BOARD MEETING DATE: May 5, 2017 AGENDA NO. 27

PROPOSAL: Amend Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II; and
Amend Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

SYNOPSIS: Proposed Amended Rule 219 will exempt certain categories of equipment from the requirement to obtain a written permit and remove existing exemptions for equipment that the SCAQMD has learned may not be able to demonstrate compliance with all SCAQMD rules, and will also provide clarification for sources or processes currently covered under Rule 219. Proposed Amended Rule 222 will add additional categories to the streamlined filing/registration program of Rule 222. Both proposed amendments will further facilitate the streamlining of the District's permitting system.

COMMITTEE: Stationary Source, March 17, 2017 and April 21, 2017 Reviewed

RECOMMENDED ACTIONS:
Adopt the attached resolution:

1. Determining that the proposed amendments to Rule 219 - Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 - Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, are exempt from requirements of the California Environmental Quality Act;
2. Amending Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II; and

3. Amending Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

Wayne Nastri
Executive Officer

PF:SN:TG:BG

Background

Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II – identifies equipment, processes, and operations that emit small amounts of air contaminants or those where SCAQMD staff has determined that the particular source will meet requirements of existing SCAQMD rules and therefore a written permit is not needed. Proposed Amended Rule (PAR) 219 seeks to include additional equipment for exemption and clarify existing rule language regarding the intent of existing exemptions and revisions to improve clarity.

Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II – provides an alternative to SCAQMD written permits by allowing certain emission sources that meet predetermined criteria to register the emission source in the Rule 222 filing program. These emission sources are smaller emitters and less complex sources. These sources do not require a written permit but are required to meet the filing requirements pursuant to the Rule 222 filing program. The filing is typically accompanied by pre-established operating conditions, which limit air contaminants.

Public Process

Proposed Amended Rules 219 and 222 were developed with input from a variety of stakeholders that included representatives from industry, consultants, and public agencies. Two working group meetings were held on August 2, 2016 and November 10, 2016. In addition to input from external stakeholders, inputs from SCAQMD permitting, monitoring, and compliance staff were also considered. A Public Workshop was held on March 2, 2017 to present the proposed rule and receive public comment. Sixteen comment letters were received and responded to and are provided in the Final Staff Report.

PAR 219 Proposal

Under PAR 219 there are two major categories of revisions: (1) sources that will be exempt from written permits and (2) sources that will be required to obtain written permits. For each of the categories there are specific details in PAR 219 regarding the size and/or other conditions in which these provisions apply. Under the first category, PAR 219 includes seven types of equipment or processes where

an exemption from permitting is recommended based on information that the amount of criteria pollutants would be low (less than 1 pound per day) and there is no or very low potential for toxic emissions.

Under the second category, PAR 219 includes 10 types of equipment or processes where a permit will be required due to their potential for toxics, criteria pollutants or public nuisance, and to ensure compliance with existing SCAQMD rules. A list of equipment and processes is provided in Attachment A, Summary of Proposed Rule.

PAR 219 also includes revisions for certain exempt equipment that is an integral part of an operation requiring a written permit at heat treatment and metal finishing facilities. This requirement is simply to list the exempt equipment on a permit, without evaluating the equipment under New Source Review or New Source Review of Toxic Air Contaminants. Provisions were also added to allow a no-fee filing option for low-VOC technologies. Other modifications to PAR 219 are also made to improve the clarity and enforceability of Rule 219.

PAR 222 Proposal

Proposed Amended Rule 222 will require the following four equipment categories to file a Rule 222 registration: engines registered with the Statewide Portable Equipment Registration Program used in the Outer Continental Shelf; tanks for aqueous urea storage; industrial water cooling towers located in a chemical plant, refinery or other industrial facility; and natural gas production equipment, including natural gas pipeline transfer pumps and natural gas repressurizing equipment.

Key Remaining Issues

Staff worked to address and resolve a number of issues raised by stakeholders in the rule development process. There were two issues that were not accommodated in the proposed rule language. First, a stakeholder asked to allow replacement of one type of VOC control used on floating roof tanks with another type of VOC control technology, under an exemption from permitting. The requested technology is a flexible enclosure, or vapor sock, and it replaces a pole float in a slotted guide pole in a floating roof tank. The stakeholder request identified that U.S. EPA considers these technologies to be equivalent in controlling VOC emissions, and that removing the pole float allows radar gauging, which is a better measurement technology of the liquid level inside the tank. However, vapor socks are not currently allowed for tanks subject to Rule 1178 - Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities.

As specified in the adoption Resolution, staff will work with U.S. EPA, CARB and interested stakeholders to introduce proposed amendments to Rule 1178 within the first quarter of 2018 to incorporate VOC emission control technologies for guidepoles in a floating roof tank, as recognized by US EPA, including the Storage Tank Emission Reduction Partnership Program (STERPP). Staff will also explore various mechanisms to minimize permitting impacts when addressing VOC control technologies for guidepoles in a floating roof tank that are recognized in any amendment to Rule 1178, including a possible Rule 219 exemption.

The last remaining issue that staff is aware of is a stakeholder request that PAR 219 should modify provisions regarding ultraviolet (UV)-electron beam (EB), or UV-light-emitting diode (LED) technologies. An industry association representative has commented that provisions in PAR 219 for materials cured by UV/EB/LED technologies are difficult for small business owners and should be revised. Additional requested changes include provisions requiring a Rule 222 registration or no-fee filing option for low-VOC technologies should not be subject to an emission limit of 1 ton per year, the no-fee filing (one page, simple form) option to Rule 222 registration is too onerous, and that the rule provision that exempts a source from permitting when using UV/EB/LED technologies should not specify the types of materials (i.e. non-water-based, non-solvent) where use of materials up to 132 gallons/month is allowed for a permit exemption.

PAR 219 has been revised to incorporate a no-fee filing compliance option, but other provisions are needed to ensure materials and solvents used with UV/EB/LED technologies are consistent with mass emission requirements established with other provisions in Rule 219 for material and solvent usages. Existing Rule 219 requires registration for low-VOC technologies. Under PAR 219, a no-fee, simple one-page filing is an additional compliance option, and the option to submit a registration under Rule 222 ($200 annually) is still available.

Regarding removal of the 1 ton per day limit for low-VOC technologies, PAR 219 allows businesses using low-VOC technologies a mass emission limit 2½ times higher than other VOC-containing materials or technologies.

AQMP and Legal Mandates

Pursuant to Health & Safety Code Section 40460 (a), the SCAQMD is required to adopt an Air Quality Management Plan (AQMP) demonstrating compliance with all federal regulations and standards. The SCAQMD is required to adopt rules and regulations that carry out the objectives of the AQMP. The proposed amendments are not control measures in the AQMP. However, the proposed amendment to require certain industrial cooling towers to submit a registration under Rule 222 will help to facilitate development of an equipment inventory and emission

calculations for future rule development pursuant to 2016 AQMP control measure BCM-02 – Emission Reductions from Cooling Towers [PM].

The proposed amendments will improve enforceability and enhance compliance with SCAQMD rules and regulations. After adoption, the proposed amendments will be forwarded to CARB and U.S. EPA) for inclusion in the State Implementation Plan (SIP).

California Environmental Quality Act

Pursuant to California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed project pursuant to: 1) CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. A Notice of Exemption (NOE) has been prepared pursuant to CEQA Guidelines § 15062 - Notice of Exemption, and if the project is approved, the NOE will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Socioeconomic Assessment

Under existing rule language, any affected equipment requiring a written permit is subject to a one-time permit processing fee when applying for a permit, and annual operating and flat emissions fees thereafter. The proposed amendments would remove certain existing exemptions for certain specified categories of equipment and would add new equipment categories for exemption from the requirement to obtain a written permit. As a result, PAR 219 would increase costs for some facilities and decrease costs for other facilities. Using a very conservative analysis methodology, it is estimated there are up to 174 pieces of equipment that may need to obtain a written permit due to loss of a current exemption, and 89 pieces of equipment that will be exempted and therefore not be subject to permitting and annual operating fees in the future. In addition, approximately 300 pieces of equipment will require registration under Rule 222. The total annualized cost associated with PARs 219 and 222 are $38,125 and $69,197, respectively. The majority of costs (~85%) in PAR 219 are associated with permitting sources of toxics emissions, and in PAR 222 the majority of costs (~64%) are associated with industrial cooling towers (in conjunction with the 2016 AQMP).

On October 14, 1994, the Board adopted a resolution that requires staff to address whether the proposed amendments being considered for adoption are in rank order of cost-effectiveness in the Air Quality Management Plan (AQMP). The proposed amendments to Rules 219 and 222 are not part of the AQMP; therefore, the ranking order of cost-effectiveness is not applicable here.

Implementation and Resource Impacts

Upon adoption of PARs 219 and 222, staff will begin implementation, including transitioning new equipment, processes and operations that qualify for an exemption in Rule 219, and those that will be transitioned to the more streamlined Rule 222 filing program. In addition, staff will reach out to facilities that may have equipment that has lost an existing exemption and inform those facilities of the new rule status. No additional resources are required to implement the proposed amendments. Existing SCAQMD resources will be used to implement PARs 219 and 222.

ATTACHMENTS

A. Summary of Proposed Amended Rules
B. Key Issues
C. Rule Development Process
D. Key Contacts List
E. Resolution
F. Proposed Amended Rule Language for Rule 219
G. Proposed Amended Rule Language for Rule 222
H. Final Staff Report
I. CEQA Notice of Exemption
J. Board Meeting Presentation

ATTACHMENT A

SUMMARY OF PROPOSED AMENDED RULES

Proposed Amended Rule: 219 – Equipment Not Requiring a Written Permit Pursuant To Regulation II, and

Proposed Amended Rule: 222 – Equipment Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant To Regulation II

- **Additional equipment, processes, and operations exempt from permitting under PAR 219**
  PAR 219 includes an exemption from permitting for the following equipment, processes, or operations. PAR 219 specifies the conditions associated with each of the sources identified below.
  - Sub-slab ventilation systems of a specific size [(c)(11)]
  - Passive carbon filters used to control odors from food waste slurry storage tanks [(c)(10)]
  - Hand-held plasma-arc cutting and laser cutting equipment depending on metals cut [(e)(8)]
  - Coffee roasters up to 15 kg batch capacity [(i)(8)]
  - Breweries over a specified threshold [(i)(13)]
  - Equipment used to manufacture dehydrated meats [(i)(14)]
  - Tanks for aqueous urea storage [(m)(24)]

- **Equipment, processes, and operations that will not be exempt from permitting under PAR 219**
  PAR 219 includes the following equipment, processes, or operations that will require a written permit based on the potential for these sources to have criteria pollutant, toxics emissions, and/or nuisance issues and to ensure compliance with SCAQMD rules. PAR 219 specifies the conditions associated with each of the sources identified below.
  - Cutting of stainless steel and alloys containing toxics [(e)(8)]
  - Portable asphalt recycling equipment [(g)(1)]
  - Shredding or grinding of greenwaste, and wood that is painted or treated for exterior exposure [(g)(2)]
  - Separation or segregation of plastics that involves cutting, shredding, grinding, or odors [(g)(4)]
  - Recycling of expanded polystyrene [(j)(4)]
  - Pavement stripers where supplemental heat is used [(l)(9)]
  - Mobile platforms with VOC-containing tanks of combined storage greater than 251 gallons [(m)(9)]

- Equipment used for cleaning of diesel particulate filters [(o)(3)]
- Tanks containing chromium or certain other toxic metals [(p)(4), (p)(5)]
- Carpet and fabric recycling [(p)(10)]

- Allow an additional no-fee compliance option for certain low-VOC printing, coating and drying equipment and operations, including UV/EB/LED that are currently required to register under the Rule 222 filing program.

- **Add additional sources of equipment, processes, and operations to the Rule 222 filing program**
  The proposal also includes the following equipment and registration under the Rule 222 filing program:
  - Engines registered with the Statewide Portable Equipment Registration Program (PERP) used in the Outer Continental Shelf (OCS) [PAR 219 (r)(2)]
  - Tanks for aqueous urea storage [PAR 219 (m)(24)]
  - Industrial water cooling towers located in a chemical plant, refinery or other industrial facility [PAR 219 (d)(3)]
  - Natural gas production equipment, including natural gas pipeline transfer pumps and natural gas repressurizing equipment [PAR 219 (n)(2), (n)(3)]

- Minor revisions to improve clarity or enforceability of the proposed rules.

ATTACHMENT B

KEY ISSUE

Proposed Amended Rule: 219 – Equipment Not Requiring a Written Permit Pursuant To Regulation II, and

Proposed Amended Rule: 222 – Equipment Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant To Regulation II

Issue: PAR 219 should modify provisions that discourage use of ultraviolet (UV)-electron beam (EB), or UV-light-emitting diode (LED) technologies

- Industry association representative has commented that provisions in PAR 219 for materials cured by UV/EB/LED technologies are difficult for small business owners and should be revised.
    - Provisions requiring a Rule 222 registration or no-fee filing option for low-VOC technologies, (50 g/L materials and 25 g/L solvents) should not be subject to an emission limit of 1 ton per year;
    - No-fee filing (one-page, simple form) option to Rule 222 registration is too onerous; and
    - Provisions that exempt a source from permitting when using UV/EB/LED technologies should not specify the types of materials (non-water-based, non-solvent) where use of materials up to 132 gallons/month is allowed for a permit exemption.

Staff Response:

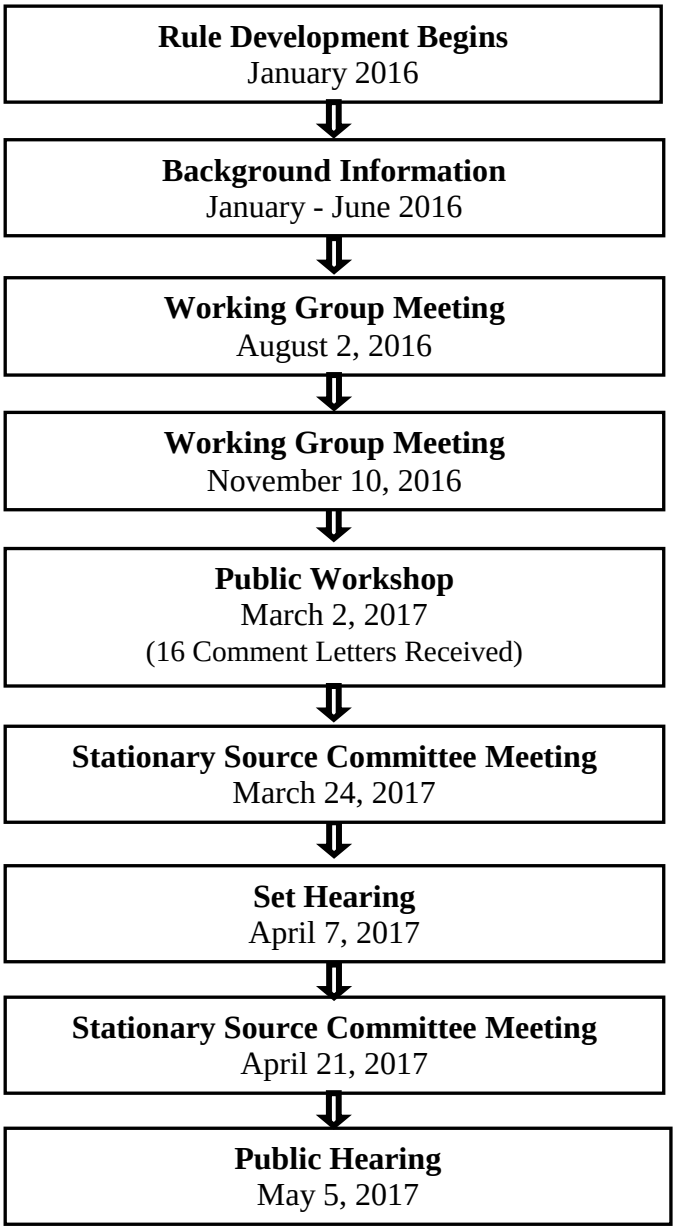
- PAR 219 has been revised to incorporate a no-fee filing compliance option, but other provisions are needed to ensure materials and solvents used with UV/EB/LED technologies are consistent with mass emission requirements established with other provisions in Rule 219 for permit exemptions for materials and solvents usages
- Existing Rule 219 requires registration for low-VOC technologies
    - PAR 219 offers a no-fee, simple one-page option
    - The option to submit a registration is still available
- Regarding removing the 1 ton per day limit for low-VOC technologies, PAR 219 allows businesses using low-VOC technologies a mass emission limit 2½ times higher than other VOC technologies
- Removing provisions that limits the types of materials and solvents that can be used on a usage basis (132 gallons per month) would allow use of high-VOC materials

ATTACHMENT C

RULE DEVELOPMENT PROCESS

Proposed Amended Rule: 219 – Equipment Not Requiring a Written Permit Pursuant To Regulation II, and

Proposed Amended Rule: 222 – Equipment Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant To Regulation II



Sixteen (16) months spent in rule development

ATTACHMENT D

KEY CONTACTS LIST

Proposed Amended Rule: 219 – Equipment Not Requiring a Written Permit Pursuant To Regulation II, and

Proposed Amended Rule: 222 – Equipment Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant To Regulation II

- Advanced Environmental Controls
- Alta Environmental
- Beta Offshore
- Boeing
- Breitburn
- California Autobody Association
- California Independent Petroleum Association, CIPA
- California Small Business Alliance
- California Steel Industries
- Disneyland Resort
- DCOR
- E&B Natural Resources
- Eastern Municipal Water District
- Ecotek
- Envera Consulting
- ES Engineering
- Furnace Dynamics, Inc
- Integra Environmental Consulting
- Irvine Ranch Water District
- LA County Sanitation Districts
- LADWP
- Metal Finishing Association of Southern California
- Metropolitan Water District
- Milan Ray Steube
- Montrose Environmental
- Moog
- Orange County Sanitation District
- Pasadena Unified School District
- Pavement Recycling Systems
- Port of Los Angeles
- Radtech International
- Rambol Environ
- R.F. MacDonald
- Signal Hill Petroleum
- Southern California Alliance of POTWs
- Southern California Edison
- Tesoro
- Tesoro Logistics
- The Gas Co / SEMPRA
- Trinity Consultants
- United Airlines
- Valley Power Systems
- Yorke Engineering, LLC

ATTACHMENT E

RESOLUTION NO 17-_____

A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board determining that the proposed amendments to Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the SCAQMD Governing Board amending Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code § 21080.5 and has conducted a CEQA review and analysis of the proposed amendments to Rule 219 and Rule 222 pursuant to such program (SCAQMD Rule 110); and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Rule 219 and Rule 222 are considered a "project" pursuant to CEQA per CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, the proposed amendments to Rule 219 and Rule 222 are determined to be exempt from CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered By General Rule; and

WHEREAS, SCAQMD staff has prepared a Notice of Exemption for the proposed project, that is completed in compliance with CEQA Guidelines § 15062 – Notice of Exemption; and

WHEREAS, the Notice of Exemption, the May 5, 2017 SCAQMD Governing Board letter, and other supporting documentation were presented to the

SCAQMD Governing Board and the SCAQMD Governing Board has reviewed and considered the entirety of this information prior to approving the project; and

WHEREAS, the SCAQMD Governing Board has determined that the Socioeconomic Impact Assessment evaluating the proposed amendments to Rule 219 and Rule 222 are consistent with the Governing Board March 17, 1989 and October 14, 1994 resolutions and the provisions of the Health and Safety Code sections 40440.8, 40728.5 and 40920.6; and

WHEREAS, the SCAQMD Governing Board has determined that the Socioeconomic Impact Assessment of Proposed Amended Rule 219 and Rule 222 will result in a net cost increase to affected facilities, yet are considered reasonable with a total annualized cost as specified in the Socioeconomic Impact Assessment; and

WHEREAS, the SCAQMD Governing Board has determined that the Socioeconomic Impact Assessment of the proposed amendments to Rule 219 and Rule 222 are consistent with the Governing Board March 17, 1989 and October 14, 1994 resolutions and the provisions of the Health and Safety Code sections 40440.8, 40728.5 and 40920.6; and

WHEREAS, Proposed Amended Rule 219 and Proposed Amended Rule 222 are not control measures in the 2016 Air Quality Management Plan (AQMP) and thus, were not ranked by cost-effectiveness relative to other AQMP control measures in the 2016 AQMP; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt these proposed amended rules pursuant to sections 39002, 40000, 40001, 40440, 41508 and 42300 of the Health and Safety Code; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to amend Rule 219 in order to exempt several types of equipment that have been evaluated and found to emit small amounts of air contaminants; the SCAQMD Governing Board has determined that a need exists to include new and clarified rule language for various types of equipment; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to amend Rule 222 in order to incorporate several types of equipment that have been evaluated and found to emit small amounts of air contaminants; and

WHEREAS, the SCAQMD Governing Board has determined that the proposed amendments to Rule 219 and Rule 222 are written and displayed so that the meaning can be easily understood by persons directly affected by them; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 219 and Rule 222, as proposed to be amended, are both in harmony with and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 219 and Rule 222, as proposed to be amended, do not impose the same requirements as any existing state or federal regulation, and the proposed amended rules are necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 219 and Rule 222, as proposed to be amended, reference the following statutes which the SCAQMD hereby implements, interprets or makes specific: Health and Safety Code section 40001(a) and (b) (air quality standards and air pollution episodes), section 40440 (adoption of rules and regulations), 40701 (rules regarding district's authority to collect information), section 40702 (adoption of rules and regulations), and section 40440 (rules and regulations to carry out the air quality management plan and to require regarding district's authority to collect information), 41508 (authority over non-vehicular sources), 41511 (rules for determination of emissions), 42300 et seq. (authority for permit system), and 42320 (rules implementing the Air Pollution Permit Streamlining Act of 1992); and 42301.16 (permit requirements for agricultural sources) and California Code of Regulations, Title 17, Sections 93115.3(a) and 93115.8(c); and

WHEREAS, a public workshop was held in accordance with all provisions of law; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code section 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD specifies the Manager of Administrative/New Source Review/PM Control Strategies for Rule 219 and Rule 222 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of these proposed amendments is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California, and;

WHEREAS, the SCAQMD Governing Board has determined the proposed amendments to Rule 219 and Rule 222, should be adopted for the reasons contained in the Final Staff Report, and

NOW, THEREFORE, BE IT RESOLVED, that the SCAQMD Governing Board does hereby determine, pursuant to the authority granted by law, that the proposed amendments to Rule 219 and Rule 222 are exempt from CEQA pursuant to CEQA Guidelines § 15002(k) – General Concepts, and § 15061(b)(3) – Activities Covered By General Rule. This information was presented to the SCAQMD Governing Board, whose members reviewed, considered, and approved the information therein prior to acting on the proposed amendments to Rule 219 and Rule 222; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to submit into the State Implementation Plan a listing of new source categories of equipment that are newly exempt pursuant to this amendment to Rule 219 and a listing of new source categories of equipment that are required to obtain a written permit pursuant to this amendment to Rule 219 and a listing of new source categories of equipment that are required to be registered pursuant to this amendment to Rule 222, to further ensure the additions of newly added equipment comply with state law; and

BE IT FURTHER RESOLVED, that the Governing Board directs staff to work with the United States Environmental Protection Agency (U.S. EPA), California Air Resources Board (CARB) and interested stakeholders to introduce proposed amendments to Rule 1178 - Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities within the first quarter of 2018 to incorporate VOC emission control technologies for guidepoles in a floating roof tank, as recognized by U.S. EPA including the Storage Tank Emission Reduction Partnership Program (STERPP). The Governing Board also directs staff to explore various mechanisms to minimize permitting impacts when addressing VOC control technologies for guidepoles in a floating roof tank that are recognized in any amendment to Rule 1178, including a possible Rule 219 exemption; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby adopt, pursuant to the authority granted by law, the proposed amendments to Rule 219 and Rule 222, as set forth in the attached, and incorporated herein by this reference.

DATE

CLERK OF THE BOARDS

ATTACHMENT F
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 219 EQUIPMENT NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II

INDEX OF EXEMPTION CATEGORIES

(Adopted Jan. 9, 1976)(Amended Oct. 8, 1976)(Amended February 2, 1979)
(Amended Oct. 5, 1979)(Amended Sept. 4, 1981)(Amended June 3, 1988)
(Amended September 11, 1992)(Amended August 12, 1994)
(Amended December 13, 1996)(Amended September 11, 1998)
(Amended August 13, 1999)(Amended May 19, 2000)
(Amended November 17, 2000)(Amended July 11, 2003)
(Amended December 3, 2004)(Amended May 5, 2006)(Amended July 14, 2006)
(Amended June 1, 2007)(Amended May 3, 2013)
(Proposed Amended May 5, 2017)

RULE 219 - EQUIPMENT NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II

Purpose

The purpose of this rule is to identify equipment, processes, or operations that emit small amounts of air contaminants that shall not require written permits, unless such equipment, process or operation is subject to subdivision (s) – Exceptions. In addition, exemption from written permit requirements in this rule is only applicable if the equipment, process, or operation is in compliance with subdivision (t).

Written permits are not required for:

(a) Mobile Equipment

(1) motor vehicle or vehicle as defined by the California Vehicle Code; or

(2) marine vessel as defined by Health and Safety Code Section 39037.1; or

(3) a motor vehicle or a marine vessel that uses one internal combustion engine to propel the motor vehicle or marine vessel and operate other equipment mounted on the motor vehicle or marine vessel; or

(4) equipment which is mounted on a vehicle, motor vehicle or marine vessel if such equipment does not emit air contaminants;

(5) asphalt pavement heaters (which are any mobile equipment used for the purposes of road maintenance and new road construction) provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

This subdivision does not apply to air contaminant emitting equipment which is mounted and operated on motor vehicles, marine vessels, mobile hazardous material treatment systems, mobile day tankers [except those carrying solely fuel oil with an organic vapor pressure of 5 mm Hg (0.1 psi) absolute or less at 21.1 ^{o}C (70 ^{o}F)].

(b) Combustion and Heat Transfer Equipment

(1) Internal combustion engines with a manufacturer's rating of 50 brake horsepower or less; or internal combustion engines, used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, with a manufacturer's rating of 100 brake horsepower or less and are fired exclusively on diesel #2 fuel, compressed natural gas (CNG) or liquefied petroleum gas (LPG); or stationary gas turbine engines including micro-turbines, with a rated maximum heat input capacity of 3,500,000 British thermal units (Btu) per hour or less, provided that the cumulative power output of all such engines at a facility is less than two megawatts, and that the engines are certified at the time of manufacture with the state of California or were in operation prior to May 3, 2013 provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(2) Boilers, process heaters, or any combustion equipment that has a rated maximum heat input capacity of 2,000,000 Btu per hour (gross) or less and are equipped to be heated exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof; or diesel fueled boilers~~,~~ that have a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fueled exclusively with diesel #2 fuel, and are located more than 4,000 feet above sea level or more than 15 miles offshore from the mainland, and where the maximum NOx emission output of the equipment is less than one pound per day and uses less than 50 gallons of fuel per day, and have been in operation prior to May 3, 2013 provided a filing pursuant to Rule 222 is submitted to the Executive Officer. This exemption does not apply to internal combustion engines or turbines. This exemption does not apply whenever there are emissions other than products of combustion, ~~unless the equipment is specifically exempt under another section of this rule,~~ except for food ovens with a rated maximum heat input capacity of 2,000,000 Btu/hour or less, that are fired exclusively on natural gas and where the process VOC emissions ~~from yeast fermentation~~ are less than one pound per day, and provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(3) Portable diesel fueled heaters, with a rated maximum heat input capacity of 250,000 Btu per hour or less, and that are equipped with burner(s) designed to fire exclusively on diesel fuel only provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(4) Power pressure washers and hot water or steam washers and cleaners, that are equipped with a heater or burner that is designed to be fired on diesel fuel, has a rated maximum heat input capacity of 550,000 Btu per hour or less, is equipped with non-resettable chronometer, and the maximum NOx emission output of the equipment is less than one pound per day and uses no more than 50 gallons of fuel per day provided a filing pursuant to Rule 222 is submitted to the Executive Officer. This exemption does not apply to internal combustion engines or turbines.

(5) Fuel cells, which produce electricity in an electro-chemical reaction and use phosphoric acid, molten carbonate, proton exchange membrane, or solid oxide technologies; and associated heating equipment, provided the heating equipment:

(A) does not use a combustion source; or

(B) notwithstanding paragraph (b)(2), is fueled exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof, including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour, provided that the supplemental heat used is 90,000 therms per year or less and provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(6) Test cells and test stands used for testing burners or internal combustion engines provided that the equipment uses less than 800 gallons of diesel fuel and 3,500 gallons of gasoline fuel per year, or uses other fuels with equivalent or less emissions.

(7) Internal combustion engines used exclusively for training at educational institutions.

(8) Portable ~~internal~~ combustion ~~engines, including any turbines qualified as military tactical support equipment under Health and Safety Code Section 41754, registered pursuant to the California Statewide Portable Engine Registration Program~~equipment, pursuant to subdivision ~~paragraph~~ (r)~~(1)~~.

(c) Structures and Equipment - General

(1) Structural changes which cannot change the quality, nature or quantity of air contaminant emissions.

(2) Repairs or maintenance not involving structural changes to any equipment for which a permit has been granted.

(3) Identical replacement in whole or in part of any equipment where a permit to operate had previously been granted for such equipment under Rule 203, except seals for external or internal floating roof storage tanks.

(4) Replacement of floating roof tank seals provided that the replacement seal is of a type and model which the Executive Officer has determined is capable of complying with the requirements of Rule 463.

(5) Equipment utilized exclusively in connection with any structure which is designed for and used exclusively as a dwelling for not more than four families, and where such equipment is used by the owner or occupant of such a dwelling. ~~This exemption does not include non-emergency internal combustion engines used to provide prime power for the structure~~.

(6) Laboratory testing and quality control testing equipment used exclusively for chemical and physical analysis, non-production bench scale research equipment, and control equipment exclusively venting such equipment. Laboratory testing equipment does not include engine test stands or test cells unless such equipment is also exempt pursuant to paragraph (b)(4).

(7) Vacuum-producing devices used in laboratory operations or in connection with other equipment not requiring a written permit.

(8) Vacuum-cleaning systems used exclusively for industrial, commercial, or residential housekeeping purposes.

