

BOARD MEETING DATE: May 5, 2017

AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, April 21, 2017.
Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Attendance

The meeting began at 10:30 a.m. In attendance at SCAQMD Headquarters were Committee Chair Ben Benoit and Committee Members Judith Mitchell, Dr. Joseph Lyou, Sheila Kuehl, and Janice Rutherford. Committee Member Shawn Nelson participated via videoconference.

INFORMATIONAL ITEMS

1. Draft Assessment of tertiary-Butyl Acetate (tBAc) White Paper

Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development & Area Sources, presented a summary of staff's draft assessment and stakeholder comments since the release of the revised Draft tBAc Assessment White Paper. The following three options were presented to the committee as potential pathways forward:

Option 1: Leave the limited tBAc exemption in Rules 1113 and 1151 and monitor sales;

Option 2: Remove limited tBAc exemptions in these rules; and

Option 3: Remove limited tBAc exemptions and prohibit its use in Rules 1113 and 1151.

Supervisor Kuehl asked what would trigger the precautionary approach, how expeditiously the Office of Environmental Health Hazard Assessment (OEHHA) assesses toxic compounds, and if SCAQMD could rely on other entities. Dr. Fine stated that the SCAQMD traditionally relies on OEHHA but we could broaden our approach as their process can be long. He also stated that OEHHA's process is actually faster than other agencies. Supervisor Kuehl also expressed concern that not removing the exemption expeditiously could pose a health risk to workers. Dr. Fine stated that the modeling showed the risk to off-site workers was below our thresholds but that we did not have a method to accurately assess on-site worker exposure. Supervisor Kuehl expressed an interest in developing a method to assess on-site exposure and Dr. Fine explained that going forward with the precautionary approach, staff might not have a need for such an analysis. For the current exemptions, staff would have to evaluate the impacts of replacing tBAC with other solvents.

Councilmember Mitchell inquired about the types of coatings that are currently formulated with tBAC. Dr. Fine explained that it is only a limited exemption for auto body coatings and industrial maintenance coatings.

Florence Gharibian, chair of the Del Amo Action Committee, commented on SCAQMD's 2014 Toxic Risk Symposium and best practices used by industry to mitigate toxic compound exposure. She expressed support for the use of the precautionary approach in addressing toxic compounds and supports option two for removing the current tBAC exemptions.

Rhett Cash of the American Coatings Association (ACA) commented that the SCAQMD should wait for the Scientific Review Panel (SRP) to finalize the Cancer Potency Factor (CPF) before taking action. He also stated that the ACA opposes option two and supports option one. He stated that the volumes cited in the paper are too low and felt that tBAC is used in more coatings than represented. He further stated that industry would need at least three years for any reformulation efforts and requested that the SCAQMD include an option four to expand the tBAC exemption if the SRP determines that tBAC is not a carcinogen.

Katy Wolf of the Institute of Research and Technical Assistance stated that she supported option two but recommended going further. She stated there was no reason to wait as the SRP indicated they agree with OEHHA's findings. She stated that the manufacturers should not be allowed longer than one year for reformulation and that plenty of alternative coatings are already available. The precautionary principle should not promote use of toxic chemicals or any chemical with no toxic information. The SCAQMD should add tBAC to Rule 102 as a Group II exempt compound and include a provision to prohibit Group II exempt compounds in all Regulation XI rules. She stated that IM coatings are used more broadly than staff

indicated; that they are used on floors, in schools, and at theme parks. Wayne Nastri, Executive Officer, mentioned that staff checked with Disneyland and found they do not use tBac-containing coatings as a matter of policy.

Curt Coleman, Executive Director of the Southern California Air Quality Alliance, commented that OEHHA was not the authority on toxicity. He stated there are two entities that are the authority, the SRP and the Carcinogen Identification Committee. He also stated that the rat study conducted on tBac indicated carcinogenicity through a mechanism that is not applicable to humans.

Kyle Frakes of Tnemec stated that the draft cancer potency factor should not be used to develop policy or be cited in a paper. He opposed option two and supports option one. He felt the quantities reported in the draft paper were underestimated. He also would like to see an option four to further exempt tBac if the SRP determines that tBac is not a carcinogen.

Dr. Lyou asked where coatings containing tBac were used. Staff indicated that the specific sources or facilities are not known but the overall inventory is known. He expressed concern that the usage might be higher than estimated. Dr. Fine stated the concern with tBac is long-term exposure from repeated application, which is less of an issue for these long-lasting industrial coatings. Dr. Lyou was concerned with the uncertainty and expressed the difficulty in providing guidance to staff until there is more certainty, but felt that option three did not make sense for tBac unless we treated all similar compounds in the same manner. He requested that staff report back to the Committee once SRP finalizes their assessment or by the end of summer if they have not concluded the assessment. He also expressed concern for the timeframe staff was considering for amending Rule 1113. Dr. Fine stated that it is not uncommon to amend Rule 1113 every couple of years, but that we could pursue an amendment just to address tBac. Mr. Nastri committed to reaching out to OEHHA.

