

**ATTACHMENT A
RESOLUTION NO. 17-2**

A Resolution of the South Coast Air Quality Management District (SCAQMD or District) Governing Board certifying the Final Program Environmental Impact Report (PEIR) for the 2016 Air Quality Management Plan (AQMP or Plan), and adopting the 2016 AQMP, which is to be submitted into the California State Implementation Plan (SIP).

WHEREAS, the United States Environmental Protection Agency (U.S. EPA) promulgated the 8-hour ozone national ambient air quality standard (NAAQS or standard) of 75 parts per billion (ppb) in 2008, followed up by implementation rules which set forth the classification and planning requirements for SIPs; and

WHEREAS, the 2008 8-hour ozone standard became effective on July 20, 2012. The South Coast Air Basin was classified as “extreme” nonattainment for this standard with an attainment date of July 20, 2032 and the Coachella Valley is classified as “severe” nonattainment with an attainment date of July 20, 2027; and

WHEREAS, the U.S. EPA revoked the 1997 8-hour ozone standard (80 ppb) in 2015, but the South Coast Air Basin has continuing anti-backsliding requirement obligations until this standard is attained by June 15, 2024; and

WHEREAS, the U.S. EPA revoked the 1-hour ozone standard (120 ppb) effective June 15, 2005, but on September 3, 2014 U.S. EPA approved the portion of the SIP in the 2012 AQMP that demonstrated attainment of the 1-hour ozone standard by December 31, 2022; and

WHEREAS, the U.S. EPA strengthened the annual average fine particulate matter (PM_{2.5}) standard from 15 µg/m³ to 12 µg/m³ in 2012, with an attainment date of December 31, 2021 for “moderate” nonattainment areas and an December 31, 2025 for “serious” nonattainment areas; and

WHEREAS, the U.S. EPA promulgated a 24-hour PM_{2.5} standard in 2006 and the South Coast Air Basin was originally classified as “moderate” nonattainment on December 14, 2009, with an attainment date of December 14, 2014; and

WHEREAS, it was determined impractical to meet the 2006 24-hour PM_{2.5} standard by the original attainment date, primarily due to unexpected drought conditions, such that the South Coast Air Basin was re-classified to “serious” nonattainment for the 24-hour PM_{2.5} standard, with a new attainment date of December 31, 2019; and

WHEREAS, the federal Clean Air Act (CAA) requires SIPs for regions not in attainment with the 2008 ozone NAAQS to be submitted no later than four years after the nonattainment area designation effective date of July 20, 2012, whereby, a SIP for the South Coast Air Basin should be submitted for the attainment of the 2008 8-hour ozone standard by July 20, 2016. Sanctions may be imposed 18 months after a finding of non-submittal; and

WHEREAS, the federal Clean Air Act requires SIPs for regions not in attainment with the fine particulate standards be submitted no later than 18 months after the standards became effective, whereby, SIPs for the South Coast Air Basin must be submitted for the 2012 annual PM2.5 standard by October 15, 2016; and

WHEREAS, the SCAQMD has jurisdiction over the South Coast Air Basin and the desert portion of Riverside County known as the Coachella Valley; and

WHEREAS, the SCAQMD is committed to comply with the requirements of the federal Clean Air Act; and

WHEREAS, the Lewis-Presley Air Quality Management Act requires the SCAQMD's Governing Board to adopt an AQMP to achieve and maintain all state and federal air quality standards; to contain deadlines for compliance with federal primary ambient air quality standards; and, to achieve the state standards and federal secondary air quality standards by the application of all reasonably available control measures, by the earliest date achievable (Health and Safety Code Section 40462). Further, the California Clean Air Act (CCAA) requires the SCAQMD to endeavor to achieve and maintain the state ambient air quality standards for ozone, carbon monoxide, sulfur dioxide, and nitrogen dioxide by the earliest practicable date (Health and Safety Code Section 40910); and

WHEREAS, the CCAA requires a nonattainment area to evaluate and, if necessary, update its AQMP under Health and Safety Code §40910 triennially to incorporate the most recent available technical information; and

WHEREAS, the SCAQMD Governing Board is committed to comply with the requirements of the CCAA; and

WHEREAS, the SCAQMD is unable to specify an attainment date for the state ambient air quality standards for 8-hour ozone, PM2.5, and PM10; however, the 2016 AQMP, in conjunction with earlier AQMPs, contains every feasible control strategy and measure to ensure progress toward attainment and the AQMP will be reviewed and revised to ensure that progress toward all standards is maintained; and

WHEREAS, the 2016 AQMP must meet all applicable requirements of California law and the CAA; and

WHEREAS, the SCAQMD Governing Board is committed to achieving healthful air in the South Coast Air Basin and all other parts of the District at the earliest possible date; and

WHEREAS, the 2016 AQMP is the result of 36 months of staff work, public review, and debate, and has been revised in response to public comments; and

