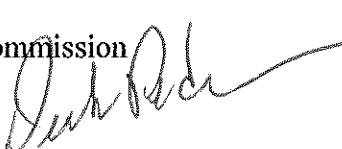


State of Oregon
Department of Environmental Quality

Memorandum

Date: Aug. 10, 2015
To: Environmental Quality Commission
From: Dick Pedersen, Director 
Subject: Agenda item P, Informational item: Director's report
Aug. 12-13, 2015, EQC meeting

Water quality standards revisions for freshwater copper criteria

DEQ has initiated a rulemaking to revise the state's water quality standards for copper in response to EPA disapproval of the standards on Jan. 31, 2013. The National Marine Fisheries Service concluded that the state's water quality standard for copper would cause jeopardy to threatened and endangered species in Oregon. DEQ and EPA agree that adopting EPA's latest recommendations for copper, which are based on the Biotic Ligand Model, would address the disapproval. The Biotic Ligand Model requires the input of 11 different water quality parameters that affect the bioavailability and toxicity of copper in freshwaters. Many studies suggest that this model is a more accurate predictor of copper toxicity than water hardness alone, which is the basis of Oregon's current copper standards.

DEQ staff are developing a comprehensive analysis of the model, which will support technical recommendations to the advisory committee expected to start in October. DEQ has requested a review of our analysis from a panel of scientists and modelers with relevant expertise. Staff expect to propose a draft rule for public comment in spring 2016 and to propose the revised copper standard to EQC for action in October 2016.

Algal blooms in the Willamette River

In late June and July, the Willamette River experienced a number of algal blooms. DEQ, in collaboration with Oregon Public Health and the City of Portland, tested many of the blooms and did find some with elevated levels of harmful toxins. Public Health is the agency responsible for issuing health advisories associated with algal blooms and did issue advisories for several days. Follow-up testing did find the blooms clear of the toxins, but the frequency and severity of the blooms may increase as the summer continues and drought conditions worsen across the state.

Many lakes and waterbodies across Oregon experience harmful algal blooms in warmer months when streamflow is decreased and toxins thrive on reduced oxygen in the water and increased nutrients from runoff or other nonpoint sources. DEQ does not currently have funding specifically for the sampling of algal blooms, and may explore the option of requesting funding from the Oregon Legislature's Emergency Board in February 2016.

Update on the Oregon Clean Fuels Program

DEQ is continuing to implement the Clean Fuels Program. Staff is nearly done with its outreach to importers of gasoline and diesel and continues to reach out to importers of ethanol and biodiesel. There are now 68 companies registered as importers of fuels into Oregon. The next phase of outreach will be to contact fleets that use electricity, natural gas or propane in their vehicles that will be eligible to generate credits in the program beginning in January 2016.

Work has begun to upgrade the reporting tool to be able to track credit transactions. DEQ has received the latest version of the code from California and are making the necessary customizations for the Oregon program.

The next rulemaking process has also started to incorporate SB 324 and establish the 2015 baseline, the annual compliance standards and the carbon intensity values to be used starting in January 2016. The first advisory committee meeting was held on July 27, with one in early August and the last one is scheduled for August 25. The draft rules will be published September 15, with the public comment period ending October 21. A public hearing is scheduled for October 19. Staff is available to brief commissioners on the details of the rulemaking at your request. The final proposed rule will be submitted for commission action at the December EQC meeting.

Wildfires

Wildfire smoke is continuing to impact southern Oregon, including some unhealthy conditions in the communities of Roseburg, Medford and Klamath Falls. Conditions have ranged from yellow (moderate) to red (unhealthy) in early August, prompting DEQ to send out health advisories for Klamath, Jackson and Douglas counties. Local health departments have also sent out similar advisories. An Air Resource Advisor has been deployed in Medford and is placing additional air quality monitors in southern Oregon, which will provide more localized data on health impacts in smaller communities. Wildfires in California and several in southern Oregon are contributing to the poor air quality across the region.

Employment study for veterans

DEQ is participating in SERVe, the Study for Employment Retention of Veterans, and recently reached out to all staff to solicit participation in the study, which is funded by the Department of Defense through Portland State University. The goal of this study is to improve the health and well-being of veterans and their families, as well as to increase retention of veterans in the workplace by training supervisors to better support their employed service members.

Staff who served in the U.S. military for any amount of time after Dec. 31, 2001, and work 20 or more hours for DEQ are eligible for the multi-survey compensated study, as are their partners who choose to participate in a supplemental study of home life related to their partner's service. As a state agency, DEQ is committed to meeting the needs of its staff who have served or are active members of the U.S. military, and this study will help the agency and the state improve the work environment for service members.

Clean Power

On August 3, President Obama and the EPA released the final Clean Power Plan. The Clean Power Plan will reduce carbon dioxide emissions from existing coal and natural gas power plants by 32 percent from 2005 levels by 2030.

DEQ is the lead agency for Oregon's response to the Clean Power Plan, and EQC will ultimately be Oregon's governing body to vote on and adopt our state plan prior to submittal to EPA. DEQ is working with the Governor's Office, Department of Energy and the Public Utility Commission to analyze the federal requirements and develop a plan that capitalizes on Oregon's early investment in cleaner technologies and finds regionally-appropriate solutions to meet the new federal standards.

DEQ is still working to understand EPA's final rule – there are many changes they have made from the proposal and there are over 3,000 pages of rule and technical documentation to review. However, the general approach EPA has taken with the final rule is quite similar to the proposal. EPA is still providing states with emission targets based on EPA's determination of the best demonstrated methods for reducing CO2 emissions at fossil power plants, and taking into account the power sector characteristics in each state. States have significant flexibility to choose our preferred measures for achieving our state emission targets. From an early understanding of the rule, these fundamental elements haven't changed, but EPA has attempted to make improvements to the rule that will better enable states to work together so we can find more efficient compliance approaches that better align with the regional nature of our power sector.

One change is EPA's changes to the schedule. States must now submit initial plans to EPA in September 2016, with final plans due two years later in September 2018. There are many changes staff are beginning to identify and understand, and DEQ will have much more information to share at the October commission meeting.

Rulemaking plan updates

In July, DEQ added new rule proposals to its annual rulemaking plan. The proposals are in response to state legislation approved during the 2015 Session and changes to federal standards. A copy of the updated plan is attached to this report. As with all DEQ rule proposals, staff are interested in ways the commissioners would like to be kept informed or updated about the materials and welcome involvement from the commission at any level.

The newly-added rulemakings are:

- Water quality copper standards
 - *Summarized on page 12 of the attachment*
- Water quality bacteria standards
 - *Summarized on pages 11 and 12 of the attachment*
- Clean power plan
 - *Summarized on page 12 of the attachment*
- Senate Bill 705 Asbestos survey requirement
 - *Summarized on pages 10 and 11 of the attachment*