Supervisor Rutherford stated that there seems to be high confidence by staff that OEHHA regards tBac as a carcinogen. Mr. Nastri committed to revising the report based on the final findings of the SRP.

Councilmember Mitchell stated that there was not enough information available at this time to choose an option and recommended waiting for the SRP to finalize the CPF to decide what direction to pursue. If the toxicity remains high, options two or three should be considered; if it is low, option one might be appropriate. She requested that staff return to the Stationary Source Committee by the end of summer, whether or not the SRP finalizes their assessment. She also requested a summary from staff on the option of adding tBac to Rule 102. Supervisor Kuehl supported option two but also agrees to wait for the final CPF from the SRP.

2. Nonattainment New Source Review Compliance Demonstration for 2008 Ozone Standard

Due to time constraints, this item was moved to next month's meeting.

3. Proposed Amendments to Rule 1147 – NO_x Reductions from Miscellaneous Sources

Tracy Goss, Planning and Rules Manager, provided a presentation on proposed amendments to Rule 1147. In general, the proposed amendments incorporate the recommendations from the Final Rule 1147 Technology Assessment and the proposed amendments represent an overall relaxation of Rule 1147. In addition, since the release of the preliminary draft report in January 2017, staff is proposing additional changes that will benefit businesses, including more emission testing options, an option to comply with emission limits through a manufacturer's guarantee, and an exemption for low-emission units that are moved when a facility is relocated.

In response to a question from Gerald Bonetto of the Printing Industries Association, Inc, of Southern California, staff clarified that units emitting less than one pound per day of NO_x emissions are not subject to in-use NO_x emission limits, and NO_x emission limits must be met only if the burner or unit is replaced (no requirements for units that are relocated).

Charles Aiello of MidCo International, the company that provides the majority of standard and low-NO_x burners to manufacturers of auto body spray booth heating units, presented a summary of the companies' SCAQMD-certified products and what they are doing to help booth manufacturers resolve issues that some customers have with the low-NO_x heating units. Their new-low-NO_x burner will be certified by the SCAQMD next month, will be available from 14 manufacturers, and covers 46 models of spray booths and heaters. Mr. Aiello also stated that control systems are available to better control booth heating systems. These controls will prevent the unit from going over the set temperature. He also stated standard burners for booth heaters have NO_x emissions of about 90 ppm and the low-NO_x burners are at about 20 ppm.

Brian Eberson and Gerry Enders, representing an auto body repair business, stated that the low-NO_x heaters they purchased for their spray booths do not work well during spraying of coatings. With their current low-NO_x heating system, the heater exceeds the temperature set point. They appreciate the addition of a relocation exemption but do not think the rule should require them to comply with limits when there is only one supplier of low-NO_x burner technology. Dr. Lyou requested that staff investigate the issue further. Rob LaCerte, a representative of a major paint supplier for auto body repair stated that other customers are also concerned that their low-NO_x heaters cause fluctuations in temperature in the booth during spraying. Both the auto body and paint representatives would like to see additional suppliers

of low-NOx burners enter the market. Mr. Aiello stated that MidCo provides most of the standard burners used by spray booth manufactures and that other burner manufacturers have chosen not to develop low-NOx burners. Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development & Area Sources, noted that the proposed amendment will allow manufacturers a third way to demonstrate compliance with the emission limit through a manufacturer's performance guarantee.

Jim Waggoner of IPE, Inc., a manufacturer of heated tanks and spray washers, requested clarification on which equipment would be subject to a requirement to comply with rule emission limits at 30 years of age. Mr. Goss responded that the types of equipment his company provides are not subject to meeting the rule emission limit at 30 years of age. The representative stated that this equipment can last 40 years and should not have to be retrofitted. Mr. Goss responded that the proposed rule amendment does not require existing equipment of this type to be retrofitted with lower emission burners because of the issues Mr. Waggoner has raised.

Mr. Bill LaMarr of the California Small Business Alliance read a letter from Anthony Endres of Furnace Dynamics, Inc. requesting that SCAQMD delay the rule adoption schedule and that the July 1, 2017 compliance date be delayed. Mr. LaMarr also requested a delay and stated that more burners should be available for spray booth applications. Dr. Fine stated that the SCAQMD must amend the rule in order to change the July 1, 2017 deadline for many of these equipment. Wayne Nastri, Executive Officer, stated that staff will provide information to the Board at the set hearing regarding technical and other issues related to spray booth heating systems. Supervisor Nelson expressed concern about the impacts of the rule on small businesses and that these issues should be addressed. The Committee members asked that staff do a briefing on the spray booth issue for the Board. Staff agreed to note this on the agenda.

