Presentation Overview

- #CleanAirCounterNC
- Regional Haze
- Ambient Information Reporter (AIR) tool
- Current Operational Challenges
- EPA Title V Program Assessment
- Petition for Rule-Making
- VW / DERA
#CleanAirCounterNC
North Carolina and the National Ambient Air Quality Standards

Attaining all federal public health air quality standards for:

2264 days…

and counting!

as of November 4, 2021

Ozone
Sulfur Dioxide
Particulate Matter
Lead
Nitrogen Dioxide
Carbon Monoxide
North Carolina

• Regional Haze rule: Goal of achieving natural visibility conditions in our Class I areas by 2064.

• Well ahead of schedule for meeting public welfare standard for visibility

• States with Class I areas are required to conduct certain analyses to establish goals for each Class I area in the state to 1) improve visibility on the haziest days and 2) ensure no degradation occurs on the clearest days. These goals and long-term strategies to achieve these goals are to be included in state implementation plans (SIPs) covering each ten-year period leading up to 2064.

Regional Haze SIP Update
Improvement in Haze on 20% Worst Days at Look Rock

Then...
1998
9 mile Visual Range
33 deciviews

Now...
2019
52 mile Visual Range
15 deciviews
Visibility Improvements (20% Most Impaired Days)
Particle Contributions to Light Extinction and Standard Visual Range
North Carolina Regional Haze Plan  
Next steps

• Virtual Public Hearing – October 6, 2021
• Public comment period closed October 15, 2021
• https://deq.nc.gov/news/events/public-hearing-draft-regional-haze-sip-0

• DAQ is addressing comments prior to SIP submission to the EPA

Department of Environmental Quality
Ambient Information Reporter (AIR) tool
 Ambient Information Reporter (AIR) tool

https://airquality.climate.ncsu.edu/air/
or
Google: nc climate air tool
Current Operational Challenges
Current Operational Challenges

- Budget
- Permit fees
- Vacancies
- Workload
Current Operational Challenges

Ideal balance for managing a heavy workload
Current Operational Challenges

Department of Environmental Quality
Current Operational Challenges

Title V Permit Fees

S580 – Allows the Title V permit fee changes approved by the Environmental Management Commission to become effective when the bill becomes law.

S105 – 2021 Appropriations Act
• Includes a provision identical to S580

Department of Environmental Quality
Current Operational Challenges

Beyond Title V…

• Analyses to determine longer term needs
• Develop stable funding strategies
Current Operational Challenges

Staffing

-24
Current Operational Challenges

Workload?

• 183 Title V permit applications in-house

• 93 small / synthetic minor permit applications in-house

• Increasing need for public engagement in our permitting program.

• 22 permit public hearings in the last 24 months
  • More than we had in the prior 10+ years, combined.
Title V Program
USEPA Evaluation

• 2002 Office of Inspector General (OIG) audit
  • EPA action plan for performing program reviews
  • ~5-year cycle
• NCDAQ’s audits

• EPA reviewed staffing resources, internal management support, Title V revenues and expenses, public participation, environmental justice in permitting, permit issuance rates, and a detailed review of 10 issued permits.

Department of Environmental Quality
Positive Findings

- Qualified, experienced staff and management resources
- Succession planning
- Employee development
- Salary Administration Plan
- Title V permit fee analysis, stakeholder process, workload analysis, and rule-making process
- Enhanced public participation process, meaningful engagement with public and communities
- Permits are thorough and well written
Title V Program
USEPA Evaluation

Areas to Monitor

• Backlog of Title V renewals
  • 15 applications > 18 months
  • Represents < 4% of total
Title V Program
USEPA Evaluation

Action Items

• Immediately address the delay in the passage of the amended Title V fee schedule.
  • “…the current fee schedule does not meet the Part 70 program requirements at 40 CFR Part 70.9.”

• Additional full time equivalents (FTEs) need to be included as Title V expenditures in the FY22 budget cycle.

• Revise rules to clarify and ensure final actions take place within the 18-month timeframe outlined in Part 70.
Title V Program
USEPA Evaluation

Recommendations

• Periodic workload assessments
• Build a carry forward contingency or build into fee schedule adjustments for salary increases and increases in healthcare costs
• Implement DAQ’s Salary Administration Plan
• Post a recommendation on the DAQ website that permit applicants make use of the DEQ Community Mapping System and engage with the community around their facility as part of preapplication activities

Department of Environmental Quality
Petition for Rule-Making
Petition for Rulemaking

• January 11, 2021 - DAQ received a petition to develop rules necessary to become a participating state in the Regional Greenhouse Gas Initiative (RGGI)

• June 15, 2021 Special Meeting – AQC voted to recommend that the EMC grant the petition.