WHEREAS, the 2016 AQMP incorporates updated emissions inventories, ambient measurements, new meteorological episodes, improved air quality modeling analyses, and updated control strategies by the SCAQMD and will be combined with the portions of the Plan provided by the California Air Resources Board (CARB), and the Southern California Association of Governments (SCAG), and will be forwarded to the CARB for any necessary additions and submission to U.S. EPA; and

WHEREAS, as part of the preparation of an AQMP, in conjunction or coordination with public health agencies, such as CARB and the Office of Environmental Health Hazard Assessment (OEHHA), a report has been prepared and peer-reviewed by the Advisory Council on the health impacts of particulate matter air pollution in the South Coast Air Basin pursuant to California Health and Safety Code § 40471, which has been included as part of Appendix I (Health Effects) of the 2016 AQMP; and

WHEREAS, the 2016 AQMP establishes transportation conformity budgets for the 8-hour ozone and annual PM2.5 standards based on the latest planning assumptions; and

WHEREAS, the 2016 AQMP demonstrates attainment of federal ambient air quality standards for 2008 and 1997 8-hour ozone, 1979 1-hour ozone, 2012 annual and 2006 24-hour PM2.5 NAAQS in the South Coast Air Basin; and

WHEREAS, the 2016 AQMP also demonstrates attainment of federal ambient air quality standards for 2008 8-hour ozone NAAQS in the Coachella Valley; and

WHEREAS, the 2016 AQMP satisfies the planning requirements set forth in the federal and California Clean Air Act; and

WHEREAS, the 2016 AQMP includes the annual average and summer planning emission inventory for criteria and precursor pollutants, attainment demonstrations, reasonably available control measure (RACM) and

reasonably available control technology (RACT) analyses, reasonable further progress (RFP), PM precursor requirements, vehicle miles traveled (VMT) demonstrations, and transportation conformity budgets for the South Coast Air Basin and Coachella Valley; and

WHEREAS, Title 40 of the Code of Federal Regulations, Part 93 (40 CFR Part 93) requires that transportation emission budgets for certain criteria pollutants be specified in the SIP; and

WHEREAS, 40 CFR Part 93.118 (e)(4)(iv) requires a demonstration that transportation emission budgets submitted to U.S. EPA are “consistent with applicable requirements for reasonable further progress, attainment, or” maintenance (whichever is relevant to the given implementation plan submission); and

WHEREAS, the 2016 AQMP updates the ozone control plan with new measures designed to reduce reliance on the CAA Section 182(e)(5) long-term measures for NOx and VOC reductions; and

WHEREAS, significant emission reductions must be achieved from sources under state and federal jurisdiction for the South Coast Air Basin to attain the federal air quality standards; and

WHEREAS, in order to reduce reliance on the CAA Section 182(e)(5) long-term measures, the SCAQMD needs emission reductions from sources outside of its primary regulatory authority and from sources that may lack, in some cases, the financial wherewithal to implement technology with zero or near-zero air pollutant emissions; and

WHEREAS, the State SIP Strategy “Further Deployment of Cleaner Technologies” measures identify the SCAQMD as co-implementing agency relative to implementing incentive programs and help quantify potential emission reduction benefits from operational efficiency improvements and the deployment of connected vehicles and intelligent transportation systems; and

WHEREAS, the Final 2016 AQMP has provided four facility-based mobile source measures (MOB-01, MOB-02, MOB-03, and MOB-04), an on-road heavy-heavy-duty vehicles measure (MOB-08), and an emissions growth management measure (EGM-01) which will go through a one-year public process to identify actions that are either voluntary or regulatory in nature to help meet the emission reduction commitments provided in the State SIP Strategy “Further Deployment of Cleaner Technologies” measures; and

WHEREAS, a majority of the measures identified to reduce reliance on the CAA Section 182(e)(5) long-term measures rely in part on continued, new

and sustained funding to incentivize the deployment of the cleanest stationary and mobile combustion equipment; and

WHEREAS, the 2016 AQMP integrates a variety of control measures and implementation approaches in a cost-effective, feasible, and targeted fashion while considering the co-benefits from climate change and air toxics control programs that may also produce concurrent benefits for ozone and PM2.5; and

WHEREAS, the 2016 AQMP relies on a combination of strong regulatory actions and incentive programs as the most effective means of achieving emission reductions in order to attain the federal health-based standards; and

WHEREAS, the 2016 AQMP prioritizes maximizing emission reductions from zero-emitting technologies where cost-effective and feasible, and near-zero emission technologies in all other applications; and

WHEREAS, an accelerated deployment of current and emerging near-zero emission natural gas engine technologies will provide significant, cost-effective and near-term benefits to regional and local air quality, energy supply security, and public health; and