(9) Hoods, stacks, or ventilators.

(10) Passive and intermittently operated active venting systems used at and around residential structures to prevent the accumulation of naturally occurring methane and associated gases in enclosed spaces.

(11) Sub-slab Ventilation systems including associated air pollution control equipment with an aggregate flow rate of less than 200 standard cubic feet per minute (scfm) where vacuum suction pits do not penetrate more than 18 inches below the bottom of the slab, provided the inlet total organic compounds concentration does not exceed 15 ppmv, measured as hexane, and provided the ventilations system is connected to air pollution control equipment consisting of a carbon adsorber sized to handle at least 200 scfm, or equivalent air pollution control.

(d) Utility Equipment - General

(1) Comfort air conditioning or ventilating systems which are not designed or used to remove air contaminants generated by, or released from, specific

equipment units, provided such systems are exempt pursuant to paragraph (b)(2).

(2) Refrigeration units except those used as or in conjunction with air pollution control equipment.

(3) Water cooling towers and water cooling ponds, both not used for evaporative cooling of process water or ~~not~~ used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained, including:

(A) Cooling towers used for comfort cooling; and

(B) Industrial cooling towers located in a chemical plant, refinery or other industrial facility, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(4) Equipment used exclusively to generate ozone and associated ozone destruction equipment for the treatment of cooling tower water or for water treatment processes.

(5) Equipment used exclusively for steam cleaning provided such equipment is also exempt pursuant to paragraph (b)(2).

(6) Equipment used exclusively for space heating provided such equipment is exempt pursuant to paragraph (b)(2).

(7) Equipment used exclusively to compress or hold purchased quality natural gas, except internal combustion engines not exempted pursuant to paragraph (b)(1).

(8) Emergency ventilation systems used exclusively to scrub ammonia from refrigeration systems during process upsets or equipment breakdowns.

(9) Emergency ventilation systems used exclusively to contain and control emissions resulting from the failure of a compressed gas storage system.

(10) Passive carbon adsorbers, with a maximum vessel capacity of no more than 120 gallons, without mechanical ventilation, and used exclusively for odor control at wastewater treatment plants, food waste slurry storage tanks, or sewer collection systems, including sanitary sewers, manholes, and pump stations.

(11) Refrigerant recovery and/or recycling units. This exemption does not include refrigerant reclaiming facilities.

(12) Carbon arc lighting equipment provided such equipment is exempt pursuant to paragraph (b)(1).

(e) Glass, Ceramic, Metallurgical Processing, and Fabrication Equipment

(1) Crucible-type or pot-type furnaces with a brimful capacity of less than 7400 cubic centimeters (452 cubic inches) of any molten metal and control equipment exclusively venting the equipment.

(2) Crucible furnaces, pot furnaces, or induction furnaces with a capacity of 450 kilograms (992 pounds) or less each, and control equipment used to exclusively vent the equipment where no sweating or distilling is conducted and where only the following materials are poured or held in a molten state:

(A) Aluminum or any alloy containing over 50 percent aluminum,

(B) Magnesium or any alloy containing over 50 percent magnesium,

(C) Tin or any alloy containing over 50 percent tin,

(D) Zinc or any alloy containing over 50 percent zinc,

(E) Copper or any alloy containing over 50 percent copper,

(F) Precious metals, and

(G) Ceramic materials, including glass and porcelain.

Provided these materials do not contain alloying elements of arsenic, beryllium, cadmium, chromium and/or lead and such furnaces are exempt pursuant to paragraph (b)(2).

(3) Molds used for the casting of metals and control equipment used to exclusively vent the equipment.

(4) Inspection equipment used exclusively for metal, plastic, glass, or ceramic products and control equipment used to exclusively vent such equipment.

(5) Ovens used exclusively for curing potting materials or castings made with epoxy resins, provided such ovens are exempt pursuant to paragraph (b)(2).

(6) Hand-held or automatic brazing and soldering equipment, and control equipment that exclusively vents such equipment, provided that the equipment uses one quart per day or less or 22 quarts per calendar month or less of material containing VOC. This exemption does not include hot oil, hot air, or vapor phase solder leveling equipment and related control equipment.

(7) Brazing ovens where no volatile organic compounds (except flux) are present in the materials processed in the ovens, provided such ovens are exempt pursuant to paragraph (b)(2).

(8) Welding equipment, oxygen gaseous fuel-cutting equipment, hand-held plasma-arc cutting equipment, hand-held laser cutting equipment, laser etching or engraving equipment~~, engraving of metal equipment~~ and

associated air pollution control equipment. This exemption does not include cutting equipment described in this paragraph ~~plasma arc cutting equipment or laser cutting equipment~~ that is used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead, unless the equipment is used exclusively for maintenance or repair operations. In addition this exemption does not include~~, or~~ laser ~~cutters~~ cutting, etching and engraving equipment ~~–~~that are rated more than 400 watts, ~~and control equipment venting such equipment~~.

(9) Sintering equipment used exclusively for the sintering of metal (excluding lead) or glass where no coke or limestone is used, and control equipment exclusively venting such equipment, provided such equipment is exempt pursuant to paragraph (b)(2).

(10) Mold forming equipment for foundry sand to which no heat is applied, and where no volatile organic materials are used in the process, and control equipment used to exclusively vent such equipment.

(11) Metal forming equipment or equipment used for heating metals for forging, rolling, pressing, or drawing of metals provided that any lubricants used have 50 grams or less of VOC per liter of material or a VOC composite partial pressure of 20 mm Hg or less at 20 ^{o}C (68 ^{o}F) provided such heaters are exempt pursuant to paragraph (b)(2) and control equipment exclusively venting the equipment.

(12) Heat treatment equipment and associated water quench tanks used exclusively for heat treating glass or metals (provided no volatile organic compound~~s~~ materials are present), or equipment used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing or diffusion treating of metal objects, provided any combustion equipment involved is exempt pursuant to paragraph (b)(2).

(13) Ladles used in pouring molten metals.

(14) Tumblers used for the cleaning or deburring of solid materials, and associated air pollution control equipment.

(15) Die casting machines, except those used for copper base alloys, those with an integral furnace having a brimful capacity of more than 450 kg (992 lbs.), or those using a furnace not exempt pursuant to paragraph (b)(2).

(16) Furnaces or ovens used for the curing or drying of porcelain enameling, or vitreous enameling provided such furnaces or ovens are exempt pursuant to paragraph (b)(2).

(17) Wax burnout kilns where the total internal volume is less than 0.2 cubic meter (7.0 cubic feet) or kilns used exclusively for firing ceramic ware, provided such kilns are exempt pursuant to paragraph (b)(2) and control equipment used to exclusively vent the equipment.

(18) Shell-core and shell-mold manufacturing machines.

(19) Furnaces used exclusively for melting titanium materials in a closed evacuated chamber where no sweating or distilling is conducted, provided such furnaces are exempt pursuant to paragraph (b)(2).

(20) Vacuum metallizing chambers which are electrically heated or heated with equipment that is exempt pursuant to paragraph (b)(2), and control equipment used to exclusively vent such equipment, provided the control equipment is equipped with a mist eliminator or the vacuum pump used with control equipment demonstrates operation with no visible emissions from the vacuum exhaust.

(21) Notwithstanding the exemptions in paragaraph (e)(12), equipment existing as of [date of adoption] that is subject to the exemption in paragraph (e)(12) that is an integral part of an operation requiring a written permit shall continue to be exempt, provided the equipment is identified, described in detail and submitted for inclusion into the permit equipment description with any associated application for Permit to Construct or Permit to Operate. Equipment described in this paragraph includes, but is not limited to quench tanks that are part of a heat treating operation.

(f) Abrasive Blasting Equipment

(1) Blast cleaning cabinets in which a suspension of abrasive in water is used and control equipment used to exclusively vent such equipment.

(2) Manually operated abrasive blast cabinet, vented to a dust-filter where the total internal volume of the blast section is 1.5 cubic meters (53 cubic feet) or less, and any dust filter exclusively venting such equipment.

(3) Enclosed equipment used exclusively for shot blast removal of flashing from rubber and plastics at sub-zero temperatures and control equipment exclusively venting such equipment.

(4) Shot peening operations, flywheel type and control equipment used to exclusively vent such equipment.

(5) Portable sand/water blaster equipment and associated internal combustion engine provided the water in the mixture is 66 percent or more by volume is maintained during operation of such equipment. Internal combustion engines must be exempt pursuant to paragraph (b)(1).

(g) ~~Machining~~ Mechanical Equipment

(1) Equipment used exclusively for buffing (except tire buffers), polishing, carving, mechanical cutting, drilling, machining, pressing, routing, sanding, stamping, surface grinding or turning provided that any lubricants, coolants, or cutting oils used have 50 grams or less of VOC per liter of material or a VOC composite partial pressure of 20 mm Hg or less at 20 ^{o}C (68 ^{o}F) and control equipment used to exclusively vent such equipment. This exemption does not include asphalt pavement grinders, or portable asphalt recycling equipment.

(2) Wood Products: Equipment used exclusively for shredding of wood, or the extruding, handling, or storage of wood chips, sawdust, or wood shavings and control equipment used to exclusively vent such equipment, provided the source of the wood does not include wood that is painted or treated for exterior exposure, or wood that is comingled with other construction and demolition materials. This exemption does not include internal combustion engines over 50 bhp, which are used to supply power to such equipment. In addition, this exemption does not include the shredding, extruding, handling or storage of any organic waste material generated from gardening, agricultural, or landscaping activities including, but not limited to, leaves, grass clippings, tree and shrub trimmings and plant remains.

(3) Equipment used exclusively to mill or grind coatings or molding compounds where all materials charged are in the paste form.

(4) Equipment used for separation or segregation of plastic materials intended for recycling, provided there is no mechanical cutting, shredding or grinding and where no odors are emitted.

(h) Printing and Reproduction Equipment

(1) Printing and related coating and/or laminating equipment and associated dryers and curing equipment, as well as associated air pollution control equipment, provided such dryers and curing equipment are exempt pursuant

to paragraph (b)(2), and air pollution control equipment is not required for source specific rule compliance, and provided that:

(A) the VOC emissions from such equipment (including clean-up) are three pounds per day or less or 66 pounds per calendar month or less; or

(B) the total quantity of plastisol type inks, coatings and adhesives and associated VOC containing solvents (including clean-up) used is six (6) gallons per day or less or 132 gallons per calendar month or less; or

~~(C) the total quantity of UV or electron beam type (non-solvent based and non-waterborne) inks, coatings, and adhesives, fountain solutions (excluding water) and associated VOC containing solvents (including clean-up) is six (6) gallons per day or less, or 132 gallons per calendar month or less; or~~

(C) the total quantity of UV/EB/UV-LED curable, (UV/EB/LED) (non-solvent based and non-waterborne) inks, coatings, and adhesives, fountain solutions (excluding water) and associated VOC containing solvents (including clean-up) is six (6) gallons per day or less, or 132 gallons per calendar month or less; or

(~~D~~C~~D~~D) the total quantity of inks, coatings and adhesives not specified in (B) ~~or (C)~~ or (C) above, fountain solutions (excluding water) and associated VOC containing solvents (including clean-up) used is two (2) gallons per day or less or 44 gallons per calendar month or less; or

(~~E~~D~~E~~E) all inks, coatings and adhesives, fountain solutions, and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate

compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit ~~in accordance with paragraph (u)(8)~~.

If combination of the inks, coatings, and adhesives identified in (B), ~~(C),~~ (C) ~~and/~~and/or (~~DC~~D) are used in any equipment, this exemption is only applicable if the operations meet the criteria specified in (A) or (~~ED~~E), or the total usage of inks, coatings, adhesives, fountain solutions (excluding water) and associated VOC containing solvents (including cleanup) meets the most stringent applicable ~~usage~~ limit in (B)~~,~~ ~~(C)~~ (C) or (~~DC~~D). ~~For exemptions based on usage, solvent based UV and waterborne UV materials are subject to the usage limits in (D).~~ For exemptions based on usage, solvent based UV and waterborne UV materials are subject to the usage limits in (D). VOC emissions shall be determined using test methods approved by the District, CARB and U.S. EPA. In the absence of approved test methods, the applicant can submit VOC calculation procedures acceptable to the District.

(2) Photographic process equipment by which an image is reproduced upon material sensitized by radiant energy and control equipment exclusively venting such equipment, excluding wet gate printing utilizing perchloroethylene and its associated control equipment.

(3) Lithographic printing equipment which uses laser printing.

(4) Printing equipment used exclusively for training and non-production at educational institutions.

(5) Flexographic plate making and associated processing equipment.

(6) Corona treating equipment and associated air pollution control equipment used for surface treatment in printing, laminating and coating operations.

(7) Hand application of materials used in printing operations including but not limited to the use of squeegees, screens, stamps, stencils, any hand tools, and associated air pollution control equipment used to exclusively vent the hand application of materials in printing operations unless such air pollution control equipment is required for source specific rule compliance.

(i) Pharmaceuticals, Cosmetics, and Food Processing and Preparation Equipment

(1) Smokehouses for preparing food in which the maximum horizontal inside cross-sectional area does not exceed 2 square meters (21.5 square feet) and control equipment exclusively venting the equipment.

(2) Smokehouses exclusively using liquid smoke, and which are completely enclosed with no vents to either a control device or the atmosphere.

(3) Confection cookers where products are edible and intended for human consumption, provided such equipment is exempt pursuant to (b)(2).

(4) Grinding, blending, or packaging equipment used exclusively for tea, cocoa, roasted coffee, flavor, fragrance extraction, dried flowers, or spices, provided that the facility uses less than one gallon per day or twenty-two (22) gallons per month of VOC containing solvents, and control equipment used to exclusively vent such equipment.

(5) Equipment used in eating establishments for the purpose of preparing food for human consumption.

(6) Equipment used to convey or process materials in bakeries or used to produce noodles, macaroni, pasta, food mixes, and drink mixes where products are edible and intended for human consumption provided that the facility uses less than one gallon per day or twenty-two (22) gallons per month of VOC containing solvents, and control equipment exclusively venting such equipment. This exemption does not include storage bins located outside buildings, or equipment not exempt pursuant to paragraph (b)(2).

(7) Cooking kettles where the entire product in the kettle is edible and intended for human consumption. This exemption does not include deep frying equipment used in facilities other than eating establishments.

(8) Coffee roasting equipment with a maximum capacity of ~~10 pounds~~ 15 kilograms or less, and control equipment used to exclusively vent the equipment.

(9) Equipment used exclusively for tableting, or packaging vitamins, or coating vitamins, herbs, or dietary supplements provided that the equipment uses waterborne solutions that contain a maximum VOC content of no more than 25 grams per liter, or the facility uses less than one gallon per day or twenty-two (22) gallons per month of VOC containing solvents, and control equipment used exclusively to vent such equipment.

(10) Equipment used exclusively for tableting or packaging pharmaceuticals and cosmetics, or coating pharmaceutical tablets, provided that the equipment uses waterborne solutions that contain a maximum VOC content of no more than 25 grams per liter, or the facility uses less than one gallon per day or

twenty-two (22) gallons per month of VOC containing solvents, and control equipment used exclusively to vent such equipment.

(11) Modified atmosphere food packaging equipment using mixture of gases of no more than 0.4% of carbon monoxide by volume.

(12) Charbroilers, barbecue grills, and other underfired grills fired on solid or gaseous fuels used in multi-family residential units only if used by the owner or occupant of such dwelling for non-commercial purposes.

(13) Equipment used to brew beer for human consumption at breweries that produce less than 1,000,000 gallons of beer per calendar year and associated equipment cleaning, provided all equipment used in the manufacturing operation is exempt pursuant to paragraph (b)(2). This exemption does not apply to boilers ~~or silos~~.

(14) Equipment used to manufacture dehydrated meat for human or pet consumption, provided non-combustion VOC and PM emissions, including emissions from materials used for cleaning are each one pound per day or less, and the operating temperature is less than 190 degrees Fahrenheit for dehydrating ovens, and provided such equipment is either fired exclusively on natural gas with a maximum heat input capacity of 2,000,000 Btu/hour or less, or is electric ~~is exempt pursuant to paragraph (b)(2)~~.

(j) Plastics, Composite, and Rubber Processing Equipment

(1) Presses or molds used for curing, post curing, or forming composite products and plastic products where no VOC or chlorinated blowing agent is present, and control equipment is used exclusively to vent these presses or molds.

(2) Presses or molds with a ram diameter of less than or equal to 26 inches used for curing or forming rubber products and composite rubber products excluding those operating above 400 °F.

(3) Ovens used exclusively for the forming of plastics or composite products, where no foam forming or expanding process is involved.

(4) Equipment used exclusively for softening or annealing plastics, provided such equipment is exempt pursuant to paragraph (b)(2). This exemption does not include equipment used for recycling of expanded polystyrene.

(5) Extrusion equipment used exclusively for extruding rubber products or plastics where no organic plasticizer is present, or for pelletizing

polystyrene foam scrap, except equipment used to extrude or to pelletize acrylics, polyvinyl chloride, polystyrene, and their copolymers.

(6) Injection or blow molding equipment for rubber or plastics where no blowing agent is used, or where ~~other than~~ only compressed air, water or carbon dioxide is used as a blowing agent, and control equipment used to exclusively vent such equipment.

(7) Mixers, roll mills and calendars for rubber or plastics where no material in powder form is added and no VOC containing solvents, diluents or thinners are used.

(8) Ovens used exclusively for the curing of vinyl plastisols by the closed-mold curing process, provided such ovens are exempt pursuant to paragraph (b)(2).

(9) Equipment used exclusively for conveying and storing plastic materials, provided they are not in powder form and control equipment exclusively venting the equipment.

(10) Hot wire cutting of expanded polystyrene foam and woven polyester film.

(11) Photocurable stereolithography equipment and associated post curing equipment.

(12) Laser sintering equipment used exclusively for the sintering of nylon or plastic powders and control equipment exclusively venting such equipment, provided such equipment is exempt pursuant to paragraph (b)(2).

(13) Roller to roller coating systems that create 3-dimensional images provided:

(A) the VOC emissions from such equipment (including cleanup) are three (3) pounds per day or less or 66 pounds per calendar month or less; or

(B) the coatings contain twenty five (25) grams or less of VOC per liter of material provided that the coating used on such equipment is 12 gallons per day or less or 264 gallons per calendar month or less; or

(C) the coatings contain fifty (50) grams or less of VOC per liter of material, and using exclusively cleanup solvents containing twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

VOC emissions shall be determined using test methods approved by the District, CARB and U.S. EPA. In the absence of approved test methods,

the applicant can submit VOC calculation procedures acceptable to the District.

(k) Mixing, Blending, and Packaging Equipment

(1) Batch mixers, which have a brimful capacity of 55 gallons or less (7.35 cubic feet) and control equipment used exclusively to vent the equipment, and associated filling equipment.

(2) Equipment used exclusively for mixing and blending of materials where no VOC containing solvents are used and no materials in powder form are added, and associated filling equipment.

(3) Equipment used exclusively for mixing and blending of materials to make water emulsions of asphalt, grease, oils, or waxes where no materials in powder or fiber form are added.

(4) Equipment used to blend, grind, mix, or thin liquids to which powders may be added, with a capacity of 950 liters (251 gallons) or less, where no supplemental heat is added and no ingredient charged (excluding water) exceeds 135 ^{o}F and control equipment exclusively venting the equipment.

(5) Cosmetics filling stations where the filling equipment is hard piped to the cosmetics mixer or the holding tank feeding the filling equipment provided that the mixer and holding tank is exempt under this rule.

(6) Concrete mixers, with a rated working capacity of one cubic yard or less and control equipment used exclusively to vent the equipment.

(7) Equipment used exclusively for the packaging of lubricants or greases.

(8) Equipment used exclusively for the packaging of sodium hypochlorite-based household cleaning or sodium hypochlorite-based pool products and control equipment used exclusively to vent the equipment.

(9) Foam packaging equipment using twenty (20) gallons per day or less or 440 gallons per calendar month or less of liquid foam material or containing fifty (50) grams of VOC per liter of material, or less.

(l) Coating and Adhesive Process/Equipment

(1) Equipment used exclusively for coating objects with oils, melted waxes or greases which contain no VOC containing materials, including diluents or thinners.

(2) Equipment used exclusively for coating objects by dipping in waxes or natural and synthetic resins which contain no VOC containing materials including, diluents or thinners.

(3) Batch ovens with 1.5 cubic meters (53 cubic feet) or less internal volume where no melting occurs, provided such equipment is exempt pursuant to paragraph (b)(2). This exemption does not include ovens used to cure vinyl plastisols or debond brake shoes.

(4) Ovens used exclusively to cure 30 pounds per day or less or 660 pounds per calendar month or less of powder coatings, provided that such equipment is exempt pursuant to paragraph (b)(2).

(5) Spray coating equipment operated within control enclosures.

(6) Coating or adhesive application or laminating equipment such as air, airless, air-assisted airless, high volume low pressure (HVLP), air brushes, electrostatic spray equipment, roller coaters, dip coaters, vacuum coaters, flow coaters and spray machines provided that:

(A) the VOC emissions from such equipment (including clean-up) are three (3) pounds per day or less or 66 pounds per calendar month or less; or

~~(B) the total quantity of UV or electron beam (non-solvent based and non-waterborne) coatings adhesives and associated VOC containing solvents (including clean-up) used in such equipment is six (6) gallons per day or less or 132 gallons per calendar month or less; or~~

(B) the total quantity of UV/EB/LED (non-solvent based and non-waterborne) coatings adhesives and associated VOC containing solvents (including clean-up) used in such equipment is six (6) gallons per day or less or 132 gallons per calendar month or less; or

(~~C~~B~~C~~) the total quantity of organic solvent based coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is one (1) gallon per day or less or 22 gallons per calendar month or less; or

(~~D~~C~~D~~) the total quantity of water reducible or waterborne coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is three (3) gallons per day or less or 66 gallons per calendar month or less; or

(~~E~~D~~E~~) the total quantity of polyester resin and gel coat type materials and associated VOC containing solvents (including clean-up) used in

such equipment is one (1) gallon per day or less or 22 gallons per calendar month or less; or

(~~F~~EF) all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that :

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit ~~in accordance with paragraph (u)(8)~~.

If combination of the coatings, adhesives and polyester resin and gel coat type materials identified in (B), (C), ~~and/or~~ (D) ~~and/or (E)~~ and/or (E) are used in any equipment, this exemption is only applicable if the operations meet the criteria specified in (A) or (~~F~~EF), or the total usage of coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (including cleanup) meets the most stringent applicable limit in (B), (C), ~~or~~ (D) ~~or (E)~~ or (E). ~~For exemptions based on usage, solvent-based UV and waterborne UV materials are subject to the usage limits in (C) and (D), respectively.~~ For exemptions based on usage, solvent-based UV and waterborne UV materials are subject to the usage limits in (C) and (D), respectively. VOC emissions shall be determined using test methods approved by the District, CARB and U.S. EPA. In the absence of approved test methods, the applicant can submit VOC calculation procedures acceptable to the District.

(7) Spray coating and associated drying equipment and control enclosures used exclusively for educational purposes in educational institutions.

(8) Control enclosures with an internal volume of 27 cubic feet or less, provided that aerosol cans, air brushes, or hand applications are used exclusively.

(9) Portable coating equipment and pavement stripers used exclusively for the application of architectural coatings, and associated internal combustion engines provided such equipment is exempt pursuant to subdivision (a) or paragraph (b)(1), and provided no supplemental heat is added during pavement striping operations.

(10) Hand application of resins, adhesives, dyes, and coatings using devices such as brushes, daubers, rollers, and trowels.

(11) Drying equipment such as flash-off ovens, drying ovens, or curing ovens associated with coating or adhesive application or laminating equipment provided the drying equipment is exempt pursuant to paragraph (b)(2), and provided that:

(A) the total quantity of VOC emissions from all coating and/or adhesive application, and laminating equipment that the drying equipment serves is three (3) pounds per day or less or 66 pounds per calendar month or less; or

~~(B) the total quantity of UV or electron beam (non-solvent based and non-waterborne) coatings and adhesives, and associated VOC containing solvents (including clean-up) used in all coating and/or adhesive application, and laminating equipment that the drying equipment serves is six (6) gallons per day or less or 132 gallons per calendar month or less; or~~

(B) the total quantity of UV/EB/LED (non-solvent based and non-waterborne) coatings and adhesives, and associated VOC containing solvents (including clean-up) used in all coating and/or adhesive application, and laminating equipment that the drying equipment serves is six (6) gallons per day or less or 132 gallons per calendar month or less; or

(~~C~~BC) the total quantity of solvent based coatings and adhesives and associated VOC containing solvents (including clean-up) used in all coating and/or adhesive application, and laminating equipment that the drying equipment serves is one (1) gallon per day or less or 22 gallons per calendar month or less; or

(~~D~~CD) the total quantity of water reducible or waterborne coating and adhesives and associated VOC containing solvents (including clean-up) used in all coating and/or adhesive application, and laminating

equipment that the drying equipment serves is three (3) gallons per day or less or 66 gallons per calendar month or less; or

(~~E~~D~~E~~E) the total quantity of polyester resin and gel coat type materials and associated VOC containing solvents (including clean-up) used in all coating, adhesive application, and laminating equipment that the drying equipment serves is one (1) gallon per day or less or 22 gallons per calendar month or less; or

(~~F~~E~~F~~F) all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit ~~in accordance with paragraph (u)(8)~~.

If combination of the coatings, adhesives and polyester resin and gel coat type materials identified in (B), (C), ~~and/or~~ (D) ~~and/or (E)~~ and/or (E) are used in any equipment, this exemption is only applicable if the operations meet the criteria specified in (A) or (~~F~~E~~F~~F), or the total usage of coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (including cleanup) meets the most stringent applicable limit in (B), (C), ~~or~~ (D) ~~or (E)~~ or (E). ~~For exemptions based on usage, solvent-based UV and waterborne UV materials are subject to the usage limits in (C) and (D), respectively.~~ For exemptions based on usage, solvent-based UV and waterborne UV materials are subject to the usage limits in (C) and (D), respectively. VOC emissions shall be determined using test methods approved by the District, CARB and US EPA. In the absence of approved test methods, the applicant can submit VOC calculation procedures acceptable to the District.

(m) Storage and Transfer Equipment

(1) Equipment used exclusively for the storage and transfer of fresh, commercial or purer grades of:

(A) Sulfuric acid or phosphoric acid with an acid strength of 99 percent or less by weight.

(B) Nitric acid with an acid strength of 70 percent or less by weight.

(C) Water based solutions of salts or sodium hydroxide.

(2) Equipment used exclusively for the storage and/or transfer of liquefied gases, not including:

(A) LPG greater than 10,000 pounds.

(B) Hydrogen fluoride greater than 100 pounds.

(C) Anhydrous ammonia greater than 500 pounds.

(3) Equipment used exclusively for the transfer of less than 75,700 liters (20,000 gallons) per day of unheated VOC containing materials, with an initial boiling point of 150 ^{o}C (302 ^{o}F) or greater, or with an organic vapor pressure of 5 mm Hg (0.1 psi) absolute or less at 21.1 ^{o}C (70 ^{o}F).

(4) Equipment used exclusively for the storage including dispensing of unheated VOC containing materials with an initial boiling point of 150 ^{o}C (302 ^{o}F) or greater, or with an organic vapor pressure of 5 mm Hg (0.1 psi) absolute or less at 21.1 ^{o}C (70 ^{o}F). This exemption does not include liquid fuel storage greater than 160,400 liters (40,000 gallons).

(5) Equipment used exclusively for transferring VOC containing liquids, materials containing VOCs, or compressed gases into containers of less than 225 liters (60 gallons) capacity, except equipment used for transferring more than 4,000 liters (1,057 gallons) of materials per day with a vapor pressure greater than 25.8 mm Hg (0.5 psia) at operating conditions.

(6) Equipment used exclusively for the storage and transfer of liquid soaps, liquid detergents, vegetable oils, fatty acids, fatty esters, fatty alcohols, waxes and wax emulsions.

(7) Equipment used exclusively for the storage and transfer of refined lubricating or hydraulic oils and control equipment used to exclusively vent such equipment.

(8) Equipment used exclusively for the storage and transfer of crankcase drainage oil and control equipment used to exclusively vent such equipment.

(9) Equipment used exclusively for VOC containing liquid storage or transfer to and from such storage, of less than 950 liters (251 gallons) capacity or equipment used exclusively for the storage of odorants for natural gas, propane, or oil with a holding capacity of less than 950 liters (251 gallons) capacity and associated transfer and control equipment used exclusively for such equipment provided a filing pursuant to Rule 222 is submitted to the Executive Officer. This exemption does not include asphalt. In addition, this exemption does not apply to a group of more than one VOC-containing liquid or odorant tank where a single product is stored, where the combined storage capacity of all tanks exceeds 950 liters (251 gallons), and where the tanks are mounted on a shared mobile platform and stored at a facility.

(10) Equipment used exclusively for the storage and transfer of "top white" (i.e., Fancy) or cosmetic grade tallow or edible animal fats intended for human consumption and of sufficient quality to be certifiable for United States markets.

(11) Equipment, including tar pots (or tar kettles), used exclusively for the storage, holding, melting and transfer of asphalt or coal tar pitch with a maximum holding capacity of less than 600 liters (159 gallons); or equipment, including tar pots (or tar kettles), used exclusively for the storage, holding, melting and transfer of asphalt or coal tar pitch with a maximum holding capacity of no more than 3,785 liters (1,000 gallons), is equipped with burner(s) designed to fire exclusively on liquefied petroleum gases, and provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(12) Pumps used exclusively for pipeline transfer of liquids.

(13) Equipment used exclusively for the unheated underground storage of 23,000 liters (6,077 gallons) or less, and equipment used exclusively for the transfer to or from such storage of organic liquids with a vapor pressure of 77.5 mm Hg (1.5 psi) absolute or less at actual storage conditions.

(14) Equipment used exclusively for the storage and/or transfer of an asphalt-water emulsion heated to 150 ^{o}F or less.

(15) Liquid fuel storage tanks piped exclusively to emergency internal combustion engine-generators, turbines or pump drivers.

(16) Bins used for temporary storage and transport of material with a capacity of 2,080 liters (550 gallons) or less.

