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Texas Commission on Environmental Quality
Commissioners' Offices

January 25, 2006

Ms. Kathleen White
Chairman
Texas Commission for Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

RECEIVED BY OPA
TRACKING # 14870
ASSIGNED TO: *Chief Eng*
EPA Region VI
1445 Ross Ave, Suite 1200
Dallas, Texas 75202
JAN 20 2006
DUE DATE: 2/6

Re: Development of the DFW State Implementation Plan

Dear Commissioners and Regional Administrator Greene;

As you know, the TCEQ has set forth an aggressive time schedule for creating a new State Implementation Plan ("SIP") to meet the 8-hour ozone standard for the DFW non-attainment area. We have been supportive of rapidly developing a new SIP to clean up the air in North Texas. As a result, the DFW area is one of the first non-attainment areas in the country to confront the enormous challenges posed by this new ozone standard.

During the past few months, the North Central Texas Council of Governments ("NCTCOG"), along with participation of the North Texas Clean Air Steering Committee ("Steering Committee"), has undergone a thorough public participation process in developing a list of proposed mobile source measures for inclusion by TCEQ in a proposed SIP. The Steering Committee members have also participated in workgroups examining proposed technologies and reductions for area cement kilns and power plants in an effort to fashion a new SIP that would attain the 8-hour standard by 2009, thus meeting our 2010 attainment date as established by the EPA.

Last week, during a meeting of the Steering Committee, we heard reports on a variety of efforts to develop control measures for the DFW SIP. The NCTCOG staff presented their recommendations on the amount of reductions of NOx that could be gained by adoption of additional mobile source measures. The TCEQ staff discussed the interim results of their future case projections which call for an approximately 45-47% reduction in NOx by 2009 in order to reach attainment. The NCTCOG staff prepared a chart, attached to this letter as an exhibit, which shows the enormous gap between the reductions gained by the mobile measures suggested by the NCTCOG and the amount of reductions needed to reach attainment. These projections do not include potential reductions that may be gained through further regulation of cement kilns and power facilities. However, it became clear that even with cost-effective reductions from these industries, which will be necessary, it will be extremely difficult, if not impossible, to reach the ambitious NOx reduction goals needed to reach a 2010 attainment date.

Ms. Kathleen White
Mr. Richard Greene
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In 1999, our local Steering Committee was able to assist TCEQ by recommending a combination of control measures that they thought would lead to the attainment of the 1-hour ozone standard by 2007. We have made great progress in cleaning our air due to the combined actions and commitment of the regulatory agencies, local governments, local industry, Texas Clean Air Working Group ("TCAWG") and the Texas Legislature. For example, legislative efforts that created the Texas Emission Reduction Plan ("TERP") along with the Low Income Repair and Assistance Program ("LIRAP") have been crucial in our clean air efforts. In fact, the DFW area was within one violation of reaching the 1-hour standard by 2005. In contrast to 1999, however, we are unable at this time to suggest a combination of realistic control measures that will reach attainment of the 8-hour standard by 2009.

The challenge we face in meeting these NOx reduction goals also underscores the necessity to both continue and enhance state support for programs such as TERP and the LIRAP. We will need every dollar collected by these programs to be appropriated so these programs can reach their highest potential.

As a result of these clean air challenges, we urgently need your assistance and guidance to understand the options that may be available to the DFW area to meet the standard. In anticipation of meeting with you soon to discuss these issues, we would pose the following questions:

- What type of control measures would have to be adopted by North Texas to obtain a 45-47% NOx reduction and reach attainment by 2009?
2. What is the feasibility of accelerating any federal measures that are currently scheduled to be implemented in 2009 or later?
According to some projections, the background ozone level in DFW can range as high as 50 ppb. What type of regional and/or interstate controls are available before 2009 to address these high background levels?
 4. What are the avenues that could lead to an extension of the 2010 attainment date?
 5. If one of these legal avenues include a "bump-up" of the DFW area to a higher classification, what must the area demonstrate to the EPA to be eligible for a higher classification, and what is the impact of the higher classification on DFW?