*Amended
3/13/17
O. Aguirre*

WHEREAS, the 2016 AQMP includes voluntary incentive measures in the near-term to achieve attainment of the fast approaching deadline of federal 8-hour ozone standard in 2023, create opportunities and make it more cost-effective to replace equipment, transition to zero or near-zero technologies, encourage earlier change-out of higher-emitting equipment, drive technology development and cost reductions, and enhance public acceptability of new technologies; and

WHEREAS, the SCAQMD will design programs such that the NOx emission reductions from these incentive measures are proven to be real, quantifiable, surplus, enforceable, and permanent in order for the U.S. EPA to approve such reductions as creditable emission reductions in the SIP; and

WHEREAS, the SCAQMD Governing Board finds and determines with certainty that the 2016 AQMP is considered a “project” pursuant to the California Environmental Quality Act (CEQA); and

WHEREAS, the SCAQMD staff reviewed the 2016 AQMP and determined that it may have the potential to generate significant adverse environmental impacts; and

WHEREAS, pursuant to CEQA, a Notice of Preparation (NOP) of a Draft PEIR and Initial Study (IS) for the 2016 AQMP was prepared and released for a 30-day public comment period, preliminarily setting forth the potential adverse environmental impacts of adopting and implementing the 2016 AQMP; and

WHEREAS, pursuant to CEQA, a Draft PEIR on the 2016 AQMP (State Clearinghouse Number 2016071006), including comments received relative to the NOP/IS and responses to the comments, was prepared and released for a 60-day public comment period from September 16, 2016 to November 15, 2016, setting forth the potential adverse environmental impacts of adopting and implementing the 2016 AQMP; and

WHEREAS, the Draft PEIR on the 2016 AQMP included an evaluation of project-specific and cumulative direct and indirect impacts from the proposed project and four project alternatives; and

WHEREAS, the Draft PEIR has been revised to include the comments received on the Draft PEIR and the responses, as well as to reflect the comments received and modifications made to the Draft Final 2016 AQMP subsequent to the release of the Draft PEIR for public review and comment, such that it is now a Final PEIR; and

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in §30.5 (4)(D)(i) of the Governing Board Procedures, that the modifications which have been made to the 2016 AQMP subsequent to the publication of the notice of public hearing are a logical outgrowth of the proposed 2016 AQMP ~~do not significantly change the meaning of the proposed project within the meaning of the Health and Safety Code §40726~~ and would not constitute significant new information requiring recirculation of the Draft PEIR pursuant to CEQA Guidelines §15088.5; and

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D. Jones*

WHEREAS, it is necessary that the adequacy of the Final PEIR, including responses to comments received relative to the Draft PEIR, be determined by the SCAQMD Governing Board prior to its certification; and

WHEREAS, it is necessary that the SCAQMD prepare Findings and a Statement of Overriding Considerations pursuant to CEQA Guidelines §§15091 and 15093, respectively, regarding potentially significant adverse environmental impacts that cannot be mitigated to insignificance, and a Mitigation Monitoring Plan pursuant to Public Resources Code §21081.6, regarding the mitigation included in the Final PEIR; and,

WHEREAS, Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring Plan have been prepared and are included in Attachment 2 to this Resolution, which is attached and incorporated herein by reference; and

WHEREAS, the SCAQMD Governing Board voting on the 2016 AQMP, has reviewed and considered the Final PEIR, including responses to comments relative to the Draft PEIR, the Findings, Statement of Overriding

Considerations, and the Mitigation Monitoring Plan, prior to the certification of the Final PEIR; and

WHEREAS, the Draft Socioeconomic Report on the 2016 AQMP was prepared and released for public review and comment; and

WHEREAS, the Draft Socioeconomic Report for the 2016 AQMP has been revised based on comments received and the Revised Draft 2016 AQMP such that it is now a Draft Final Socioeconomic Report for the 2016 AQMP; and

WHEREAS, the 2016 AQMP includes every feasible stationary and mobile source control measure and an expeditious adoption and implementation schedule; and

WHEREAS, CARB and the U.S. EPA have the primary responsibility to control emissions from motor vehicles, motor vehicle fuels, and non-road engines and consumer products which are primarily under their jurisdiction representing over 80 percent of ozone precursor emissions in 2023; and

WHEREAS, the 2016 AQMP shows that command and control programs alone will not provide the emission reductions needed to meet the federal Clean Air Act requirements for the federal 8-hr ozone and PM2.5 standards; and

WHEREAS, financial incentive programs such as the Carl Moyer Memorial Air Quality Standards Attainment Program allow the SCAQMD to achieve emission reductions from these types of sources in an accelerated manner; and

WHEREAS, the U.S. EPA requires that the proposed incentive programs be federally enforceable commitments, and sources of funding, staff resources, technical analyses, outreach, and legal authority be provided; and

WHEREAS, the SCAQMD's past experience demonstrates that substantial reductions in actual emissions can be cost-effectively achieved through implementation of financial incentive programs; and