(17) Equipment used for material storage where no venting occurs during filling or normal use.

(18) Equipment used exclusively for storage, blending, and/or transfer of water emulsion intermediates and products, including latex, with a VOC content of 5% by volume or less or a VOC composite partial pressure of 5 mm Hg (0.1 psi) or less at 20 ^{o}C (68 ^{o}F).

(19) Equipment used exclusively for storage and/or transfer of sodium hypochlorite solution.

(20) Equipment used exclusively for the storage of VOC containing materials which are stored at a temperature at least 130 ^{o}C (234 ^{o}F) below its initial boiling point, or have an organic vapor pressure of 5 mm Hg (0.1 psia) absolute or less at the actual storage temperature. To qualify for this exemption, the operator shall, if the stored material is heated, install and maintain a device to measure the temperature of the stored VOC containing material. This exemption does not include liquid fuel storage greater than 160,400 liters (40,000 gallons), asphalt storage, or coal tar pitch storage.

(21) Stationary equipment used exclusively to store and/or transfer organic compounds that do not contain VOCs.

(22) Unheated equipment including associated control equipment used exclusively for the storage and transfer of fluorosilicic acid at a concentration of 30% or less by weight and a vapor pressure of 24 mm Hg or less at 77 ^{o}F (25 ^{o}C). The hydrofluoric acid concentration within the fluorosilicic acid solution shall not exceed 1% by weight.

(23) Equipment, including asphalt day tankers, used exclusively for the storage, holding, melting, and transfer of asphalt or coal tar pitch, that is mounted on a motor vehicle with a maximum holding capacity of less than 600 liters (159 gallons); or equipment, including asphalt day tankers, used exclusively for the storage, holding, melting, and transfer of asphalt or coal tar pitch, that is mounted on a motor vehicle, with a maximum holding capacity of no more than 18,925 liters (5,000 gallons), is equipped with burner(s) designed to fire exclusively on liquefied petroleum gases only, and provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(24) Tanks for aqueous urea solutions with a capacity of 6,500 gallons or less, provided a filing pursuant to Rule 222 is submitted to the Executive Officer. This exemption does not include tanks used for blending powdered urea and water.

(n) Natural Gas and Crude Oil Production Equipment

(1) Well heads and well pumps~~.~~, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(2) Crude oil and natural gas pipeline transfer pumps, provided a filing pursuant to Rule 222 is submitted to the Executive Officer for natural gas pipeline transfer pumps.~~.~~

(3) Gas, hydraulic, or pneumatic repressurizing equipment, provided a filing pursuant to Rule 222 is submitted to the Executive Officer for natural gas repressurizing equipment~~.~~

(4) Equipment used exclusively as water boilers, water or hydrocarbon heaters, and closed heat transfer systems (does not include steam generators used for oilfield steam injection) that have:

(A) a maximum heat input rate of 2,000,000 Btu per hour or less, and

(B) been equipped to be fired exclusively with purchased quality natural gas, liquefied petroleum gas, produced gas which contains less than 10 ppm hydrogen sulfide, or any combination thereof.

(5) The following equipment used exclusively for primary recovery, and not associated with community lease units:

(A) Gas separators and boots.

(B) Initial receiving, gas dehydrating, storage, washing and shipping tanks with an individual capacity of 34,069 liters (9,000 gallons) or less.

(C) Crude oil tank truck loading facilities (does not include a loading rack), and gas recovery systems exclusively serving tanks exempted under subparagraph (n)(5)(B).

(D) Produced gas dehydrating equipment.

(6) Gravity-type oil water separators with a total air/liquid interfacial area of less than 45 square feet and the oil specific gravity of 0.8251 or higher (40.0 API or lower).

The following definitions will apply to subdivision (n) above:

PRIMARY RECOVERY - Crude oil or natural gas production from "free-flow" wells or from well units where only water, produced gas or purchased quality gas is injected to repressurize the production zone.

COMMUNITY LEASE UNITS - Facilities used for multiple-well units (three or more wells), whether for a group of wells at one location or for separate wells on adjoining leases.

SHIPPING TANKS - Fixed roof tanks, which operate essentially as "run down" tanks for separated crude oil where the holding time is 72 hours or less.

WASH TANKS - Fixed roof tanks which are used for gravity separation of produced crude oil/water, including single tank units, and which are used concurrently for receipt, separation, storage and shipment.

(o) Cleaning

The exemptions in this subdivision do not include any equipment using solvents that are greater than 5 percent by weight of perchloroethylene, methylene chloride, carbon tetrachloride, chloroform, 1,1,1-trichloroethane, trichloroethylene, or any combination thereof, with either a capacity of more than 7.6 liters (2 gallons) or was designed as a solvent cleaning and drying machine regardless of size. In addition, the exemptions specified in this subdivision apply only if the equipment is also exempt pursuant to paragraph (b)(2) of this rule.

(1) Cleaning equipment and associated waste storage tanks used exclusively to store the solutions drained from this equipment:

(A) unheated batch, provided:

(i) the volume of the solvent reservoir is one (1) gallon or less, or

(ii) the VOC emissions from the equipment are not more than 3 pounds per day or 66 pounds per calendar month.

(B) devices used for cleaning of equipment used for the application of inks, adhesives, and coatings provided:

(i) the volume of the solvent reservoir is five (5) gallons or less, or

(ii) the VOC emissions from the equipment are not more than three (3) pounds per day or 66 pounds per calendar month.

(C) remote reservoir cleaners, provided the solvent from the sink-like area immediately drains into an enclosed solvent container while the parts are being cleaned.

(2) Vapor degreasers with an air/vapor interface surface area of 1.0 square foot or less, provided such degreasers have an organic solvent loss of 3 gallons per day or less excluding water or 66 gallons per calendar month or less excluding water.

(3) Cleaning equipment using materials with a VOC content of twenty-five (25) grams of VOC per liter of material, or less, and associated dryers exclusively serving these cleaners, provided such equipment is also exempt pursuant to paragraph (b)(2). This exemption does not include equipment used for cleaning of diesel particulate filters (DPF) or associated control equipment used to vent such equipment.

(4) Hand application of solvents for cleaning purposes including but not limited to the use of rags, daubers, swabs, and squeeze bottles as well as associated air pollution control equipment, unless air pollution control equipment is required for source specific rule compliance.

(p) Miscellaneous Process Equipment

(1) Equipment, including dryers, used exclusively for dyeing, stripping, or bleaching of textiles where no VOC containing materials, including diluents or thinners are used, provided such equipment is also exempt pursuant to paragraph (b)(2) and control equipment exclusively venting the equipment.

(2) Equipment used exclusively for bonding lining to brake shoes, where no VOC containing materials are used and control equipment exclusively venting such equipment.

(3) Equipment used exclusively to liquefy or separate oxygen, nitrogen, or the rare gases from air, except equipment not exempt pursuant to paragraph (b)(1) or (b)(2).

(4) Equipment used exclusively for surface preparation, including but not limited to paint stripping, pickling, desmutting, de-scaling, passivation, and/or deoxidation, and any water and associated rinse tanks and waste storage tanks exclusively to store the solutions drained from the equipment, that exclusively uses any one or combination of the ~~following~~materials in subparagraphs (p)(4)(A) through (p)(4)(H). This exemption does not include any tank that contains chromium, or contains nickel, lead or cadmium and is rectified, sparged or heated.~~:~~

(A) organic materials containing 50 grams or less of VOCs per liter of material;

(B) formic acid, acetic acid, boric acid, citric acid, phosphoric acid, and sulfuric acids;

(C) hydrochloric acid in concentrations of 12 percent by weight or less;

(D) alkaline oxidizing agents;

(E) hydrogen peroxide;

(F) salt solutions, except for air-sparged, heated or rectified processes with salt solutions containing hexavalent chromium, chromates, dichromates, nickel, ~~or~~ cadmium, or lead;

(G) sodium hydroxide, provided the process is not sparged or rectified; or

(H) nitric acid, hydrochloric acid, or hydrofluoric acid, provided that the equipment in which it is used has an open surface area of one square foot or less, is unheated, and produces no visible emissions.

This exemption does not include chemical milling or circuit board etching using ammonia-based etchants.

(5) Equipment used exclusively for the plating, stripping, or anodizing of metals as described ~~below:~~in subparagraphs (p)(5)(A) through (p)(5)(G). This exemption does not include any tank that contains chromium, or contains nickel, lead or cadmium and is rectified, sparged or heated.

(A) electrolytic plating of exclusively brass, bronze, copper, iron, tin, ~~lead,~~ zinc, and precious metals;

(B) electroless nickel plating, provided that the process is not air-sparged and no electrolytic reverse plating occurs;

(C) the electrolytic stripping of brass, bronze, copper, iron, tin, zinc, and precious metals, provided no chromic, hydrochloric, nitric or sulfuric acid is used;

(D) the non-electrolytic stripping of metals, provided the stripping solution is not sparged and does not contain nitric acid.

(E) anodizing using exclusively sulfuric acid and/or boric acid with a total bath concentration of 20 percent acids or less by weight and using 10,000 amp-hours per day or less of electricity;

(F) anodizing using exclusively phosphoric acid with a bath concentration of 15 percent or less phosphoric acid by weight and using 20,000 amp-hours per day or less of electricity; or

(G) water and associated rinse tanks and waste storage tanks used exclusively to store the solutions drained from equipment used for the plating, stripping, or anodizing of metals.

(6) Closed loop solvent recovery systems used for recovery of waste solvent generated on-site using refrigerated or liquid-cooled condenser, or air-

cooled (where the solvent reservoir capacity is less than 10 gallons) condenser.

(7) Equipment used exclusively for manufacturing soap or detergent bars, including mixing tanks, roll mills, plodders, cutters, wrappers, where no heating, drying or chemical reactions occur.

(8) Inert gas generators, except equipment not exempt pursuant to paragraph (b)(2).

(9) Hammermills used exclusively to process aluminum and/or tin cans, and control equipment exclusively venting such equipment.

(10) Paper shredding and carpet and paper shearing, fabric brushing and sueding as well as associated conveying systems, baling equipment, and control equipment venting such equipment. This exemption does not include carpet and fabric recycling operations.

(11) Chemical vapor type sterilization equipment where no Ethylene Oxide is used, and with a chamber volume of two (2) cubic feet or less used by healthcare facilities and control equipment exclusively venting the equipment. This exemption does not include equipment used for incineration.

(12) Hot melt adhesive equipment.

(13) Pyrotechnic equipment, special effects or fireworks paraphernalia equipment used for entertainment purposes, provided such equipment is exempt pursuant to subdivision (b).

(14) Ammunition or explosive testing equipment.

(15) Fire extinguishing equipment using halons.

(16) Industrial wastewater treatment equipment which only does pH adjustment, precipitation, gravity separation and/or filtration of the wastewater, including equipment used for reducing hexavalent chromium and/or destroying cyanide compounds. This exemption does not include treatment processes where VOC and/or toxic materials are emitted, or where the inlet concentration of cyanide salts through the wastewater treatment process prior to pH adjustment exceeds 200 mg/liter.

(17) Rental equipment operated by a lessee and which is not located more than twelve consecutive months at any one facility in the District provided that the owner of the equipment has a permit to operate issued by the District and that the lessee complies with the terms and conditions of the permit to operate.

(18) Industrial wastewater evaporators treating water generated from on-site processes only, where no VOC and/or toxic materials are emitted and provided that the equipment is exempt pursuant to paragraph (b)(2).

(19) Foam application equipment using two-component polyurethane foam where no VOC containing blowing agent is used, excluding chlorofluorocarbons or methylene chloride, and control equipment exclusively venting this equipment.

(20) Toner refilling and associated control equipment.

(21) Evaporator used at dry cleaning facilities to dispose of separator wastewater and control equipment exclusively venting the equipment.

(22) Equipment used to recycle aerosol cans by puncturing the can in an enclosed system which is vented through an activated carbon filter. This exemption shall only apply to aerosol recycling systems where the aerosol can to be recycled was used as part of their operation at the facility or from facilities under common ownership.

(23) Notwithstanding the exemptions in ~~this~~ subdivision (p), equipment existing as of [date of adoption] that is subject to the aforementioned exemptions and that is an integral part of an operation requiring a written permit shall continue to be exempt, provided the equipment is identified, described in detail and submitted for inclusion into the permit equipment description with any associated application for Permit to Construct or Permit to Operate. Equipment described in this paragraph includes, but is not limited to, rinse tanks, dye tanks and seal tanks that are part of a metal finishing operation, including but not limited to plating, anodizing and surface preparation.

(q) Agricultural Sources

(1) Notwithstanding the exemption under this subdivision, any internal combustion engines, or gasoline transfer and dispensing equipment purchased or modified after July 7, 2006 that are not exempt pursuant to paragraphs (b)(1), (b)(6), and (m)(9) of this rule shall be subject to permit requirements. Emergency internal combustion engines are exempt from permit requirements for these agricultural sources.

(2) Except as provided in paragraph (q)(1), agricultural permit units at agricultural sources not subject to Title V with actual emissions less than the amounts listed in the following table:

Table

Pollutant (Tons/Year)	South Coast Air Basin	Riverside County Portion of Salton Sea Air Basin	Riverside County Portion of Mojave Desert Air Basin
VOC	5.0	12.5	50.0
NOx	5.0	12.5	50.0
SOx	~~50.0~~35.0	~~50.0~~35.0	50.0
CO	25.0	50.0	50.0
PM10	35.0	35.0	50.0
Single Hazardous Air Pollutant	5.0	5.0	5.0
Combination Hazardous Air Pollutants	12.5	12.5	12.5

Emissions of fugitive dust and emissions from soil amendments and fertilizers are not to be counted when evaluating emissions for purposes of this subdivision.

(3) Orchard wind machines powered by an internal combustion engine with a manufacturer's rating greater than 50 brake horsepower provided the engine is operated no more than 30 hours per calendar year.

(4) Orchard heaters approved by the California Air Resources Board to produce no more than one gram per minute of unconsumed solid carbonaceous material.

(r) Registered Equipment and Filing Program

(1) Any portable equipment, including any turbines qualified as military tactical support equipment under Health and Safety Code Section 41754 ~~which is~~ registered in accordance with the Statewide Portable Equipment Registration Program (PERP) adopted pursuant to California Health and Safety Code Section 41750 et seq.

(2) PERP registered engines used in the Outer Continental Shelf (OCS), provided that:

(A) notification is submitted to the Executive Officer via submittal of a filing pursuant to Rule 222;

(B) the equipment shall not reside at one location for more than 12 consecutive months; and

(C) notwithstanding the exemption applicability under Health and Safety Code §2451 of the Statewide Portable Equipment Registration Program (PERP) for engines operating in the OCS, all operators using this permit exemption shall comply with PERP and with California Air Resources Board-issued registration requirements.

(3) PERP registered equipment operated at a RECLAIM Facility shall be classified as Major Source, Large Source or Process Units in accordance with Rule 2011 (c) and (d) for SOx emissions and Rule 2012 (c), (d) and (e) for NOx emissions for purposes of determining the applicable requirements for Monitoring, Reporting and Recordkeeping (MRR). Use of RECLAIM MRR Protocols for Rule 219 equipment as specified in Rule 2011 (Rule 2011 Protocol, Appendix A, Chapter 3, Subsection F) and Rule 2012 (Rule 2012 Protocol, Appendix A, Chapter 4, Subsection F is only allowed if the registered PERP equipment also qualifies for an exemption from permit under a separate provision of this Rule.

(~~2~~4) Any equipment listed in Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

(s) Exceptions

Notwithstanding equipment identified in (a) through (r) of this rule, written permits are required pursuant to paragraphs (s)(1), ~~and~~ (s)(2), and (s)(4), and filings are required under Rule 222 pursuant to paragraph (s)(3):

(1) Equipment, process materials or air contaminants subject to:

(A) Regulation IX – Standards of Performance for New Stationary Sources (NSPS); or

(B) Regulation X – National Emission Standards for Hazardous Air Pollutants (NESHAP - Part 61, Chapter I, Title 40 of the Code of Federal Regulations); or

(C) Emission limitation requirements of either the state Air Toxic Control Measure (ATCM) or NESHAP - Part 63, Title 40 of the Code of Federal Regulations; or

(2) Equipment when the Executive Officer has determined that:

(A) the risk will be greater than identified in subparagraph (d)(1)(A), or paragraphs (d)(2) or (d)(3) in Rule 1401 – New Source Review of Toxic Air Contaminants; or,

(B) the equipment may not operate in compliance with all applicable District Rules and Regulations, including but not limited to SCAQMD Rule 402 – Nuisance.

Once the Executive Officer makes such a determination and written notification is given to the equipment owner or operator, the equipment shall thereafter be subject to Rules 201 and 203 for non-RECLAIM sources, Rule 2006 for RECLAIM sources, and Regulation XXX – Title V Permits for major sources.

(3) The following equipment, processes or operations that are located at a single facility, which does not hold a written permit for any other equipment, processes or operations, and emit four (4.0) tons or more of VOCs in any Fiscal Year (July 1 to June 30) beginning July 1, 2007 or emitted four (4.0) tons or more of VOCs in the Fiscal Year July 1, 2006 – June 30, 2007. The four (4.0) ton per Fiscal Year threshold shall be calculated cumulatively for all categories of equipment, processes or operations listed in subparagraphs (A) through (C) below. One filing shall be required for all of the categories of equipment, processes or operations subject to this provision as listed in subparagraphs (A) through (C) below. Associated VOC emissions shall be reported under the Annual Emissions Reporting program and fees shall be paid pursuant to Rule 301, subdivision (~~t~~u).

(A) Printing operations individually exempted under paragraph (h)(1) and (h)(7).

(B) Coating or adhesive application or laminating equipment and devices individually exempted under paragraphs (l)(6) and (l)(10).

(C) Hand applications of VOC containing materials individually exempted under paragraph (o)(4).

(4) Equipment or control equipment subject to permitting requirements pursuant to Regulation XIV - Toxics and Other Non-criteria Pollutants.

(t) Recordkeeping

Any person claiming exemptions under the provisions of this Rule shall provide adequate records pursuant to Rule 109 and any applicable Material Safety Data Sheets (MSDS), to verify and maintain any exemption. Any test method used to

verify the percentages, concentrations, vapor pressures, etc., shall be the approved test method as contained in the District's Test Method Manual or any method approved by the Executive Officer, CARB, and the EPA.

(u) Compliance Date

(1) The owner/operator of equipment previously not requiring a permit pursuant to Rule 219 shall comply with Rule 203 – Permit to Operate within one year from the date the rule is amended to remove the exemption unless compliance is required before this time by written notification by the Executive Officer. Effective on or after July 11, 2003 for purpose of Rule 301(e), emissions from equipment that has been removed from an exemption shall be considered "permitted" beginning January 1 or July 1, whichever is sooner, after Rule 219 is amended to remove the exemption, even if an application has not been submitted to obtain a permit.

(2) Agricultural sources constructed or operating prior to January 1, 2004 requiring Title V permits shall submit Title V permit applications on or before June 29, 2004.

(3) Existing agricultural permit units constructed or operating prior to January 1, 2004 at agricultural sources requiring Title V permits and requiring written permits pursuant to paragraph (q)(1) shall submit applications for a Permit to Operate by December 17, 2004. For the purpose of Rule 301(e), emissions from agricultural permit units subject to this paragraph shall be considered "permitted" July 1, 2005.

(4) Existing agricultural permit units constructed or operating prior to January 1, 2004 at agricultural sources not subject to Title V with actual emissions equal to or greater than the amounts listed in the table in subdivision (q) and requiring written permits pursuant to paragraph (q)(2) shall submit applications for a Permit to Operate by June 30, 2005. For the purpose of Rule 301(e), emissions from agricultural permit units subject to this paragraph shall be considered "permitted" July 1, 2005.

(5) Agricultural permit units built, erected, altered, modified, installed or replaced after January 1, 2004, but prior to January 1, 2005 if written permits are required pursuant to subdivision (q), shall submit applications for a Permit to Operate by March 5, 2005. For the purpose of Rule 301(e), emissions from agricultural permit units subject to this paragraph shall be considered "permitted" July 1, 2005.

(6) Agricultural permit units built, erected, altered, modified, installed or replaced on or after January 1, 2005, if written permits are required pursuant to subdivision (q) shall comply with Rule 201. For the purpose of Rule 301(e), emissions from agricultural permit units subject to this paragraph shall be considered "permitted" July 1, 2005.

(7) Notwithstanding paragraph (u)(1), effective [sixty days after date of amendment], an owner/operator submitting an application for Permit to Construct or Permit to Operate pursuant to Rules 201 or 203 shall comply with paragraphs (e)(21) and (p)(23).

~~(8) Effective March 1, 2018 and every March 1 thereafter, the owner or operator of equipment exempt pursuant to subparagraphs (h)(1)(D), (l)(6)(E), or (l)(11)(E), kept in accordance with subdivision (t) in a format approved by the Executive Officer for the preceding calendar year to demonstrate compliance with material and cleanup solvent VOC content limits and the annual mass VOC emission limit.~~

ATTACHMENT G

(Adopted September 11, 1998)(Amended May 19, 2000)(Amended March 5, 2004)
(Amended December 5, 2008)(Amended May 3, 2013)
(Proposed Amended May 5, 2017)

RULE 222 FILING REQUIREMENTS FOR SPECIFIC EMISSION SOURCES NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II

(a) Purpose

The purpose of this rule is to provide an alternative to written permits. This rule requires owners/operators of specified emission sources to submit information regarding the source, including, but not limited to:

(1) a description of the source;

(2) data necessary to estimate emissions from the source; and

(3) information to determine whether the equipment is operating in compliance with applicable District, state and federal rules and regulations.

(b) Applicability

(1) This rule applies to owners/operators of the emission sources listed in Table 1, which are exempt from written permits pursuant to Rule 219, unless the Executive Officer determines that the source cannot operate in compliance with applicable rules and regulations. This rule also applies to agricultural diesel-fueled engines subject to the California Air Resources Board Airborne Toxic Control Measure (CARB ATCM) for Stationary Compression Ignition Engines. Owners/operators authorized to operate emission sources pursuant to this rule shall operate those emissions sources in compliance with any and all operating conditions imposed by the District.

TABLE I

SOURCE/EQUIPMENT	EFFECTIVE DATE
Boilers or Steam Generators & Process Heaters with a rated heat input capacity from 1,000,000 up to and including 2,000,000 Btu/hr and produce less than one pound of NOx emissions per day, excluding equipment subject to Regulation XX – Regional Clean Air Incentives Market (RECLAIM).	1/1/2001
Commercial Charbroilers and associated air pollution control equipment.	1/1/1999
Negative Air Machines (Asbestos).	1/1/1999
~~Oil Production Well Group~~. Natural gas and crude oil production equipment, including: well heads and well pumps; natural gas pipeline transfer pumps; and natural gas repressurizing equipment.	~~1/1/2004~~ 5/5/2017
Printing and related coating and/or laminating equipment and associated dryers and curing equipment exempt from a written permit pursuant to Rule 219 (h)(1)(~~ED~~E), unless an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~ (h)(1)(E)(ii).	~~12/5/2008~~ 5/5/2017
Roller to roller coating systems that create 3-dimensional images exempt from a written permit pursuant to Rule 219 (j)(13)(C).	12/5/2008
Coating or adhesive application, or laminating equipment exempt from a written permit pursuant to Rule 219 (l)(6)(~~FE~~F), unless an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~ (l)(6)(F)(ii).	12/5/2008 5/5/2017
Drying equipment such as flash-off ovens, drying ovens, or curing ovens associated with coating or adhesive application, or laminating equipment exempt from a written permit pursuant to Rule 219 (l)(11)(~~FE~~F), unless an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~(l)(11)(F)(ii).	12/5/2008 5/5/2017
Agricultural Diesel-Fueled Engines rated greater than 50 brake horse power used in Agricultural Operations exempt from a written permit pursuant to Rule 219 (q)(1) and (q)(2), and subject to CARB ATCM.	12/5/2008

Equipment, processes or operations located at a facility holding no written permit and emitting four tons or more of VOCs per year as specified in Rule 219(s)(3).	12/5/2008
Gasoline storage tanks and dispensing equipment with capacity greater than or equal to 251 gallons, and installed on or before July 7, 2006 at agricultural operations.	12/5/2008
Asphalt Day Tankers, with a maximum holding capacity equal to or greater than 600 liters (159 gallons) but no more than 18,925 liters (5,000 gallons) and are equipped with a demister and burner(s) designed to fire exclusively on liquefied petroleum gases.	5/3/2013
Asphalt Pavement Heaters used for road maintenance and new road construction.	5/3/2013
Diesel Fueled Boilers that have a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fueled exclusively with diesel #2 fuel, and are located more than 4,000 feet above sea level or more than 15 miles offshore from the mainland and have been in operation prior to May 3, 2013.	5/3/2013
Food Ovens with a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fired exclusively on natural gas and where the process VOC emissions ~~from yeast fermentation~~ are less than one pound per day, exempt from a written permit pursuant to Rule 219(b)(2).	~~5/3/2013~~ 5/5/2017
Fuel Cells, which produce electricity in an electro-chemical reaction and use phosphoric acid, molten carbonate, proton exchange membrane, or solid oxide technologies; and associated heating equipment provided the heating equipment is fueled exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof, including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour, provided that the supplemental heat used is 90,000 therms per year or less.	~~5/3/2013~~ 5/5/2017
Internal combustion engines used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel, compressed natural gas (CNG) or liquefied petroleum gas (LPG).	~~5/3/2013~~ 5/5/2017
Micro-Turbines, with a rated maximum heat input capacity of 3,500,000 Btu per hour or less, provided that the cumulative power output of all such engines at a facility is less than two megawatts, and that the engines are certified at the time of manufacture with the state of California or were in operation prior to May 3, 2013.	5/3/2013

Portable Diesel Fueled Heaters, with a rated maximum heat input capacity of 250,000 Btu per hour or less and are equipped with burner(s) designed to fire exclusively on diesel #2 fuel.	5/3/2013
Power Pressure Washers and Hot Water or Steam Washers and Cleaners, that are equipped with a heater or burner that is designed to be fired on diesel fuel, has a rated maximum heat input capacity of 550,000 Btu per hour or less, is equipped with a non-resettable chronometer, and the maximum NOx emission output of the equipment is less than one pound per day and uses no more than 50 gallons of fuel per day.	5/3/2013
Storage of odorants for natural gas, propane, or oil with a holding capacity of less than 950 liters (251 gallons) and associated transfer and control equipment.	5/3/2013
Tar Pots or Tar Kettles, with a maximum holding capacity equal to or greater than 600 liters (159 gallons) but no more than 3,785 liters (1,000 gallons) and are equipped with burner(s) designed to fire exclusively on liquefied petroleum gases.	5/3/2013
Industrial water cooling towers not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained, located in a chemical plant, refinery or other industrial facility.	5/5/2017
Storage of aqueous urea solutions.	5/5/2017
Engines registered under the statewide Portable Equipment Registration Program (PERP) used in the Outer Continental Shelf (OCS).	5/5/2017

(2) If a determination is made that the source cannot operate in compliance with applicable rules and regulations, a permit shall be required pursuant to Rule 203.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

(1) AGRICULTURAL OPERATIONS means the growing and harvesting of crops or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural operations do not include activities involving the processing or distribution of crops or fowl or animals.

(2) AGRICULTURAL DIESEL-FUELED ENGINE is a stationary or portable engine used for agricultural operations. For the purpose of this rule, a portable engine owned by the agricultural source owner is considered to be part of the agricultural stationary source. An engine used in the processing or distribution of crops or fowl or animals is not an agricultural engine.

(3) APPROVED OPERATING PARAMETERS mean a set of operating requirements the equipment must operate under to comply with the requirements of any applicable federal, state, or District rules.

(4) ASPHALT DAY TANKER is a storage tank mounted on a motor vehicle and is used exclusively for the storage, holding, melting, and transfer of asphalt or coal tar pitch with a maximum holding capacity equal to or greater than 600 liters (159 gallons) but no more than 18,925 liters (5,000 gallons), is equipped with a demister and burner(s) designed to fire exclusively on liquefied petroleum gases.

(5) ASPHALT PAVEMENT HEATER is any mobile equipment used to heat asphalt or coal tar pitch for purposes of road maintenance or new road construction.

(6) BOILER OR STEAM GENERATOR means any combustion equipment that is fired with or is designed to be fired with natural gas, used to produce steam or to heat water, and that is not used exclusively to produce electricity for sale. Boiler or Steam Generator does not include any waste heat recovery boiler that is used to recover sensible heat from the exhaust of a combustion turbine or any unfired waste heat recovery boiler that is used to recover sensible heat from the exhaust of any combustion equipment.

(7) BTU means British thermal unit or units.

(8) CHARBROILER means a cooking device composed of a grated grill or skewer and a heat source. The heat source is located beneath the food being cooked or may be located above and below the food. Fuels for the heat source include, but are not limited to, electricity, natural gas, liquefied petroleum gas, charcoal, or wood.

(9) DIESEL FUELED BOILER is any boiler that has a rated maximum heat input capacity of 2,000,000 Btu per hour or less, is fired exclusively with diesel #2 fuel, and is located more than 4,000 feet above sea level or more than 15 miles offshore from the mainland and has been in operation prior to May 3, 2013.

(10) EMISSION SOURCE (SOURCE) means any equipment or process, which emits air pollutants for which ambient air quality standards have been adopted, or which emits their precursor pollutants.

(11) FACILITY is any equipment or group of equipment or other VOC-emitting activities, which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or by persons under common control), or an outer continental shelf (OCS) source as determined in 40 CFR Section 55.2. Such above-described groups, if noncontiguous, but connected only by land carrying a pipeline, shall not be considered one facility.

(12) FOOD OVEN is any equipment used exclusively for food preparation, has a rated maximum heat input capacity of 2,000,000 Btu per hour or less, and is exclusively fired on natural gas and where the process VOC emissions ~~from yeast fermentation~~ are less than one pound per day, exempt from a written permit pursuant to Rule 219 (b)(2).

(13) FUEL CELL is any equipment which produces electricity in an electrochemical reaction, uses phosphoric acid, molten carbonate, proton exchange membrane, or solid oxide technologies; and associated heating equipment, including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour provided that the supplemental heat used is 90,000 therms per year or less.

(14) HEAT INPUT means the higher heating value of the fuel to the unit measured as Btu/hr.