We look forward to a positive discussion regarding these questions in an effort to develop a plan together that will clean the air in North Texas. Due to the pressing timetable requiring crucial clean air decisions in the near future, we would like a response to these issues within the next thirty days.

Very truly yours,



Ron Harris
Collin County
Judge



Margaret Keliher
Dallas County
Judge



Mary Horn
Denton County
Judge



Tom Vandergriff
Tarrant County
Judge

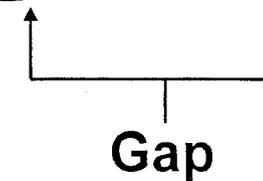
cc  Commissioner Ralph Marquez
Governor Rick Perry
Representative Dennis Bonnen

Commissioner Larry Soward
Senator Kenneth L. Armbrister

8-HOUR STATE IMPLEMENTATION PLAN

DFW Control Strategy DRAFT Results

	Area & Point (tpd)	Nonroad (tpd)	Onroad (tpd)	Total (tpd)	Amount Needed? (tpd)
Nitrogen Oxides	11	30	22	63	196



Most Optimistic Possible Reductions

Assumes Zero Overlap Between Source Categories

**State Evaluating Electric Generating Utilities, Cement Kilns,
Small Boilers & Heaters**

Tom - FYI

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 10, 2006

The Honorable Ron Harris
Collin County Judge
210 South McDonald
McKinney, Texas 75069

Dear Judge Harris:

Thank you for your letter of January 25, 2006, concerning the challenges the Dallas-Fort Worth (DFW) area faces in reaching attainment of the 8-hour ozone standard by 2009. As you correctly pointed out, the DFW area has made significant progress under the former 1-hour ozone standard. The area's current 1-hour ozone design value is 125 parts per billion. However, identifying feasible control measures to reach the 8-hour ozone standard by 2009 will be difficult.

Despite the difficulties, the Texas Commission on Environmental Quality (TCEQ) is committed to working with the Environmental Protection Agency (EPA) and local governments to find the best solution for DFW's air quality challenges. The TCEQ is committed to continuing efforts to develop an effective and realistic State Implementation Plan. However, we recognize the plan may fall short due to the state's inability to regulate a number of federally pre-empted sources.

The TCEQ is committed to adopting and implementing feasible control strategies in a timely manner. We will continue to examine control strategies in various combinations to find the best way to achieve the nitrogen oxides (NO_x) reductions needed. This must be done while recognizing that reductions from different source categories may impact modeling results differently.

In your letter, you specifically asked the following questions:

- 1) What type of control measures would have to be adopted by North Texas to obtain a 45-47% NO_x reduction and reach attainment by 2009?
- (2) What is the feasibility of accelerating federal control measures scheduled to be implemented in 2009 or later?
- (3) What regional and/or interstate controls are available to reduce high background ozone levels before 2009?
- (4) What avenues could extend the 2010 attainment date?
- (5) What must the DFW area demonstrate to be "bumped up" to a higher classification and what impact would a higher classification would have on the DFW area?

TCEQ provides responses to all the questions, except (2), which EPA may more adequately address.

The Honorable Ron Harris
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To answer your first question, NO_x emission reductions from all source categories and possibly NO_x emission reductions beyond the DFW nonattainment area will be necessary, including major industrial sources and mobile sources. In addition, the TCEQ anticipates the penetration of the cleaner on-road mobile fleet will have a significant impact on emission reductions in future years, although the largest benefit will occur after 2009.

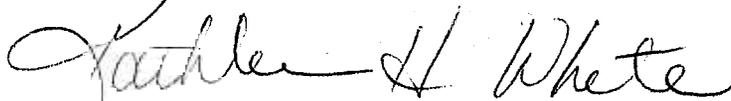
In response to your third question, Phase I of the Clean Air Interstate Rule (CAIR) will be effective January 1, 2009. Because of the CAIR Cap and Trade program, we are working with the EPA to identify, as early as possible, the actual reductions that will be made in Texas, as well as adjacent states. The EPA has predicted, through modeling, that no additional controls by Texas sources will be needed to comply with the CAIR Phase I NO_x reductions. The premise is based on electric generating facilities in Texas meeting their CAIR NO_x allowance requirements by purchasing NO_x allowances on the open-market within the cap-and-trade program. However, this assumption may not be correct.

