



February 15, 2013

California Air Resources Board staff announced in meetings this week that the first phase of the long awaited agricultural equipment rule, (aka “the tractor rule), will be confined to the eight counties of the San Joaquin Valley (SJV). They plan to take a SJV-only rule to the Air Resources Board (ARB) for a vote in December 2013. This rule will fulfill 2007 State Implementation Plan (SIP) commitments of 5-10 tons/day of NO<sub>x</sub> from agricultural equipment in the SJV made by the state to meet federal Clean Air Act (CAA) requirements. The SJV rule will include a mechanism that will ensure the emission reductions that many SJV producers have already accomplished by upgrading their equipment using the Carl Moyer Program, local SJV Air Pollution Control District (APCD) funds and USDA/NRCS Environmental Quality Incentives Programs. Thus, it is anticipated that mandatory upgrades will not be needed in the SJV rule, but the rule must be drafted before that will be confirmed.

A public notice announcing the next series of upcoming workshops is expected soon. The workshops will focus on the first phase of the plan, provide an overview of how the SJV-only rule will be structured to meet the 2007 state ozone obligations, and encourage stakeholder participation and feedback.

It is important to note that this does **not** mean that the agricultural equipment rule will never be implemented in the other 50 counties. The state will begin development of the second phase of the agricultural equipment rule in 2014 in coordination with the development of a new 2015 SIP which lays out the strategies needed to meet the new federal CAA requirements for ozone. US EPA lowered ozone standards in 2006, therefore the standards that must be met in the 2015 SIP are more stringent than the ones needed in the 2007 SIP. ARB will rely heavily on getting many of the reductions from advancements in emissions technology, but might need reductions beyond what cleaner engines currently provide. The attainment date for the 2015 SIP is 2032. ARB is expecting the cleanest technologies for agricultural equipment to become available in the 2020 timeframe.

This news gives agricultural equipment owners nearly a ten year window before the second phase of the agricultural equipment rule **might** be implemented in their area. It is not known at this time if emission reductions will be needed outside of the SJV for the 2015 SIP. Farm Bureau will continue to be closely involved in the SJV-only rule and the next phase of the agricultural equipment rule. We will provide information as soon as it is available to help inform your equipment replacement or upgrade plans.

Three drinking water measures were heard this week in the Assembly Environmental Safety and Toxic Materials Committee:

AB 1 (Luis Alejo, D-Salinas) would assist economically disadvantaged rural communities identified in the Salinas Valley by providing up to \$2 million from the State Water Resources Control Board's Clean Up and Abatement Account to develop a plan to address their drinking water and waste water issues. The Governor's Drinking Water Stakeholder Group, of which Farm Bureau is a participant, recommended the provisions in this bill. An identical measure failed to get out of the Senate at the end of last year's legislative session. This bill passed out of the Assembly Environmental Safety and Toxic Materials Committee 6-0. Farm Bureau is in support.

AB 21 (Luis Alejo-D, Salinas) would create the Safe Drinking Water Small Community Grant Fund and authorize the Department of Public Health to assess an annual fee in lieu of interest on loans made for projects that serve disadvantaged communities in a manner consistent with federal EPA grant regulations. The fee would be deposited into a newly created grant fund. This measure passed out of the Assembly Environmental Safety and Toxic Materials Committee 6-0. Farm Bureau has a watch position.

AB 30 (Henry Perea-D, Fresno) would extend a provision of the Porter-Cologne Water Quality Control Act until 2019 that currently allows the State Water Resources Control Board to charge an annual fee in lieu of interest to fund the State Water Pollution Control Revolving Fund for assistance to publicly owned water treatment works. Existing law will sunset in 2014 without this bill. This measure passed out of the Assembly Environmental Safety and Toxic Materials Committee 5-0 with Tim Donnelly-R, San Bernardino not voting. Farm Bureau has a watch position.

A Joint Informational Hearing of the Senate Committee on Natural Resources and Water and the Senate Committee on Environmental Quality was held this week on Hydraulic Fracturing in Oil and Gas Production in California. The two committees held a lengthy hearing Tuesday with four panels of experts and regulators discussing and answering questions about regulations of hydraulic fracturing (fracking) in oil and gas production in California. Panel 1 included participants from the Division of Oil, Gas and Geothermal Resources (DOGGR) in the Department of Conservation (DOC) and two others from DOC, including the State Geologist. Panel 2 included participants from the Department of Toxic Substances Control, the State Water Resources Control Board, the California Air Resources Board and the San Joaquin Valley and South Coast Air districts. Panel 3 was populated with local government representatives from Kern, Santa Barbara and Ventura counties. Panel 4 was a stakeholder overview from oil industry and environmental organizations. Farm Bureau is actively researching and following the issue of hydraulic fracturing.