

OZONE NONATTAINMENT

WTS

September 7, 2023



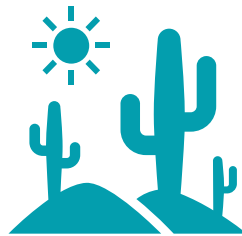
THE BOTTOM LINE



The MAG region has been designated Moderate and is on a path to being **recategorized as Serious nonattainment for ozone.**



Ozone endangers public health and negatively impacts economic growth.

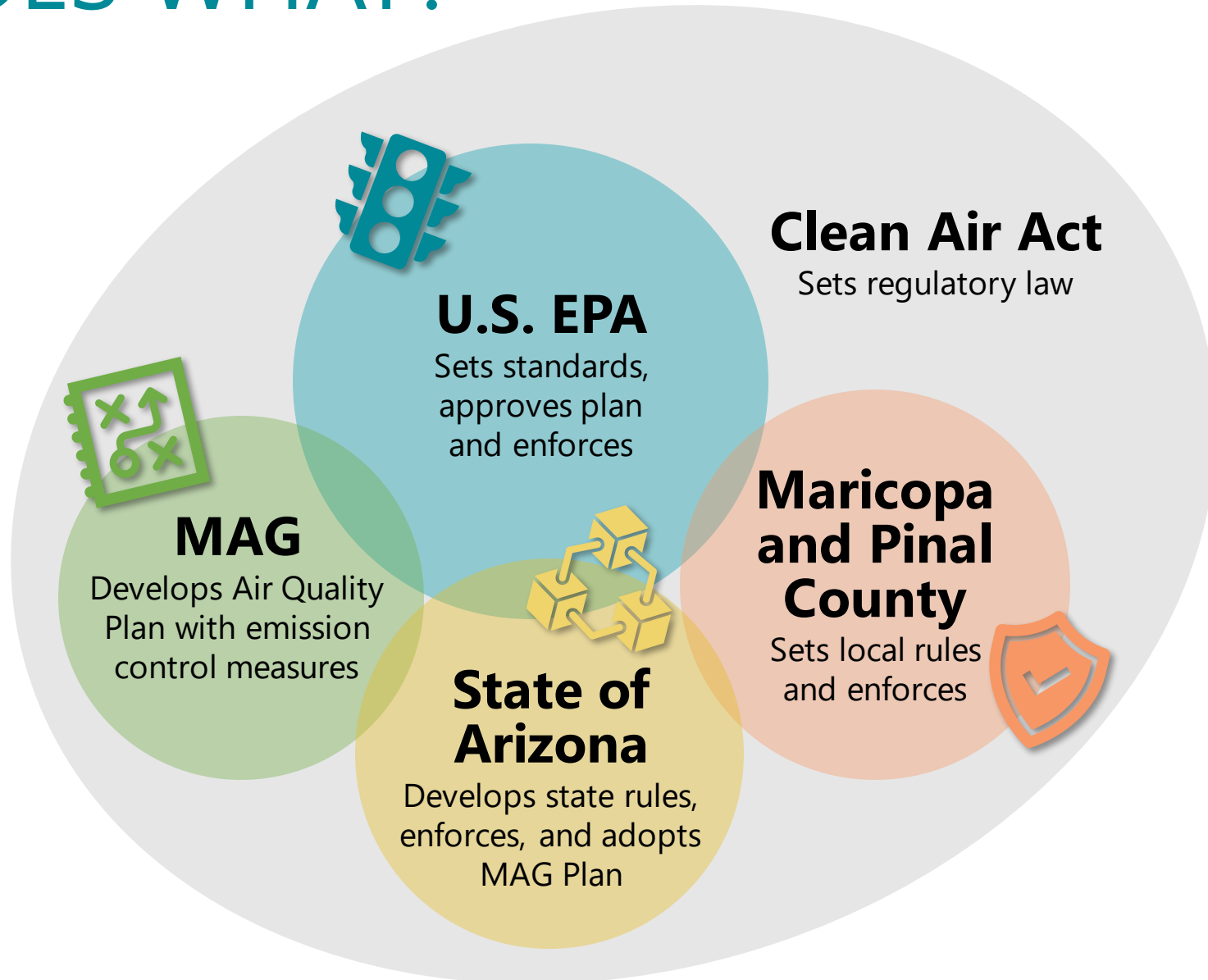


Roadway and transit investments included in the **Prop 400 extension plan are critical components of our region's air quality attainment plan.**



Need meaningful areawide ozone emission reduction measures and federal engagement to avoid **federal intervention and sanctions.**

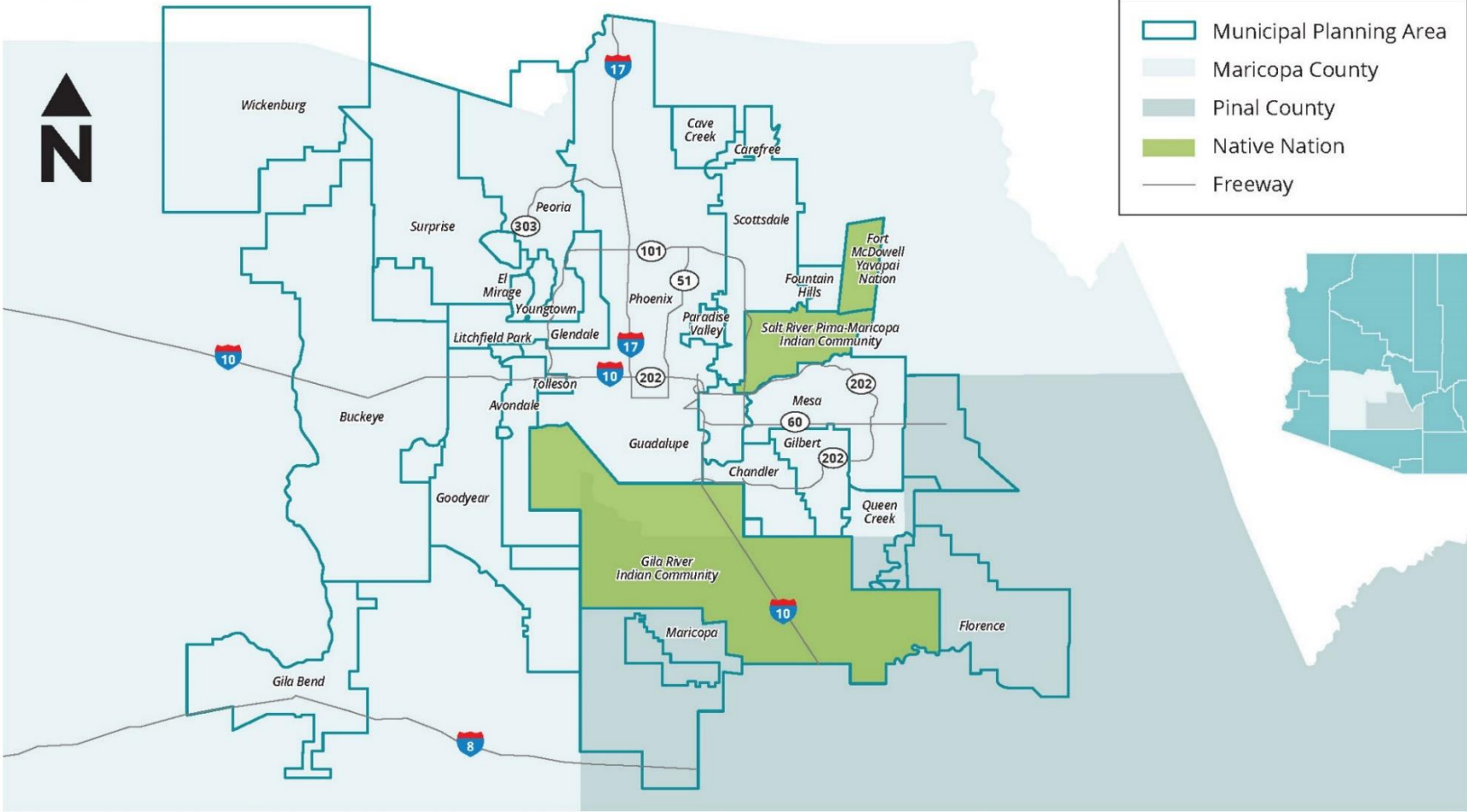
WHO DOES WHAT?