To answer your fourth question, the 2010 attainment date could be extended in three ways. First, the state could request a maximum of two 1-year attainment date extensions. However, these extensions are granted only if substantial progress has been made and are determined after the attainment date is reached. Second, the state could request that the DFW area be voluntarily reclassified. Third, if the area does not monitor attainment by June 2010, then by operation of law, EPA is required to reclassify the area.

Last, you asked what the DFW area must demonstrate to be reclassified and what impact a reclassification would have on the area. No specific demonstration is needed to request a reclassification which would give the area an extended attainment date. Since the DFW area was previously classified as serious under the 1-hour ozone standard, it is already meeting most 8-hour ozone requirements for a serious area due to antibacksliding requirements.

Thank you for your commitment to the DFW SIP development process. I look forward to continuing working with you to achieve our common goal of air quality improvement in the DFW area. If you have further questions, please contact the TCEQ Chief Engineer, David C. Schanbacher, P.E., at (512) 239-1228 or dschanba@tceq.state.tx.us.

Sincerely,



Kathleen Hartnett White, Chairman
Texas Commission on Environmental Quality

The Honorable Ron Harris
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cc: The Honorable Margaret Keliher
Dallas County Judge
411 Elm
Dallas, Texas 75202

The Honorable Mary Horn
Denton County Judge
Denton County Courthouse
110 West Hickory Street
Denton, Texas 76201

The Honorable Tom Vandergriff
Tarrant County Judge
100 East Weatherford
Fort Worth, Texas 76196



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

FEB 28 2006

The Honorable Margaret Keliher
Dallas County Judge
Dallas County Commissioners Court
411 Elm Street
Dallas, TX 75202

Dear Judge Keliher:

Thank you for your letter of January 25, 2006, addressed jointly to Texas Commission on Environmental Quality (TCEQ) Chairman Kathleen White and me regarding the ongoing efforts and challenges in developing the 8-hour ozone State Implementation Plan (SIP) for the Dallas/Fort Worth (DFW) area. It is clear from your letter and our discussions on January 26 that local officials are committed to developing a SIP that will achieve clean air for the citizens of North Texas. Your letter described the challenge to reaching the ambitious goal of attainment by the 2010 date, and you asked both the U.S. Environmental Protection Agency (EPA) and TCEQ for assistance and guidance on options that may be available to the DFW area to meet the standard.

We appreciated the opportunity to meet with you and key representatives of the North Texas area on January 26, 2006. At this meeting hosted by your delegation and key representatives of TCEQ and EPA's Office of Air and Radiation, EPA expressed a willingness to make the DFW SIP effort a high priority in determining what it may take to attain the goals of the 8-hour ozone standard. Texas has been a national leader in getting results from innovative measures such as the Texas Emission Reduction Program (TERP) for diesel retrofit and is out in front on efforts to meet the SIP deadline for the DFW area. After meeting with you, EPA had follow-up meetings with TCEQ to discuss the status of the State's analyses, and we committed to work with the State to use our best problem solvers and technical experts to analyze the work done to date. Our experts are exploring ideas on additional measures that could be considered in the SIP, and they are evaluating ozone modeling to determine if there are any technical suggestions to include which might result in improved model performance.

We share your perspective that the challenges we face underscore the need to continue and enhance state-supported programs such as TERP and the Low Income Vehicle Repair and Assistance Program. The TERP has been a model for diesel retrofit programs around the country, and it has demonstrated the State's commitment to clean air. In order to achieve the clean air goals for the DFW area and throughout the State, continued innovation and support for TERP will be at the core of our success. We look forward to continuing our positive discussions in each step of the SIP development process.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Richard E. Greene".

Richard E. Greene
Regional Administrator

cc: **Ms. Kathleen White, Chairman**
Texas Commission on Environmental Quality

Mr. Ralph Marquez, Commissioner
Texas Commission on Environmental Quality

Mr. Larry Soward, Commissioner
Texas Commission on Environmental Quality