

SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting
September 3, 2009
3:00 P.M.
Southwest Clean Air Agency
11815 N.E. 99th Street
Vancouver, Washington

Optional Conference Call Number for use by SWCAA Board of Directors
(360) 407-3780 and PIN No. 645943#

(Note: Please notify Tina Hallock at (360) 574-3058 Ext. 10
if you desire that SWCAA pay the cost of this long distance call because
in this circumstance a state SCAN Operator will need to telephone you.)

AGENDA

- I. Call to Order
 - A. SWCAA Chair Don Jensen.

- II. Roll Call/Determination of Quorum
 - A. SWCAA Chair Don Jensen.

- III. Board of Directors Minutes
 - A. Board of Directors Minutes of August 6, 2009.

- IV. Changes to the Agenda
 - A. SWCAA Chair Don Jensen.

- V. Public Comment
 - A. Public Comment.

- VI. Consent Agenda
 - A. Approval of Vouchers.
 - B. Financial Report.
 - C. Monthly Activity Report.

- VII. Public Hearing
 - A. None.

- VIII. Unfinished Business/New Business
 - A. None.

- IX. Control Officer Report
 - A. Indiana Judge Shuts Down Power Plants Based on Clean Air Act Violations.

1. Issue – The U.S. District Court for the Southern District of Indiana has ordered Duke Energy to shut down three units at its Wabash River Station no later than September 30, 2009.

2. Summary – The unusual order followed a jury finding that Duke failed to comply with New Source Review (NSR) requirements when it conducted work on its coal-fired units without first obtaining a permit. Duke was fined \$690,000 and required to install emission monitoring equipment on units that were allowed to continue operating and to also operate the Wabash River units at a reduced rate until they are closed in September 2009. Duke had been planning to shut down the units in 2012, but the judge’s order accelerates that timeline. Altogether, the shutdown order will remove 39% of the Wabash River unit’s total capacity.

B. Five-Year Energy Conservation Action Plan Launched in Seattle.

1. Issue – Seattle Mayor Greg Nickels announced an initiative to double Seattle City Light’s current energy conservation program over the next five years.

2. Summary – Mayor Nickels announced: “We will not build a new power plant to fuel our city; instead we will reduce our power consumption using innovation, efficiency and inspiration.” Under the conservation action plan, \$185 million will be invested in an array of efficiency programs to save residential, commercial and industrial customers over \$300 million and create more than 1,000 green jobs. For residential customers, new programs include discounts for qualified energy efficient electronic equipment to be sold through retail outlets; in-home monitors to track home energy use and the cost of that energy in real-time; a pilot program to communicate regularly with customers about their energy consumption, as well as to explore options for home audits; incentives to reduce the cost of new home construction that complies with the Leadership in Energy and Environmental Design (LEED) Green Building rating system standards; incentives for incorporating energy efficient technologies into new construction of mixed-use buildings; and possible green home financing. For commercial and industrial customers, new programs include increased savings on lighting, cooling and heating systems and use of a whole building energy use assessment for new construction.

C. Michigan Passes 10 Percent Renewable Portfolio Standard.

1. Issue – The State of Michigan has become the 28th state to require that a percentage of the state’s energy be generated from renewable sources and setting mandatory energy savings goals for the state’s electric and natural utilities.

2. Summary – Michigan’s new law allows for shareholder incentives for utilities that exceed the energy savings requirements and includes a renewable portfolio standard requiring 10 percent of energy sales in Michigan to come from renewable sources by 2015.

D. New England’s Regional Greenhouse Gas Initiative (RGGI) Conducts Auction of Carbon Dioxide (CO₂) Allowances.

1. Issue – The states of Connecticut, Maine, Maryland, Massachusetts, Rhode Island and Vermont have joined together to have an auction for the sale of carbon

dioxide allowances.

2. Summary – Electric utility emissions of carbon dioxide in the six states have been capped beginning January 1, 2009. Each allowance gives the purchaser a right to emit one (1) ton of carbon dioxide emissions. A total of 12.5 million allowances were sold in the first auction with additional auctions planned. The clearing price was \$3.07 per allowance which resulted in \$38.6 million in proceeds from the auction.

E. Government Accountability Office (GAO) Examines Barriers to Deployment of Carbon Dioxide (CO₂) Capture and Sequestration Technology.

1. Issue – The Government Accountability Office (GAO) has released a report which examines the barriers that currently exist to deploying carbon capture and storage technology.

2. Summary – The GAO report indicates that the barriers include: (1) the lack of experience with carbon capture and storage; (2) the cost of using this technology, especially for existing coal-fired power plants; (3) the lack of a national strategy for addressing carbon dioxide; and (4) regulatory and legal uncertainties regarding liability for carbon dioxide leakage and ownership of carbon dioxide once injected. GAO recommends that the U.S. Department of Energy place a greater emphasis on research and development of carbon capture and storage technologies for existing power plants.

XI. Board Policy Discussion Issues

A. As Necessary.

XII. Issues for Next Meeting

A. Public Hearing.

1. SWCAA 400 Regulation Revisions.

B. New Business/Unfinished Business.

1. None.

C. Control Officer Report.

1. As Necessary.

D. Board Policy Discussion Issues.

1. As Necessary.

E. Meeting Date and Location

1. October 1, 2009 at 3:00 p.m., Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

XII. Adjournment

Mission Statement

“To Preserve and Enhance Air Quality in Southwest Washington”

Board of Director Values

1. It is important for the region to first achieve healthy air before focusing on other air quality issues.
2. Local control of southwest Washington air pollution issues should be apparent to our constituency.
3. It is important that compliance with federal and state air pollution regulations be achieved.
4. A partnership that is fully reciprocal is desired with the Washington Department of Ecology and U.S. Environmental Protection Agency.
5. All decisions made by the Board should be guided by a principle of doing what is best for the region as a whole.
6. It is important to strive for a good working relationship with the residents and industries of southwest Washington.
7. The effort to obtain stakeholder input on agency actions is a key component of the agency’s public involvement process.
8. The pursuit of reductions in air pollution should be based on achieving the largest air quality benefits first.
9. The basis for air pollution reduction measures should be rooted in sound science.
10. Education should be utilized as an important tool for achieving sustained voluntary compliance.
11. The priority of enforcement decisions should first be on ensuring education is achieved and then issuance of civil penalties.
12. Effective enforcement means that recalcitrant sources are brought into clear compliance.
13. The Board prefers to be involved at the policy setting level for the agency rather than the day-to-day management issues.
14. Fiscal expenditures by the agency should be consistent with the Board approved budget.
15. The fair treatment of the agency’s employees is an important goal of the Board.

Note: (1) Served by C-TRAN Routes: 7, 72 and 76.

(2) Accommodation of the needs for disabled persons can be made upon request.
For more information, please call (360) 574-3058 extension 10.