

Activists suing over pollution credits

State lawmakers last summer thought they had crafted legislation that would help Southern California's air quality agency get around a court ruling preventing it from issuing pollution credits to hundreds of businesses.

But Senate Bill 827, which went into effect Jan. 1 and was carried by Sen. Rod Wright, has generated yet another lawsuit for the South Coast Air Quality Management District.

Activists who oppose the law, and convinced a court that the district's emissions permitting process requires further review under the California Environmental Quality Act, filed suit Dec. 30. The petition also names the state of California.

"Instead of doing CEQA, the district went to Sacramento and partnered with Mr. Wright," said Angela Johnson Meszaros, an attorney representing three groups in the case.

On behalf of the groups, including Wilmington-based Coalition for a Safe Environment, Meszaros is seeking an injunction that would prevent AQMD permits from being issued or used until a federal and state review is complete.

Earlier in December, a larger coalition that includes the Natural Resources Defense Council petitioned the U.S. Environmental Protection Agency to intervene.

It may be too late.

About 1,000 permits went out Jan. 2, after district engineers worked overtime during the holidays to prepare them, said AQMD spokesman Sam Atwood.

"We were served after the permits had gone out the door," said Kurt Wiese, general counsel to AQMD.

"I would have hoped that they would have recognized the damage that all this litigation has had on the Southern California economy," Wiese added.

Central to the dispute is an esoteric system that allows some businesses and public agencies to get for free, or purchase at reduced cost, emissions credits from an internal AQMD bank. The credits are required by law to offset emissions from polluting equipment.

When the rules were changed in 2007 to open the internal credit bank to companies proposing new power plants, environmental groups sued.

"How is the clean air public health agency responsible for doing whatever they need to do - spending hundreds of thousands of dollars lobbying Sacramento, spending millions on litigation - to make sure fossil-fuel power plants get sited in Southern California?" Meszaros said. "What that's doing is subsidizing fossil fuel energy."

The environmental groups won a sweeping victory in 2008, with a Los Angeles Superior Court judge ordering AQMD to bring its permitting process to a halt and perform a review.

The ruling affected thousands of modernization projects in the district, which includes parts of Los Angeles, Riverside and San Bernardino counties and all of Orange County.

In the South Bay, more than 70 businesses and public entities saw projects halted, ranging from new tar pots for a local roofing company to major improvements at multiple local refineries.

Those effects drew the interest of Wright, D-Inglewood, who agreed to sponsor the bill. Industry groups were the main supporters.

The bill passed in September, though it lacked a two-thirds majority needed to make it effective immediately.

For now, the district is continuing to pursue environmental review of its credit system. The AQMD board is expecting to review that in coming months.

Last week, the district was clearly undeterred by the environmental groups' actions.

Late Friday, it announced a "holiday" for businesses that may be unaware they need emissions permits. They can temporarily file to get the needed permits without incurring late fees.

*Source: The Torrance Daily Breeze
January 9, 2010
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