Atlantic NorthEast Visibility Union (MANE-VU) held its first formal consultation meeting to discuss reasonable measures to improve visibility at the Brigantine Wilderness Area in New Jersey and the other Class I air quality protection areas in Maine, New Hampshire, and Vermont. The measures will focus on reductions in sulfur dioxide and direct particulate emissions.
- The “Trends Analysis on Materials Accounting Date, 1994-2000” report indicates that production levels of hazardous substances increased, but a decrease in waste released into the environment.
- New Jersey’s last operating medical waste incinerator has shut down. Over the last decade, hospitals have implemented alternate means to dispose their medical waste, including grinding and disinfecting.
- The Maryland Legislature approved the Clean Car Act which calls for adoption of the California Low Emission Vehicle (LEV) program beginning with model year 2011. Chris Salmi testified at a legislative hearing. Maryland would become the eleventh state to adopt the California LEV program.

NJ Energy Master Plan (EMP)

Presented by Lance Miller, Chief of Staff, Board of Public Utilities:

- New Jersey is statutorily required to do an EMP every 10 years and to do updates every three years. The most recent Energy Master Plan was published in 1991 and updated in 1995 in response to the introduction of wholesale competitive electricity markets in the region. A 1987 amendment to the EMP law (itself enacted in '77) mandated a standing committee representing all relevant state policymaking agencies.
- The Energy Master Plan is New Jersey's response to its need for energy -- an essential to the quality of life for every resident. Our need for secure and reasonably priced supplies and services -- the basis for continued economic growth -- must be balanced with the need to protect our health, safety and our State’s precious natural environment. Increasing worldwide demand is profoundly affecting the energy supply, and that makes foresight and planning for our needs in heat, electricity, and transportation more critical than ever.
- In the interest of promoting a more secure, economic, and environmentally responsible energy future, the state policy makers have a single, over-arching goal for New Jersey as it completes the Energy Master Plan. The main goal of the EMP is to reduce projected energy use by 20% by 2020 and meet 20% of the State’s electricity needs with Class 1 renewable energy sources by 2020. The combination of energy efficiency, conservation, and renewable energy resources, should allow New Jersey to meet any future increase in demand without increasing its reliance on non-renewable resources. There are three goals to the EMP:

Goal 1: Secure, Safe, and Reasonably Priced Energy Supplies and Services – To provide safe, secure, reasonably priced energy supplies and services to New Jersey’s commercial, industrial, transportation, and residential customers, while reducing dependence on traditional fossil fuels and fossil fuel generation, decreasing electric and natural gas transmission congestion, utilizing efficiency and renewable resources

to supplement the State's energy resources, proactively planning for in-state electricity generation retirements, and reducing the demand for energy.

Goal 2: Economic Growth and Development – To encourage and maintain economic growth prospects for the State by recognizing and fostering the multiple functions of energy in the economy—as an integral part of producing and transporting goods and services; as a means of attracting business to the state with reliable, reasonably-priced energy; and as a potential driver of new areas of economic activity.

Goal 3: Environmental Protection and Impact – To promote the achievement of Federal and State environmental requirements and objectives in an effective and low-cost manner and, where possible, provide market-based incentives to achieve those goals. These policies should be coordinated with the State's environment, economic, and redevelopment plans to protect and enhance environmental quality, conserve natural resources, and improve the quality of life in New Jersey.

Computer Modeling Assumptions

- In preparation of the EMP, the Center for Energy, Economic and Environmental Policy (CEEEP) of Rutgers University working the EMP Committee has developed computer modeling assumptions for electricity and heat.
- Using historical and current data and input from various stakeholders, the assumptions are organized into two scenarios, "business-as-usual" and an "alternative" scenario. The business-as-usual scenario is being used to predict what would happen absent any actions by the State or other entities to address energy supply and demand issues. The alternative scenario is a hypothetical approach, implementing a number of policies intending to reduce energy consumption and increase the use of renewable energy supplies. This theoretical scenario is not meant to indicate that these actions will be included in the final EMP, but act as a launching point for other alternative scenarios to be run after the modeling results are received for these two scenarios.
- For more information about the EMP, please visit <http://www.nj.gov/emp>

New Jersey Clean Energy Program

Presented by, Michael Winka, Director, Board of Public Utilities:

- This statewide clean energy initiative, administered by the NJ Board of Public Utilities, provides information and financial incentives to help New Jersey residents, business and communities reduce their energy use, lower costs and protect the environment. Our objective is to transform the energy marketplace in New Jersey toward more energy-efficient and renewable energy technologies.
- Programs are available to lend technical and financial assistance to homeowners, businesses, schools, and government organizations.
- Grants are awarded on a 4-year budget cycle.
- For more information, please visit <http://www.njcleanenergy.com/index.html>

NEW BUSINESS/OLD BUSINESS

- Jorge Berkowitz and Irwin Zonis to edit draft Air Quality Awareness Week resolution and share with CAC.
- Annual Public Hearing Update: Draft agenda to remain status quo; Ken Thoman to contact Nuclear Energy Institute and Utilities for speakers; Bill O'Sullivan to contact Ray Werner about USEPA speaker; Irwin to follow-up with Assemblyman McKeon.

- Chairman asked for a motion: (a) to recognize that Richard Lynch did represent the CAC on the Interagency Indoor Air Task Force (IIATF), and (b) to discontinue CAC representation on the IIATF. Jorge Berkowitz moved the motion be passed. The motion was passed unanimously. Chairman will write a letter to Eileen Murphy, NJDEP, with a copy to Joe Eldridge, NJ Department of Health, asking for a formal quarterly report in lieu of CAC's participation on the IIATF.
- Chairman called for motion to adjourn the meeting. Jorge Berkowitz made the motion, seconded by Irwin Zonis. The meeting was adjourned at 12:09 p.m.

ARTICLES OF INTEREST

- News Clips

NEXT MEETING

April 11, 2007, Annual Public Hearing, NJ Department of Environmental Protection
401 East State St., Public Hearing Room, 1st Floor, Trenton, New Jersey