WHEREAS, the SCAQMD's 2016 AQMP identifies a control measure (2016 AQMP CM#MOB-14) for including emission reductions from past and future projects funded by financial incentive programs for SIP purposes; and

WHEREAS, U.S. EPA requires that all incentive-based reductions be real and surplus to those obtained from regulations, quantifiable, enforceable, and permanent for inclusion in the SIP; and

WHEREAS, the SCAQMD will ensure the emission reductions obtained through projects funded by financial incentive programs will meet the above federal requirements for inclusion in the SIP; and

WHEREAS, the SCAQMD Governing Board adopted a Policies and Procedures Manual for Administration of the Carl Moyer Program on October 6, 2006, which contains the SCAQMD's procedures for selection, implementation, monitoring and enforcement of projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program; and

WHEREAS, the SCAQMD Governing Board directed staff to abide by said procedures for administration and implementation of the Carl Moyer Memorial Air Quality Standards Attainment Program; and

WHEREAS, an appropriate public comment period was allowed prior to the Board's adoption of the Policies and Procedures Manual for Administration of the Carl Moyer Memorial Air Quality Standards Attainment Program; and a 30-day public comment period opportunity for hearing was provided prior to submitting these policy and procedures to U.S. EPA; and

WHEREAS, the SCAQMD will ensure that all projects selected for funding through the Carl Moyer Memorial Air Quality Standards Attainment Program will comply with the project criteria and other requirements specified in the Carl Moyer Program Guidelines developed by CARB; and

WHEREAS, the SCAQMD Governing Board in accepting funding from Proposition 1B – Goods Movement Emissions Reduction Program adopted resolutions to accept Proposition 1B funds and directed staff to enter into a Grant Agreement with CARB accepting the funding and adhering to the terms and provisions of the Proposition 1B Program and Guidelines.

WHEREAS, the SCAQMD held six public workshops/CEQA Scoping meetings on the Draft 2016 AQMP in July 2016, four public hearings throughout the four-county region in November 2016, 15 AQMP Advisory Group meetings, 16 Scientific, Technical, and Modeling, Peer Review Advisory Group meetings over a 3-year period, **one public hearing in February 2017**, and one adoption hearing in ~~February~~ **March** 2017 pursuant to Section 40466 of the Health and Safety Code; and

WHEREAS, pursuant to Section 40471(b) of the Health and Safety Code, as part of the six public workshops and the four public hearings on the 2016 AQMP, and the adoption hearing, public testimony and input were taken relative to Appendix I (Health Effects); and

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WHEREAS, the record of the public hearing proceedings is located at SCAQMD, 21865 Copley Drive, Diamond Bar, California 91765, and the custodian of the record is the Clerk of the Board; and

WHEREAS, an extensive outreach program took place that included over 200 meetings with local stakeholders, key government agencies, and focus groups, topical workshops, and over 200 presentations relative to the 2016 AQMP; and

WHEREAS, the record of the CEQA proceedings is located at SCAQMD, 21865 Copley Drive, Diamond Bar, California 91765, and the custodian of the record is the Deputy Executive Officer, Planning, Rule Development, and Area Sources; and

NOW, THEREFORE BE IT RESOLVED, that the SCAQMD Governing Board does hereby certify that the Final PEIR for the 2016 AQMP including the responses to comments was completed in compliance with the requirements of CEQA and SCAQMD Rule 110 provisions; and finds that the Final PEIR was presented to the SCAQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on the 2016 AQMP; and finds that the Final PEIR reflects the SCAQMD's independent judgment and analysis.

BE IT FURTHER RESOLVED, that the SCAQMD will develop, adopt, submit, and implement the 8-hour ozone measures in Tables 4-2 and 4-4 of Chapter 4 in the 2016 AQMP (Main Document) and the PM2.5 control measures as identified in Table 4-7 and as expeditiously as possible in order to meet or exceed the commitments identified in Tables 4-8 through 4-11 of the 2016 AQMP (Main Document), and to substitute any other measures as necessary to make up any emission reduction shortfall.

BE IT FURTHER RESOLVED, the SCAQMD commits to update AQMP emissions inventories, baseline assumptions and control measures as needed to ensure that the best available data is utilized and attainment needs are met.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board, adopts Findings and a Statement of Overriding Considerations pursuant to CEQA Guidelines §15091 and §15093, respectively, and a Mitigation Monitoring Plan pursuant to Public Resources Code §21081.6 regarding potentially significant adverse environmental impacts that cannot be mitigated to insignificance, as required by CEQA, and which are included in Attachment 2 and incorporated herein by reference.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds that the mobile source control measures contained in Appendix IV-A of the 2016 AQMP are technically feasible and cost-effective and requests that CARB consider them in any future incentives programs or rulemaking.

BE IT FURTHER RESOLVED, that the mobile source incentive program for heavy-duty vehicles outlined in the 2016 AQMP place priority on the most cost-effective technologies to reach short-term air quality goals such as current and emerging near-zero emission natural gas engine technologies.