(15) HEPA means High Efficiency Particulate Air filter which is capable of trapping and retaining at least 99.97 percent of all monodispersed particles of 0.3 micrometer in diameter or larger.

(16) INTERNAL COMBUSTION ENGINE is any spark or compression ignited reciprocating internal combustion engine used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and is fired exclusively on diesel #2 fuel.

(17) INDUSTRIAL COOLING TOWER means a cooling tower located at a chemical plant, refinery or other industrial facility that is not used for comfort cooling.

~~(17)~~(18) ISOLATED WORK AREA means the immediate enclosed containment area in which the asbestos abatement activity takes place.

~~(18)~~(19) MICRO-TURBINE is a stationary gas turbine engine, with a rated maximum heat input capacity of 3,500,000 Btu per hour or less, provided that the cumulative power output of all such engines at a facility is less than two megawatts, and that the engines are certified at the time of manufacture with the state of California or were in operation prior to May 3, 2013.

~~(19)~~(20) NEGATIVE AIR MACHINE means a machine or contrivance whose primary use is to remove asbestos emissions from residential or commercial abatement projects by passing asbestos containing air from an isolated work area by means of negative air pressure to a HEPA filtration system.

~~(20)~~(21) OIL PRODUCTION WELL GROUP is no more than four well pumps located at a facility subject to Rule 1148.1 – Oil and Gas Production Wells at which crude petroleum production and handling are conducted, as defined in the Standard Industrial Classification Manual as Industry No. 1311, Crude Petroleum and Natural Gas.

~~(21)~~(22) PORTABLE DIESEL FUELED HEATER is any combustion equipment which transfers heat from the combustion process for space heating and is designed to be fired exclusively with diesel #2 fuel and has a rated maximum heat input capacity of 250,000 Btu per hour or less.

~~(22)~~(23) POWER PRESSURE WASHER AND HOT WATER OR STEAM WASHER AND CLEANER is any equipment equipped with a heater or burner that is designed to be fired on diesel fuel, has a rated maximum heat input capacity of 550,000 Btu per hour or less, is equipped with a non-resettable chronometer, has a maximum NOx emission output of less than one pound per day and uses no more than 50 gallons of fuel per day.

~~(23)~~(24) PROCESS HEATER means any combustion equipment fired with or designed to be fired with natural gas and which transfers heat from combustion gases to water or process streams. Process Heater does not include any kiln or oven used for annealing, drying, curing, baking, cooking, calcining, or vitrifying; or any unfired waste heat recovery heater that is used to recover sensible heat from the exhaust of any combustion equipment.

(25) RATED HEAT INPUT CAPACITY means the gross rated heat input specified on the nameplate of the combustion device.

~~(24)~~(26) REPRESSURIZING EQUIPMENT means combustion-based equipment used for processing natural gas for reinjection for reservoir repressurization, or used during enhanced recovery methods such as water flooding, steam flooding, or CO_2 flooding to increase reservoir pressure.

(27) STORAGE OF ODORANTS FOR NATURAL GAS, PROPANE, OR OIL is equipment used exclusively for the storage of odorants for natural gas, propane, or oil odorant storage, with a holding capacity of less than 950 liters (251 gallons) and associated transfer and control equipment.

~~(25)~~(28) STORAGE OF AQUEOUS UREA SOLUTIONS is equipment used exclusively to store aqueous solutions of urea [$CO(NH_2)_2$] with a holding capacity of 6500 gallons or less.

~~(26)~~(29) TAR POT (also known as a tar kettle) is any mobile equipment used exclusively for the storage, holding, melting, and transfer of asphalt or coal tar pitch and has a maximum holding capacity greater than 600 liters (159 gallons) but no more than 3,785 liters (1,000 gallons) and is equipped with burner(s) that fire exclusively on liquefied petroleum gases.

~~(27)~~(30) WELL CELLAR is a lined or unlined containment surrounding one or more oil wells, allowing access to the wellhead components for servicing and/or installation of blowout prevention equipment.

~~(28)~~(31) WELLHEAD is an assembly of valves mounted to the casing head of an oil well through which a well is produced. The wellhead is connected to an oil production line and in some cases to a gas casing.

~~(29)~~(32) WELL PUMP is a pump used to bring crude oil from the subsurface to surface. A well pump is connected to a well head and can be located in or above a well cellar.

(d) Requirements

(1) Owners/operators of sources subject to this rule shall:

(A) comply with all applicable District, state, and federal rules and regulations;

(B) comply with all operating conditions as specified by the District on a new emission source or equipment filing;

(C) submit applicable information for each emission source described in this rule to the District, in a format determined by the Executive Officer, which shall provide a description of the source and shall include all associated air pollution control equipment, any and all

pertinent data as necessary to estimate emissions from the source, and a determination that the emission source or equipment meets all compliance requirements with applicable rules and regulations. For change of location or change of owner/operator, a new emission source or equipment filing shall be required prior to operation of the emission source or equipment. This information shall include, if applicable, but not be limited to:

(i) hours of operation;

(ii) materials used or processed;

(iii) fuel usage; (iv) throughput; and

(v) operating parameters.

(D) On ~~May 3, 2013~~May 3, 2013~~May 5, 2017~~, and each subsequent January 1 thereafter, records shall be kept and made available to the District upon request to provide operation data and any updated information on the emission sources or equipment, applicable to this rule, including, but not limited to:

(i) hours of operation;

(ii) materials used or processed;

(iii) fuel usage;

(iv) throughput; and

(v) operating parameters.

Owners or operators of facilities filing for registration under Rule 219 paragraphs (h)(1)(~~D~~E), (l)(6)(~~E~~F) or (l)(11)(~~E~~F) shall comply with the recordkeeping provisions of this subparagraph unless an annual low-VOC verification is submitted to the Executive Officer in accordance with PAR 219 (h)(1)(E)(ii), (l)(6)(F)(ii) or (l)(11)(F)(ii).

(E) pay all required fees pursuant to Rule 301;

(F) maintain a copy on-site of the filing receipt for all emission sources and equipment applicable to this rule for the life of the emission sources or equipment and make available to the Executive Officer upon request;

(G) maintain records sufficient to verify the description of the emission sources or equipment, subject to this rule, all data necessary to estimate output of emissions sources, and records used to demonstrate compliance with operating conditions and with all other

applicable rules and regulations. The records shall be maintained for five (5) years and made available to the Executive Officer upon request;

(H) not remove any air pollution control equipment associated with applicable equipment described in this rule unless it can be demonstrated that the replacement air pollution control equipment will reduce emissions at equal to or greater efficiency than the prior unit and such replacement air pollution control equipment is first approved in writing by the Executive Officer.

(2) Owners and/or operators of agricultural sources subject to this rule shall comply with the registration requirements in the CARB ATCM for stationary diesel-fueled agricultural engines rated at greater than 50 brake horsepower pursuant to California Code of Regulations, Title 17, Sections 93115.3(a) and 93115.8(c).

(3) Failure to comply with the provisions set forth in ~~sub~~paragraph~~s~~ (d)(1)~~(A), (B), (C), (D), (E), and (F)~~ shall constitute a violation of this rule.

(e) Compliance Dates

(1) A person shall not install, alter, replace, operate, or use any equipment subject to this rule, initially installed on or after the effective date in Table I, without first complying with the requirements in subparagraphs (d)(1)(A), (B), (C), (E) and (H).

(2) The owner/operator of an emission source installed prior to the effective date in Table I and not currently possessing a valid Permit to Operate or open application for a Permit to Operate shall comply with the requirements of subdivision (d) within six (6) months of the effective date in Table I.

(3) The owner/operator of an emission source installed prior to the effective date in Table I and possessing a valid Permit to Operate or open application for a Permit to Operate will be notified by the Executive Officer of the transfer of the Permit to Operate or open application to the filing system and shall comply with the requirements of subdivision (d) within sixty (60) days of notification.

(4) Failure to comply with the provision set forth in paragraphs (b)(1), (b)(2), (e)(1) through (e)(3) shall constitute a violation of this rule.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report
Proposed Amended Rule 219 - Equipment Not Requiring A Written Permit Pursuant To Regulation II

Proposed Amended Rule 222 - Filing Requirements for Specific Emission Sources Not Requiring A Written Permit Pursuant To Regulation II

May 2017

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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County of San Bernardino

EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

Rule 219 – Equipment Not Requiring A Written Permit Pursuant To Regulation II – is an administrative rule that identifies equipment, processes, and operations that emit small amounts of air contaminants that do not require written permits, except for equipment, processes and operations subject to subdivision (s) - Exceptions. In addition, an exemption from a written permit requirement provided by this rule is only applicable if the equipment, process, or operation is in compliance with subdivision (t) - Recordkeeping. Proposed Amended Rule (PAR) 219 seeks to include additional equipment for exemption and clarify existing rule language regarding the intent of existing exemptions and editorial corrections to the rule.

Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring A Written Permit Pursuant To Regulation II – provides an alternative to District written permits by allowing certain emission sources that meet predetermined criteria to register the emission source in the Rule 222 filing program. These emission sources, shown in Table 3-1, are the significantly smaller emitters and less complex sources. These sources do not require a written permit but are required to meet the filing requirements pursuant to the Rule 222 filing program and are subject to operating conditions. The filing of these emission sources is typically accompanied by pre-established operating conditions, which limit ~~unnecessary or excessive~~ air contaminants. Additionally, the benefit to the District administration is the simplicity and efficiency in processing the application for the emission sources in the Rule 222 filing program rather than as a traditional written permit, which typically includes permit pre-screening, permit analysis, and permit evaluation before the permit ~~to construct and permit to operate~~ can be issued. In addition, the filing of such equipment allows the District to accurately account for their emissions which is ~~quite~~ useful in determining the emissions inventories for the respective source categories. The benefit to the owner and operator will be the faster turnaround time for processing and the reduced cost compared to a typical ~~written~~ permit.

Overview of Proposed Revisions to Rule 219

Staff proposes to add exemptions for a number of equipment categories with small criteria pollutant and low toxic emission profiles and limited potential for further reductions from permitting requirements. Table ES-1 lists the equipment, processes, or operations for addition or modification under this proposed amendment:

Table ES-1 – Source Categories Proposed for Amendments to PAR 219

Rule Citation	Source Category	Description of Amendment
(b)(1)	Engines used at remote 2-way radio transmission towers	Add LPG and CNG as allowable fuels in addition to diesel
(b)(2)	Combustion equipment (food ovens)*	Minor clarification
(b)(5)	Fuel cells*	Clarification to restore original intent of exemption

Rule Citation	**Source Category**	**Description of Amendment**
(b)(8) and (r)(1)	Equipment registered under the statewide Portable Equipment Registration Program (PERP)	Consolidate all PERP language under paragraph (r)(1)
(c)(11)	Sub-slab ventilation systems	New exemption
(d)(3)	Cooling towers*	Require industrial cooling towers to register under Rule 222
(e)(8)	Welding, oxy/gas fuel cutting, laser etching and engraving equipment excluding alloys containing chromium, cadmium, nickel, or lead	Exempt hand-held equipment. Establish low level for toxic impurities
(e)(21)	Quench tanks that are part of a heat treating operation	Require quench tanks and other related equipment to be listed in the permit description in any future permit modifications.
(g)(2)	Shredding of wood products	Remove treated woods and greenwaste from exemption
(g)(4)	Equipment for separation/segregation of plastic materials for recycling	New exemption
(h)(1)(~~D~~E), (l)(6)(~~E~~F), (l)(11)(~~E~~F)	Ultraviolet (UV) and electron beam coating and printing operations and conventional coating and printing operations.	Establish low concentration limits and total VOC emissions for UV/EB and other materials and clean-up solvents. In addition, registration under Rule 222, or submittal of annual low-VOC verification~~records already required to be kept under Rule 109~~.
(i)(8)	Coffee roasting equipment	Increase allowable size of coffee roasters
(i)(12)	Charbroilers, barbeque grills and other underfired grills	Minor clarification
(i)(13)	Equipment used to brew beer for lower production facilities	New exemption
(i)(14)	Equipment used to manufacture dehydrated meat	New exemption
(m)(9)	VOC-containing liquid storage and transfer	Clarification to prohibit circumvention of existing exemption language
(m)(24)	Storage of aqueous urea solutions*	New exemption
(n)	Natural gas and crude oil production equipment*	Require registration for certain equipment under Rule 222

Rule Citation	Source Category	Description of Amendment
(p)(4)	Surface preparation tanks	Remove tanks that emit toxics from exemption
(p)(5)	Equipment used for plating, stripping or anodizing	Remove tanks that emit toxics from exemption
(p)(10)	Paper, carpet and fabric operations	Remove recycling operations from exemption
(p)(23)	Rinse tanks, dye tanks and seal tanks that are part of a metal finishing operation.	Require rinse tanks, dye tanks and seal tanks and other related equipment to be listed in the permit description in any future permit modifications.

*Subject to registration under PAR 222

Staff also intends to revise some paragraphs of the current rule language to clarify the intent of the existing exemptions and to include minor clarifications and editorial corrections to the rule.

Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit to Operate Pursuant to Regulation II – provides a simplified filing process in lieu of permitting for certain equipment that have a low emissions profile. The proposed amendments to Rule 222 will require operators of some equipment proposed for exemption under Proposed Amended Rule 219 and some other equipment categories to file their information in the Rule 222 filing program in lieu of their written permits. While Rule 222 provides the owners/operators of certain air contaminant emitting equipment with a simplified filing process at reduced cost compared to written permits, it also provides the SCAQMD with the ability to track the operation, location of such equipment and their relative contribution to the emissions inventory; as well provide simplified operating conditions.

The proposed amendment for Rule 222 adds the following equipment categories to the Rule 222 filing program:

- Water cooling towers not used for evaporative cooling of process water or used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained, including industrial cooling towers located in a chemical plant, refinery or other industrial facility;
- Natural gas and crude oil production equipment, including: natural gas pipeline transfer pumps; and natural gas repressurizing equipment;
- Engines registered under the statewide Portable Equipment Registration Program (PERP) used in the Outer Continental Shelf (OCS); and
- Storage tanks for aqueous urea solutions

In addition to these three equipment categories, staff is also proposing to make changes to an additional four equipment categories. These categories include:

- Printing operations, coating/adhesive operations and drying equipment have the option of submitting annual low-VOC verification of records kept pursuant to Rule 109 instead of remaining in the Rule 222 registration program;
- Food Ovens, with a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fired exclusively on natural gas and where the process VOC emissions are less than one pound per day;
- Fuel cells; and
- Internal combustion engines used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel, compressed natural gas (CNG) or liquefied petroleum gas (LPG).

Additionally, staff proposes provisions that would enhance enforceability of conditions included in approval of filings and also include minor clarifications and editorial corrections to the rule.

CHAPTER 1: BACKGROUND ON PROPOSED AMENDED RULES 219 AND 222

Introduction
Regulatory History
Affected Facilities

INTRODUCTION

Rule 219 – Equipment Not Requiring A Written Permit Pursuant To Regulation II – is an administrative rule that identifies equipment, processes, and operations that emit small amounts of air contaminants that do not require written permits, except for equipment, processes and operations subject to subdivision (s) - Exceptions. In addition, an exemption from a written permit requirement provided by this rule is only applicable if the equipment, process, or operation is in compliance with subdivision (t) - Recordkeeping.

Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring A Written Permit Pursuant To Regulation II – provides an alternative to District written permits by allowing certain emission sources that meet predetermined criteria to register the emission source in the Rule 222 filing program. These emission sources, shown in Table 3-1, are the significantly smaller emitters and less complex sources. These sources do not require a written permit but are required to meet the filing requirements pursuant to the Rule 222 filing program and are subject to operating conditions. The filing of these emission sources is typically accompanied by pre-established operating conditions, which limit unnecessary or excessive air contaminants. Additionally, the benefit to the District administration is the simplicity and efficiency in processing the application for the emission sources in the Rule 222 filing program rather than as a traditional written permit, which typically includes permit pre-screening, permit analysis, and permit evaluation before the permit to construct and permit to operate can be issued. In addition, the filing of such equipment allows the District to accurately account for their emissions which is quite useful in determining the emissions inventories for the respective source categories. The benefit to the owner and operator will be the faster turnaround time for processing and the reduced cost compared to a typical written permit.

The current rule requires owners and operators of specific emission sources to submit information regarding emissions, including, but not limited to; (1) a description of the emission source; (2) data necessary to estimate emissions from the emission source; and (3) information to determine whether the emission source is operating in compliance with applicable District, state, and federal rules and regulations.

REGULATORY HISTORY

Rule 219 was adopted on January 9, 1976 and subsequently has been amended eighteen times; this proposed amendment will be the nineteenth amendment to the rule. The most recent amendment was in May 2013.

Rule 222 was adopted on September 11, 1998 and has subsequently been amended four times; this proposed amendment will be the fifth amendment to the rule. The most recent amendment was in May 2013.

AFFECTED INDUSTRIES

Rule 219 affects any industry that uses equipment, processes, or operations that produce small amounts of air contaminants by providing an exemption to written permit for such equipment. These types of equipment, processes, or operations that emit small amounts of air contaminants can be small business operations or large source operations.

Rule 222 applies to owners and operators of emission sources that meet specific criteria to qualify for the District Rule 222 filing program and any equipment that would be otherwise exempt from a written permit pursuant to Rule 219 but requires registration to ensure it ~~was determined by the Executive Officer that it could not~~ operates in compliance with applicable rules and regulations.

Table 1-1 lists the emission sources that are currently required to submit notification under the Rule 222 filing program.

TABLE 1-1 – Emission Sources Compatible with the AQMD Rule 222 Filing Program

SOURCE/EQUIPMENT	EFFECTIVE DATE
Boilers or Steam Generators & Process Heaters with a rated heat input capacity from 1,000,000 up to and including 2,000,000 Btu/hr, excluding equipment subject to Regulation XX – Regional Clean Air Incentives Market (RECLAIM)	1/1/2001
Commercial Charbroilers and associated air pollution control equipment	1/1/1999
Negative Air Machines (Asbestos)	1/1/1999
Oil Production Well Group	1/1/2004
Printing and related coating and/or laminating equipment and associated dryers and curing equipment exempt from written permit pursuant to Rule 219(h)(1)(E)	12/5/2008
Roller to roller coating systems that create 3-dimensional images exempt from written permit pursuant to Rule 219(j)(13)(C)	12/5/2008
Coating or adhesive application, or laminating equipment exempt from written permit pursuant to Rule 219(l)(6)(F)	12/5/2008
Drying equipment such as flash-off ovens, drying ovens, or curing ovens associated with coating or adhesive application, or laminating equipment exempt from written permit pursuant to Rule 219(l)(11)(F)	12/5/2008
Agricultural Diesel-Fueled Engines rated greater than 50 brake horse power used in Agricultural Operations exempt from written permit pursuant to Rule 219(q)(1) and (q)(2), and subject to CARB ATCM	12/5/2008
Equipment, processes, or operations located at a facility holding no written permit and emitting four tons or more of VOCs per year as specified in Rule 219(s)(3)	12/5/2008
Gasoline storage tanks and dispensing equipment with capacity greater than or equal to 251 gallons, and installed on or before July 7, 2006 at agricultural operations	12/5/2008
Asphalt Day Tankers, with a maximum capacity greater than 600 liters (159 gallons) but no more than 18,925 liters (5,000 gallons), equipped with a demister and burner(s) that are designed to fire exclusively on liquefied petroleum gases only.	5/3/2013

SOURCE/EQUIPMENT	EFFECTIVE DATE
Asphalt Pavement Heaters used for road maintenance and new road construction.	5/3/2013
Diesel Fueled Boilers that have a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fueled exclusively with diesel #2 fuel, and are located more than 4,000 feet above sea level or more than 15 miles offshore from the mainland and have been in operation prior to May 3, 2013.	5/3/2013
Food Ovens with a rated maximum heat input capacity of 2,000,000 Btu per hour or less are fired exclusively on natural gas and where the VOC emissions from yeast fermentation are less than one pound per day.	5/3/2013
Fuel Cells, which produce electricity in an electro-chemical reaction and use phosphoric acid, molten carbonate, proton exchange membrane or solid oxide technologies; and associated heating equipment, including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour, provided that the supplemental heat used is 90,000 therms per year or less.	5/3/2013
Internal combustion engines used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel.	5/3/2013
Micro-Turbines, with a rated maximum heat input capacity of 3,500,000 Btu per hour or less, provided that the cumulative power output of all such engines at a facility is less than two megawatts, and that the engines are certified at the time of manufacture with the state of California or were in operation prior to May 3, 2013.	5/3/2013
Storage of odorant for natural gas, propane, or oil of less than 950 liters (251 gallons) and associated transfer and control equipment.	5/3/2013
Internal combustion engines used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel.	5/3/2013
Portable Diesel Fueled Heaters, with a rated maximum heat input capacity of 250,000 Btu per hour or less and are equipped with burner(s) designed to fire exclusively on diesel #2 fuel only.	5/3/2013
Power Pressure Washers and Hot Water or Steam Washers and Cleaners, that are equipped with a heater or burner that is designed to be fired on diesel fuel, has a rated maximum heat input capacity of 550,000 Btu per hour or less, is equipped with non-resettable chronometer, and the maximum NOx emission output of the equipment is less than one pound per day and uses no more than 50 gallons of fuel per day.	5/3/2013
Tar Pots with a maximum storage capacity greater than 600 liters (159 gallons) but no more than 3,785 liters (1,000 gallons) and are equipped with burner(s) designed to fire exclusively on liquefied petroleum gases only.	5/3/2013

CHAPTER 2: SUMMARY OF PROPOSED AMENDED RULE 219

Overview: Proposed Amendments to Rule 219
Revisions to Existing Rule Language
Additional Administrative Changes
Additional Comments from Stakeholders

OVERVIEW: PROPOSED AMENDMENT TO RULE 219

Proposed Amended Rule (PAR) 219 – Equipment Not Requiring A Written Permit Pursuant To Regulation II – is an administrative rule that provides certain equipment, processes, and operations that emit small amounts of air contaminants an exemption from the District permitting requirements under Regulation II – Permits. Staff has identified sources of equipment, processes, and operations that emit small amounts of air contaminants that are proposed to be included in Rule 219 subject to specified conditions. The emissions are further limited using parameters such as maximum fuel usage or hours of operation, and maintain potential risks below one in a million. This staff proposal seeks to include the equipment, processes, or operations listed in Table 2-1 for addition or modification under this amendment:

Table 2-1 – Equipment, Processes and Operations Proposed for Addition or Modification to PAR 219

Description	Rule Citation
Engines used at remote 2-way radio transmission towers	(b)(1)
Combustion equipment	(b)(2)
Fuel cells	(b)(5)
PERP equipment	(b)(8) and (r)(1)
Sub-slab ventilation systems	(c)(11)
Cooling towers	(d)(3)
Welding, oxy/gas fuel cutting, laser etching and engraving equipment	(e)(8)
Quench tanks that are part of a heat treating operation	(e)(21)
Shredding of wood products	(g)(2)
Equipment for separation/segregation of plastic materials for recycling	(g)(4)
Ultraviolet (UV) and electron beam coating and printing operations and conventional coating and printing operations.	(h)(1)(~~D~~E), (l)(6)(~~E~~F), (l)(11)(~~E~~F)
Coffee roasting equipment	(i)(8)
Charbroilers, barbeque grills and other underfired grills	(i)(12)
Equipment used to brew beer	(i)(13)
Equipment used to manufacture dehydrated meat	(i)(14)
VOC-containing liquid storage and transfer	(m)(9)
Storage of aqueous urea solutions	(m)(24)
Natural gas and crude oil production equipment	(n)
Surface preparation tanks	(p)(4)
Equipment used for plating, stripping or anodizing	(p)(5)
Paper, carpet and fabric operations	(p)(10)

Rinse tanks, dye tanks and seal tanks that are part of a metal finishing operation.	(p)(23)
Exceptions to exemptions	(s)(4)

Additionally, the staff proposal makes minor clarifications and editorial corrections to the rule.

Engines used at remote 2-way radio transmission towers {219(b)(1)}

For this proposed amendment to PAR 219, one facility submitted an application for an engine located at a remote location that is fueled on liquefied petroleum gas (LPG). The engine is used as back-up power to the primary power for an emergency communications system. The primary power is solar panels combined with batteries. The engine runs when the solar panels and batteries cannot keep up with the power demand. Currently, only diesel fuel is allowed under this exemption. As a result of this request, staff proposes to include cleaner fuels, including compressed natural gas (CNG) and LNG as an alternative to diesel fuel for engines located at remote 2-way radio transmission towers. Emissions of NOx and particulate emissions from combustion of both LPG and CNG are lower than those from diesel combustion. Therefore, emissions from use of alternative fuels will be lower than under the current exemption. In addition, the remote location of these engines is unlikely to result in any health risk from diesel, CNG or LNG emissions of greater than one in one million.

During the research for the 2013 amendment Rule 219, staff identified 16 additional internal combustion engines that operate at 8 two-way radio transmission towers in the South Coast Air Basin. Each radio transition tower employs two of these engines and they run offset, meaning that one runs for 12 hours and shuts down while the other starts up and runs for 12 hours for an accumulated run time of 24 hours, 7 days per week, 52 weeks per year. All 16 units are solely diesel fueled and operate in remote rural areas where there are no provisions for natural gas, electricity or alternate fuels.

Staff proposes the following amended language for paragraph (b)(1):

> ". . . *or internal combustion engines, used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, with a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel, compressed natural gas (CNG) or liquefied petroleum gas (LPG).*"

Combustion equipment {219(b)(2)}

During the 2013 amendment to Rule 219, the following language was added to clarify that food ovens were exempt under paragraph (b)(2), provided they were rated under 2,000,000 Btu/hr, were fired on natural gas, and where VOC emissions from yeast fermentation are less than one pound per day:

> "This exemption does not apply whenever there are emissions other than products of combustion, unless the equipment is specifically exempt under another section of this rule, except for food ovens with a rated maximum heat input capacity of 2,000,000 Btu/hour or less, that are fired exclusively on natural gas and where the VOC emissions from yeast fermentation are less than one pound per day, . . ."

Staff is proposing to make the language of this exemption more general, to include VOC emissions from all sources, including VOC emissions from the baking process in addition to VOC emissions from yeast fermentation. Staff proposes the following amended language for paragraph (b)(2):

> *"This exemption does not apply whenever there are emissions other than products of combustion, except for food ovens with a rated maximum heat input capacity of 2,000,000 Btu/hour or less, that are fired exclusively on natural gas and where the process VOC emissions are less than one pound per day, and provided a filing pursuant to Rule 222 is submitted to the Executive Officer*."

During the 2013 amendment to Rule 219, staff identified 55 permitted food ovens and exempted them from written permit and transitioned these ovens to the more streamlined Rule 222 filing program. Food ovens that are exempt under the more generalized language will continue to be required to submit a filing under the Rule 222 filing program. As those units were no longer subject to Rule 1147 requirements at that time, staff calculated an estimate of NOx emissions forgone at 24 lb/day. Staff does not anticipate any additional cumulative emissions with this revision, since all VOC emissions are now subject to 1 lb/day limit, not just those from yeast fermentation.

Fuel cells {219(b)(5)}

Fuel cells are used in certain applications in the South Coast Air Basin to produce power from digester gas. Prior to the 2013 amendment to Rule 219, all fuel cells were exempt. Early fuel cells used an electric heater to provide heat input during startup. Subsequent to this, larger fuel cells required more heat input and used a natural gas burner to provide the necessary heat. After Rule 1147 was amended, they were fitted with low-NOx burners and were still exempt.

During the 2013 amendment to Rule 219, staff provided an exemption for 2 fuel cells that had filed for a written permit and transitioned this equipment to the more streamlined Rule 222 filing program. During that analysis, staff established an exemption for fuel cells with a supplemental heater usage rate of 90,000 therms per year or less, based on the rationale that fuel cells generate power with a much lower emissions profile than central power plants, even when emissions from the supplemental heater use are accounted for. In an effort to encourage the use of such distributed power generation equipment, staff recommended exemption of fuel cells, including their supplemental heaters, from permitting provided that the heater uses less than 90,000 therms per

year. Staff based the 90,000 therms per year on a worst case scenario where the total NOx emissions for a start-up heater was equivalent to 30 ppm, which is equivalent to 0.0363 lbs per 10^6 Btu resulting in 326.7 pounds per year of NOx emissions or less than 1 pound/day.

The intent of the exemption in 2013 was to require a Rule 222 registration for fuel cells using natural gas-fired supplemental heat, but not for fuel cells using electric heaters. However, during implementation, all fuel cells were made to submit a registration. Staff proposes the following language that would restore the original intent - i.e. ~~only natural gas fired~~ fuel cells using electric heaters are not required to be registered. In addition, staff proposes to specify that the allowable fuels for supplemental heat include natural gas, methanol, liquefied petroleum gas, or any combination thereof:

> "*Fuel cells, which produce electricity in an electro-chemical reaction and use phosphoric acid, molten carbonate, proton exchange membrane, or solid oxide technologies; and associated heating equipment, provided the heating equipment:*
>
> *(A) does not use a combustion source; or*
>
> *(B) notwithstanding paragraph (b)(2), is fueled exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof, including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour, provided that the supplemental heat used is 90,000 therms per year or less and provided a filing pursuant to Rule 222 is submitted to the Executive Officer."*

PERP equipment {219(b)(8) & (r)(1)}

The existing exemption under paragraph (b)(8) addresses engines registered under the Statewide Portable Equipment Registration Program (PERP). The existing exemption under paragraph (r)(1) addresses portable equipment registered under PERP more broadly.

The purpose of the PERP program is to *"establish a statewide program for the registration and regulation of portable engines and engine-associated equipment . . . (to) operate throughout the State of California without authorization . . . or permits from air quality management districts. These regulations preempt districts from permitting . . . portable engines . . ."*[1]

During this proposed rule amendment, staff is responding to three issues identified with PERP engines:

[1] https://www.arb.ca.gov/portable/perp/perpreg.pdf

1. Request from a stakeholder to amend paragraph (b)(8) to allow PERP-registered engines to serve as emergency units while a stationary emergency engine is being repaired or replaced;
2. Request from a stakeholder to amend paragraph (b)(8) to allow PERP-registered engines to operate on platforms located in the Outer Continental Shelf (OCS);
3. Clarification of emission calculation procedures related to the Monitoring, Recordkeeping and Reporting (MRR) protocols in Rules 2010 and 2011.