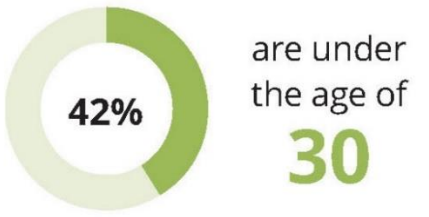
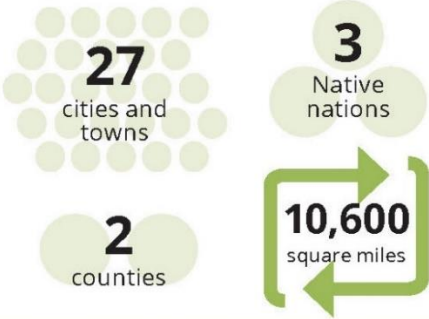
BACKGROUND

THE MAG REGION

Map of MAG Member Agencies



MAG region by the numbers:



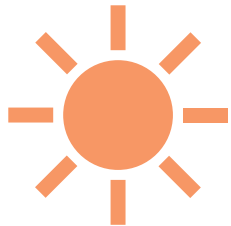
HOW OZONE IS FORMED



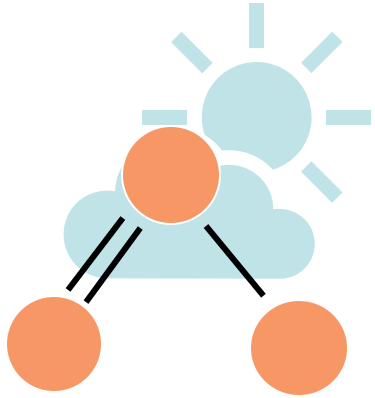
**ITEMS IN THE
AIR:
VOLATILE
ORGANIC
COMPOUNDS**



**EMISSIONS:
OXIDES OF
NITROGEN**

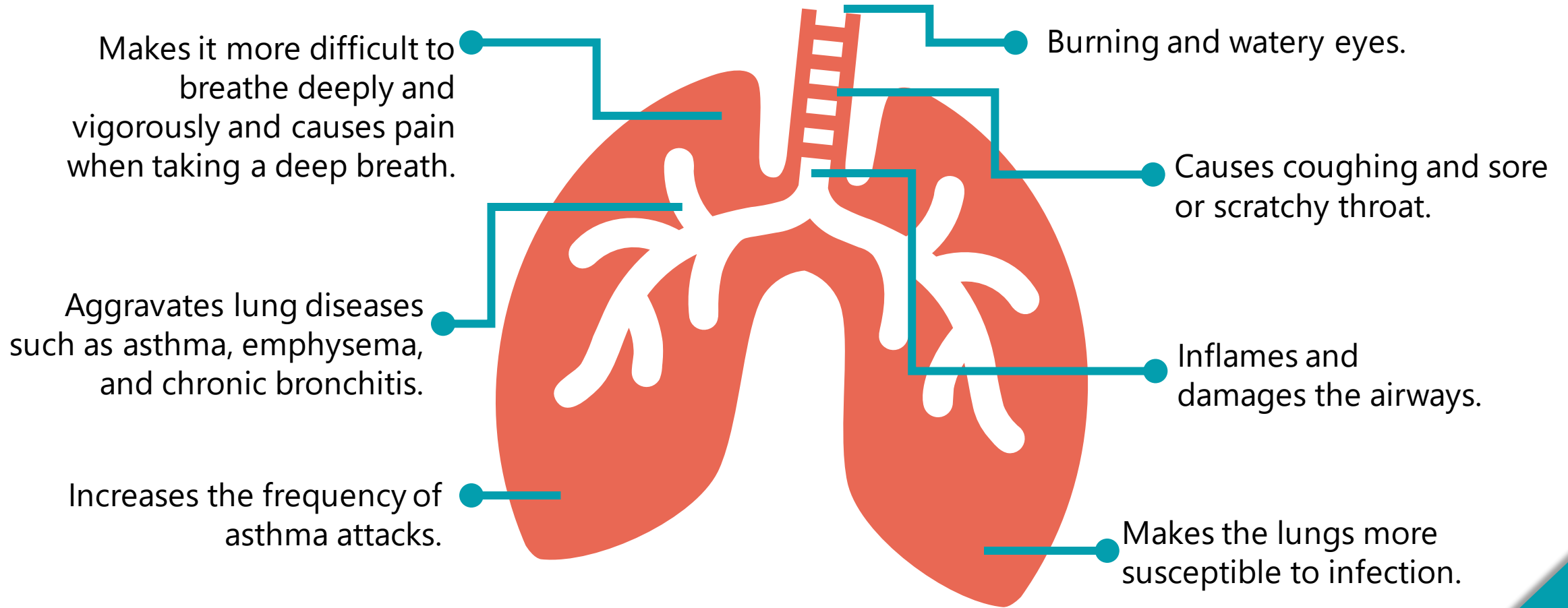


SUNLIGHT



**OZONE
(O3)**

PUBLIC HEALTH IMPACTS OF OZONE



CURRENT OZONE NONATTAINMENT STATUS



Federal Standard	Clean Air Act Nonattainment Designation	2021	2022*
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70 ppb

