

1 RESOLUTION

2 EXPRESSING THE METROPOLITAN COUNCIL'S
3 OPPOSITION TO LOWERING FEDERAL AIR QUALITY
4 STANDARDS FURTHER; FURTHER EXPRESSING SUPPORT
5 FOR OTHER EPA AND LDEQ INITIATIVES TO IMPROVE
6 AIR QUALITY IN THE CITY OF BATON ROUGE AND
7 PARISH OF EAST BATON ROUGE.

8 WHEREAS the quality of air in Baton Rouge is of critical importance to the overall
9 quality of life for our citizens. It is also important to maintain a vital and growing local economy
10 by supporting our business community and promoting business development.

11 WHEREAS the air quality of Baton Rouge has consistently improved since the 1970s,
12 and the environment is noticeably cleaner. The current air quality levels of 70-74 parts per billion
13 ("ppb") are significant improvements over the 1970's levels of over 110 ppb. This has been
14 recognized by the Federal Environmental Protection Agency (EPA) and Louisiana Department
15 of Environmental Quality (LDEQ), which jointly announced on April 4, 2014 that the Baton
16 Rouge Area is currently attaining the 2008 8-hour ozone standard, using data collected from
17 2011 through 2013.

18 WHEREAS upon completion of the forthcoming LDEQ Ozone Maintenance Plan which
19 will show how the Capital Region will maintain these air quality standards and improvements
20 over time, and acceptance by the EPA, the five parish area will be formally re-designated as
21 being in attainment of federal air quality standards for achieving acceptable ozone standards.

22 WHEREAS this progress has been facilitated by a coalition of community stakeholders
23 comprised of industry, state and local government, planning, economic development, and
24 business organizations that studies this issue in depth and discusses ways to achieve standards
25 and reasonable balances, led by its eminently qualified executive director, Dr. Michael McDaniel
26 PhD, retired LDEQ Secretary and LSU Gratis Professor. Dr. McDaniel deserves special
27 recognition and commendation for his long career protecting and regulating the air and
28 environmental standards in this state.

29 WHEREAS, while we celebrate the achievement of attaining the current ozone standard,
30 the EPA has already made it known that it intends to further lower the ozone standards from the
31 current maximum level of 75 ppb to potentially 70 or even 60 ppb. This would put the Baton

1 Rouge Area back into non-attainment status despite all of the hard work of LDEQ and area
2 companies to reduce air emissions. It would also put all of Louisiana into non-attainment status if
3 the EPA sets the acceptable level at 60 ppb, which would cost jobs and billions of dollars in
4 investments from business owners.

5 WHEREAS on September 3, 2014 the Louisiana Association of Business and Industry
6 and the National Association of Manufacturers made public a report on the severe impact of a
7 change to Federal EPA ozone rules lowering the standard from 75 ppb to 60 ppb. The study
8 projected that such a standard would cost the state \$189 billion in compliance costs, and \$53
9 billion in gross state product loss from 2017 to 2040. Over that same period, the state is projected
10 to gain up to 250,000 new jobs if current rules remain in effect, but if the EPA changes the rules,
11 nearly 117,000 jobs may be lost annually. The same study projected that national residential
12 electricity prices will increase by 15 percent, and residential natural gas prices will rise 32
13 percent, as a direct result of this EPA rule change. These impacts will most certainly fall more
14 greatly on the Baton Rouge area than on other regions throughout the remainder of our state.

15 WHEREAS a new lower ozone standard would lead to the shut down of 80 percent of
16 Louisiana's coal-fired generating capacity, resulting in higher costs to electric power consumers.
17 The EPA's new regulations essentially attempt to implement standards similar to those
18 comprising the European Union (EU) nations' failed energy policies. The soaring electric energy
19 prices among EU countries is instructive. The EU countries that have imposed severe restrictions
20 on ozone and carbon emissions are now experiencing serious consequences from those policies.
21 The tolls taken on their economies and populations include job loss, economic stagnation, and
22 energy poverty with a significant impact on the standard of living for their poor and elderly.
23 Germany launched the most ambitious programs among EU nations and now has the highest
24 electric prices in any developed country in the world. Britain, Denmark and Spain have saddled
25 their energy consumers with a similar experience.

26 WHEREAS the need for lowering of the ozone standard has not been adequately
27 demonstrated by the EPA, and almost half of the "controls" that would have to be implemented
28 to achieve the lower standard are characterized by the EPA as "unknown." Ozone levels for the
29 EPA's South region (Arkansas, Kansas, Louisiana, Mississippi, Oklahoma and Texas) fell 14%

1 from 2000 to 2012. This decline will continue for the foreseeable future without the EPA
2 adopting a new standard. A lower standard will require the institution of controls identified by
3 the EPA as preventing the release of ozone. However, the EPA concedes that 49% of such
4 controls are not yet known to the agency. These unknown controls may include plant retirements
5 and the scrapping of existing industrial facilities, equipment and vehicles.