Staff recommends deferring any changes to Rule 219 to address the first issue until after CARB issues an amended Final Regulation Order for the PERP regulation, to potentially satisfy the stakeholder's request through implementation guidance rather than presumptively making changes to the exemption language in Rule 219. Staff has and will continue to monitor and coordinate with CARB on any amendments to the PERP regulation.

Staff proposes to amend the language of both paragraph (b)(8) and (r)(1): paragraph (b)(8) will refer to the broader language under paragraph (r)(1) and paragraph (r)(1) will be amended to include language formerly in paragraph (b)(8) and add language to address PERP engines operating in the OCS, and MRR protocols.

Staff proposes to allow internal combustion engines that are registered under the statewide Portable Equipment Registration Program (PERP) to be used in the Outer Continental Shelf (OCS). Offshore production platform operators occasionally require engines for a short period of time, for uses such as construction, maintenance and repair projects to power equipment such as pumps, air compressors and hot water heaters, and for well drilling and workover projects to power equipment such as power tongs, power swivels, well control equipment cement pumps and centrifugal pumps. These engines are not used for more than one year at a location.

Under the staff proposal, PAR 219 will not require a permit for engines operated in the OCS, provided the engine is a PERP registered engine and a filing under the Rule 222 registration program is submitted to provide the necessary notification to the SCAQMD of the intent to use a PERP engine in the OCS. Staff proposes the following language for paragraph (b)(8):

"Portable combustion equipment, pursuant to <u>subdivision</u>~~paragraph~~ (r)~~(1)~~."

Staff proposes the following new or amended language for paragraphs (r)(1), (r)(2) and (r)(3) - Registered Equipment and Filing Program:

(r)(1) "Any portable equipment, including any turbines qualified as military tactical support equipment under Health and Safety Code Section 41754 registered in accordance with the Statewide Portable Equipment Registration Program (PERP) adopted pursuant to California Health and Safety Code Section 41750 et seq.

(r)(2) "PERP registered engines used in the Outer Continental Shelf (OCS), provided that:

(A) notification is submitted to the Executive Officer via submittal of a filing pursuant to Rule 222;

(B) the equipment shall not reside at one location for more than 12 consecutive months; and

(C) notwithstanding the exemption applicability under Health and Safety Code §2451 of the Statewide Portable Equipment Registration Program (PERP) for engines operating in the OCS, all operators using this permit exemption shall comply with PERP and with California Air Resources Board-issued registration requirements."

(r)(3) "PERP registered equipment operated at a RECLAIM Facility, shall be classified as Major Source, Large Source or Process Units in accordance with Rule 2011 (c) and (d) for SOx emissions and Rule 2012 (c), (d) and (e) for NOx emissions for purposes of determining the applicable requirements for Monitoring, Reporting and Recordkeeping (MRR). Use of RECLAIM MRR Protocols for Rule 219 equipment as specified in Rule 2011 (Rule 2011 Protocol, Appendix A, Chapter 3, Subsection F) and Rule 2012 (Rule 2012 Protocol, Appendix A, Chapter 4, Subsection F is only allowed if the registered PERP equipment also qualifies for an exemption from permit under a separate provision of this Rule."

Sub-slab ventilation systems {219(c)(11)}

This proposed exemption represents a new category under PAR 219. The purpose of a sub slab ventilation system is to prevent radon or other vapors present in the soil below a concrete slab from migrating into the occupied space above the slab. Air pressure in the lowest level of buildings is usually lower than pressure in the soil beneath the building. Negative pressures that are induced by buildings draw both radon and other airborne soil contaminants into occupied building space where inhalation and human health risk from exposure occurs.[2] USEPA has guidance for vapor intrusion into buildings.[3,4]

An air permit is currently required for a sub-slab ventilation system. Staff identified three sub-slab ventilation systems that have been permitted; including two systems that were permitted with air pollution control equipment and one system without control equipment. Control equipment

[2] Designing Efficient Sub Slab Venting and Vapor Barrier Systems for Schools and Large Buildings, T. Hatton, 2010, Proceedings of 2010 Radon Symposium

[3] United States Environmental Protection Agency, March 2008 *Brownfields Technology Primer: Vapor Intrusion Considerations for Redevelopment,* EPA 542-R-08-001

[4] United States Environmental Protection Agency, February 2004, *User's Guide for Evaluating Subsurface Vapor Intrusion into Building*

typically consists of a canister containing carbon media. A concern after a sub-slab ventilation system may be installed to address concerns following a building usage change where prior operations may have had toxic substances; for example, where a dry cleaning operation was formerly present in a building.

From the existing permit evaluations, when the sub-slab ventilation system is equipped with a carbon adsorber, emissions of total organic compounds (TOC) were calculated to be extremely low, in the part per billion (ppb) range, In addition, the toxic risk has also been calculated to be very low (MICR $<<1x10^{-6}$).

Based on very low potential for VOC emissions and toxics risk, staff proposes to exempt sub-slab ventilation systems that meet certain criteria. These include:

1. System flow rate of less than 200 feet per minute (fpm);
2. Vacuum suction pits do not penetrate more than 18 inches under the slab;
3. Exhaust is vented to a properly sized carbon control system (or equivalent); and
4. TOC concentration at the carbon control system inlet is less than 15 parts per million by volume (ppmv), measured as hexane.

Under this proposal, sub-slab ventilation systems that meet the criterion above would be exempt from having to obtain a written permit. However, systems that are not equipped with integral control equipment, have high flow, or that do not meet the prescribed TOC concentration would continue to be required to obtain a written permit. This will enable an evaluation of the specific parameters of such systems to ensure they comply with all applicable District rules.

Staff proposes the following language for this exemption:

> "*Sub-slab Ventilation systems and associated air pollution control with an aggregate flow rate of less than 200 standard cubic feet per minute (scfm) where vacuum suction pits do not penetrate more than 18 inches below the bottom of the slab, provided the inlet total organic compounds concentration does not exceed 15 ppmv, measured as hexane, and provided the ventilations system is connected to air pollution control equipment consisting of a carbon adsorber sized to handle at least 200 scfm, or equivalent air pollution control.*"

Cooling towers {219(d)(3)}

Cooling towers at industrial facilities not used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained such as refineries or chemical plants, in addition to cooling towers that are used for heating, ventilation and air condition (HVAC) comfort cooling for buildings are currently exempted under paragraph (d)(3).

~~Proposed~~ 2016 AQMP Control Measure BCM-02 will seek reductions in PM2.5 emissions from industrial cooling towers in future years. The proposed control measure will seek to reduce PM emissions from cooling towers by requiring the use of more efficient drift eliminators that keep drift losses to less than 0.001% of the circulating water flow rate.

Drift eliminators are usually incorporated into the design of cooling towers to limit emission of drift droplets from the air stream before air exits the towers. In general, cellular drift eliminators provide the greatest effective surface area for maximum drift removal efficiency at minimum pressure drop. With proper installation, a cellular drift eliminator can keep drift losses to less than 0.001% of the recirculating water flow rate, resulting in water savings as well. In addition, cellular drift eliminators can be trimmed for a tightest fit, hence further improve the drift eliminator efficiency.

Emissions from cooling towers are required to be reported annually under the Annual Emission Reporting (AER) program. To calculate emissions, a default drift rate as a percentage of circulating water flow rate is used for each cooling tower depending on the year of manufacture. These drift rates and emission equations were developed by EPA (AP-42, Chapter 13.4) and refined by SCAQMD. Emissions are reported as total PM and conservatively assumed to be PM10. A comment received from a stakeholder proposes to consider particle size distribution for drift particles emitted from cooling towers, based on a specific method.[5] However, staff believes it is better to conduct this analysis during rule development for this source category, and instead proposes to move industrial cooling towers into the filing program under Rule 222 in order to build a current inventory of these cooling towers and collect information that will better allow emissions of PM2.5, PM10 and TSP to be calculated.

Staff proposes to continue to provide an exemption for comfort (i.e. HVAC) cooling towers under paragraph (d)(3). Staff further proposes to limit the exemption for industrial cooling towers by transitioning them into the Rule 222 filing program rather than requiring each cooling tower to obtain a written permit. Staff proposes the following amended language for paragraph (d)(3):

> "*Water cooling towers and water cooling ponds not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained, including:*
>
> *(A) Cooling towers used for comfort cooling; and*
>
> *(B) Industrial cooling towers located in a chemical plant, refinery or other industrial facility, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.*"

[5] https://www.env.nm.gov/aqb/permit/documents/PermittingGuidanceforCoolingTowerParticulateEmissions.pdf

Passive carbon adsorbers {219(d)(10)}

Passive carbon adsorbers are currently exempt provided they are not larger than 120 gallons, are not served by a mechanical ventilation system with a blower, and are used for odor control at wastewater treatment plants or sewer collection systems. Staff is proposing to expand this exemption to food waste slurry storage tanks.

This exemption was requested by a stakeholder in the PAR 219/222 rule development process. In this operation, food waste is collected from restaurants, food processing plants and grocery stores. It is screened and blended into a slurry. The slurry is then loaded into tanker trucks and delivered to a facility where it is pumped from the tanker truck into closed, sealed storage tanks, eliminating potential for odors. As new food waste slurry enters the sealed storage tanks, the displaced air is scrubbed through the passive carbon adsorbers, which act as odor control filters. The food waste slurry is then pumped from the storage tanks into a digester, where the food waste is digested to create biogas.

Under this proposal, the facilities at which passive carbon adsorbers are allowed without obtaining a written permit is expanded to include facilities or operations where food waste slurry is stored. Staff expects VOC emissions to be less than one pound per day as a result of this expansion of an existing exemption.

Staff proposes the following amended language for paragraph (d)(10):

> *"Passive carbon adsorbers, with a maximum vessel capacity of no more than 120 gallons, without mechanical ventilation, and used exclusively for odor control at wastewater treatment plants, food waste slurry storage tanks, or sewer collection systems, including sanitary sewers, manholes, and pump stations."*

Welding, oxygen gaseous fuel cutting, laser etching and engraving equipment {219(e)(8)}

Staff proposes to clarify the intent of paragraph (e)(8) by specifying that the existing exemption for welding, oxygen-gaseous fuel cutting, laser etching and engraving applies to hand-held plasma-arc cutting equipment, hand-held laser cutting equipment, but does not apply to cutting equipment as described in the exemption that are used to cut stainless steel and alloys containing chromium, cadmium, nickel or lead where these alloys contain 0.1% by weight or more of chromium, cadmium, nickel or lead. Concentrations of chromium, cadmium, nickel and lead in excess of 0.1% by weight are required to be reported on safety data sheets (SDS) that are supplied with the alloy, pursuant to the requirements of 29 CFR, §1910.1200—Health Hazard Criteria (Mandatory)[6]. It is not possible for SCAQMD staff to determine whether reportable levels of toxic metals were added at the mill for alloying purposes or are present as impurities in alloys, mild steels, and carbon

[6] https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=10100

steels. Therefore, the proposed language is intended to specify the de minimis level to align with readily accessible reporting concentration values to improve enforceability and improve clarity. Demonstration of the de minimis level of toxics concentrations may be accomplished either by Safety Data Sheet (SDS) or by a materials assay or other direct measurement of toxic metals.

Based on comments received at the Public Workshop for PARs 219 and 222, staff proposes to exclude cutting of stainless steel and alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead during maintenance and repair operations, as those activities are intermittent and the concentration of the alloy being cut may not be known. The objective is to include cutting operations that are part of a facility's regular operations as activities that require a written permit.

Staff also proposes to add hand-held plasma arc-cutting equipment and hand-held laser cutting equipment to the existing list of exempt equipment under this source category. In this context, "hand-held" describes mobile or portable equipment that may be moved around a facility, and includes equipment where the cutting head is hand-held, in addition to small, portable table-mounted cutting equipment. Hand-held equipment is not typically operated in a production environment. Particulate matter emissions from these two types of hand-held equipment are expected to be well below 1 lb/day.

During the 2013 amendment to Rule 219, staff identified 36 laser cutters, engravers and etchers and added this equipment to the exemption under paragraph (e)(8). Staff found these equipment do not process metals such as stainless steel, or alloyed materials that contain chromium, cadmium, nickel or lead; however, these metals when subjected to the intense heat of the laser can emit toxic materials. Lasers that process these type metals must go through a complete engineering evaluation before a written permit is considered.

Staff proposes the following amended language for paragraph (e)(8):

> "*Welding equipment, oxygen gaseous fuel-cutting equipment, hand-held plasma-arc cutting equipment, hand-held laser cutting equipment, laser etching or engraving equipment and associated air pollution control equipment. This exemption does not include cutting equipment described in this paragraph that is used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead, unless the equipment is used exclusively for maintenance or repair operations. In addition, this exemption does not include laser cutting, etching and engraving equipment that are rated more than 400 watts."*

Equipment that is an integral part of an operation requiring a written permit {219 (e)(21)}
Staff proposes to identify quench tanks and other associated equipment that are an integral part of an operation requiring a written permit, in order to specify that such equipment shall continue to

be exempt under paragraph (e)(12), only as long as the equipment is identified, described in detail and submitted for inclusion into the permit equipment description with any application for Permit to Construct or Permit to Operate. This includes any application for permit modification subsequent to the date in paragraph (u)(7), or sixty days after the date of rule amendment.

Staff proposes the following language for paragraph (e)(21):

> *"Notwithstanding the exemptions in paragraph (e)(12), equipment existing as of [date of adoption] that is subject to the aforementioned exemptions and that is an integral part of an operation requiring a written permit shall continue to be exempt, provided the equipment is identified, described in detail and submitted for inclusion into the permit equipment description with any associated application for Permit to Construct or Permit to Operate. Equipment described in this paragraph includes, but is not limited to quench tanks that are part of a heat treating operation."*

Shredding of wood products {219(g)(2)}

Staff proposes to clarify the exemption for wood products under paragraph (g)(2) to exclude certain operations. The purpose for this amendment is to ensure that shredding of greenwaste and painted or treated wood waste are not included as exempt operations. Shredding of greenwaste has the potential for nuisance odors and particulate matter emissions, and is currently regulated under Rule 1133.1, Chipping and Grinding Activities. The language that staff proposes to include in paragraph (g)(2) is from the definition for greenwaste in Rule 1133.1, as follows: "*any organic waste material generated from gardening, agriculture, or landscaping activities including, but not limited to, grass clippings, leaves, tree and shrub trimmings, and plant remains.*"

Painted or treated woods have the potential for toxics emissions if they are shredded. For example, wood treated for exterior exposure may contain creosote or chromated copper arsenate. In addition, construction and demolition debris from very old homes under renovation may contain lead-based paints. Shredding of these woods may release toxics emissions. Shredding of greenwaste, painted woods or woods treated for exterior exposure are operations that the District has routinely permitted.

Staff proposes the following amended language for paragraph (g)(2):

> "*Wood Products: Equipment used exclusively for shredding of wood, or the extruding, handling, or storage of wood chips, sawdust, or wood shavings and control equipment used to exclusively vent such equipment, provided the source of the wood does not include wood that is painted or treated for exterior exposure, or wood that is comingled with other construction and demolition materials. This exemption does not include internal combustion engines over 50 bhp, which are used to supply power to such equipment. In addition, this exemption does not include the shredding, extruding, handling or storage of*

any organic waste material generated from gardening, agricultural, or landscaping activities including, but not limited to, leaves, grass clippings, tree and shrub trimmings and plant remains."

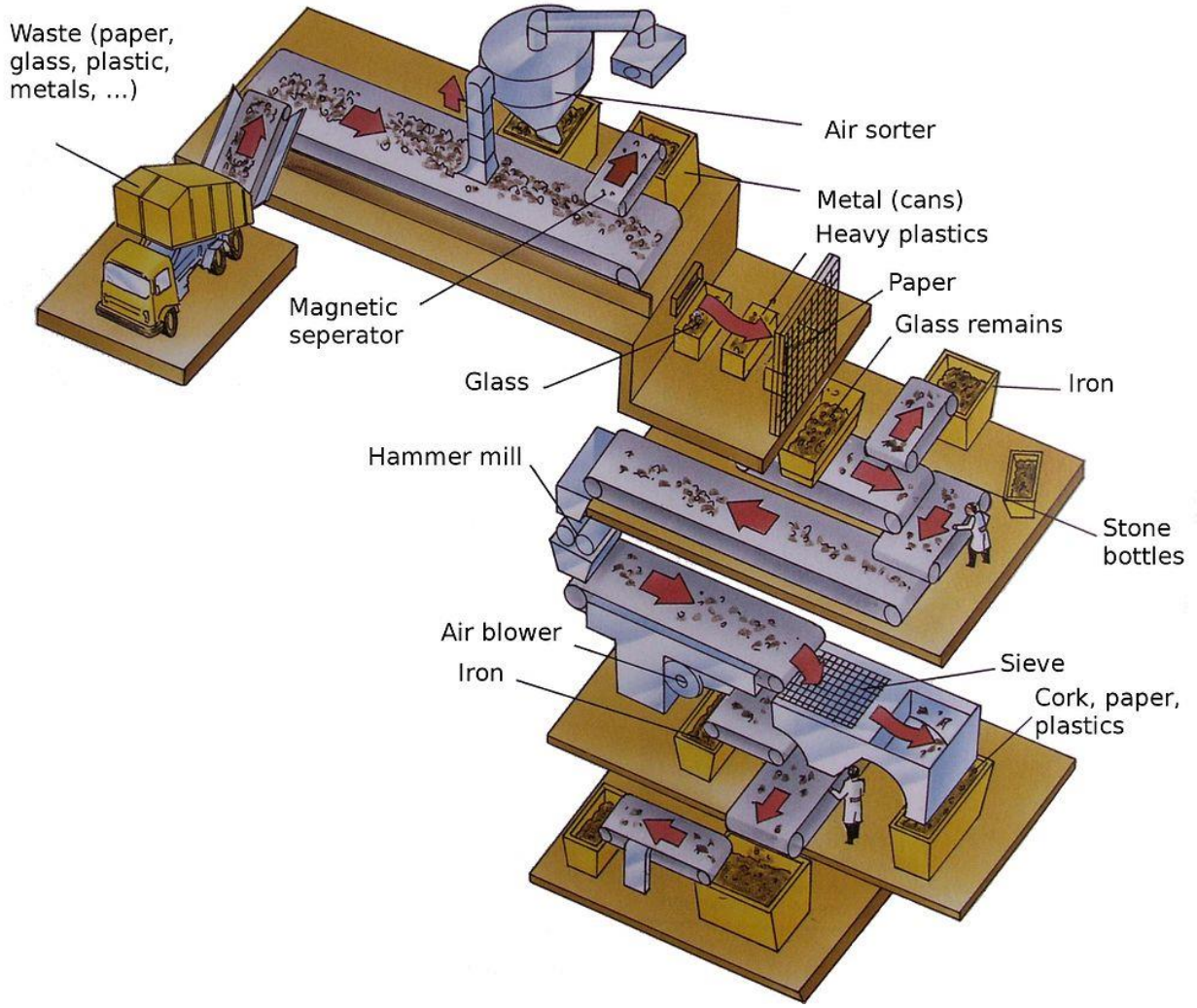
Staff does not anticipate any additional cumulative emissions with this revision.

Equipment for separation/segregation of plastic materials for recycling {219(g)(4)}

This proposed exemption represents a new exemption category for separation and segregation of plastic materials for recycling purposes. Common types of plastics intended for separation include polyethylene terephthalate (PET), high density polyethylene (HDPE), polyvinyl chloride (PVC) and polypropylene (PP) plastics. Material separation from a waste stream may be automated or manual. In addition, the increasing number of plastic resins that can potentially be marketed at high value have made direct-and-route (DAR) systems for plastics very cost-effective. In a DAR system, the properties of the material are first identified with detectors. The information from the sensors concerning the identification and location of the material is stored. Using the identification of the object, the location of the object and the speed of the conveyor, the system removes the object when it reaches an appropriate diversion point.

Types of equipment used for automated separation may consist of the following: conveyors, cyclone separators, air (pneumatic) blowers, screens, sieves, drum separators, air tables and many others. A general view of separation activities at a material recovery facility (MRF) from a co-mingled waste stream is shown in Figure 2-1 below. In general, at a MRF, plastic material is sorted to specification, then baled, shredded, crushed, compacted, or otherwise prepared for shipment to market.

Figure 2-1
Waste Stream Separation at a Material Recovery Facility



Staff believes separation and segregation activities have very limited potential for particulate matter or other criteria pollutant emissions. Staff believes there is potential for nuisance odors emitted during the sorting and segregation of plastic materials; however, these activities are currently addressed in Rule 410, Odors from Transfer Stations and Material Recovery Facilities.

Rule 410 was designed to reduce odors from facilities conducting transfer and sorting of solid waste. Transfer stations are where municipal solid waste, greenwaste, and construction and demolition materials are transferred from small vehicles such as refuse trucks to large transfer trucks for transport to landfills, recycling centers, and other disposal sites. Material recovery facilities sort and separate recyclable materials from solid waste.

During rule development, staff became aware of a facility that recycles clear plastic containers from MRFs. There were odor issues from this facility's practice of shredding and subsequent

outdoor storage of dairy containers and other containers with residual organic material outside. Therefore, the proposed exemption only allows for recycling (i.e. separating and sorting) operations where no mechanical grinding, shredding or cutting takes place.

The intent of this exemption is twofold: 1) provide an exemption for equipment used in simple separation and sorting activities; and 2) limit the exemption such that shredding of plastics is not allowed under the exemption. Shredding of plastic materials intended for recycling is an activity that requires a permit.

Staff proposes the following new language for paragraph (g)(5):

> "*Equipment used for separation or segregation of plastic materials intended for recycling, provided there is no mechanical cutting, shredding or grinding and where no odors are emitted.*"

Ultraviolet (UV) and electron beam coating and printing operations {219(h)(1)(C), (l)(6)(B) and (l)(11)(B)}

Staff has received multiple industry requests over the past several iterations of Rule 219/222 to further recognize printing and coating and adhesive application processes that are based on ultraviolet/electron-beam (UV/EB) curing. Currently, use of such technologies have been incentivized through permit exemption criteria. These criteria are given in Table 2-2:

Table 2-2 – Existing Permit Exemption Criteria for UV/EB Printing and Coating Criteria

Citation	Equipment Permit Exemption Criteria	Other Conditions (Citation)
(h)(1)(C) (l)(6)(B) (l)(11)(B)	Non-solvent-borne and non-water borne UV/EB materials and associated VOC containing solvent use $\leq$ 6 gal/day ($\leq$ 132 gal/mo); or $\leq$ 3 lb/day VOC emissions	▪ Recordkeeping per Rule 219 (t) ▪ Facility-wide < 4 tpy VOC (s)(3)
(h)(1)(E) (l)(6)(F) (l)(11)(F)	All materials $\leq$ 50 g/l VOC and clean-up solvents $\leq$ 25 g/l VOC and < 1 tpy VOC emissions	▪ Registration under Rule 222 ▪ Recordkeeping per Rule 219 (t) ▪ Facility-wide < 4 tpy VOC (s)(3)

A representative from the industry has suggested that the multiple criteria is confusing to regulated facilities and there should be additional incentive options to promote lower polluting coating and printing technologies that do not rely on the use of additional pollution control equipment or supplemental drying. In addition, this representative has further indicated that the registration component in the current exemption language serves as a deterrent to certain facility operators to elect a process conversion to UV/EB. The industry representative also requests that the emerging

technology based on the use of UV light emitted diode (LED) curing be included in any considerations.

The following exemption pathways listed in Table 2-3 are proposed to address the UV/EB/LED industry.

Table 2-3 – Proposed Permit Exemption Criteria for UV/EB Printing and Coating Criteria

Citation (New)	Proposed Equipment Permit Exemption Criteria	Proposed Other Conditions (Citation)
(h)(1)(~~D~~E) (l)(6)(~~E~~F) (l)(11)(~~E~~F)	All UV/EB/LED-cured materials and other materials ≤ 50 g/l VOC and clean-up solvents ≤ 25 g/l VOC and < 1 tpy VOC emissions	▪ Recordkeeping per Rule 219 (t) ▪ Facility-wide < 4 tpy VOC (s)(3) ▪ Registration under Rule 222, or annual submittal of low-VOC verification~~records already required to be kept under Rule 109 that demonstrate facility is using <50 g/L materials, 25 g/L cleanup solvents and meets mass emission limit of <1 ton/year VOC emissions.~~.

The proposed change is to ~~remove~~ allow either ~~the~~ registration, or allow a verification of annual records (which are already required) to be kept to be submitted to the Executive Officer ~~requirement~~, provided that VOC emissions do not exceed one ton per year and the UV/EB/LED-cured materials and associated clean-up solvents do not exceed the proposed concentration limits. This option for either registration or records submittal~~, which~~ addresses the industry's concern over use of the registration as a deterrent. The proposed change is technology-neutral; that is, it removes any reference to UV/EB/LED technology and this exemption becomes available to any low-VOC technology where a facility owner or operator can demonstrate that material concentrations are less than 50 grams per liter (g/L) of VOC, and clean-up solvents are less than 25 g/L VOC for all materials used. The owner or operator must also keep records to demonstrate that annual emissions do not exceed 1 ton per year (tpy) of VOC. Under Rule 109, the owner or operator is already required to keep these records and retain them on site. Currently, under existing Rule 219, facilities meeting concentration limits of 50 g/L for materials and 25 g/L VOC for cleanup solvents are required to register under Rule 222. However, under the staff proposal, facilities are allowed to either register and remain in the registration program, or instead opt out of the registration program and submit a verification of annual records that are already required to be kept. Facilities that elect to submit the forms in lieu of registration will submit a verification that the VOC content of all materials used for the preceding year (excluding cleanup solvents) was 50 g/L or less, the VOC content of all cleanup solvents used was 25 g/L or less, and that the total quantity of VOC emissions did not exceed one ton for the preceding year. The intent of this option

is to provide another compliance option that is less costly than registration, while allowing SCAQMD to verify compliance with the VOC concentration limits and annual 1 tpy emission limit. Staff has developed a sample form for submittal of this verification. The form is included as Appendix B: Sample Annual Record Submittal Form for Printing, Coating and Drying Equipment Pursuant to Rule 219 (h)(1)(E)(ii), (l)(6)(F)(ii) or (l)(11)(F)(ii) in Lieu of Registration.

The registration currently has an initial processing fee of $198.13 when applying for a filing and an annual operating fee of $198.13 thereafter, per Rule 301 – Permitting and Associated Fees. If a facility submits a verification of compliance, there is no fee. An annual submittal to verify compliance is required, beginning March 1, 2018 and continuing every March 1 thereafter, for the preceding calendar year.

Staff believes this approach will not only level the playing field with regard to all coating, printing and drying operations, but will also allow each facility to be identified, in order to verify compliance under the proposed exemptions.

~~Staff proposes to delete the language under subparagraphs (h)(1)(C), (l)(6)(B) and (l)(11)(B).~~ Staff ~~further~~ proposes to add the following amended language under (h)(1)(~~D~~E), (l)(6)(~~E~~F) and (l)(11)(~~E~~F) in order to extend the exemption alternative to all VOC-containing materials in the following categories:

(h)(1)(~~D~~E): *"all inks, coatings and adhesives, fountain solutions, and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:*

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit ~~in accordance with paragraph (u)(8)~~."

(l)(6)(~~E~~F): *"all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the*

total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit ~~in accordance with paragraph (u)(8).~~"

(l)(11)(~~E~~F) *"all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:*

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit ~~in accordance with paragraph (u)(8).~~"

~~Minor clarifications were made in the paragraphs and subparagraphs subsequent to (h)(1)(C), (l)(6)(B) and (l)(11)(B) to remove the usage thresholds associated with UV/EB materials and instead rely on the 3 lb/day emissions based threshold contained in (h)(1)(A), (l)(6)(A) and (l)(11)(A) as requested by industry.~~

Coffee roasting equipment {219(i)(8)}

This proposed exemption represents an increase in capacity for an exemption category under PAR 219. Currently, coffee roasting equipment is limited to 10-pound capacity per batch roasted. Small coffee roasters are commonly sold in sizes up to 15-kg capacity (33 lbs). From permits issued recently the average heat input rating for coffee roasters in that range is 102,000 Btu/hr. NOx emissions are calculated to be less than a pound per day, even assuming 24 hr/day operation. PM10 and VOC emissions are typically well under a pound per day, even uncontrolled. Coffee roasting equipment up to 15 kg/batch is not used for heavy production.

Typical usage for a small roaster is to roast a couple of batches per hour for a few hours per day. Therefore, emissions of NOx, PM10 and VOC are all expected to be well under 1 lb/day.

Currently, new and relocated roasters are subject to the requirements of Rule 1147. Each is required to be source tested to demonstrate compliance. Most small coffee roasters are operated by small businesses. The cost to source test may be a financial burden on these small businesses, for minimal reductions in NOx. For example, assuming a 24 hr/day operating schedule for the average 102,000 Btu/hr roaster burner results in only 0.3 lbs/day of NOx emissions. At the 30 ppm NOx limit, as required under Rule 1147, the maximum daily emissions are calculated to be 0.1 lbs/day. Thus the reduction in NOx for a coffee roaster subject to Rule 1147 limits compared to exempting this equipment is negligible. Staff found 10 permitted coffee roasters in the size range from 10 lbs to 15 kg (33 lbs).

Staff proposes the following amended language for paragraph (i)(8):

> *"Coffee roasting equipment with a maximum capacity of 15 kilograms or less, and control equipment used to exclusively vent the equipment."*

Charbroilers, barbeque grills and other underfired grills {219(i)(12)}

This amendment represents a clarification to an existing exemption. The existing language exempts charbroilers *"in multi-family residential units only if used by the owner or occupant of such dwelling"*. Staff proposes to make the exemption more general to include barbecue grills and other underfired grills fired on solid or gaseous fuels consistent with the intent of the current exemption. The existing language of the exemption requires that all charbroilers, barbecue grills and other underfired grills are only used for non-commercial purposes.