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BE IT FURTHER RESOLVED, that the SCAQMD Governing Board hereby requests that CARB commit to submitting contingency measures as required by Section 182(e)(5) as necessary to meet the requirements for demonstrating attainment of the 8-hour ozone standards.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board commits under control measure MOB-14 to achieve by December 2023 and December 2031, 9.47 and 5.62 tons per day (tpd) of reductions in NOx emissions, from the 2023 and 2031 annual average emissions inventories, respectively through the implementation of vehicle and equipment replacement projects under the Carl Moyer Memorial Air Quality Standards Attainment Program and Proposition 1B – Goods Movement Emissions Reduction Program as provided in control measure MOB-14.

BE IT FURTHER RESOLVED, that the SCAQMD will take all actions necessary to ensure that emission reductions resulting from projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program will meet U.S. EPA criteria (real, surplus, quantifiable, enforceable, and permanent for life of project) and requirements for SIP creditability to meet federal Clean Air Act requirements. The specific commitments that the SCAQMD will meet to ensure the reductions obtained through implementation of the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program will meet federal Clean Air Act requirements are as follows:

1. The SCAQMD will implement projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program through legally enforceable contracts between the SCAQMD and the grantee. These contracts will specify the emission reductions anticipated for the project and describe the actions that the grantee must take to achieve those reductions. The SCAQMD will seek enforcement

of the terms of the contracts against non-compliant sources to obtain the agreed-upon reductions or may reallocate any returned funds to a new project or use excess reductions from a different project funded by the Carl Moyer Memorial Air Quality Standards Attainment Program or the Proposition 1B – Goods Movement Emissions Reduction Program to obtain the necessary reductions.

2. The SCAQMD will ensure that all emission reductions calculated for projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program will be done using established protocols for the Carl Moyer Program. The SCAQMD will use the quantification protocols specified in the applicable Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program Guidelines in effect at the time of project award to calculate creditable emission reductions for use in the SIP.
3. The SCAQMD will verify surplus emission reductions through a comprehensive inspection, monitoring, and reporting program for each project funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program, and only surplus emission reductions will be credited to the SIP.
4. The SCAQMD will continue to conduct onsite inspections and other monitoring activities for each project funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program to enforce the required reductions. Each project will undergo a pre- and post-inspection to verify the project was implemented according to the terms of the contract. Digital photographs will be taken during the field inspections to verify project conditions. In addition, the SCAQMD requires the grantee to submit annual reports for at least five years following the project implementation. After the five-year annual reporting period, the grantee is required to submit biannual reports for the remaining life of the project. For any project funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program that did not submit its required annual report, the SCAQMD will field inspect the said project within six months of the final due date of the annual report and may continue with on-site monitoring of the project until the annual report is submitted.

5. The SCAQMD will conduct random audits on at least ten percent of the projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program. Project audits will also be performed when the grantee fails to submit an annual report. The audit includes verification that the project is still operational and is meeting the terms of the contract including the equipment usage requirements. This is accomplished by, but not limited to: checking the serial number on the engine, witnessing engine operation, checking the odometer reading or other device/method used to track and report equipment usage.
6. The SCAQMD will prepare and submit annual reports to the U.S. EPA by November 30 of each calendar year for the preceding Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program funding cycle and after Board approval. At a minimum, each annual report will contain the information required by CARB for the Carl Moyer Program annual reports. The report will also include the amount of actual emission reductions versus predicted emission reductions, a discussion of any quantification or surplus issues that have arisen during the reporting period and how they were resolved, a summary of any key issues from field inspections and audits, and include or reference publicly available information or records for each grant issued.
7. If an annual report indicates a shortfall of emission reductions, the SCAQMD will flag the project and take appropriate action to ensure the contracted emission reductions are realized. The SCAQMD will hold the grantee responsible for offsetting the shortfall by using any excess reductions generated over the life of the project or the project life may be extended until the required emission reductions are achieved. In the event the shortfall cannot be remedied by the project, the grantee will be subject to the stipulated penalties in the contract and required to return a prorated share of the funds provided by the Carl Moyer Memorial Air Quality Standards Attainment Program or the Proposition 1B – Goods Movement Emissions Reduction Program. The SCAQMD may consider reallocating the returned funds to a new project or using excess reductions from a different project funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program to obtain the necessary reductions. The returned funds may be used to fund an eligible project that was placed on a back-up list. SCAQMD creates a back-up list of eligible projects when the requested funds by all projects exceed the available funding limits. Projects on the back-

up list have already been approved by the Board in the event a selected project cannot be completed and to ensure that all Carl Moyer Program funds are fully encumbered and expended within the requested timeframes.