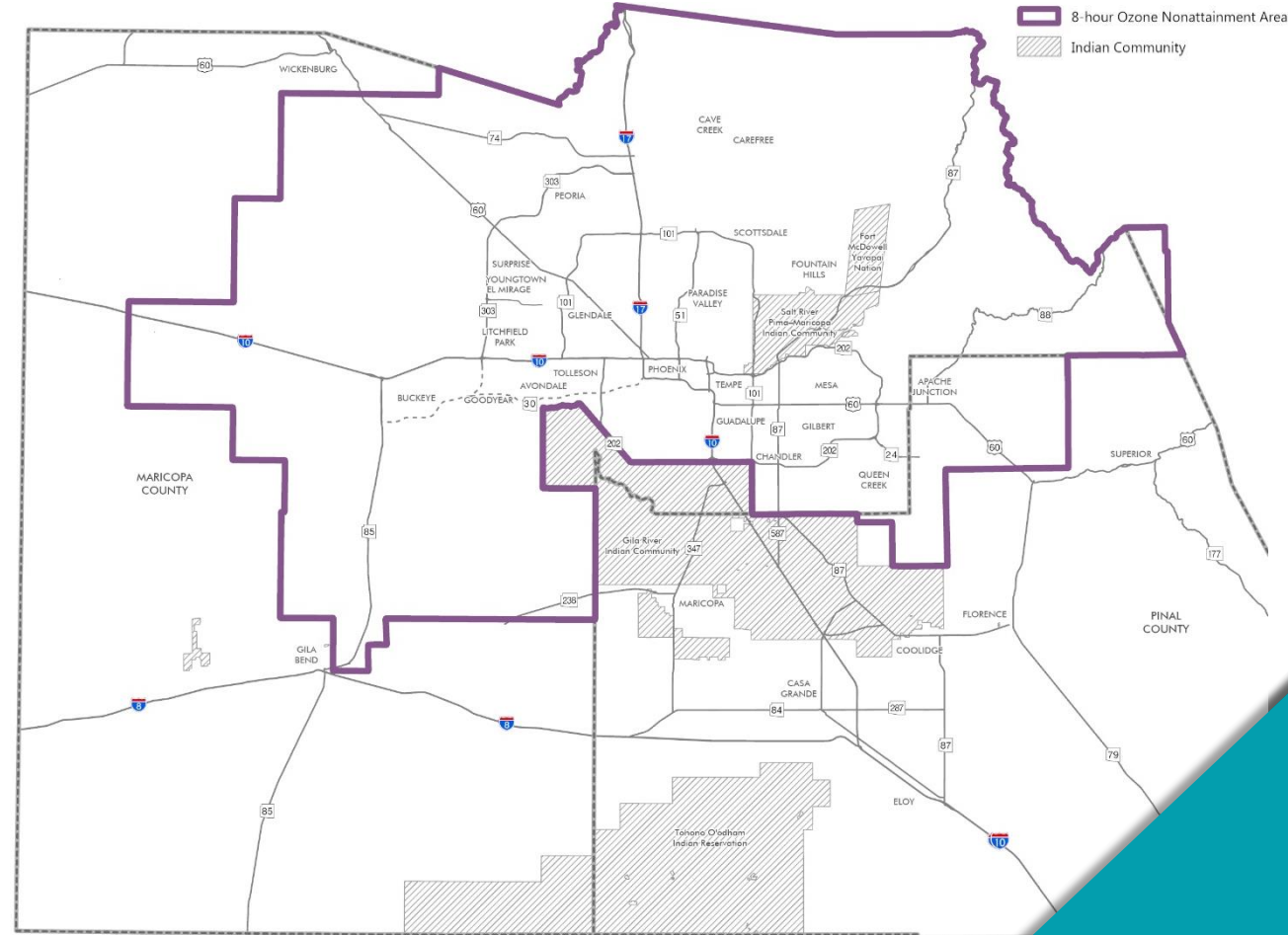
Moderate

~75-80 ppb

~77-81 ppb



*2022 ozone season wildfire influence still under analysis

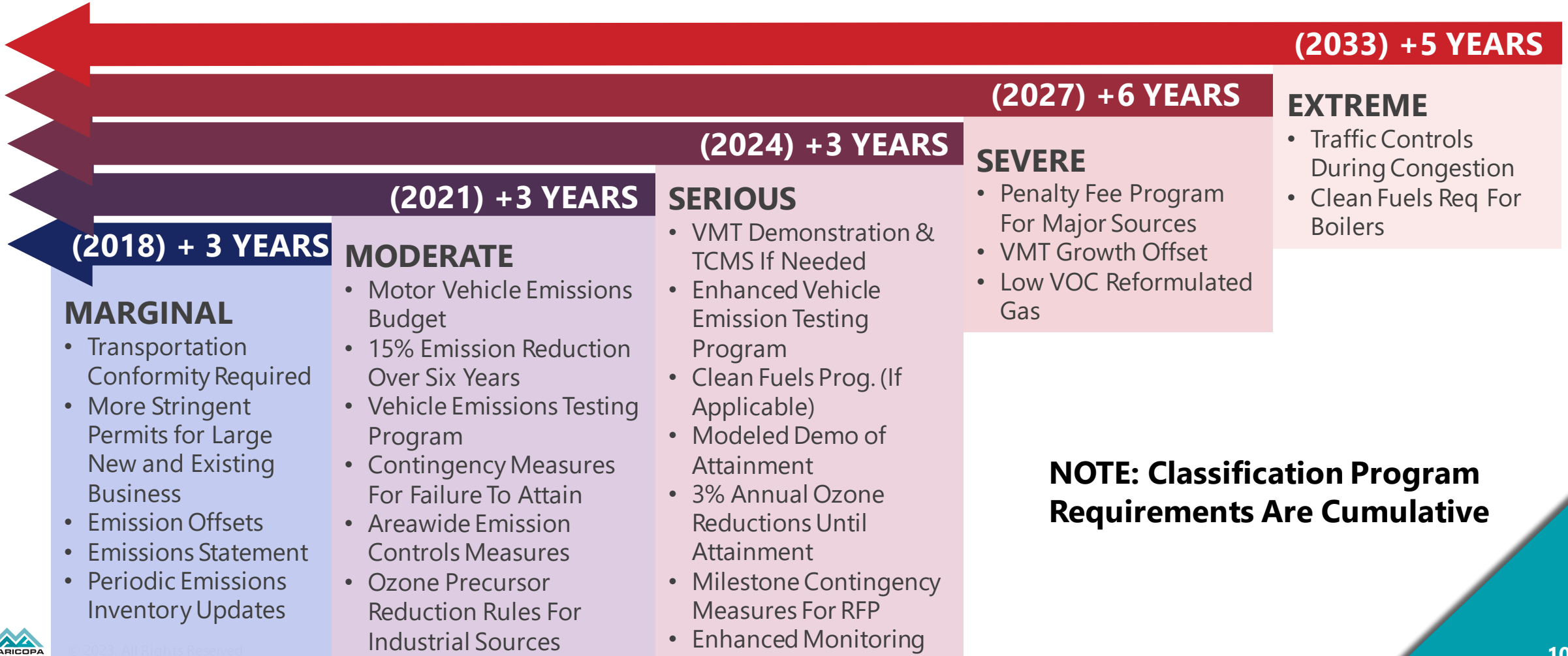


OZONE NONATTAINMENT REQUIREMENTS

CLEAN AIR ACT – ESCALATING OZONE NONATTAINMENT CLASSIFICATIONS

MOST DESIRABLE "ATTAINMENT"

LEAST DESIRABLE