Staff proposes the following amended language for paragraph (i)(12):

> *"Charbroilers, barbecue grills, and other underfired grills fired on solid or gaseous fuels used for non-commercial purposes."*

Equipment used to brew beer {219(i)(13)}

This exemption represents a new exemption category under PAR 219. The production of beer is comprised of three main stages: brewhouse operations, fermentation, and packaging. VOC is emitted from all three processes although packaging (filling of bottles and kegs) represents the largest contributor. The majority of the VOC emissions from beer brewing operations are from ethanol. Analysis conducted by San Diego APCD on small breweries and reviewed by staff demonstrates that VOC emissions are very low for beer production of less than 1,000,000 gallons per year.

The brewhouse operations generally consist of the mashing, lautering, brewing, and trub separation steps. Mashing is the process where the milled malts are mixed with hot water in a mash tun to convert the grain starches to fermentable sugars. The finished desired product of mashing is a grain slurry called a mash. The mash is transferred to a lauter tun to separate insoluble grain residues or husks from the mash. The desired product without the insoluble grain residues is called the wort. The wort is transferred to a brew kettle to be boiled with hops for flavor and aroma. After the boiling kettle, the wort is transferred to a container to separate the wort from the spent hops and other insoluble material (trub). The wort is cooled and then transferred to fermenters. Yeast is introduced as the cooled wort is transferred into the unheated fermenters. Yeasts react with the sugars in the wort to produce desired ethanol. Fermentation can range from days to weeks depending on the product.

Beer is then filtered to remove any unused yeast and are ultimately transferred to bright beer tanks. The bright beer tanks are used to store the beer until it is ready to be packaged. Packaging consists of filling the beer product into kegs, bottles, or cans. Boilers ~~and silo tanks~~ are also involved in brewing operations, but these equipment are permitted separately.

Staff proposes the following new language for paragraph (i)(13):

> *"Equipment used to brew beer for human consumption at breweries that produce less than 1,000,000 gallons of beer per calendar year and associated equipment cleaning provided all equipment used in the manufacturing operation is exempt pursuant to paragraph (b)(2). This exemption does not apply to boilers ~~or silos~~."*

~~Staff is working to build an inventory of small beer manufacturers that would be subject to this exemption.~~

Equipment used to manufacture dehydrated meat {219(i)(14)}

This exemption represents a new exemption category under PAR 219. The processes involved in manufacturing of dehydrated meats represent a small source of emissions of VOC and PM. Low emissions of VOC and PM were demonstrated at two facilities that manufacture dehydrated meats: one facility makes beef and pork jerky for human consumption; the other makes jerky for pets. Source tests conducted at these two facilities demonstrate low emissions of less than 1 lb/day of both VOC and PM emissions in the dehydration process, tumblers that marinate the meat with spices, sugar and soy products and small conveyor grills that char the jerky after the dehydration oven. <u>The dehydrators operate at 180 to 185 degrees Fahrenheit; lower temperatures than typical food ovens. As the VOC emissions profile is low from the dehydration process and the dehydrators operate at low temperatures, staff does not propose to require a registration under Rule 222, as required for other food ovens. Therefore, staff</u> ~~Staff~~ proposes the following new language for paragraph (i)(14):

"Equipment used to manufacture dehydrated meat for human or pet consumption provided non-combustion VOC and PM emissions including emissions from materials used for cleaning are each one pound per day or less, and the operating temperature is less than 190 degrees Fahrenheit for dehydrating ovens, and provided such equipment is either fired exclusively on natural gas with a maximum heat input capacity of 2,000,000 Btu/hour or less, or is electric ~~is exempt pursuant to paragraph (b)(2).~~"

VOC-containing liquid storage and transfer {219(m)(9)}

The proposed amendment represents a clarification to an existing exemption for VOC-containing storage tanks. During rule development, staff became aware of a circumstance in which multiple tanks of the same VOC-containing liquid were stored on a mobile platform for a similar purpose to avoid permitting requirements. Staff proposes to re-affirm the intent of this exemption to be such that it applies only to a single tank of a VOC-containing liquid or odorant for natural gas, propane or oil. In situations where multiple tanks of the same VOC-containing liquid or odorant are mounted on a single mobile platform, and the capacity of each tank is less than 251 gallons but if the cumulative capacity is greater than 251 gallons, a permit would be required.

To prevent circumvention of the stated intent of this exemption, staff proposes the following amended language:

"*Equipment used exclusively for VOC containing liquid storage or transfer to and from such storage, of less than 950 liters (251 gallons) capacity or equipment used exclusively for the storage of odorants for natural gas, propane, or oil with a holding capacity of less than 950 liters (251 gallons) capacity and associated transfer and control equipment used exclusively for such equipment provided a filing pursuant to Rule 222 is submitted to the Executive Officer. This exemption does not include asphalt. In addition, this exemption does not apply to a group of more than one VOC-containing liquid or odorant tank where the combined storage capacity of all tanks exceeds 950 liters (251 gallons), and where the tanks are mounted on a shared mobile platform and stored at a facility.*"

Storage of aqueous urea solutions {219(m)(24)}

This proposed source category represents a new exemption category under PAR 219. During rule development, a stakeholder asked staff to consider an exemption for urea storage tanks. The requestor uses urea as a reductant for selective catalytic reduction (SCR) for engines fired on digester gas. Urea is safer to store than ammonia, but requires conversion to ammonia through thermal decomposition in order to be used as an effective reductant.[7] As stored in this application, the urea solution has a boiling point close to that of water. In addition, it has a vapor pressure of less than 1 mmHg at 20 degree C. Staff determined that for a 1,000 gal tank and limited turnovers

[7] Steam: Its Generation and Uses. Babcock & Wilcox

of the tank per day, ammonia emissions were estimated to be 0.01 lb/day. Some facilities have urea mixing tanks that blend powdered urea and water. For those situations, permit engineering staff applies a fugitive PM emission factor to the tanks for emissions during power loading. These tanks are not included under this exemption and will continue to require a written permit. Only aqueous solutions of urea where it is already mixed with water would be included under the exemption.

Due to the low potential for emissions of ammonia and PM, staff proposes to exempt urea tanks from requiring a written permit and move them to the more streamlined filing program under Rule 222. Staff proposes the following new language:

> *"Tanks for aqueous urea solutions with a capacity of 6,500 gallons or less, provided a filing pursuant to Rule 222 is submitted to the Executive Officer. This exemption does not include tanks used for blending powdered urea and water."*

Natural gas and crude oil production equipment {219(n)}

The necessity for changes to subdivision (n) arises due to the CARB Regulation Order for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities.[8] This regulation was adopted in March 2017. It addresses fugitive and vented emissions from new and existing oil and gas facilities. CARB is working with all air districts, including SCAQMD, to develop control strategies and craft ways to implement and enforce the new standards. The regulation will also address early detection and emission reductions for large natural gas leaks, such as at Aliso Canyon in 2015 and 2016.

The CARB regulation will regulate greenhouse gases, including methane from specific equipment at crude oil and natural gas facilities. Historically SCAQMD has not regulated methane, which is not considered a VOC. However, SCAQMD compliance personnel will inspect equipment addressed under the proposed regulation. As such, CARB requires that all equipment addressed by the new regulation be either permitted or registered by the local air district, or be subject to permitting by CARB. Staff believes that nearly all of this equipment is already permitted or registered under Rule 222. However, there may be limited numbers of equipment that have not been subject to either permit or registration. These include equipment exclusively handling natural gas.

Subdivision (n) currently exempts six categories of equipment. Of these six categories, one is required to submit registrations: well heads and well pumps. These are required to be registered in groups of 4 well heads or well pumps.

[8] https://www.arb.ca.gov/regact/2016/oilandgas2016/oilgasappa.pdf

Staff proposes to bring two other groups of equipment into the Rule 222 filing program, as opposed to requiring a written permit. These groups of equipment are currently exempted under paragraph (n)(2) – natural gas pipeline transfer pumps, and (n)(3) - and includes natural gas repressurizing equipment. There is additional discussion of the changes to this equipment group regarding the Rule 222 filing program in Chapter 4.

Staff proposes the following amended language to paragraphs (n)(1) through (n)(3) in subdivision (n) - Natural Gas and Crude Oil Production Equipment:

"(1) Well heads and well pumps, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

(2) Crude oil and natural gas pipeline transfer pumps, provided a filing pursuant to Rule 222 is submitted to the Executive Officer for natural gas pipeline transfer pumps.

(3) Gas, hydraulic, or pneumatic repressurizing equipment, provided a filing pursuant to Rule 222 is submitted to the Executive Officer for natural gas repressurizing equipment."

Surface preparation tanks {219(p)(4)}

The proposed amendment will limit the exemption for tanks used for surface preparation. During rule development, staff became aware that certain rinse and seal tanks used downstream of heat treating or metal melting operations may contain levels of hexavalent chromium or other toxic metals that create a toxics concern. Many of these tanks are currently exempted under the existing language of paragraph (p)(4), although they would be subject to permitting in accordance with paragraph (s)(2) if the toxic risk exceeds the applicable Rule 1401 – New Source Review of Toxics contaminant threshold.

Staff proposes to clarify the language of subparagraph (p)(4)(F) to remove the existing specific exemption for heated surface preparation tanks containing salt solutions. In addition, staff proposes to add lead to the list of toxic metals that are not allowed under the exemption. There is a concern regarding potential higher toxics emissions from heated tanks in comparison to a non-heated tank. Staff therefore proposes the following language for subparagraph (p)(4)(F):

"salt solutions, except for air-sparged, heated or rectified processes with salt solutions containing hexavalent chromium, chromates, dichromates, nickel, ~~or~~ cadmium or lead;"

In addition, staff proposes to add language to paragraph (p)(4) that clarifies that the exemption does not apply to any surface preparation tank containing chromium, or any tank containing nickel, lead or cadmium that is rectified, sparged or heated. The intent behind removing these tanks from the exemption language is that they must in the future be listed on an SCAQMD permit. For example, dichromate seal tanks at facilities that conduct heat treating operations that may not

currently be permitted must now be listed on an SCAQMD permit under this proposal. Staff therefore proposes the following amended language to paragraph (p)(4):

"Equipment used exclusively for surface preparation, including but not limited to paint stripping, pickling, desmutting, de-scaling, passivation, and/or deoxidation, and any water and associated rinse tanks and waste storage tanks exclusively to store the solutions drained from the equipment, that exclusively uses any one or combination of the materials in subparagraphs (p)(4)(A) through (p)(4)(H). This exemption does not include any tank that contains chromium, or contains nickel, lead or cadmium and is rectified, sparged or heated.

Equipment used for plating, stripping or anodizing of metals {219(p)(5)}

The proposed amendment will limit the exemption for equipment used for plating, stripping or anodizing of metals, for the same concerns regarding potential emissions of toxics metals that are expressed in the discussion of surface preparation tanks under paragraph (p)(4). Staff proposes to remove the existing specific exemption for electrolytic plating of lead under subparagraph (p)(5)(A) due to the concern for lead emissions from the electrolytic plating process. When lead was originally included under this exemption, the rationale was that electrolytic lead plating was a very efficient process. However, during rulemaking staff learned of a recent concern regarding potentially high lead emissions from electrolytic plating. Therefore, staff proposes the following language for subparagraph (p)(5)(A):

"electrolytic plating of exclusively brass, bronze, copper, iron, tin, ~~lead~~ zinc, and precious metals;"

In addition, staff proposes to add language to paragraph (p)(4) that clarifies that the exemption does not apply to any tank used for plating, stripping or anodizing that contains chromium, or any tank containing nickel, lead or cadmium that is rectified, sparged or heated. The intent behind removing these tanks from the exemption language is that they must in the future be listed on an SCAQMD permit. Staff therefore proposes the following amended language for paragraph (p)(5):

"Equipment used exclusively for the plating, stripping, or anodizing of metals as described in subparagraphs (p)(5)(A) through (p)(5)(G). This exemption does not include any tank that contains chromium, or contains nickel, lead or cadmium and is rectified, sparged or heated."

Paper, carpet and fabric operations {219(p)(10)}

The proposed amendment includes two new operations as exempt: fabric brushing and fabric sueding. Both operations are performed on cotton and cotton/poly fabrics. These operations are mechanical finishing processes in which a fabric is abraded on one or both sides to raise or create a fibrous surface. This fibrous surface improves the fabric appearance, gives the fabric a softer, fuller hand, and can mask fabric construction and subdue coloration. These improved aesthetics can increase the value of a fabric in the marketplace. Sueded fabrics develop a very low pile and

the material surface can be made to feel like suede leather.[9] The material by-products from fabric brushing and sueding operations are larger than PM_{10} and therefore, is not considered dust. Staff has identified one facility that performs fabric brushing and sueding operations.

Staff identified a single facility that conducts brushing and sueding operations and proposes the following amended language for paragraph (p)(10):

> *"Paper shredding and carpet and paper shearing, fabric brushing and sueding as well as associated conveying systems, baling equipment, and control equipment venting such equipment. This exemption does not include carpet and fabric recycling operations."*

Equipment that is an integral part of an operation requiring a written permit {219 (p)(23)}

Staff proposes to identify rinse tanks, dye tanks and seal tanks and other associated equipment that are an integral part of an operation requiring a written permit, in order to specify that such equipment shall continue to be exempt under paragraphs (p)(4) and (p)(5), and other exemptions in subdivision (p), as appropriate, only as long as the equipment is identified, described in detail and submitted for inclusion into the permit equipment description with any associated application for Permit to Construct or Permit to Operate. This includes any application for permit modification subsequent to the date in paragraph (u)(7), or sixty days after the date of rule amendment.

Staff proposes the following language for paragraph (p)(23):

> *"Notwithstanding the exemptions in this subdivision, equipment existing as of [date of adoption] that is subject to the aforementioned exemptions and that is an integral part of an operation requiring a written permit shall continue to be exempt, provided the equipment is identified, described in detail and submitted for inclusion into the permit equipment description with any application for Permit to Construct or Permit to Operate. Equipment described in this paragraph includes, but is not limited to, rinse tanks, dye tanks and seal tanks that are part of a metal finishing operation, including but not limited to plating, anodizing and surface preparation."*

Exceptions to exemption {219(s)(4) }

New paragraph (s)(4) represents a new category for exceptions to exemptions under PAR 219. The basis of the proposed change is that certain equipment may in the future become subject to additional requirement under Regulation XIV – Toxics and Other Non-criteria Pollutants. For example, certain grinding equipment at forging facilities may be subject to source specific requirements under ~~Proposed~~ Rule ~~(PR)~~ 1430 - Control of Emissions from Grinding Operations at

[9] http://textilelearner.blogspot.com/2013/01/sueding-machine-specification-of.html

Metal Forging Facilities, including additional control measures, pollution control devices or permitting. ~~PR 1430 is currently scheduled to be heard by the SCAQMD Governing Board in 2017.~~ Under the proposed language in PAR 219(s)(4), ~~if PR 1430 is adopted,~~ any grinding equipment that is currently exempted under Rule 219 paragraph (g)(1) will need to be revisited with respect to any requirements to obtain a written permit after the effective date in Rule 1430.

Staff proposes the following amended language for paragraph (s)(4):

> *"Equipment or control equipment subject to permitting requirements pursuant to Regulation XIV - Toxics and Other Non-criteria Pollutants."*

Compliance dates {219(u)(7) ~~and (u)(8)~~}

Staff is proposing a ~~two~~ new compliance date~~s~~ for submittal of information. Under paragraph (u)(7), 60 days after amendment of Proposed Amended Rule 219, the owner or operator of any quench tank currently exempt under paragraph (e)(12), or any rinse tank, dye tank or seal tank currently exempt under paragraphs (p)(4) or (p)(5) that are an integral part of an operation requiring a written permit, are required to be identified, described in detail and submitted for inclusion into the permit equipment description with any application for Permit to Construct or Permit to Operate. It is the intent of paragraph (u)(7) that such equipment will continue to be exempt under paragraphs (e)(12), (p)(4) and (p)(5) as long as the equipment is listed on an associated permit. It is also the intent that the exempt equipment will not be evaluated for compliance with New Source Review under SCAQMD Regulation XIII, or compliance with Rule 1401, New Source Review of Toxic Air Contaminants, or compliance with Rule 1147 - Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters, unless staff determines that the equipment is not exempt pursuant to paragraph (e)(12), (p)(4) or (p)(5).

Staff proposes the following new language for paragraph (u)(7):

> *"Notwithstanding paragraph (u)(1), effective [sixty days after date of amendment], an owner/operator submitting an application for Permit to Construct or Permit to Operate pursuant to Rules 201 or 203 shall comply with paragraphs (e)(21) and (p)(23)."*

~~The second compliance date proposed for inclusion into Rule 219 under paragraph (u)(8) requires submittal of records to the Executive Officer for all facilities choosing to comply with the VOC exemption limits in paragraphs (h)(1)(D), (l)(6)(E), and (l)(11)(E). Operators using UV/EB materials or other low-VOC materials with a VOC content of fifty (50) grams or less of VOC per liter of material are currently required to register under Rule 222. The registration has an initial processing fee of $198.13 when applying for a filing and an annual operating fee of $198.13 thereafter. If a facility submits records under Rule 109, as described in the following paragraphs, there is no fee, in contrast to registration.~~

~~UV/EB materials include inks, coatings and adhesives, fountain solutions, and associated VOC containing solvents under paragraph (h)(1)(D), coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents under paragraphs (l)(6)(E) and (l)(11)(E). In addition, under these paragraphs, operators would be limited to cleanup solvents containing twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions cannot exceed one ton per calendar year.~~

~~Under the staff proposal, operators will have the option of either submitting a filing to the Executive Officer pursuant to Rule 222, or submitting records of material concentrations to the Executive Officer that are already required and are maintained onsite pursuant to Rule 109 to demonstrate that only compliant materials were used and facility emissions from coating, printing and drying operations are less than one ton per year of VOC. Documentation through either Rule 222 registration, or submitting Rule 109 records will provide necessary information to the SCAQMD staff to identify facilities that are using this provision and to verify compliance.~~

~~Staff proposes the following new language for paragraph (u)(8):~~

> ~~*"Effective March 1, 2018 and every March 1 thereafter, the owner or operator of equipment exempt pursuant to subparagraphs (h)(1)(D), (l)(6)(E), or (l)(11)(E) shall submit records kept in accordance with subdivision (t) in a format approved by the Executive Officer for the preceding calendar year to demonstrate compliance with material and cleanup solvent VOC content limits and the annual mass VOC emission limit.*~~

REVISIONS TO EXISTING RULE LANGUAGE

Staff is proposing several revisions to the current rule language in Rule 219 for purposes of clarifying the intent of the existing rule language.

~~Revisions to paragraph {219(c)(5)}~~

~~Staff proposes to revise the language in Rule 219 paragraph (c)(5) to clarify that the exemption for equipment used in a dwelling does not include non-emergency internal combustion engines that provide prime power to a structure. During rule development, staff became aware of a situation where an internal combustion engine was being used to provide prime power in a residence without having obtained a written permit. The application in this case is to provide power for an elevator in a private residence. Staff proposes to clarify the existing exemption language such that it does not apply to non-emergency internal combustion engines that provide prime power to a structure, because of the higher emissions potential and nuisance potential from such applications. The revised language follows: "*Equipment utilized exclusively in connection with any structure which is designed for and used exclusively as a dwelling for not more than four families, and where such equipment is used by the owner or occupant of such a dwelling. This exemption does not include*~~

~~*non-emergency internal combustion engines used to provide prime power for the structure."* Staff does not anticipate any additional cumulative emissions with this revision.~~

Revisions to paragraph {219(e)(12)

Staff proposes to revise the language in Rule 219 paragraph (e)(12) to state specifically that heat treatment equipment includes water quench tanks associated with the heat treatment process, in order to identify the equipment that is an integral part of an operation requiring a written permit that must be identified pursuant to paragraph (e)(21) in an application for future Permits to Construct and Permits to Operate after amendment of PAR 219. Water quench tanks are currently exempt under the existing language. The proposed change clarifies this exemption. The revised language follows: "*Heat treatment equipment and associated water quench tanks used exclusively for heat treating glass or metals (provided no volatile organic compound materials are present), or equipment used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing or diffusion treating of metal objects, provided any combustion equipment involved is exempt pursuant to paragraph (b)(2)."*

Revisions to paragraph {219(e)(14)}

Staff proposes to revise the language in Rule 219 paragraph (e)(14) to clarify that control equipment for solid material cleaning and deburring activities are included in this exemption. The revised rule language is as follows: *"Tumblers used for the cleaning or deburring of solid materials, and associated air pollution control equipment."* Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(i)(3)}

Staff proposes to revise the language in Rule 219 paragraph (i)(3) to clarify that that confection cookers are exempt from a written permit only if they are also compliant with the requirements of paragraph (b)(2). This means the confection cooker must have a rated maximum heat input capacity of 2,000,000 Btu per hour (gross) or less and be equipped to be heated exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof. The revised rule language is as follows: *"Confection cookers where products are edible and intended for human consumption, provided such equipment is exempt pursuant to (b)(2)."* Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(j)(4)}

Staff proposes to revise the language in Rule 219 paragraph (j)(4) to clarify that recycling of polystyrene is not included under the exemption for equipment used to soften or anneal plastics. This language is necessary to address potential toxics (styrene) emissions during recycling operations. The revised rule language is as follows: "*Equipment used exclusively for softening or annealing plastics, provided such equipment is exempt pursuant to paragraph (b)(2). This exemption does not include equipment used for recycling of expanded polystyrene.*" Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(j)(6)}

Staff proposes to revise the language in Rule 219 paragraph (j)(6) to make it more readable and understandable. The revised rule language is as follows: "*Injection or blow molding equipment for rubber or plastics where no blowing agent is used, or where only compressed air, water or carbon dioxide is used as a blowing agent, and control equipment used to exclusively vent such equipment.*" Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(l)(9)}

Staff proposes to revise the language in Rule 219 paragraph (l)(9) to clarify that the exemption for portable coating equipment and pavement stripers was meant to only include operations conducted at ambient temperature. If supplemental heat is added during the process, the operation must obtain a written permit. The revised rule language is as follows: *"Portable coating equipment and pavement stripers used exclusively for the application of architectural coatings, , and associated internal combustion engines provided such equipment is exempt pursuant to subdivision (a) or paragraph (b)(1) and provided no supplemental heat is added during pavement striping operations."* Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(o)(3)}

Staff proposes to revise the language in Rule 219 paragraph (o)(3) to clarify that the exemption for cleaning equipment using materials with a VOC content of 25 g/l or less (and associated dryers serving these cleaners) does not include equipment used for cleaning of diesel particulate filters (DPF) which are subject to permitting requirements due to increased toxicity. The revised rule language is as follows: *"Cleaning equipment using materials with a VOC content of twenty-five (25) grams of VOC per liter of material, or less, and associated dryers exclusively serving these cleaners, provided such equipment is also exempt pursuant to paragraph (b)(2). This exemption does not include equipment used for cleaning of diesel particulate filters (DPF) or associated control equipment used to vent such equipment."* Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(p)(11)}

Staff proposes to revise the language in Rule 219 paragraph (p)(11) to clarify that the exemption for chemical vapor-type sterilization equipment does not include equipment used for incineration to avoid any mischaracterization of the chemical vapor sterilization process. The revised rule language is as follows: *"Chemical vapor type sterilization equipment where no Ethylene Oxide is used, and with a chamber volume of two (2) cubic feet or less used by healthcare facilities and control equipment exclusively venting the equipment. This exemption does not include equipment used for incineration."* Staff does not anticipate any additional cumulative emissions with this revision.

Revisions to paragraph {219(q)(2)}

Staff proposes to revise the language in Rule 219 (q)(2) to reflect the November 4, 2016 amendment to Rule 1302 – Definitions, wherein the major source threshold for SOx was revised to 70 tons per year from 100 tons per year as a result of the recent reclassification in PM2.5 attainment status to "serious" nonattaiment from "moderate". The SOx major source threshold was changed because it is a pre-cursor for PM2.5. In addition, under Senate Bill 700, air districts in California are restricted from requiring permits for agricultural sources with actual emissions less than "one half of any applicable emissions threshold for a major source. As such, the permit exemption threshold in Rule 219 is proposed to be changed for SOx from 50 tons per year to 35 tons per year to reflect the change in the associated major source threshold.

Revisions to paragraph {219(s)(2)}

Staff proposes to revise the language in Rule 219 paragraph (s)(2) to explicitly state that the exception applies to non-compliance with Rule 402 – Nuisance, in addition to non-compliance with all other SCAQMD rules. In addition, staff is proposing to separate the language of this paragraph into two subparagraphs to make it easier to read and understand. The revised rule language describing equipment no longer exempt, is as follows:

"Equipment when the Executive Officer has determined that:

(A) the risk will be greater than identified in subparagraph (d)(1)(A), or paragraphs (d)(2) or (d)(3) in Rule 1401 – New Source Review of Toxic Air Contaminants; or,

(B) the equipment may not operate in compliance with all applicable District Rules and Regulations, including but not limited to SCAQMD Rule 402 – Nuisance."

ADDITIONAL ADMINISTRATIVE CHANGES

Additionally, staff intends to make minor revisions to the current rule language, including editorial corrections and clarifications.

ADDITIONAL COMMENTS BY STAKEHOLDERS

Staff convened a working group of interested parties for PAR219/222 and has held two meetings to solicit input and inform the group of ongoing efforts to amend this rule. These meetings were held on August 2 and November 10, 2016. At the first working group meeting, staff requested written comments from the stakeholders, to be accompanied by the commenter's assessment of the number of facilities that may take advantage of the exemption and number of equipment affected by the exemption. Comments on sixteen items were received by staff, nearly all without additional information on facilities and equipment counts required for analysis. A summary of these comments is presented in Table 2-4 below, along with a brief discussion and the current disposition of the requested change.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Cooling Towers	Consider particle size distribution of drift particles from cooling towers (AP-42 assumes all TDS emitted as PM_{10}). Follow New Mexico Environmental Dept approach.	Emissions from cooling towers are dependent on particle size distribution. AP-42 assumes all dissolved solids (TDS) in the cooling tower circulation water are emitted as PM10. This assumption overestimates PM10 as it does not account for droplet size. Commenter references a Technical Memorandum from the New Mexico Environmental Department that addresses particle size and establishes emission factors for drift droplet diameter for various concentrations of TDS in the cooling tower circulating water from 1000 ppm to 12,000 ppm.	Did not incorporate recommendation to allow speciation of PM10. Instead, require industrial cooling towers to register under Rule 222, but not comfort cooling towers. Emission calculations, including any speciation of droplet size will be left to future rulemaking under the 2016 AQMP.
Cooling Towers	PAR 222 registration for cooling towers should follow format in R1415 where similar equipment is listed on 1 registration form with 1 registration fee for all cooling towers at a facility.	Rule 1415 requires a Registration Plan to be submitted every 2 years with facility and equipment-specific information (# of air conditioners, mfg name, model, serial number, and refrigerant)	Propose to Incorporate suggestion for a single registration. Registration fee to be based on the number of cooling towers.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Bench Scale	Remove "bench scale" from exemption. Provide an emission limit-based exemption instead. Precedent in SJVAPCD Rule 2020 Section 6.18	SJVAPCD Rule 2020 6.18 exempts *"Laboratory testing equipment and quality control testing equipment used exclusively for chemical and physical analysis, provided: 6.18.1 Emissions from such equipment do not exceed 2.0 pounds per day or 75 pounds per year, and 6.18.2 The equipment is not a HAP source."*	Did not incorporate proposal. A bench scale standard is readily enforceable in the field. However, using an emission limit based exemption may require extensive recordkeeping, especially for industries such as the commenter, where usage and waste records must be kept for a large number of sources.
Aqueous Ammonia	Add a new exemption to subdivision (m) with the following language: *"Equipment used for the storage and transfer of aqueous ammonia less than 20%, and associated control equipment"*	Commenter's ammonia tanks are vented to absorber tanks containing water. Absorber tank water is monitored for oversaturation and ammonia removal efficiency. Tanks also have a PRV to guard against over-pressurization. During filling operations, a vapor return line returns vapors to the vendor truck. OSHA PEL for ammonia is 50 ppm (8-hr); NIOSH REL is 25 ppm (10-hr).	Did not incorporate due to toxicity of aqueous ammonia. It is regulated as a toxic, even at 20% solution.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Chlorine Storage	Exclude chlorine from exemption under (m)(2)(D). Chlorine operations are already strictly regulated by other regulating entities, including the Occupational Safety and Health Administration (OSHA) and Cal/OSHA, United States Environmental Protection Agency (USEPA), California Office of Emergency Services (Cal OES), Local Certified Unified Program Agencies (CUPAs), and the Department of Transportation (DOT).	Basis for proposing this amendment was for CEQA purposes, to be notified of a project even if SCAQMD is not the lead agency. Staff had formerly proposed prior to the first working group meeting to clarify that the existing exemption under clause (m)(2)(D) does not apply to storage and dispensing of products that contain any substance listed in form 400-CEQA, Table 1. Chlorine storage of more than 100 lbs is one such product.	Removed the proposed language under (m)(2)(D). Staff is comfortable with the CEQA protections afforded through the current permit process and other agency jurisdictions.
PERP Engines	Allow use of PERP engines as back up when permanent back-up emergency generator is offline for maintenance or when a new emergency generator is being commissioned.	Historically, PERP engines have not been allowed for this purpose. In addition, PERP guidance document allows local Districts to be more strict.	Did not incorporate request. This is an implementation issue and should be addressed either through the PERP regulation or through a compliance/guidance document by CARB or by SCAQMD Compliance and Enforcement Division.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Floating Roof Tanks	Provide a new exemption for vapor socks on floating roof tanks, in lieu of guidepole floats on slotted guidepoles. Suggested language 219(c)(11) *"Replacement of a slotted guidepole float with a vapor sock on floating roof tanks."* Exemption change would allow radar gauging to be better able to measure liquid level in the tank. This will benefit up to 200 tanks at a number of the commenter's locations - other facilities may take advantage of such an exemption as well.	This change would allow replacement of guide floats with vapor socks without submitting an application for permit modification. Commenter cites tank seal replacement as precedent for this request. Tanks subject to Rule 1178 have more stringent requirements than tanks subject to Rule 463. Storage Tank Emission Reduction Partnership Program (STERRP) agreement seems to indicate equivalency between guidepole floats and vapor socks.	Did not incorporate proposal. Allowing such a change without submitting an application for permit modification would mean the permit would not accurately reflect the physical conditions of the tank and would not allow SCAQMD to conduct an appropriate BACT analysis.
PERP Engines	Expand (b)(8) to include engines operating in the Outer Continental Shelf. Exemption was previously submitted and denied for 2013 amendment. Language proposed to be added to (b)(8) *". . . . Including the use of such engines at locations where PERP registrations are otherwise not valid (e.g., within the Outer Continental Shelf) as long as the engines are operated in compliance with all other conditions in the current PERP registrations."* Commenter claims they are at a competitive disadvantage with respect to onshore operators.	Comments and responses from 2013 amendment summarized below: Comment #1 - Include requested language (same as language currently requested). Response #1 - PERP registrations specifically excluded from eligibility include *"any [portable] engine or equipment unit operating within the boundaries of the OCS"* [PERP §2451 (c)(5)] No PERP conditions exist for the requested use of the engine. Since portable engines are not eligible for operation within OCS, they are subject to AQMD permitting. Comment #2 - Is the exemption for PERP engines valid in the OCS? Response #2 - If a specific condition of a PERP registration precludes a particular use, that use is automatically subject to permitting.	Incorporated proposal, provided a Rule 222 registration is filed, which serves as notification to the EO that a PERP engine will be used, and the operator complies with the PERP program and with all CARB-issued registration requirements. Under the PERP program and under the staff proposal, engines are not allowed to be used for more than 12 months at a location.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
UV/EB/LED Materials	Include the following language in subdivisions (h) and (l): *"UV/EB/LED materials containing fifty (50) grams of VOC per liter of material, and using exclusively cleanup solvents containing fifty (50) grams of VOC per liter or less."*	Previous discussion focused on 25 g/l for both UV/EB/LED materials and cleanup solvents. Commenter is requesting reinstatement of an exemption from 2006.	Did not incorporate proposal, but staff proposal is to amend subdivisions (h) and (l) to allow a similar exemption for UV/EB/LED materials at 50 g/l and cleanup solvents at 25 g/l, provided VOC emissions are less than 1 ton/year. Staff proposal allows registration or submittal of records that are already maintained on site, in lieu of registration.
Chlorine Storage	Commenter has concerns with excluding chlorine gas from exemption (due to being listed on 400 CEQA, Table 1. Chlorine is already highly regulated under the California Accidental Release Prevention (CalARP) program	Similar issue as raised by another commenter. See discussion above.	See discussion above.
Decarbonators for Advanced Water Treatment	Include a new exemption in subdivision (p) for decarbonators that reduce carbonate in water supplied to a reverse osmosis system. Proposed language: *"Equipment adjusting treated effluent pH using a forced air draft decarbonator installed as part of an advanced wastewater treatment facility using reverse osmosis or similar processes at an existing permitted municipal wastewater treatment plant immediately prior to beneficial reuse."*	Commenter is adding this system to their Valencia plant for tertiary wastewater treatment and was asked to submit an application for permit modification. Another facility has a similar system, and source test determined very low VOC emissions (<< 1 lb/day, but above 0) and no toxics.	Did not incorporate proposal. R1301(b)(1) applies to new and existing sources that cause *". . . issuance of any . . . air contaminant . . ."*