8. The remedy used to make up any shortfall in emission reductions will be described in the annual report submitted to the U.S. EPA. The SCAQMD will separately track and report on any reductions that are tied to transportation conformity emissions budgets, and will work with local agencies to remedy specific shortfalls to the emissions budgets if needed.
9. The SCAQMD will use information from annual reports and field inspections to track actual emission reductions from projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program on a real-time basis, and will provide quality-assured data on such emission reductions to the public annually via website posting. The real-time tracking and evaluation of emission reductions from projects funded by the Carl Moyer Memorial Air Quality Standards Attainment Program and the Proposition 1B – Goods Movement Emissions Reduction Program will ensure the projects are meeting the program requirements and achieving the required emission reductions.
10. The Board hereby finds, based on evidence and information presented at the meeting upon which its decision is based, that all notices required to be given by law have been duly given, and that the Board has allowed public testimony.
11. Adoption of these commitments is necessary to identify emission reductions for meeting the federal requirements for the 8-hr ozone and PM2.5 standards and to therefore promote the health and welfare of the residents of the South Coast Air Basin.
12. SCAQMD staff is hereby authorized to make any minor typographical and technical changes in the Resolution that are necessary to correct minor errors, clarify wording, or to satisfy CARB and U.S. EPA technical requirements.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds, pursuant to U.S. EPA's 2008 ozone standard implementation requirements in 40 CFR Part 51.1114, that SCAQMD's existing New Source Review rules (Regulation XIII) that have been adopted by the Governing Board and submitted

into the SIP satisfy the Clean Air Act's Sections 182(e)(1) and (e)(2) New Source Review requirements for extreme nonattainment areas.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to work with state agencies and state legislators, federal agencies and U.S. Congressional and Senate members to identify funding sources and secure funding for the expedited replacement of older existing, high NO_x-emitting equipment, on-road vehicles, and off-road equipment with zero-emission technologies whenever and wherever technically feasible and cost-effective, and near-zero technologies in all other applications, to help reduce the reliance on the CAA Section 182(e)(5) long-term measures.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to work with affected stakeholders including members from the public, CARB, and U.S. EPA to identify specific emission reduction actions for each of the facility-based measures and the emissions growth management measure. In addition to identifying specific actions, staff shall work with affected stakeholders to develop quantification protocols and develop enforceable mechanisms that will be needed to demonstrate to the U.S. EPA that such actions are real, surplus, quantifiable, enforceable and permanent, and any other evidence that will be needed for the U.S. EPA to approve such actions as part of a future rate-of-progress reporting or be used in future AQMP revisions, or other approval mechanisms. Any enforceable mechanisms (e.g., memorandum of understanding, etc.) that are not in the form of a rule or regulation adopted by the SCAQMD, CARB, or U.S. EPA shall go through a full public process to receive public comments and input on the enforceable mechanism prior to the SCAQMD Governing Board's consideration and/or approval of the enforceable mechanism.

BE IT FURTHER RESOLVED, that staff shall report on the progress of implementation of the facility-based measures, the on-road heavy-heavy-duty vehicle measure, and the emissions growth management measure to the SCAQMD Mobile Source Committee no later than one year after the submittal of the 2016 AQMP to the U.S. EPA. As part of the report, staff shall recommend to the SCAQMD Governing Board what steps will be taken to ensure that the actions identified will be permanent and enforceable including the potential for rule development or identification of other enforceable mechanisms for the SCAQMD Governing Board's consideration.

BE IT FURTHER RESOLVED, that staff shall report on the progress in identifying the necessary funding to accelerate deployment of zero and near-zero emission technologies in the near-term every six months to the SCAQMD Legislative Committee and other Board Committees as appropriate. As part of this report, staff shall provide a discussion on the progress to identify new funding

sources and potential prospects for sustained funding. If significant funding levels are not identified within one year from the date of submittal of the 2016 AQMP to the U.S. EPA, staff shall initiate discussions with the California Air Resources Board and U.S. EPA on potential rulemaking that the state and federal government will need to adopt to meet applicable ozone air quality standards. In addition, staff shall initiate rule development for stationary and mobile sources that are within the District's legal authority to adopt unless sufficient actions have been identified as part of the public process in implementing the facility-based measures (MOB-01 through MOB-04), on-road heavy-heavy-duty measure (MOB-08), and the emissions growth management measure (EGM-01).

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to prioritize funding in Environmental Justice areas and disadvantaged communities as defined by the agency providing the funds or if there is no definition provided, using the definitions set by the state legislature and CARB in implementing the Low Carbon Transportation Funding programs.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to move as expeditiously as possible on the technology reviews, life-cycle emissions assessment, regulations, and incentive programs envisioned in 2016 AQMP control measures CMB-01 and CMB-02. Staff is further directed to report to the SCAQMD Governing Board within one year of 2016 AQMP adoption on the results of the reviews and assessments, including recommendations and schedules consistent with 2016 AQMP commitments, for rulemaking that maximizes emissions reductions from zero-emission technologies where cost-effective and feasible, and near-zero emission technologies in other applications.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to promote and encourage the use of solar energy systems and technology in applications where it can be shown to be cost-effective and result in emission reductions.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to develop guidelines for incentive programs that do not have guidelines from the agency providing the funding and the emission reduction benefits are proposed to be included into the SIP. The guidelines will include creditability demonstration, enforceable commitments, technical analyses/support, demonstration of funding and legal authority, procedures for public disclosure of information, and provisions to measure and track programmatic results.