NOTE: Classification Program Requirements Are Cumulative

8-HOUR OZONE CONCENTRATION

Highest 3-Year Average of the 4th Highest 8-hour Ozone Concentration in the Maricopa Nonattainment Area

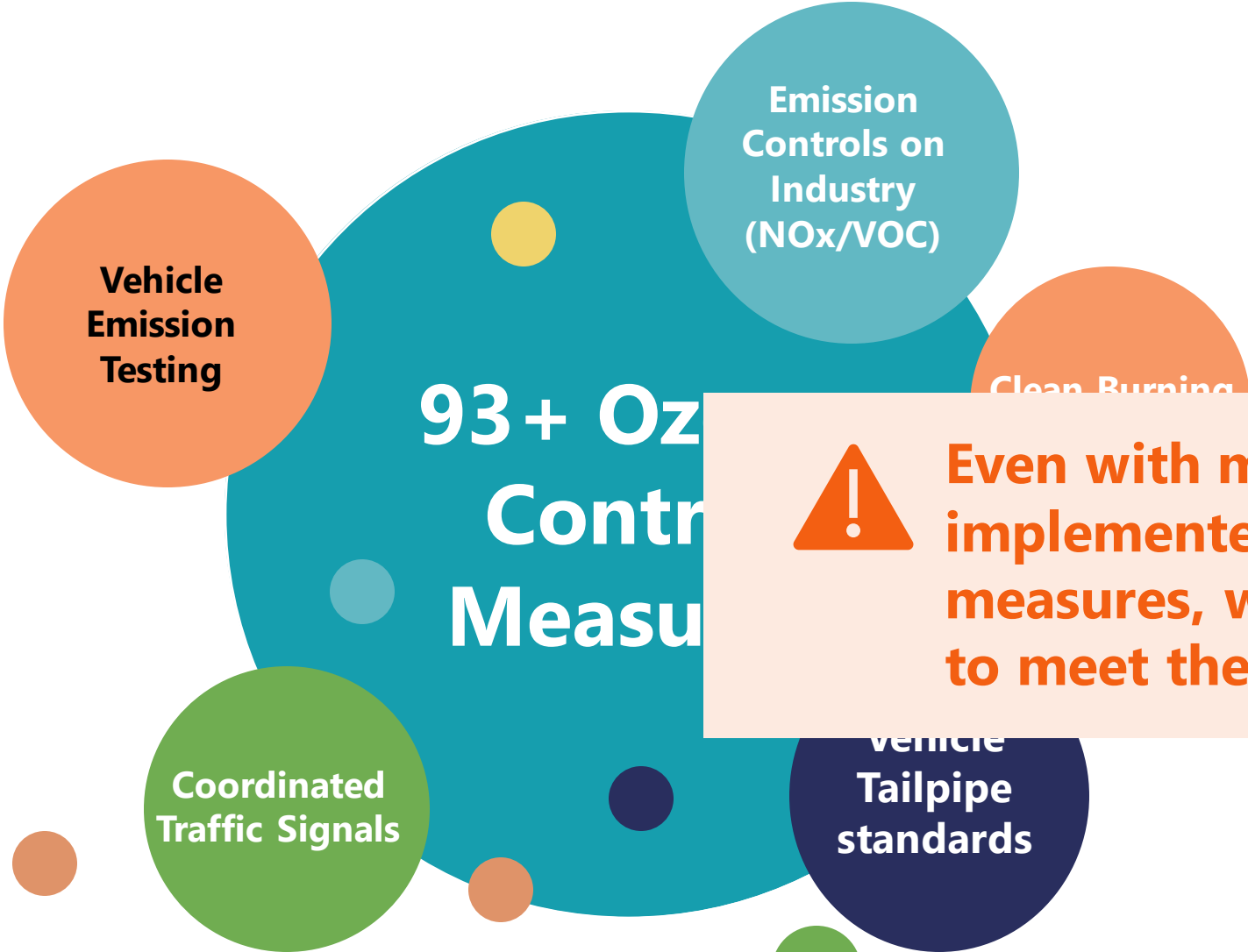


— Ozone Concentration (ppb)
 — Ozone Concentration (ppb) - Measured
 — Ozone Concentration - Wildfires Excluded (ppb)