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Control Enclosures	Amend exemption to allow greater than 27 cubic feet, provided a Rule 222 filing is submitted. Proposed language: *"Control enclosures with an internal volume of 27 cubic feet or less, provided that aerosol cans, air brushes, or hand applications are used exclusively. Under this exemption control enclosures with an internal volume greater than 27 cubic feet are also exempted provided that aerosol cans, air brushes, or hand applications are used exclusively and a filing pursuant to Rule 222 is submitted to the Executive Officer."*	Commenter paints large articles (character heads, carrousel horses) that cannot fit into a 27 cubic feet desk-top booth but the artists only paint them via air brushes or hand application (currently allowed under the exemption).	Did not incorporate suggestion. The original intent of this exemption (added in July 2003) was simply to provide a way to hobbyists to spray paint, not commercial operations.
Cooling Towers	Revisit PM calculation methodology for HVAC cooling towers	Establish a flow rate equivalent to 1 lb/day of PM emissions and require facilities with emissions above that threshold to file for registration. Intent of registration will be to establish an inventory of cooling towers with associated flow rates that potentially have PM emissions above that threshold for a subsequent rule development. Rule development will examine whether to require high efficiency drift eliminators on older cooling towers, in order to incorporate proposed 2016 AQMP control measure BCM-02.	Did not incorporate recommendation to establish a flow rate equivalent for 1 lb/day for PM emissions. Instead, only requiring industrial cooling towers to register under Rule 222, but not comfort cooling towers. Emission calculations, including any speciation of droplet size will be left to future rulemaking.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
PERP Engines	Modify (b)(8) - PERP engines so it points to (r)(1) - all PERP equipment. Add language to (r)(1)to ensure that RECLAIM facilities include PERP equipment when determining the appropriate requirements for monitoring, reporting and recordkeeping (MRR) protocols under Rules 2011 and 2012.	Administrative modification.	Incorporated proposal.
Oil and Gas Wells	Allow all oil and gas wells to be registered in PAR 222 under one filing.	Commenter proposed this at the first working group meeting.	Propose to incorporate suggestion. Require API number of each active and inactive well in the oil field to be submitted in registration. Require annual re-registration. Base registration fee only on active wells.
Food Ovens	Remove daily VOC limit of 1 lb/day - replace with annual limit, or rolling limit (rolling 12 months or 30-day average).	Small ovens are often operated intermittently and strictly enforcing an absolute 1 lb/day limit could force small ovens into expensive retrofits or controls.	Did not incorporate proposal. Regulation XIII currently does not provide the leeway for an averaging scenario.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Gaseous and Liquid Fuel Fired Combustion Equipment	Expand the list of equipment proposed for inclusion in the Rule 222 filing program to include gaseous and liquid fuel fired combustion equipment, as defined in Rule 1147, with individual fuel usage profiles of one pound or less of NOx emissions per day. Examples of these are spray booth heaters, dryers, and ovens, and heaters and dryers on printing presses.	Heaters, dryers and ovens are integral to many spray booths – they are not separate from the spray booth. Permitting of the entire spray booth, including combustion equipment is necessary in order for permitting staff to make a determination regarding the complete emissions profile from spray booths, for VOC, PM and potentially toxics emissions from the coatings sprayed, as well as NOx from any combustion equipment. In addition, staff evaluates spray booths for potential nuisance impacts under Rule 402. The Technology Assessment conducted by staff under Rule 1147, and verified by an independent third party, did not establish a definitive level at which all heaters, dryers and ovens used on either printing presses or spray booths will be less than 1 lb/day of NOx; rather, it depends on the heat input, operating schedule and age of the heater, dryer or oven. Also, the current proposal for Rule 1147 does not require small, low emitting units to retrofit with a compliant unit; it only requires these units to meet the appropriate Rule 1147 emission limit when they are subject to a combustion modification that changes the heat rating or are replaced or rebuilt.	Did not incorporate proposal.
Asphalt Distributor Truck	Include the diesel burner used to heat the asphalt emulsion applied by an asphalt tanker truck in the Rule 222 registration program.	Truck does not meet exemption criteria for an asphalt day tanker under (m)(23) because it has a diesel burner and the truck is used to apply asphalt. Permit condition requires compliance with Rule 1147 limit by July 2018. However, since this unit emits less than 1 lb/day of NOx, Rule 1147(c)(6)(B) allows deferment of compliance for an additional 5 years, to July 2023. Under a separate staff proposal for PAR1147, this burner would have until 2038 to comply with the NOx concentration limit.	Did not incorporate proposal.

CHAPTER 3: SUMMARY OF PROPOSED AMENDED RULE 222

Overview: Proposed Amendment To Rule 222
Industrial Cooling Towers
Natural Gas and Crude Oil Production Equipment
    Well Heads and Well Pumps
    Natural Gas Pipeline Transfer Pumps
    Natural Gas Repressurizing Equipment
Storage Tanks for Aqueous Urea Solutions
ICEs used at remote Two-Way Radio Transmission Towers
Food Ovens
Fuel Cells

OVERVIEW: PROPOSED AMENDMENT TO RULE 222

The purpose of this amendment is to require specific emission sources that currently have written District permits to instead file their information for such equipment under the Rule 222 filing program. The Rule 222 filing program is designed for small emitting exempt emission sources under Rule 219 that can operate in compliance through standard conditions as determined by the Executive Officer. Based on evaluation of their emission characteristics, staff proposes to add the following equipment categories to the SCAQMD Rule 222 filing program:

- Water cooling towers not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained, including industrial cooling towers located in a chemical plant, refinery or other industrial facility;
- Natural gas and crude oil production equipment, including: natural gas pipeline transfer pumps; and natural gas, repressurizing equipment. Well heads and well pumps are currently required to be registered. Natural gas pipeline transfer pumps and natural gas repressurizing equipment is not currently required to be registered, but are required to be registered under the staff proposal;
- Storage tanks for aqueous urea solutions; and
- Engines registered under the statewide Portable Equipment Registration Program (PERP) used in the Outer Continental Shelf (OCS).

In addition to these four equipment categories, staff is also proposing to make changes to an additional six equipment categories. These categories include:

- Printing and related coating and/or laminating equipment and associated dryers and curing equipment exempt from a written permit pursuant to Rule 219 (h)(1)(~~D~~E), unless an annual low-VOC verification~~annual records are~~ is submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~(h)(1)(E)(ii). This equipment is currently required to be registered under the VOC emission limitations of paragraph (h)(1)(~~D~~E). However, under the staff proposal, facility operators will have the option of submitting ~~records~~ an annual low-VOC verification to the Executive Officer ~~to demonstrate compliance with the emission limitations~~ in lieu of registration.
- Coating or adhesive application, or laminating equipment exempt from a written permit pursuant to Rule 219 (l)(6)(~~E~~F), unless an annual low-VOC verification ~~annual records are~~ is submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~(l)(6)(F)(ii). This equipment is currently required to be registered under the VOC emission limitations of paragraph (l)(6)(~~E~~F). However, under the staff proposal, facility operators will have the option of submitting an annual low-VOC verification ~~records~~ to the Executive Officer ~~to demonstrate compliance with the emission limitations~~ in lieu of registration.
- Drying equipment such as flash-off ovens, drying ovens, or curing ovens associated with coating or adhesive application, or laminating equipment exempt from a written permit pursuant to Rule 219 (l)(11)(~~E~~F), unless an annual low-VOC verification ~~annual records are~~

is submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~(l)(11)(F)(ii). This equipment is currently required to be registered under the VOC emission limitations of paragraph (l)(11)(~~E~~F). However, under the staff proposal, facility operators will have the option of submitting a low-VOC annual verification~~records to the Executive Officer to demonstrate compliance with the emission limitations~~ in lieu of registration.

- Food Ovens, with a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fired exclusively on natural gas and where the process VOC emissions are less than one pound per day;
- Fuel cells, which produce electricity in an electro-chemical reaction and use phosphoric acid, molten carbonate, proton exchange membrane, or solid oxide technologies; and associated heating equipment, where the heating equipment is fueled exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof, including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour, provided that the supplemental heat used is 90,000 therms per year or less; and
- Internal combustion engines used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel, compressed natural gas (CNG) or liquefied petroleum gas (LPG).

Additionally, staff intends to enhance enforceability of the operating conditions included in the Rule 222 filings and include minor clarifications and editorial corrections to the rule.

Compliance with the filing requirements of PAR 222 is necessary within 12 months after the effective date in Table 1 of Rule 222 for a new or amended source category incorporated into Rule 222.

The following includes the proposed definitions and descriptions for the additional sources and changes proposed to be added to Rule 222:

NEW EQUIPMENT TO BE ADDED TO RULE 222 FILING PROGRAM

Water Cooling Towers

As described in Chapter 2, Proposed 2016 AQMP Control Measure BCM-02 will seek reductions in PM2.5 emissions from industrial cooling towers in future years. The proposed control measure will seek to reduce PM emissions from cooling towers by requiring the use of more efficient drift eliminators that keep drift losses to less than 0.001% of the circulating water flow rate.

Staff proposes to add industrial cooling towers to the Rule 222 filing program by adding new rule language to Table 1 of Rule 222. The purpose of adding this source category to the Rule 222 filing program is to develop an inventory of industrial cooling towers and facilities at which these towers

are located, for the benefit of future rule development to be conducted to implement AQMP Control Measure BCM-02.

Since this source category (industrial cooling towers) is currently exempt from permit under Rule 219(d)(3), there are no new or forgone emissions associated with inclusion in the Rule 222 filing program.

Emissions from cooling towers are reported under the District's Annual Emission Reporting (AER) program. However, only facilities with emissions from a criteria pollutant in excess of 4 tons per year are required to report those emissions. The most recent year for which cooling tower emissions data are obtainable under the AER program is 2013. For this year, emissions from 251 cooling towers are reported. Sixty-two (62) of these are from cooling towers used for comfort cooling, and 189 are from industrial cooling towers. The average reported emissions of total suspended particulate (TSP) from industrial cooling towers reported under AER is 6,420 lbs/yr or 3.21 tons/yr (TPY). Since the average emissions from these sources is less than the 4 TPY reporting threshold in the AER program, there may be additional industrial cooling towers located at facilities that do not have TSP emissions in addition to those from an industrial cooling tower.

Staff proposes to add the following definition to Rule 222, paragraph (c)(17):

> *INDUSTRIAL COOLING TOWER means a cooling tower located at a chemical plant, refinery or other industrial facility that is not used for comfort cooling.*

Staff further proposes to add the following registration source category to Rule 222, Table 1:

Industrial water cooling towers not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers and in which no chromium compounds are contained, located in a chemical plant, refinery or other industrial facility.	5/5/2017

Natural Gas and Crude Oil Production Equipment

The oil and natural gas industry includes a wide range of operations and equipment, from wells to natural gas gathering lines and processing facilities, to storage tanks and transmission and distribution lines.

As described in Chapter 2, CARB is proposing a Regulation Order for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (draft regulation)[1]. This draft regulation is currently scheduled to be heard before the CARB Board in the spring of 2017. The draft regulation

[1] California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 10 Climate Change, Article 4, Subarticle 13: Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

will regulate greenhouse gases, including methane from specific equipment at crude oil and natural gas facilities. Historically SCAQMD has not regulated methane, which is an exempt compound and is not considered a VOC. CARB requires that all equipment addressed under the draft regulation be either permitted or registered by a local air district. Staff believes that nearly all of this equipment is currently permitted or registered under Rule 222. However, there may be limited numbers of equipment that are not either under permit or registration. These include equipment exclusively handling natural gas. Most oil field equipment listed in subdivision (n) is permitted to allow it to transfer of both oil and natural gas, and as such is required to be permitted.

The draft regulation for oil and gas production facilities allows both a permitting option and a registration option for equipment and processes. Under the registration option, the following information must be reported:

§95216(b) [Proposed]
(2) Reporting and Registration Requirements for Facilities Not Subject to an Air District Permitting Program
*(A) Owners or operators of facilities with equipment covered by this article which are not included in a local air district permitting program shall register the facility by reporting the following information by **[Month, Day, Year]**. The information shall be reported to ARB unless the relevant local air district has established a registration program that collects at least the following information.*
1. *The owner or operator's name and contact information for the equipment covered by this article.*
2. *A description of the crude oil or natural gas facility where the equipment is located.*
3. *A description of all equipment covered by this article located at the facility which shall include the following:*
    a. *The number of crude oil or natural gas wells at the facility.*
    b. *A list of all tanks and separators at the facility, including the size of each tank and separator in units of barrels.*
    c. *The annual crude oil, natural gas, and produced water throughput of the facility.*
    d. *A list of all reciprocating and centrifugal natural gas compressors at the facility, including the manufacturer's horsepower rating for each compressor.*
    e. *A count of all pneumatic devices and pumps at the facility.*

*(B) Updates to these reports, recording any changes in this information, must be filed with ARB, or, as relevant, with the air district no later than **[Month, Day, Year]** each year if the owner or operator has installed or removed any equipment covered by this article at its facility.*

Rule 219, subdivision (n) currently exempts six categories of equipment. Of these six categories, one is currently required to submit registrations under the Rule 222 filing program: well heads and well pumps. Well heads and well pumps subject to the requirements of Rule 1148.1 are allowed to be registered in groups of 4. During rule development, staff received a request from a stakeholder to allow all well heads or well pumps located at a facility to be registered on one form. The reasoning

for this request is that no identifying information is required to be submitted for the wells under registration. For example, no well location is given in the registration, in the form of a location (latitude and longitude), Universal Transverse Mercator (UTM) coordinates or the American Petroleum Institute (API) number assigned to each well head. It is not currently possible for an SCAQMD inspector to identify the four wells under a single registration in the field. Well heads and well pumps can be put into production and/or taken out of production within a single year. Since it is not possible to identify wells under any one registration, a common practice is for a facility to submit and pay fees for one more registration than the number of producing wells they estimate will be operating during the year.

Therefore, staff plans to modify form 222-OW to include a list of all wells at a facility, require the API number to identify each well head, and to review the fee structure under Rule 301(u) during the next rule amendment to Rule 301 to charge an equivalent fee for each well head to the amount currently charged. For example, an initial filing fee of $198.13 is currently charged for a Rule 222 registration of up to four well heads *[Rule 301(u)(1)]*. In addition, an annual renewal fee of $198.13 is currently charged for a Rule 222 registration of up to four well heads *[Rule 301(u)(3)]*. The equivalent per-well head fee is $49.53 for both the initial filing fee and annual renewal fee. Under the staff proposal, the same per-well head fee could be charged for an initial filing fee and annual renewal fee as under the current fee structure. The difference is that all well heads and well pumps could be recorded on one Rule 222-OW registration form. Staff would provide specific language regarding the amendments to Rule 301(u)1 and (u)(3) as well as the definition for "Emission Source" *[Rule 301(b)(13)]* during rule development.

According to data from the Division of Oil, Gas and Geothermal Resources (DOGGR), there are 7,270 land-based wells and 2,267 offshore wells of all types in the South Coast Air Basin and offshore in State Territorial Waters. The wells subject to the draft regulation include oil and gas wells, dry gas wells and gas storage wells. These wells may have other functions as well - for example, some oil and gas wells are also cyclic steam wells, or water flood wells. Staff believes most of these wells are currently under registration. The possible exception includes dry gas wells and gas storage wells. From the DOGGR data, there are 138 potential natural gas-only wells and another 2 that are offshore.

Staff proposes to bring two other groups of equipment into the Rule 222 filing program, as opposed to requiring a written permit. These groups of equipment are currently exempted under Rule 219 paragraph (n)(2) – natural gas pipeline transfer pumps, and paragraph (n)(3) – natural gas repressurizing equipment. Since this equipment is currently exempt from obtaining a written permit pursuant to Rule 219 and is not required to register under Rule 222, data is not currently available to estimate the number of registrations that may result from these additions to the Rule 222 filing program.

Since this source category (natural gas and crude oil equipment) is currently exempt from permit under Rule 219(d)(3), there are no new or forgone emissions associated with inclusion in the Rule 222 filing program.

Staff proposes to add the following registration source category to Rule 222, Table 1:

Natural gas and crude oil production equipment, including: well heads and well pumps; natural gas pipeline transfer pumps; and natural gas, repressurizing equipment	5/5/2017

Storage of Aqueous Urea Solutions

As discussed in Chapter 2, ammonia emission estimates from storage tanks containing urea solutions are very low. Staff proposes to add the following definition to Rule 222, paragraph (c)(28):

> *STORAGE OF AQUEOUS UREA SOLUTIONS is equipment used exclusively to store aqueous solutions of urea [CO(NH$_2$)$_2$] with a holding capacity of 6500 gallons or less.*

Staff further proposes to add the following registration source category to Rule 222, Table 1:

Storage of aqueous urea solutions	5/5/2017

Due to very low emissions of ammonia from tanks that store urea (~0.01 lbs/day) staff anticipates potential total emissions affected will be <1 lb/day of PM emissions.

PERP Engines Operating in the Outer Continental Shelf (OCS)

As discussed in Chapter 2, staff proposes to expand the existing exemption under Rule 219 subdivision (r) to allow internal combustion engines that are registered under the statewide Portable Equipment Registration Program (PERP) to be used in the Outer Continental Shelf (OCS), provided the conditions of the current PERP registration are followed, and provided a Rule 222 registration is filed. The registration will serve as notification to the SCAQMD that a PERP engine will be used, the purpose for the engine, and the length of time proposed for use.

Staff proposes to add the following registration source category to Rule 222, Table 1:

Engines registered under the statewide Portable Equipment Registration Program (PERP) used in the Outer Continental Shelf (OCS).	5/5/2017

CLARIFICATION TO AN EXISTING SOURCE CATEGORY

Printing and Related Coating and/or Laminating Equipment

Equipment and materials described under Rule 219 (h)(1)(E), including inks, coatings and adhesives, fountain solutions, and associated VOC containing solvents (excluding cleanup solvents) containing fifty (50) grams or less of VOC per liter of material and all cleanup solvents containing twenty five (25) grams or less of VOC per liter of material, and where the total quantity of VOC emissions do not exceed one ton per calendar year are currently exempt from obtaining a written permit, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

Staff proposes to include UV/EB materials under this exemption ~~in place~~in addition to ~~of~~ the current exemption for UV/EB materials in subparagraph (h)(1)(C). In addition, staff proposes to allow the option of either continuing registration for these materials as currently allowed, or submitting an annual low-VOC verification ~~records kept pursuant to Rule 109 to demonstrate that low-VOC materials, including cleanup solvents are exclusively used, and emissions of VOC do not exceed one ton per calendar year~~. ~~The new reference for this exemption is Rule 219 (h)(1)(D), since subparagraph (h)(1)(C) is eliminated under the staff proposal and all subsequent subparagraphs are renumbered~~.

Staff proposes to modify the current description of this category in Rule 222, Table 1 as follows:

Printing and related coating and/or laminating equipment and associated dryers and curing equipment exempt from a written permit pursuant to Rule 219 (h)(1)(~~ED~~E), unless an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~ (h)(1)(E)(ii).	5/5/2017~~12/5/2008~~

Coating or Adhesive Application, or Laminating Equipment

Equipment and materials described under Rule 219 (l)(6)(F), including coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) containing fifty (50) grams or less of VOC per liter of material and all cleanup solvents containing twenty five (25) grams or less of VOC per liter of material, and where the total quantity of VOC emissions do not exceed one ton per calendar year are currently exempt from obtaining a written permit, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

Staff proposes to include UV/EB materials under this exemption ~~in place of~~in addition to the current exemption for UV/EB materials in subparagraph (l)(6)(B). In addition, staff proposes to allow the option of either continuing registration for these materials as currently allowed, or submitting an annual low-VOC verification. ~~records kept pursuant to Rule 109 to demonstrate that low-VOC materials, including cleanup solvents are exclusively used, and emissions of VOC do not exceed one ton per calendar year~~. ~~The new reference for this exemption is Rule 219 (l)(6)(E), since~~

~~subparagraph (l)(6)(B) is eliminated under the staff proposal and all subsequent subparagraphs are renumbered.~~

Staff proposes to modify the current description of this category in Rule 222, Table 1 as follows:

Coating or adhesive application, or laminating equipment exempt from a written permit pursuant to Rule 219 (l)(6)(~~FE~~F), unless an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~ (l)(6)(F)(ii).	5/5/2017~~12/5/2008~~

Drying Equipment such as Flash-off Ovens, Drying Ovens, or Curing Ovens associated with Coating or Adhesive Application, or Laminating Equipment

Equipment and materials described under Rule 219 (l)(11)(F), including coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) containing fifty (50) grams or less of VOC per liter of material and all cleanup solvents containing twenty five (25) grams or less of VOC per liter of material, and where the total quantity of VOC emissions do not exceed one ton per calendar year are currently exempt from obtaining a written permit, provided a filing pursuant to Rule 222 is submitted to the Executive Officer.

Staff proposes to include UV/EB materials under this exemption ~~in place of~~in addition to the current exemption for UV/EB materials in subparagraph (l)(11)(B). In addition, staff proposes to allow the option of either continuing registration for these materials as currently allowed, or submitting an annual low-VOC verification. ~~records kept pursuant to Rule 109 to demonstrate that low-VOC materials, including cleanup solvents are exclusively used, and emissions of VOC do not exceed one ton per calendar year. The new reference for this exemption is Rule 219 (l)(11)(E), since subparagraph (l)(11)(B) is eliminated under the staff proposal and all subsequent subparagraphs are renumbered.~~

Staff proposes to modify the current description of this category in Rule 222, Table 1 as follows:

Drying equipment such as flash-off ovens, drying ovens, or curing ovens associated with coating or adhesive application, or laminating equipment exempt from a written permit pursuant to Rule 219 (l)(11)(~~FE~~F), unless an annual low-VOC verification is ~~records are~~ submitted to the Executive Officer in accordance with Rule 219 ~~(u)(8)~~ (l)(11)(F)(ii).	5/5/2017~~12/5/2008~~

Food Ovens

Staff proposes to clarify the definition of a food oven and the description in Table 1 to specify that the VOC emission limit of 1 lb per day can be from any source, not only from yeast fermentation. Prior to this source category being added to the Rule 222 filing program in May 2013, if a food oven

with a rated maximum heat input capacity of 2,000,000 Btu/hour or less was used to process food products that involved yeast, that food oven would have required a written permit to operate based on the formation of ethanol emissions. When this source category was added in May 2013, data indicated 55 permitted food ovens with a rated maximum heat input capacity of 2,000,000 Btu/hour or less that were permitted. Staff now proposes to clarify that VOC emissions can be from any source, not only from yeast fermentation.

Staff proposes to modify the existing definition of food oven in paragraph (c)(12) as follows:

FOOD OVEN – is any equipment used exclusively for food preparation, has a rated maximum heat input capacity of no more than 2,000,000 Btu per hour or less, and is exclusively fired on natural gas and where the process VOC emissions are less than one pound per day , exempt from a written permit pursuant to Rule 219(b)(2).

In the new definition, process VOC emissions refers to VOC emissions from all sources, including VOC emissions from the baking process in addition to VOC emissions from yeast fermentation and other VOC emitted during the operation of the oven.

Staff further proposes to modify the current description of food ovens from Rule 222, Table 1:

Food Ovens with a rated maximum heat input capacity of 2,000,000 Btu per hour or less, are fired exclusively on natural gas and where the process VOC emissions ~~from yeast fermentation~~ are less than one pound per day, exempt from a written permit pursuant to Rule 219(b)(2).	5/5/2017

Since this modification is merely to clarify that the 1 lb/day limit for VOC emissions can be from any source and the existing exemption in Rule 219(b)(2) currently exempts *"Boilers, process heaters, or any combustion equipment that has a rated maximum heat input capacity of 2,000,000 Btu per hour (gross) or less and are equipped to be heated exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof"*, staff does not anticipate any additional registrations as a result of this clarification.

Fuel Cells

Staff proposes to clarify that only fuel cells that are heated by supplemental heaters during startup using combustion equipment are required to register under the Rule 222 filing program. In addition, staff proposes to clarify the allowable fuels for supplemental heat in combustion devices includes natural gas, methanol, liquid petroleum gas (LPG), or any combination thereof.

Fuel cells are used by some water districts to produce power from digester gas. Fuel cells require an external heating source during startup. First generation fuel cells in the early 2000s used electrical heaters for this purpose. However, later generation fuel cells were larger and required more heat

input and were therefore heated with a natural gas burner. Prior to the May 2013 amendment to Rules 219 and 222, during staff discussion with industry representatives, it was proposed that fuel cells with electrical heaters would continue to be exempt, and only fuel cells heated with a combustion source would be registered under the Rule 222 filing program, provided the supplemental heater used 90,000 therms per year or less. However, this was not explicitly stated in the exemption language and confusion during implementation resulted in registration of fuel cells with electric heaters.

Staff proposes to modify the current description of fuel cells from Rule 222, Table 1:

Fuel cells, which produce electricity in an electro-chemical reaction and use phosphoric acid, molten carbonate, proton exchange membrane, or solid oxide technologies; and associated heating equipment, <u>provided the heating equipment is fueled exclusively with natural gas, methanol, liquefied petroleum gas, or any combination thereof,</u> including heaters that have a rated maximum heat input capacity of greater than 2,000,000 Btu per hour, provided that the supplemental heat used is 90,000 therms per year or less.	~~5/3/2013~~ 5/5/2017

Since these changes are intended to: 1. restore the original intent that only fuel cells with supplemental heat based on combustion are required to register under the exemption in Rule 219(b)(5); and 2. specify allowable fuels in supplemental combustion heaters, there are no changes in emissions from this source category.

ICEs Used at Remote Two-Way Radio Transmission Towers

Staff proposes to clarify that the allowable fuels for internal combustion engines used at remote two-way radio towers includes diesel #2 fuel, compressed natural gas (CNG) and liquefied petroleum gas (LPG).

Staff proposes to modify the current description of ICEs at remote two-way transmission towers from Rule 222, Table 1:

Internal combustion engines used exclusively for electrical generation at remote two-way radio transmission towers where no utility, electricity or natural gas is available within a ½ mile radius, has a manufacturer's rating of 100 brake horsepower or less, and are fired exclusively on diesel #2 fuel, <u>compressed natural gas (CNG) or liquefied petroleum gas (LPG).</u>	5/5/2017

There are 16 engines at remote two-way radio transmission towers currently in the Rule 222 filing program. In addition, there is one engine with an open application for a remote site emergency ICE that uses LPG. The engine is used as back-up power to the primary power for a county emergency

communications system. The primary power is solar panels combined with three banks of batteries. During periods of bad weather, the solar panel array and battery bank cannot keep up with the power demand. In these conditions, the ICE is started. This engine is operated approximately 1000 hours per year. Since this unit will no longer be subject to Rule 1110.2 requirements, staff has calculated a best estimate for daily NOx emissions forgone to be 3.5 pounds per day. The engine is a small emission source and have low cancer risk of less than one in a million based on its remote location.

REVISIONS TO EXISTING RULE LANGUAGE

Staff is proposing a revision to the current rule language in Rule 222 for purposes of clarifying the intent of the existing rule language.