• July 13, 2021 Special Meeting - EMC voted to grant the petition.
What’s RGGI?

“The Regional Greenhouse Gas Initiative (RGGI) is a cooperative, market-based effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce CO$_2$ emissions from the power sector. It represents the first cap-and-invest regional initiative implemented in the United States.”

https://www.rggi.org/
North Carolina RGGI Petition Rule
Next steps

• The rule-making process has commenced
• Development of a fiscal note/analysis
• Environmental Justice report

• Request to proceed to public hearing
• Public comment process (including a public hearing)
• Final action by EMC
https://deq.nc.gov/VWsettlement
or
ncair.org  ...and click on “Volkswagen Settlement”
# NC VW Phase 1 Awards

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Vehicles/Stations Funded</th>
<th>Program Total Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Bus</td>
<td>111</td>
<td>$12,289,900</td>
</tr>
<tr>
<td>Transit Bus</td>
<td>16</td>
<td>$6,136,377</td>
</tr>
<tr>
<td>On-Road</td>
<td>45</td>
<td>$4,240,409</td>
</tr>
<tr>
<td>DC Fast Infrastructure</td>
<td>27 sites</td>
<td>$2,682,360</td>
</tr>
<tr>
<td>Level 2 Infrastructure</td>
<td>78 sites</td>
<td>$1,098,534</td>
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<tr>
<td><strong>Total</strong></td>
<td>172 vehicles, 27 DC Fast and 78 Level 2 stations</td>
<td><strong>$26,447,580</strong></td>
</tr>
</tbody>
</table>

- **Percent Awarded**
  - School Bus: 47%
  - Transit Bus: 23%
  - On-Road: 16%
  - DC Fast Infrastructure: 10%
  - Level 2 Infrastructure: 4%
Completed Phase 1 Projects

VW Phase 1 Success Stories
# Draft VW Settlement Phase 2 Program Allocations

<table>
<thead>
<tr>
<th>NC Grant Programs (2021-2024)</th>
<th>Subprogram</th>
<th>Eligible Action Category</th>
<th>Eligible Fuels</th>
<th>2021-2024 Funding (Phase 2)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Targeted Percent*</td>
</tr>
<tr>
<td><strong>Diesel Bus &amp; Vehicle Replacement Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>School Bus Replacement Program</td>
<td>School buses</td>
<td>All (electric, diesel, propane, natural gas)</td>
<td>40%</td>
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<tr>
<td></td>
<td>Transit Bus Replacement Program</td>
<td>Transit buses</td>
<td>Priority will be given to electric replacements</td>
<td>20%</td>
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<tr>
<td></td>
<td>Clean Heavy-Duty Equipment &amp; Vehicle Program</td>
<td>Class 4-8 equipment and vehicles such as local freight trucks, ferries, forklifts, and switcher locomotives</td>
<td>20%</td>
<td>$12,911,845</td>
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<tr>
<td></td>
<td>DERA Program</td>
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<td></td>
<td>$357,163</td>
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<tr>
<td><strong>ZEV infrastructure</strong></td>
<td>DC Fast Program</td>
<td>Public Access</td>
<td>Not Applicable</td>
<td>15%</td>
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<tr>
<td></td>
<td>Level 2 Program</td>
<td>Public Access</td>
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<td>$1,070,324</td>
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<td>Workplace</td>
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<td>$489,291</td>
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<td></td>
<td></td>
<td>Multi-Unit Dwellings</td>
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<td>$489,291</td>
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<td>State Government</td>
<td></td>
<td>$1,009,068</td>
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<tr>
<td><strong>Administrative Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total:</td>
</tr>
</tbody>
</table>

*Targeted Percent* refers to the percentage of the total funding allocated to each category.
Diesel Emission Reduction Act (DERA) Grant Opportunity

- $861,000 available!!!
- Open to private and public sector projects!
- Webinar on October 27th at 1pm to answer questions
- Applications due by November 30th
Contact information

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Thank you!!!