1997 Standard (84 ppm)
 2008 Standard (75 ppb)
 2015 Standard (70 ppb)

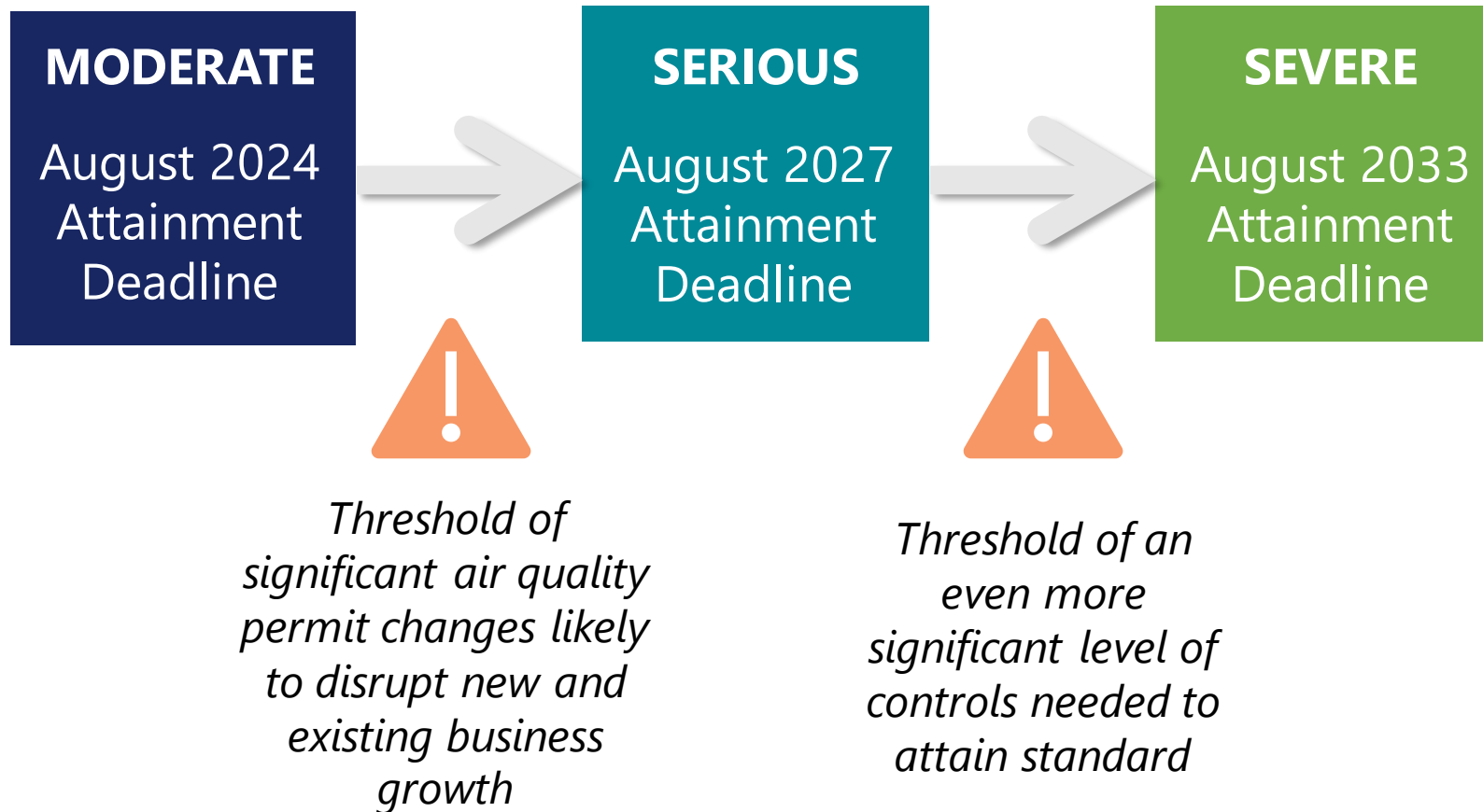


REGIONAL OZONE AIR QUALITY MEASURES



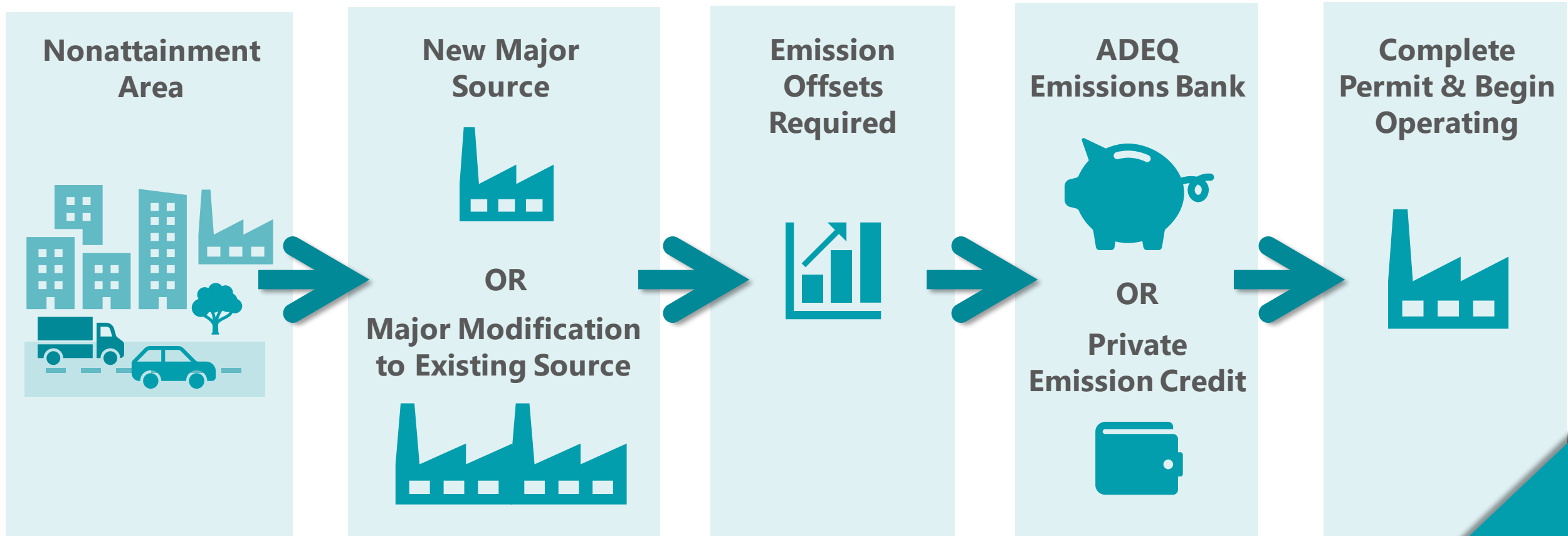
 **Even with more than 90 implemented emission control measures, we are still not likely to meet the 2024 deadline.**