BE IT FURTHER RESOLVED, the SCAQMD Governing Board hereby approves, pursuant to the authority granted by law, the adoption of incentive

programs as an implementation tool of the incentive measures for the Final 2016 AQMP.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board commits under control measure CMB-01 to achieve by December 2023, 2.5 and 1.2 tpd of reductions in NOx and VOC emissions, respectively, from the 2023 summer planning inventory and by December 2031, 6 and 2.8 tpd of reductions in NOx and VOC emissions, respectively, from the 2031 summer planning inventory in the 2016 AQMP through the implementation of either replacement of approximately 5,800 diesel internal combustion engines (ICEs) in accordance with the incentive program guidelines to be developed in the future along with a regulatory element or a demonstration that the emission reductions associated with CMB-01 have been achieved through other enforceable actions.

BE IT FURTHER RESOLVED, that in each annual demonstration report for Calendar Years 2018 through 2031 submitted to U.S. EPA by April 1 of the following year, the SCAQMD Governing Board commits to (1) identify each of these 5,800 projects by project identification number, project life and implementation date, description of both baseline and new equipment, applicable incentive program guideline, and quantified emission reductions; (2) document the SCAQMD's actions to monitor selected projects for compliance with contract requirements; (3) determine whether the identified projects are projected to achieve the full amount of NOx emission reductions identified; and (4) report on emission reductions in the reporting year due to other enforceable actions.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board commits under control measure CMB-02 to achieve by December 2023 and December 2031, 1.1 and 2.84 tpd of reductions in NOx emissions, respectively, from the 2023 and 2031 summer planning inventory in the 2016 AQMP through the implementation of either the replacement of approximately 82,000 – 152,000 commercial boilers, water heaters, and residential pool heaters in accordance with the incentive program guidelines to be developed in the future along with a regulatory element or a demonstration that the emission reductions associated with CMB-02 have been achieved through other enforceable actions.

BE IT FURTHER RESOLVED, that in each annual demonstration report for Calendar Years 2020 through 2031 submitted to U.S. EPA by April 1 of the following year, the SCAQMD Governing Board commits to (1) identify each of these [82,000–152,000] projects by project identification number, project life and implementation date, description of both baseline and new equipment, applicable incentive program guideline, and quantified emission reductions; (2) document the District's actions to monitor selected projects for compliance with contract requirements; (3) determine whether the identified projects are projected to achieve

the full amount of NOx emission reductions identified; and (4) report on emission reductions in the reporting year due to other enforceable actions.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board commits under control measure ECC-03 to achieve by December 2023, 1.2 and 0.2 tpd of reductions in NOx and VOC emissions, respectively, from the 2023 summer planning inventory and by December 2031, 2.1 and 0.3 tpd of NOx and VOC emissions from the 2031 summer planning inventory in the 2016 AQMP through the implementation of either advanced energy efficiency programs for residential sectors, such as advanced highly efficient zero and near-zero emission appliance technologies and weatherization along with renewable energy sources, in accordance with the incentive program guidelines to be developed in the future or a demonstration that the emission reductions associated with ECC-03 have been achieved through other enforceable actions.

BE IT FURTHER RESOLVED, that in each annual demonstration report for Calendar Years 2020 through 2031 submitted to U.S. EPA by April 1 of the following year, the SCAQMD Governing Board commits to (1) identify each of these projects by project identification number, project life and implementation date, description of both baseline and new equipment, applicable incentive program guideline, and quantified emission reductions; (2) document the District's actions to monitor selected projects for compliance with contract requirements; and (3) determine whether the identified projects are projected to achieve the full amount of NOx emission reductions identified; and (4) report on emission reductions in the reporting year due to other enforceable actions.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to modify the 2016 AQMP NOx RECLAIM measure (CMB-05) to achieve the five (5) tons per day NOx emission reduction commitment as soon as feasible, and no later than 2025, and to transition the RECLAIM program to a command and control regulatory structure requiring BARCT level controls as soon as practicable, and to request staff to return in 60 days to report feasible target dates for sunseting the RECLAIM program.