6 WHEREAS the importance of maintaining attainment of the federal ozone standard in the
7 Baton Rouge area cannot be overstated. Under federal Clean Air Act requirements, any new
8 major source of emissions (new industrial developments or expansions) must undergo New
9 Source Review (NSR). In attainment areas NSR consists of a process called Prevention of
10 Significant Deterioration (PSD). New Source Review in nonattainment areas (NNSR) is a much
11 more severe process. The principal requirements of NNSR are:

- 12 • Installation of Lowest Achievable Emission Rate (LAER) technology,
- 13 • Provision for “offsets” representing emission reductions that must be made from
14 other sources, and
- 15 • Completion of an analysis of alternate sites, sizes, production processes, and
16 environmental control techniques and demonstration that the benefits of locating the source in a
17 nonattainment area significantly outweigh the environmental and social costs imposed.

18 WHEREAS the “offset” provision of NNSR requires that, for example, a new industry
19 locating in an ozone nonattainment area that expects to emit 100 tons per year (tpy) of a pollutant
20 (e.g. NO_x) might have to find 110 tpy of reductions from another source to offset its emissions.
21 The offset ratio (e.g. 1:1.1) is designed to ratchet down ozone-forming emissions over time. It is
22 this provision that presents the potential for seriously constraining industrial development in the
23 Baton Rouge area. The stark truth is that, because the region has exhausted practically all
24 available industrial emission control projects in our long quest for attainment, there is precious
25 little in the way of available offsets to support permitting for new industries or expansions at
26 existing industries.

27 WHEREAS, a new lower ozone standard would lead to the shut down of 80 percent of
28 Louisiana’s coal-fired generating capacity, resulting in higher costs to electric power consumers.
29 According to a study by Institute for Energy Research more than 72 gigawatts (GW) of electrical

1 generating capacity have already retired, or are now set to retire because of EPA regulations. To
2 put 72 GW in perspective, that is enough electrical generation capacity to reliably power 44.7
3 million homes.

4 WHEREAS, according to the same study if new regulations go into effect 72.7 GW of
5 generating capacity would close as a result of these new regulations. The result of these and
6 ongoing EPA rules, if put into force, will be no new coal-fired plants in the United States and
7 massive closures of existing coal plants. Since coal is our single largest source of electricity
8 generation, replacing these units will require the construction of higher-cost renewable
9 generating technologies and/or natural gas units that will need massive infrastructure
10 improvements to meet the higher demand. And, consumers will need to pay for these changes.
11 Those added costs will make utility bills unaffordable for many families and force industry to
12 curb production, relocate, or shut down altogether slowing any further recovery in an already
13 lagging economy.

14 WHEREAS, the proposed new EPA regulations would increase ~~everyone's~~ electric utility
15 ~~bills~~ costs to all energy consumers. These increases would have a detrimental effect upon lower
16 income families being that a large portion of their income goes towards ~~electric~~ utilities. The
17 soaring electric energy prices among EU countries is instructive. The EPA's new regulations
18 essentially attempt to implement standards similar to those comprising the European Union (EU)
19 nations' failed energy policies. The EU countries that have imposed severe restrictions on ozone
20 and carbon emissions are now experiencing serious consequences from those policies. The tolls
21 taken on their economies and populations include job loss, economic stagnation, and energy
22 poverty with a significant impact on the standard of living for their poor and elderly. Germany
23 now has the highest electricity prices of any developed country in the world. Britain, Denmark
24 and Spain have saddled their energy consumers with a similar experience.

25 NOW THEREFORE BE IT RESOLVED by the Metropolitan Council for the City of
26 Baton Rouge and Parish of East Baton Rouge that that the City-Parish opposes further lowering
27 of Federal Air Quality Standards from the current level of 75 ppb until such a time that further
28 scientific study and economic impact potential is completed, and that the Federal EPA is
29 encouraged to leave the existing 2008 8-hour ozone standard in place.

1 The City-Parish supports the general principle that it is vital that unnecessary government
2 regulation be opposed, and government should promote policies to create as many new private-
3 sector jobs as possible, keep workers in good paying jobs with benefits such as health insurance,
4 pensions, and other benefits, while at the same time promoting clean air and environmental
5 standards to maintain the quality of life in the Capital Area. It is also critical that unproven or
6 questionable scientific data is not used to promote further regulation without adequate review
7 and debate as a nation.