CURRENT OZONE ATTAINMENT DEADLINES

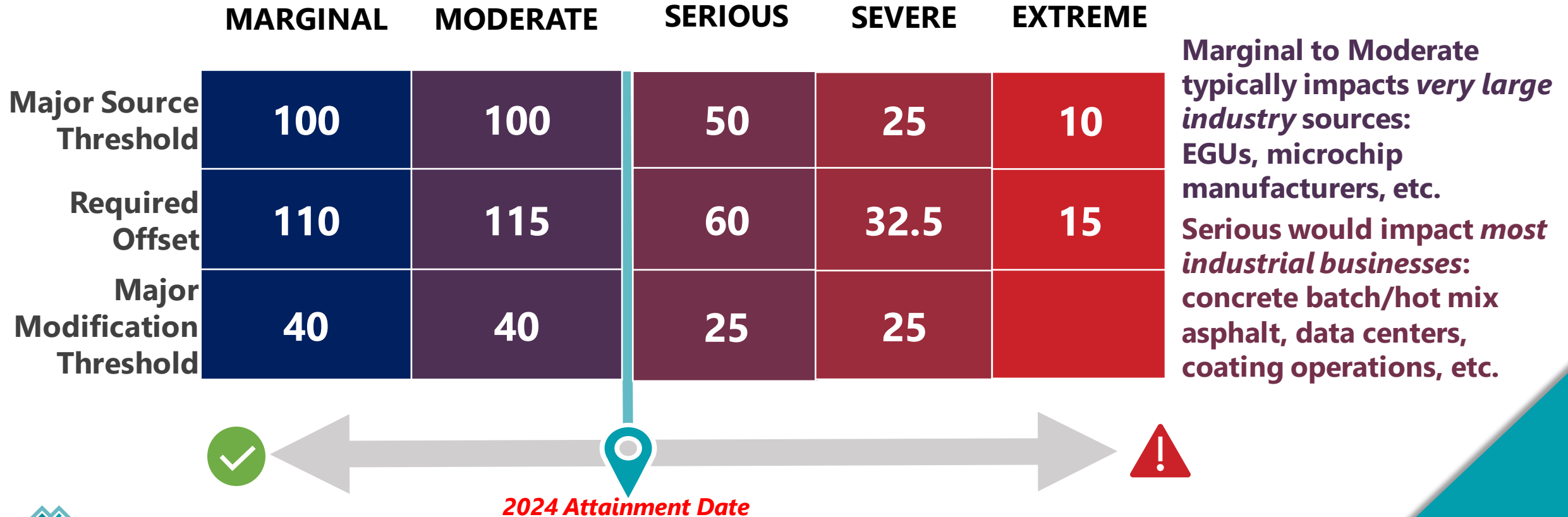


OZONE NONATTAINMENT: WHAT DOES IT MEAN FOR BUSINESS?