*Amended
3/3/17*

BE IT FURTHER RESOLVED, if U.S. EPA determines that information submitted by the SCAQMD is insufficient to demonstrate that the required emission reductions will occur on schedule and are not approvable under applicable provisions of the Clean Air Act, the SCAQMD will develop substitute rules and/or measures no later than one year from the date of the U.S. EPA finding published in the Federal Register, that will achieve the 2023/2031 committed emission reductions addressing the shortfall as expeditiously as practicable, but no later than December 2023 and December 2031, respectively.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds that the transportation emission budgets are “consistent with applicable requirements for reasonable further progress, attainment, or maintenance (whichever is relevant to the given implementation plan submission)” pursuant to 40 CFR 93.118(e)(4)(iv).

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to finalize the 2016 AQMP including the main document, appendices, and related documents as adopted at the ~~February~~ **March** 3, 2017 public hearing.

*Amended
3/3/17
RJ*

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board, whose members reviewed, considered and approved the information contained in the documents listed herein, adopts the 2016 AQMP dated ~~February~~ **March** 3, 2017 consisting of the document entitled 2016 AQMP as amended by the final changes set forth by the SCAQMD Governing Board and the associated documents listed in Attachment 1 to this Resolution.

*Amended
3/3/17
RJ*

BE IT FURTHER RESOLVED, the Executive Officer is hereby directed to work with CARB and the U.S. EPA to ensure expeditious approval of this 2016 AQMP for PM2.5 and 8-hour ozone attainment.

BE IT FURTHER RESOLVED, that the 2016 AQMP serves to demonstrate attainment of the 2008 8-hour ozone standard for South Coast Air Basin and Coachella Valley with respect to emissions inventories, RACT/RACM demonstration, attainment demonstration, RFP, and transportation emissions budgets and any other required SIP elements.

BE IT FURTHER RESOLVED, the SCAQMD Governing Board determines that the 2016 AQMP includes as the SIP revision submittal for the 24-hour PM2.5 attainment demonstration plan including the BACM/BACT determinations for the PM2.5 standard for the South Coast Air Basin, and the PM2.5 Transportation Conformity Budgets for the South Coast Air Basin.

BE IT FURTHER RESOLVED, that the 2016 AQMP serves as a revision to the previously approved 1997 8-hour ozone standard SIP for South Coast Air Basin with respect to emissions inventories, attainment demonstration, RFP, and transportation emissions budgets and any other required SIP elements.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds Appendix VI-E of the 2016 AQMP demonstrates compliance with the vehicle miles traveled requirements for the 2008 ozone NAAQS, as set forth in section 182(d)(1)(A) of the CAA.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds the clean fuels for boilers requirement, set forth in section 182(e)(3) of the

CAA, has been satisfied by the SCAQMD's Rule 1146, Rule 2002, and Rule 1303, which have been submitted into the SIP.

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution, the 2016 AQMP and its appendices as amended by the final changes, to CARB, and to request that these documents be submitted to the U.S. EPA for approval as part of the California State Implementation Plan. In addition, the Executive Officer is directed to forward comments on the 2016 AQMP and responses to comments, public notices, and any other information requested by the CARB and/or U.S. EPA for informational purposes.

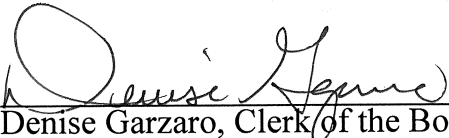
BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs the Executive Officer to work with CARB and the U.S. EPA and take appropriate action to resolve any completeness or approvability issues that may arise regarding the SIP submission.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board authorizes the Executive Officer to include in the SIP submittal or supplement(s) to the SIP any technical updates, corrections, clarifications, or additional information that may be necessary to secure U.S. EPA approval.

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, Mitchell, Parker, Robinson and Rutherford.

NOES: McCallon and Nelson.

ABSENT: None.

Dated: March 3, 2017 
Denise Garzaro, Clerk of the Boards

ATTACHMENT 1

The Final 2016 Air Quality Management Plan submitted for the South Coast Air Quality Management District Governing Board's consideration consists of the documents entitled:

- Draft Final 2016 AQMP (Attachment B) including the following appendices:
 - Appendix I – Health Effects
 - Appendix II – Current Air Quality
 - Appendix III - Base and Future Year Emission Inventory
 - Appendix IV-A – SCAQMD's Stationary and Mobile Source Control Measures
 - Appendix IV-B – CARB's Mobile Source Strategy
 - Appendix IV-C – SCAG's Regional Transportation Strategies and Control Measures
 - Appendix V – Modeling and Attainment Demonstrations
 - Appendix VI – Compliance with Other Clean Air Act Requirements
- Comments on the 2016 Air Quality Management Plan, and Responses to Comments (December 2016) – (Attachment C)
- Final Program Environmental Impact Report for the 2016 Air Quality Management Plan (Attachment D)
 - Findings, Statement of Overriding Considerations, and Mitigation, Monitoring and Reporting Plan (Attachment 2 to the Resolution)
- Draft Final Socioeconomic Report for the 2016 Air Quality Management Plan (Attachment E)
- Public Hearing Transcriptions (Attachment F)