4. Proposed Amended Rule (PAR) 219 - Equipment Not Requiring a Written Permit to Operate Pursuant to Regulation II; and PAR 222 - Filing Requirements for Specific Emission Sources Not Requiring a Written Permit to Operate Pursuant to Regulation II

Due to time constraints, the staff presentation was waived and public comments were opened. Rita Loof, Director of Environmental Affairs/Radtech International, commented that their proposal for exemption of UV/EB/LED technologies is good for the environment due to incentives to convert to lower VOC technologies and seeks to remove regulatory barriers. Ms. Loof stated that Radtech has made many concessions and referred to a handout which she provided to the Board Members. Ms. Loof commented that monthly usage provisions for UV/EB that specify (non-solvent based and non-waterborne) materials are not technology neutral, since

plastisol inks do not have any restrictions. She stated that Rule 219 is patchwork and not technology neutral. Staff explained that both usage categories are based on the same VOC limit. In response to the single-page no-fee form staff created in response to an earlier comment, Ms. Loof commented that the new form will result in confusion and uncertainty due to many operators' lack of regulatory expertise, also stating that it was not equitable as it only applies to the coating and printing industry. Due to the lack of time, staff was not able to respond to all the comments, but disagreed as to the complexity of the form and its impact on the industry.

Mr. Bonetto stated that they represent various and numerous printing operations and stated that the reporting form is unnecessary recordkeeping and another burden. Dr. Fine stated that there is no new recordkeeping requirement and it is only an optional half-page form to be submitted in place of a two-page registration form with an annual fee.

Susan Stark of Tesoro asked to clarify as to whether staff would, after working with U.S. EPA and CARB, bring back Rule 219 to address vapor socks for storage tanks, or if it was going to be addressed via Rule 1178 only. Staff said the intent was to address that issue under Rule 1178 and that provisions for simpler permit processing could be developed, but at this time a permit is still required. Ms. Stark stated that U.S. EPA considers it a comparable technology, and that replacement should be expedited. Mr. Nastri said there is no warranty by the manufacturer. Dr. Fine commented that since the last Stationary Source Committee meeting, there were a number of issues that have been resolved and that these are the only two remaining issues.

Supervisor Rutherford asked if U.S. EPA had weighed in on the 50 gram/liter issues and staff responded that they have not. Ms. Nakamura said the gram per liter exemption is an existing provision. Supervisor Rutherford further stated that other agencies may have a different view. Mr. Goss stated that some agencies require permits, but no recordkeeping. Supervisor Rutherford asked if it is not that complicated, why keep these requirements? Dr. Fine said that without the report, facilities would be off the radar and that there would be no way to track whether they are eligible for these exemptions. Supervisor Kuehl stated it would be better to exempt the small stuff and focus on other larger issues. Dr. Laki Tisopulos, Deputy Executive Officer/Engineering & Permitting, noted that any source not exempt with emissions over one pound per day requires BACT, but that a one ton per year exemption is equivalent to 5 pounds per day.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

OTHER BUSINESS

None.

PUBLIC COMMENTS

There were no public comments.

The next Stationary Source Committee meeting is scheduled for May 19, 2017. The meeting was adjourned at 12:10 p.m.

Attachments

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

April 21, 2017

Attendance Roster (Voluntary)

Mayor Pro Tem Ben Benoit	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Councilmember Judith Mitchell	SCAQMD Governing Board
Supervisor Sheila Kuehl.....	SCAQMD Governing Board
Supervisor Janice Rutherford	SCAQMD Governing Board
Supervisor Shawn Nelson (videoconference) ...	SCAQMD Governing Board
Board Consultant David Czamanske.....	SCAQMD Governing Board (Cacciotti)
Board Consultant Ron Ketcham.....	SCAQMD Governing Board (McCallon)
Board Consultant Andrew Silva.....	SCAQMD Governing Board (Rutherford)
Wayne Nastri	SCAQMD staff
Barbara Baird	SCAQMD staff
Bill Wong	SCAQMD staff
Philip Fine	SCAQMD staff
Laki Tisopulos.....	SCAQMD staff
Jill Whynot	SCAQMD staff
Amir Dejbakhsh	SCAQMD staff
Susan Nakamura.....	SCAQMD staff
Bill LaMarr.....	California Small Business Alliance
Gerry Bonetto	Printing Industries Assn Inc. of Southern Calif.
Rita Loof.....	RadTech
Kyle Frakes.....	Themec Co., Inc.
Katy Wolf	Institute of Research and Technical Assistance
Rhett Cash	American Coatings Association
Ida Lin	PPG - PMC
Daniel McGivney	SoCalGas
Charles Aiello.....	Midco International
Susan Stark	Tesoro
Kelly Willmott.....	AMVAC