AIR QUALITY PERMITTING FOR BUSINESS

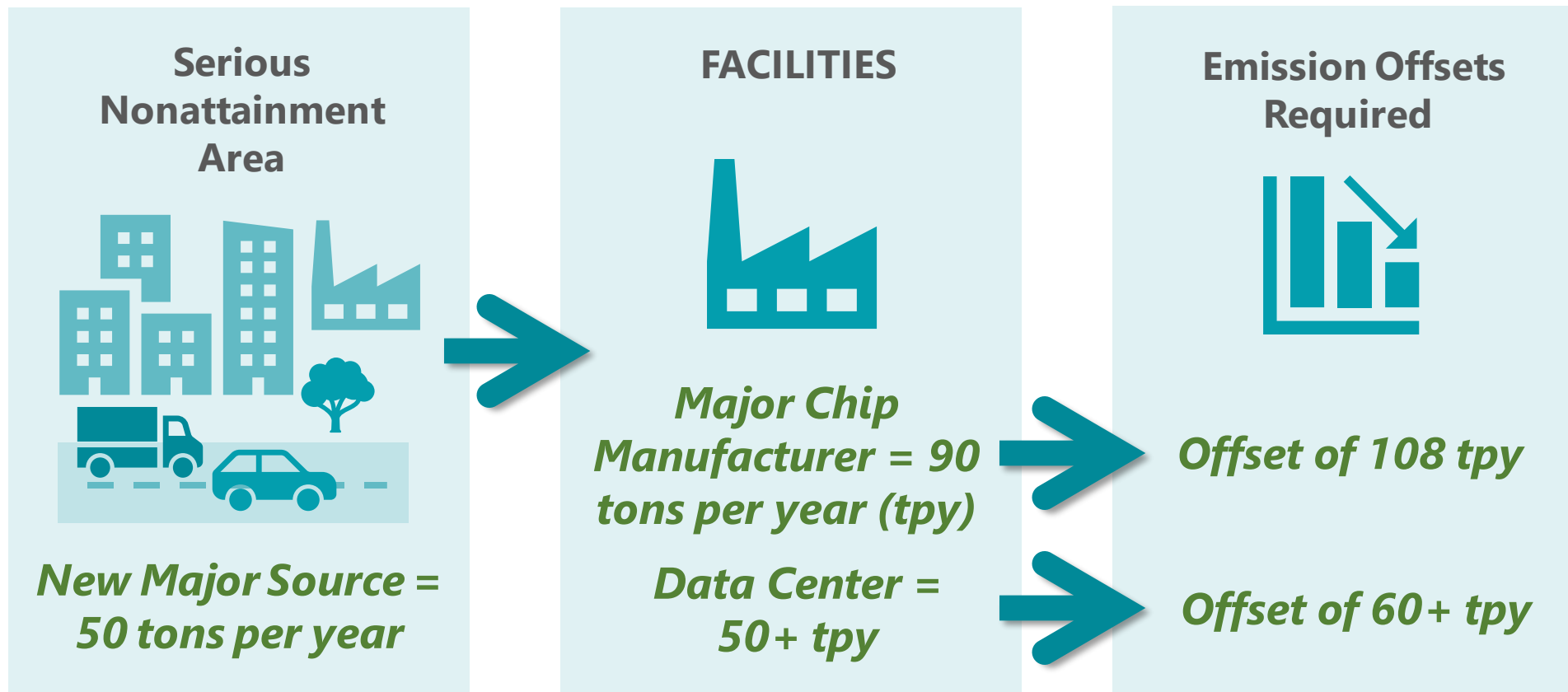


EMISSION OFFSETS GET MORE DIFFICULT



LOCAL EMISSIONS OFFSET EXAMPLES

 **THESE FACILITIES LIKELY DON'T GET BUILT IN SERIOUS NONATTAINMENT AREA**



AVAILABLE EMISSIONS OFFSETS IN REGION

Regional Ozone Offsets Available for Permitting



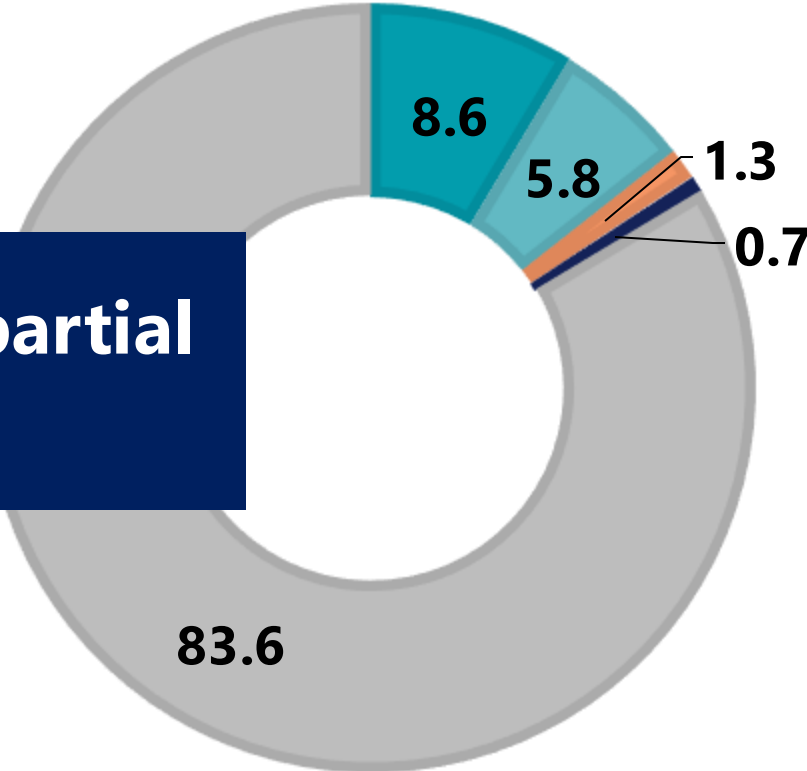
WHAT ARE THE BUSINESS IMPACTS OF MOVING FROM MODERATE TO SERIOUS?

- ▶ Today, only very large businesses are impacted (100+ tpy).
- ▶ Moving to Serious nonattainment will **result in impacts to most industrial businesses** (50+ tpy).
- ▶ Emissions **offsets requirements escalate**.
- ▶ MAG region has **no emissions offsets in the bank**.
- ▶ **Implications will affect new business locates and business expansion.**

ADDRESSING COMPLIANCE WITH THE OZONE STANDARD

REGIONAL OZONE AIR QUALITY SOURCES

JLG SUPERSITE
(PERCENT OF CONCENTRATION)



Categories under full or partial "local control"

- Onroad (Cars, Trucks, etc.)
- Nonroad (Construction Equip., Generators, etc.)
- Point (Stationary)
- Area
- Background Concentrations ("Locally Uncontrollable")

NEW CONTROL MEASURE CATEGORIES



New regulatory requirements.

AND



Investments/
enhancements to the
regional transportation
system.

NEW CONTROL MEASURE CATEGORIES



New regulatory requirements.

AND




New regulatory requirements.


P400E Investment Plan: By the Numbers


 **367** new freeway/
highway lane miles


 **186** new HOV
lane miles


 **1,300** new or improved
arterial lane miles


 **45** new or improved
traffic interchanges

 **12** new DHOV or system
interchange DHOV ramps

 **4** new or improved
system interchanges

 **11.9** miles of new
light rail

 **36.8** miles of BRT
(bus rapid transit)

 **6.9** miles of new
streetcar

Program Investments

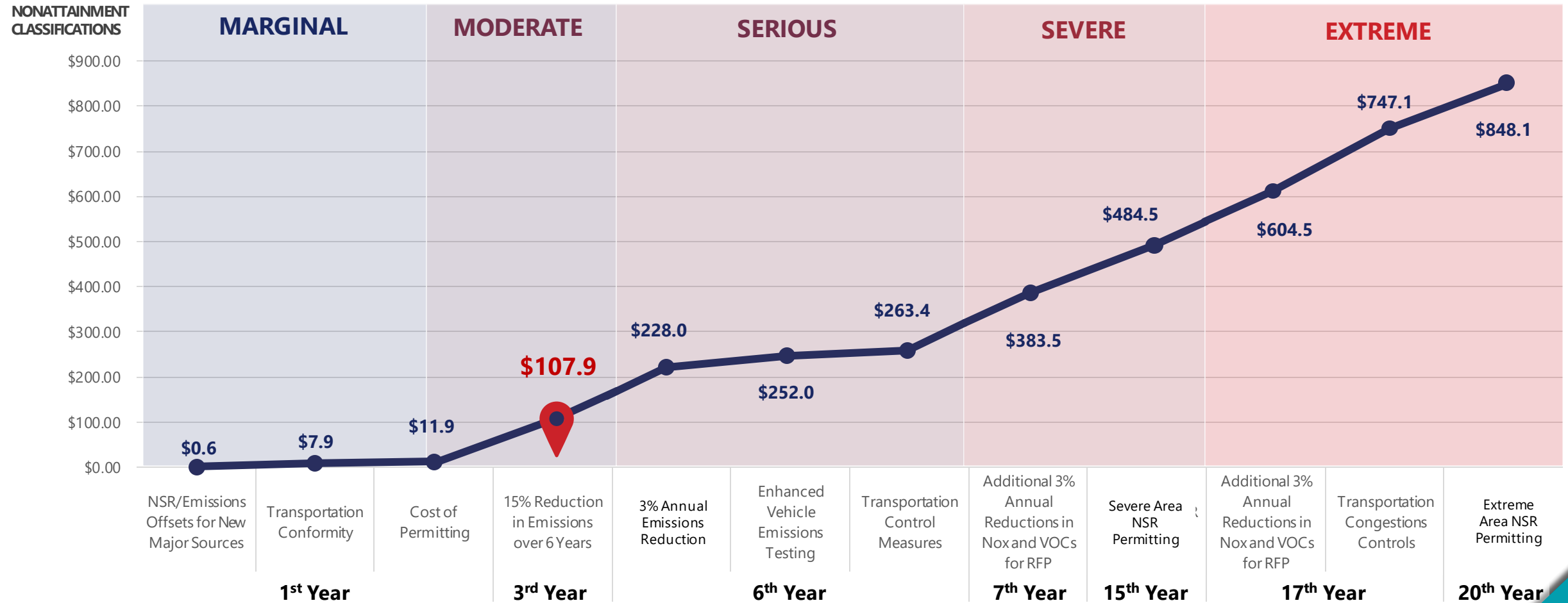
Active Transportation	\$
Air Quality	
Arterial Intersection	
Arterial Rehabilitation	
Arterial Widening	
Emerging Tech	
ITS	
Safety	\$250,000,000
TDM Expansion	\$312,500,000

Prop 400 extension invests in important transportation infrastructure and services that will reduce congestion and lower emissions.

Arterials 

OZONE NONATTAINMENT IS EXPENSIVE

Total Cumulative Annual Costs of Ozone Nonattainment (Millions)



Sources:

"Potential Cost of Nonattainment in the San Antonio Metropolitan Area" - https://www.aacog.com/DocumentCenter/View/41742/Contract_582-16-60180_Deliverable_5-2_Cost_of_Nonattainment_Analysis_Rev02?bidId=
 "The Potential Cost of an Ozone Nonattainment Designation to Central Texas" - http://www.capog.org/documents/airquality/reports/2015/Potential_Costs_of_a_Nonattainment_Designation_09-17-15.pdf
 "NSR 90-Day Review Background Paper" - <https://www.epa.gov/sites/production/files/2015-08/documents/nsr-review.pdf>
 "Average Construction Cost for Selected Technology Types" - <https://www.eia.gov/todayinenergy/detail.php?id=31912>



OZONE NONATTAINMENT IS EXPENSIVE



Corpus Christi: \$600 million-\$1.7 billion each year

Texas A&M/South Texas Economic Center May 2022 study shows a failure to meet the EPA ozone standards would result in significant permitting and economic impacts.



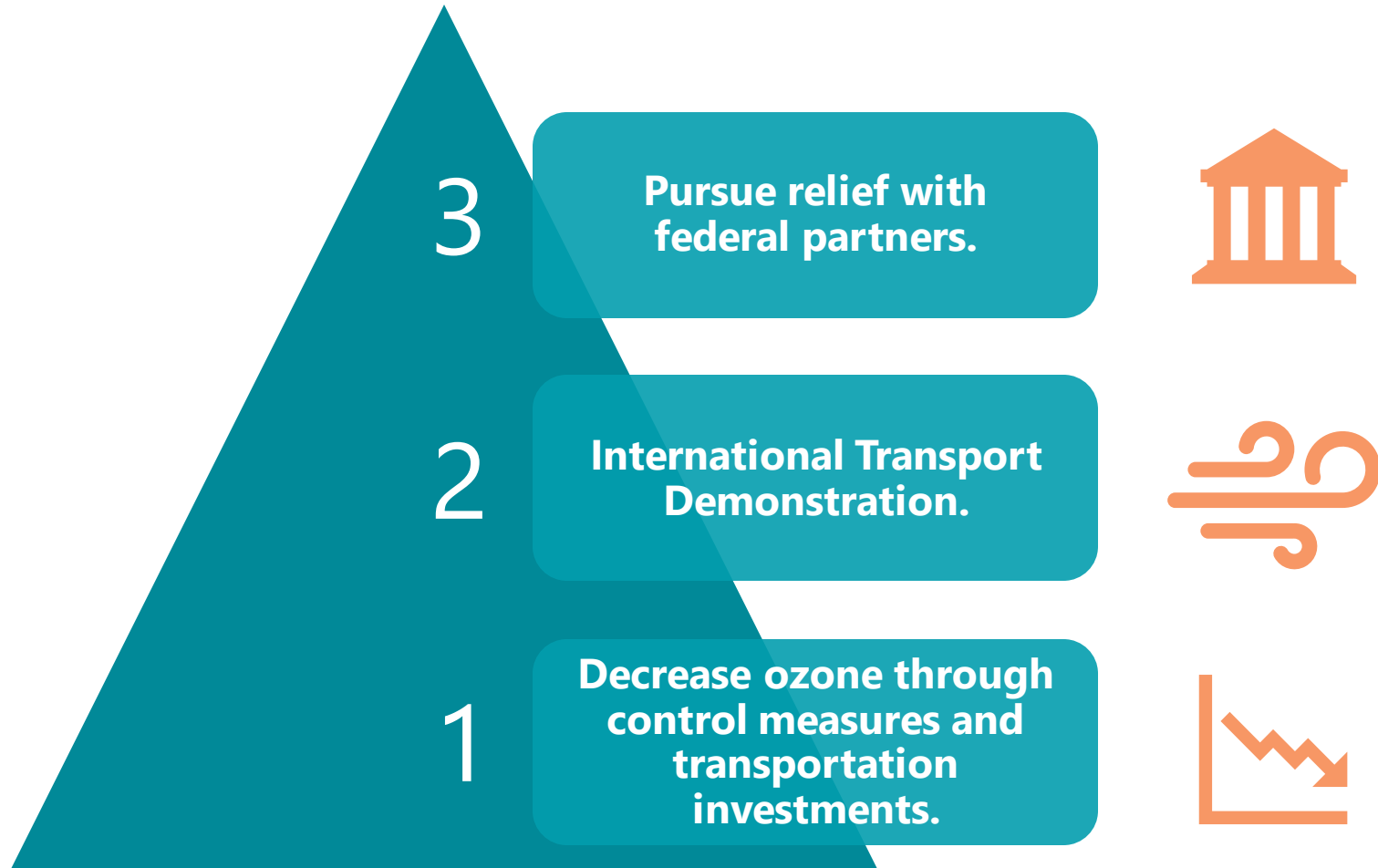
Oklahoma City – Shawnee Combined Statistical Area (CSA): \$9.6-\$15.2 billion over a 20- to 30-year period

Oklahoma City (ACOG) March 2022 study shows high cost for violation of federal air quality standards and ensuing federal regulatory requirements.

COSTS INCLUDE:

- **Air quality permits & offsets.**
- **Increased unit cost per product or service.**
- **Stringent pollution controls.**
- **Impacted economic activity due to industrial and road construction delays.**
- **Missed business development opportunities.**

MAG STRATEGY TO ADDRESS COMPLIANCE WITH OZONE STANDARD



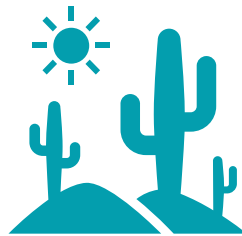
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