Revisions to subparagraph {222 (d)(1)(D)}

Staff proposes to update the date in the Requirements subdivision to reflect the anticipated date of amendment for PAR 222. In addition, staff proposes to amend subparagraph (d)(1)(D) to indicate that a facility complying with the provisions of Rule 219 paragraphs (h)(1)(D), (l)(6)(E) or (l)(11)(E) for low-VOC printing and coating materials is required to comply with the recordkeeping requirements under this subparagraph unless the operator opts out of the registration requirement and instead submits an annual low-VOC verification to the Executive Officer in accordance with PAR 219 (h)(1)(E)(ii), (l)(6)(F)(ii) or (l)(11)(F)(ii)~~annual records as allowed under Rule 219(u)(8)~~. The proposed amended language follows:

(D) On May 3, 2013 and each subsequent January 1 thereafter, records shall be kept and made available to the District upon request to provide operation data and any updated information on the emission sources or equipment, applicable to this rule, including, but not limited to:

(i) *hours of operation;*
(ii) *materials used or processed;*
(iii) *fuel usage;*
(iv) *throughput; and*
(v) *operating parameters.*

Owners or operators of facilities filing for registration under Rule 219 paragraphs (h)(1)(D), (l)(6)(E) or (l)(11)(E) shall comply with the recordkeeping provisions of this subparagraph unless an annual low-VOC verification is submitted to the Executive Officer in accordance with PAR 219 (h)(1)(E)(ii), (l)(6)(F)(ii) or (l)(11)(F)(ii)~~a notification has been submitted to opt out of the registration requirement, and shall submit annual records to the Executive Officer in accordance with Rule 219 (u)(8)~~.

CHAPTER 4: IMPACT ASSESSMENT OF PROPOSED AMENDED RULES 219 AND 222

- Introduction
- Impact Assessments
  - CEQA Impacts
  - Socioeconomic Impacts
- Draft Findings under California Health and Safety Code 40727
- Comparative Analysis
- Draft Conclusions and Recommendation

INTRODUCTION

District Rule 219 is an administrative rule that identifies equipment, processes, or operations that emit small amounts of air contaminants to be exempted from written permits, unless such equipment, process or operation is subject to subdivision (s) – Exceptions or is determined to require a written permit by the Executive Officer. The equipment categories proposed for exemption from written permits all have very small criteria and toxic emissions profile. The proposal to amend Rule 222 will allow certain specific types of equipment to transition from their current written permits to the more streamlined Rule 222 filing program. These specific types of equipment have been determined to be small emitting sources and can be streamlined from written permit to the Rule 222 filing program.

IMPACTS ASSESSMENT

CEQA Impacts

SCAQMD staff has reviewed the proposed project pursuant to CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, per CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. A Notice of Exemption (NOE) will be prepared pursuant to CEQA Guidelines § 15062 - Notice of Exemption, and if the project is approved, the NOE will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Comments and suggestions regarding the CEQA analysis may be directed to:

Sam Wang
Planning, Rule Development and Area Sources, CEQA Section
South Coast Air Quality Management District
21865 Copley Drive Diamond Bar, CA 91765
Phone: (909) 396-2649
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Socioeconomic Analysis of PAR 219 and PAR 222

Impacts of Proposed Amendments to Rule 219 (PAR 219)

Rule 219 is an administrative rule that identifies equipment, processes, or operations that emit small amounts of air contaminants to be exempted from written permits. Under the existing rule, affected equipment requiring a written permit is subject to a one-time permit processing fee when applying for a permit, and an annual operating fee thereafter. The proposed amendments would remove certain existing exemptions for certain specified categories of equipment and would add new equipment categories for

exemption from the requirement to obtain a written permit. As a result, PAR 219 would increase costs for some facilities and decrease costs for other facilities.

Additional Costs

PAR 219 would increase costs for the facilities with equipment that are currently exempt but will need to obtain permits if the proposed amendments are adopted. Affected equipment in this category includes non-emergency internal combustion engines, separation or segregation of plastics (that involve cutting, shredding or grinding), recycling of expanded polystyrene, pavement stripers (where supplemental heat is used), mobile platforms with groups of VOC-containing tanks, equipment used for cleaning of diesel particulate filters, equipment or processes that involves chromium and other toxic metals (including cutting of stainless and alloys, heated surface preparation tanks, and tanks that are heated, rectified or sparged).

Due to the lack of data regarding the number of currently exempt equipment that are not in the SCAQMD permit database, staff has estimated a range of possible affected equipment. For example, for 2 categories of tanks (i.e. heated surface preparation tanks or those ~~and~~ that contain lead, and tanks containing chromium or other toxic metals) described in Table 1 that will lose an exemption under the staff proposal, a large percentage are currently already listed on an existing permit. There ~~are~~ may be a small number of unpermitted stand-alone tanks or tanks in an unpermitted line. Staff conservatively estimates that no more than 10% of the more than 750 SCAQMD-issued permits for tanks and related equipment contain an unpermitted, Rule 219-exempt tank that would lose an exemption under paragraph (p)(4) or (p)(5) or otherwise need to be described on a permit in paragraph (p)(23). For each category of these tanks, staff estimates no more than 25-50 tanks will be required to file for permit or be listed on an existing permit under the staff proposal. For the purpose of the cost impacts analysis, staff has considered a similar conservative scenario and used the high-end of the estimated affected equipment in each category as shown in Table 1. Under this conservative scenario, there would be up to 174 units affected by the proposed amendments within a wide variety of industries.

Table 1 shows the distribution of estimated additional costs among the affected equipment categories. Under PAR 219, units in these categories would have to pay a one-time permit processing fee of $1,557.83 and an annual operating permit renewal fee of $354.86 under Rule 301 Schedule A[1].

Out of the estimated 174 pieces of equipment that will be potentially affected by the proposed amendments, equipment used for cutting stainless steel and alloys, heated surface prep tanks, and tanks containing chromium and other toxic metals are among the largest categories with each projected to have up to 50 units affected. As presented in Table 1, these categories would incur the largest costs under the

[1] According to Rule 301 (c)(1)(I), when applications are submitted within one year after amendment of Rule 219 for equipment that loses a previous exemption, the permit processing fee is assessed under Schedule A. For this analysis, it is assumed that all necessary permit applications will be submitted within one year after the rule amendment.

proposed amendments. The total one-time and annual costs of PAR 219 are estimated at $271,063 and $61,747, respectively.

Table 4-1
Estimated PAR 219 Cost Impacts by Equipment Category

Equipment Category	No. Affected Units	One-time	Annual
Non-emergency internal combustion engines	≤5	$7,789	$1,774
Separation or segregation of plastics	≤5	$7,789	$1,774
Recycling of expanded polystyrene,	≤5	$7,789	$1,774
Pavement stripers	≤5	$7,789	$1,774
Mobile platforms with groups of VOC-containing tanks	≤2	$3,116	$710
Equipment used for cleaning of diesel particulate filters	≤2	$3,116	$710
Equipment used to cut stainless steel or alloys >0.1 Pb, Cr, Ni, or Cd.	25-50	$77,892	$17,743
Heated surface prep tanks or those containing lead.	25-50	$77,892	$17,743
Tanks containing chromium, and other toxic metals	25-50	$77,892	$17,743
Grand Total*	**≤174**	**$271,063**	**$61,747**

*The cost was estimated based on the high-end estimates of the number of affected sources.

Table 2 shows the distribution of estimated cost increase by major industry. Of the total one-time and annual additional costs, the largest (86%) would occur in the of fabricated metals sector, to which most of the plating operations belong.

Table 4-2
Estimated PAR 219 Cost Impacts by Industry

Industry	NAICS*	One-time	Annual
Construction	23	$15,578	$3,549
Fabricated metals	322	$233,675	$53,229
Waste and remediation services	562	$15,578	$3,549
Retail trade (auto repair)	441	$3,116	$710
All industries**		$3,116	$710
Grand Total		**$271,063**	**$61,747**

*North American Industrial Classification System
**Could belong to any industry.

Additional Savings

The proposed amendments would add new equipment categories for exemption from the requirement to obtain a written permit, which would eliminate or reduce permitting costs of those equipment. Affected equipment in this category includes passive carbon filters for food waste slurry storage tanks, sub-slab ventilation system, storage of aqueous urea solution, equipment used to brew beer, and equipment used

to manufacture dehydrated meat. In addition, PAR 219 would expand existing exemptions for coffee roasting equipment. With the exception of the storage tanks for aqueous urea solution category, PAR 219 would eliminate both the one-time and annual fees for permitted equipment[2]. The reduction in one-time application costs provides an estimate of future avoided filing costs assuming new permit applications stay at the existing level. Since storage tanks for aqueous urea would be required to submit a registration under PAR 222, costs relative to permitting would be reduced but not eliminated entirely for this source category.

Of the approximately 89 estimated pieces of equipment affected by the new exemptions under the proposed amendments, equipment used to manufacture dehydrated meat and coffee roasting equipment are the largest categories. Under the proposed amendments, units in the categories of sub-slab ventilation systems, storage of aqueous urea solution, and equipment used to manufacture dehydrated meat would no longer be subject to a one-time permit processing fee of $2,482.82 and an annual operating permit renewal fee of $354.86 (Rule 301 Schedule B). Units in the categories of equipment used in brewing beer would no longer be subject to a one-time permit processing fee of $3,927.10 and an annual operating permit renewal fee of $1,270.97 (Rule 301 Schedule C). Lastly, units in the category of coffee roasting equipment and passive carbon filters for food waste slurry tanks would no longer be subject to a one-time permit processing fee of $1,557.83 and an annual operating permit renewal fee of $354.86 (Rule 301 Schedule A).

The total one-time and annual savings of PAR 219 is estimated at $183,972 and $34,333, respectively. Table 3 shows the distribution of estimated savings among the affected equipment categories as owners/operators of the affected equipment will not have to pay for permits.

Table 4-3
Estimated PAR 219 Saving Impacts by Equipment Category

Equipment Category	No. Affected Units	One-time	Annual
Passive carbon filters for food waste slurry storage tanks	3	-$4,673	-$1,065
Sub-slab ventilation system	3	-$7,448	-$1,065
Storage of aqueous urea solution	3	-$7,448	-$1,065
Equipment used to manufacture dehydrated meat.	67	-$137,044*	-$23,776
Equipment used to brew beer	3	-$11,781	-$3,813
Coffee roasting equipment	10	-$15,578	-$3,549
Grand Total	**89**	**-$183,972**	**-$34,333**

*Includes discounts for one-time subsequent identical applications.

[2] Units in the category of portable equipment registration program engines used in the outer continental shelf are not required to submit applications for written permit, as such there are no savings in this source category relative to permitting fees.

Table 4 shows the distribution of estimated savings by major industry as owners/operators of affected equipment no longer have to pay for permit processing fees. The largest amount of estimated savings would occur in the food manufacturing sector where most of the equipment used to manufacture dehydrated meat and coffee roasting equipment belong.

Table 4-4
Estimated PAR 219 Saving Impacts by Industry

Industry	NAICS*	One-time	Annual
Construction (Commercial buildings)	236	-$7,448	-$1,065
Food manufacturing	311	-$152,622	-$27,325
Beverage manufacturing	312	-$11,781	-$3,813
Waste management	562	-$4,673	-$1,065
All industries		-$7,448	-$1,065
Grand Total		**-$183,972**	**-$34,333**

*North American Industrial Classification

Impacts of Proposed Amendments to Rule 222 (PAR 222)

Rule 222 is an administrative rule that, for certain equipment categories that have a low emissions profile, provides a simplified filing process in lieu of permitting. Under existing Rule 222, affected equipment requiring a written registration is subject to a one-time registration processing fee of $198.13 when applying for a filing and an annual operating fee of $198.13 thereafter.

PAR 222 would add four new source categories of equipment to the Rule 222 filing program. Affected equipment includes industrial water cooling towers located mainly in chemical plants and refineries, natural gas and crude oil production, storage tanks for aqueous urea solutions, and Portable Equipment Registration Program (PERP) engines used in the outer continental shelf (OCS).

As with the cost and saving analysis of the PAR 219, staff lacks sufficient data to accurately identify counts for the affected equipment under PAR 222 because the potentially affected facilities are not currently in the SCAQMD permitting database. As such, staff has estimated a range for the potentially affected equipment and has considered a conservative scenario by using the high-end of the estimated affected equipment in each category as shown in Table 5. Under this conservative approach, there would be approximately 311 units affected within a variety of industries as presented in Table 5. As presented in Table 6, about 34% of total annual costs would occur in the oil and gas extraction sector where most of the equipment used for natural gas and crude oil production and PERP engines used in OCS belong.

Table 4-5
PAR 222 Cost Impacts by Equipment Category

Equipment Category	No. Affected Units	One-time	Annual
Industrial water cooling towers	100-200	$39,626	$39,626
Natural gas and crude oil production	50-100	$19,813	$19,813
Storage tanks for aqueous urea solutions	≤ 3	$594	$594
PERP engines used in the OCS	≤ 8	$1,585	$1,585**
Grand Total	**≤ 311**	**$61,618**	**$61,618**

*The cost was estimated based on the high-end estimates of the number of affected sources.
** PERP equipment is limited to no more than 12 month use in a single location. Therefore, the annual cost represents recurring one-time registration fees as it is assumed that different equipment will be used for each occurrence.

Table 4-6
PAR 222 Cost Impacts by Industry

Industry	NAICS	One-time	Annual
Oil & gas extraction	211	$21,398	$21,398
Petroleum and coal product manufacturing	324	$19,813	$19,813
Chemical manufacturing	325	$19,813	$19,813
Utility (Water District)	221	$594	$594
Grand Total		**$61,618**	**$61,618**

Overall Cost Impacts of PAR 219 and PAR 222

As presented above, the PAR 219 is estimated to have an overall net one-time cost of $87,091 ($271,063-$183,972) and net annual cost of about $27,414 ($61,747-$34,333). The net total annualized cost of PAR 219 is estimated to be $38,125[3].

The total annualized cost of PAR 222 is estimated to be $69,197. Therefore, the overall combined net annualized cost impacts of PAR 219 and PAR 222 are estimated to be $107,332 ($38,125+$69,197).

It has been a standard socioeconomic practice that, when the annual compliance cost is less than one million current U.S. dollars, the Regional Economic Impact Model (i.e., the REMI Policy Insight model) is not used to simulate jobs and macroeconomic impacts. This is because the resultant impacts would be diminutive relative to the baseline regional economy. Since the overall annualized cost impacts of PAR 219 and PAR 22 is estimated at about $107,000, REMI is not used.

[3] The one-time cost is amortized over 10 year equipment life using a four-percent real interest rate.

Incremental Cost Effectiveness

Under Health and Safety Code § 40920.6, the AQMD is required to perform an incremental cost analysis when adopting a Best Available Retrofit Control Technology (BARCT) rule or feasible measure required by the California Clean Air Act. To perform this analysis, the AQMD must (1) identify one or more control options achieving the emission reduction objectives for the proposed rule, (2) determine the cost effectiveness for each option, and (3) calculate the incremental cost effectiveness for each option. To determine incremental costs, the AQMD must "calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option." The proposed amendments to Rules 219 and 222 do not implement a more restrictive BARCT or feasible control measure, and therefore § 40920.6 is inapplicable.

Rule Adoption Relative to the Cost-effectiveness Schedule

On October 14, 1994, the Governing Board adopted a resolution that requires staff to address whether the proposed amendments being considered for adoption are in rank order of cost-effectiveness in the Air Quality Management Plan (AQMP). The proposed amendments to Rules 219 and 222 are not part of the AQMP; therefore, the ranking order of cost-effectiveness is not applicable.

DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE 40727

The draft findings include necessity, authority, clarity, consistency, non-duplication and reference, as defined in Health and Safety Code Section §40727. The draft findings are as follows:

Necessity - The AQMD Governing Board finds and determines that Proposed Amended Rules 219 and 222; Equipment and Not Requiring A Written Permit Pursuant To Regulation II and Filing Requirements for Specific Emission Sources Not Requiring A Written Permit Pursuant To Regulation II, is necessary to enhance recordkeeping and reporting, and provide a simpler, more expeditious and cost-effective option to local facilities and the District.

Authority - The AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code §§ 40000, 40001, 40440, and 42300 et seq.

Clarity - The AQMD Governing Board finds and determines that Proposed Amended Rules 219 and 222 are written and displayed so that the meaning can be easily understood by persons directly affected by it.

Consistency – The AQMD Governing Board finds and determines that Proposed Amended Rules 219 and 222 are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal or state regulations.

Non-Duplication – The AQMD Governing Board has determined that Proposed Amended Rules 219 and 222 do not impose the same requirement as any existing state or federal regulation, and the proposed

amendment is necessary and proper to execute the powers and duties granted to, and imposed upon, the AQMD.

Reference - In adopting this proposed amendment, the AQMD Governing Board references the following statutes which AQMD hereby implements, interprets or makes specific: Health and Safety Code §§40000, 40001, 40440, and 42300 et seq.

COMPARATIVE ANALYSIS

California Health and Safety Code Section 40727.2 requires the comparative analysis with any federal or other AQMD rules that apply to the same equipment or source type as the proposed amendments. There are no federal requirements for these small emitting types of equipment. The proposed amended rules do not impose a new emission limit or standard, make an existing emission limit or standard more stringent, or impose new or more stringent monitoring, reporting or recordkeeping requirements and, therefore, a comparative analysis pursuant to Health and Safety Code Section 40727.2(g) is not required.

DRAFT CONCLUSIONS AND RECOMMENDATIONS

Staff recommends that PAR219 and PAR222 be adopted in efforts to streamline the current permitting system.

REFERENCES

Designing Efficient Sub Slab Venting and Vapor Barrier Systems for Schools and Large Buildings, T. Hatton, 2010, Proceedings of 2010 Radon Symposium

United States Environmental Protection Agency, March 2008 *Brownfields Technology Primer: Vapor Intrusion Considerations for Redevelopment,* EPA 542-R-08-001

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Steam: Its Generation and Uses. Babcock & Wilcox

INTERNET REFERENCES:

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https://www.env.nm.gov/aqb/permit/documents/PermittingGuidanceforCoolingTowerParticulateEmissions.pdf

https://www.arb.ca.gov/regact/2016/oilandgas2016/oilgasappa.pdf

http://textilelearner.blogspot.com/2013/01/sueding-machine-specification-of.html

https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=10100

APPENDIX A: COMMENTS RECEIVED AFTER PUBLIC WORKSHOP

APPENDIX A: COMMENT LETTERS RECEIVED DURING COMMENT PERIOD
March 2 to March 10, 2017

The following comments are from Southern California Alliance of POTWs (SCAP) – Comment Letter #1

SCAP
SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS

March 9, 2017

Mr. Robert Gottschalk, Air Quality Specialist
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, California 91765

Dear Mr. Gottschalk:

Re: Comments on Proposed Amended Rule 219

The Southern California Alliance of Publicly Owned Treatment Works (SCAP) appreciates this opportunity to provide comments on Proposed Amended Rule 219. SCAP represents 83 public agencies that provide essential water supply and wastewater treatment to nearly 19 million people in Los Angeles, Orange, San Diego, Santa Barbara, Riverside, San Bernardino and Ventura counties. SCAP's wastewater members provide environmentally sound, cost-effective management of more than two billion gallons of wastewater each day and, in the process, convert wastes into resources such as recycled water and biogas.

The purpose of this letter is to expand upon comments provided by our members at the March 2, 2017 public workshop. We greatly appreciate the dialog with staff during the workshop, which helped focus our comments and recommendations outlined below.

Passive Carbon Adsorbers (d)(10):

AB 1826 requires local jurisdictions across the state implement an organic waste recycling program. Food waste can be recycled through composting and anaerobic digestion, which can be used to produce a renewable fuel. One of our members is planning on installing holding tanks to support the processing of food waste slurry from an existing material recovery facility that will subsequently be transported to a wastewater treatment plant for digestion. In order to minimize potential odors during the displacement of headspace within these tanks, we respectfully request the following modification to this provision that is consistent with the existing Rule 219 language which addresses similar facilities at wastewater treatment plants:

> Passive carbon adsorbers, with a maximum vessel capacity of no more than 120 gallons, without mechanical ventilation, and used exclusively for odor control at wastewater treatment plants, food waste slurry storage, or sewer collection systems, including sanitary sewers, manholes, and pump stations.

1-1

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Mr. Gottschalk March 9, 2017

Welding Equipment, Oxygen Gaseous Fuel-Cutting, Laser Cutting Equipment (e)(8):
As discussed during the public workshop, we have concerns about how the operation and maintenance of existing infrastructure could be impacted by the proposed amendment of this provision. Due to the challenge of identifying Material Safety Data Sheet (MSDS) information for existing infrastructure and the proposed low trigger levels for chromium, nickel, cadmium and lead, we would need to assume that cutting any metals would trigger permitting. To better understand the potential impacts from cutting these alloys, we request that health risk analyses be provided for public review. Based upon the discussion at the public workshop, it's our understanding that the production of metal parts is the primary concern to be address by the proposed amendment. In order to minimize the permitting of negligible sources, we respectfully propose the following modification of this provision:

> Welding equipment, oxygen gaseous fuel-cutting equipment, hand-held plasma-arc cutting equipment, hand-held laser cutting equipment, laser etching or engraving equipment and associated air pollution control equipment. This exemption does not include ~~any~~this equipment ~~that is~~if used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead, or laser cutting, etching and engraving equipment that are rated more than 400 watts. Cutting activities associated with maintaining carbon or metal alloy infrastructure is exempt from permitting.

Although not included in our proposed amended language, we are concerned that many metal manufacturers may not be focused on the pollution potential from cutting certain alloys. As a result, MSDS information frequently lists a percentage chromium, nickel, cadmium and lead content of "< 1 percent". The proposed limit of 0.1 may inadvertently limit the use of these materials, so we recommend that staff review available MSDS sheets for various metals to ensure that the proposed limit is feasible at this time. Finally, the staff report should be updated to reflect the amended version of this provision.

1-2

Abrasive Blast Cabinets (f)(2):
The amendments propose to remove the exemption for abrasive blast cabinets 53 cubic feet or less when materials containing arsenic, beryllium, cadmium or lead are used as blast media or subject to blasting. As voiced during the public workshop, we have concerns that this requirement will capture the multiple cabinets at our members' facilities that can be used to blast small parts as part of intermittent maintenance operations. These cabinets with filters are typically located inside a shop environment. To better understand the potential impacts posed by use of these abrasive blast cabinets during such maintenance operations, we request that health risk analyses be provided for public review. However, at this time, SCAP respectfully requests that this exemption be maintained without modification.

1-3

Thank you for the opportunity to comment on Proposed Amended Rule 219. If you have any questions regarding our comments, please do not hesitate to contact Mr. David Rothbart of the Los Angeles County Sanitation Districts, SCAP Air Quality Committee Chair at (562) 908-4288, extension 2412.

Sincerely,

Steve Jepsen, Executive Director

cc: Ms. Susan Nakamura, SCAQMD
Mr. David Ono, SCAQMD

Response to comment 1-1:
Staff appreciates the comment and understands the commenter's rationale for requesting an expansion of the exemption under paragraph (d)(10). Language has been added to paragraph (d)(10) to include "food waste slurry storage *tanks*" under the exemption.

Response to comment 1-2:
Staff understands the concern with regard to establishing a low threshold exemption level of 0.1% for toxic compounds during cutting of alloys. Staff's concern is that cutting of these alloys may result in potential toxics emissions of concern, and resultant health impacts from these operations. However, staff believes these impacts are greatest for production cutting, rather than for maintenance and repair operations. Therefore, the proposed language of paragraph (e)(8) has been modified to include the following clarification regarding the limitation of this exemption:

> *"This exemption does not include cutting equipment described in this paragraph that is used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead, unless the equipment is used exclusively for maintenance or repair operations."*

Response to comment 1-3:
The proposal to limit the exemption based on the presence of toxics (As, Be, Cd, Pb, and potentially Cr and Ni) in either the blast media or the substrate being blasted has been withdrawn. However, staff continues to believe small blast cabinets that are not properly maintained, operated and controlled may pose a potential health risk. As staff develops source-specific rules for industry categories where blast cabinets are used, staff will further assess the need for pollution controls. If a source specific rule is developed under Regulation XIV, permitting would be required under the PAR 219(s)(4).

The following comments are from Tesoro Logistics – Comment Letter #2

Tesoro Logistics Operations LLC
6 Centerpointe Drive, 5th Floor
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(714) 880-1715

March 9, 2017

Mr. Tracy A. Goss, P.E.
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

RE: Written Comments to February 2017 PAR 219 Preliminary Draft Staff Report Floating Roof Tanks/Vapor Sock Exemption Proposal

Mr. Goss:

Tesoro Logistics Operations LLC (TLO) and Tesoro Refining & Marketing (TRMC) submit these written comments to the February 2017 Preliminary Draft Staff Report to Proposed Amended Rule 219, specifically regarding Tesoro's proposal to provide a new exemption for vapor socks on floating roof tanks. Excerpted below in the far right column are the two reasons District staff provided to recommend the topic be deferred. Tesoro would like to provide additional feedback.

Table 2-4 - Stakeholder Requests to Consider in PAR 219 and PAR 222

Equipment or Process	Proposal	Discussion	Disposition of Request
Floating Roof Tanks	Provide a new exemption for vapor socks on floating roof tanks, in lieu of guidepole floats on slotted guidepoles. Suggested language 219(c)(11) *"Replacement of a slotted guidepole float with a vapor sock on floating roof tanks."* Exemption change would allow radar gauging to be better able to measure liquid level in the tank. This will benefit up to 200 tanks at a number of the commenter's locations - other facilities may take advantage of such an exemption as well.	This change would allow replacement of guide floats with vapor socks without submitting an application for permit modification. Commenter cites tank seal replacement as precedent for this request. Tanks subject to Rule 1178 have more stringent requirements than tanks subject to Rule 463. Storage Tank Emission Reduction Partnership Program (STERRP) agreement seems to indicate equivalency between guide pole floats and vapor socks.	Did not incorporate proposal. Allowing such a change without submitting an application for permit modification would mean the permit would not accurately reflect the physical conditions of the tank and would not allow SCAQMD to conduct an appropriate BACT analysis.

2-1

1. **Permit Equipment Description**: Tesoro Logistics has reviewed 140 tank permits and do not see any instances where the replacement of a pole float with a vapor sock would affect the existing permit equipment description. Some Tesoro Refining & Marketing tank permits have additional detail in the equipment description that includes a "guidepole, slotted, with gasketed sliding cover, pole sleeve and pole wiper". Please note that these more detailed equipment descriptions would not be impacted by a float removal and replacement with a flexible enclosure device (i.e. vapor sock) because the pole sleeve and wiper remain intact; the change only affects the float which is not listed in any of the tank equipment descriptions. Based on our reviews, the change does not appear to affect even these more detailed permit equipment descriptions.

2. **BACT Analysis**: EPA has stated in the 2000 STERPP agreement (65 FR 19891) that flexible enclosures (i.e. vapors socks) "can reduce emissions to a level comparable to that achievable with a pole float system". The 1 lb/day criteria for performing a BACT analysis is not triggered by the replacement of a pole float with a vapor sock. As such, filing permit modifications that show zero change in emissions and therefore don't trigger a BACT analysis are a time consuming and futile exercise. The equivalency of a vapor sock to a pole float from an emissions standpoint is further reinforced by the following:
    a. EPA Tanks 4.0 software depicts the change as zero lb/day (because there is no change in the way the software represents this physical change; the "before" case is identical to the "after" case).
    b. Tesoro conducted EPA Method 21 field readings before and after the change and found that not only was there zero VOC emissions from the vapor sock, but in fact, it represented a small **reduction** in VOC emissions from the pole float design. The "before" case with the pole float installed was .8ppm whereas the "after" case with the vapor sock installed and the pole float removed (on one crude EFR and one slop EFR) was 0.0ppm VOC.
    c. Tesoro used a FLIR (thermal imaging infrared) camera before and after the change and the camera showed no visible VOC leaks around the guidepole, including the interface of where the vapor sock is clamped to the guidepole.
    d. Tesoro hosted AQMD to observe an installed vapor sock up close while on the roof of an external floating roof tank where the District's FLIR camera was used, further confirming there were no VOC leaks from the vapor sock.

2-2

Additional issues:

1. **Precedence:** This exclusion from submittal of permit modifications may set a Rule 219 precedence for many additional permit modification exclusions: The existing 219(c)(4) exemption from permit modifications for seal replacements has been in place for decades and has not resulted in an increase in requests for unique modification exclusions.
2. **AQMD Legal memo regarding federal and local rule equivalency**: Tesoro does not believe it is necessary for AQMD's legal department to confirm what has been clearly stated in the federal register by EPA as being comparable technology and confirmed through our field testing and by the manufacturer's field experiences. We also don't believe it is necessary to modify existing Rule 1178 simply because it refers to pole floats in (d)(1)(x) and (xii). What we are proposing is that this be addressed in the Rule 219 language, to clearly acknowledge the equivalency with both EPA's STERPP and Rule 1178. (See suggested 219(c)(4) language below).
3. **Rule 463 Tank Inspection and Maintenance Plans (I&M)**: No revisions are necessary to the currently approved 463 I&M Plans because the existing inspection frequencies (twice per year at 4 to 8 month intervals per 463(e)(3)(A)), visual observations, measurements, LEL monitoring, and inspection documentation forms (per 463 Attachment B "Inspection Procedures and Compliance Report Form") remain the same and unchanged. A visual inspection that looks for holes, tears, uncovered openings, or vapor leaks of a slotted guidepole float system (including any wipers, sleeves, gaskets) would continue to occur at the same frequency by certified 463 inspectors. Furthermore, the 72 hour maintenance requirements of Rule 463(e)(4) would still apply whenever a vapor sock was substituted for a pole float.

2-3

Rather than creating a new exclusion in 219 that will appear many paragraphs away from the existing floating roof exclusion, we think it may be worthwhile to combine the two and revise 219(c)(4) as shown below in red:

(c)(4) Replacement of *either of the following on* floating roof tanks*:*

(A) Seals, provided that the replacement seal is of a type and model which the Executive Officer has determined is capable of complying with the requirements of Rule 463.

(B) Slotted guidepole floats, provided that the replacement is a flexible enclosure device (e.g. vapor sock) which meets Option 6 of EPA's acceptable control options for slotted guidepoles under the Storage Tank Emission Reduction Partnership Program (STERPP Agreement in 65 FR 19891). EPA states that flexible enclosure devices can reduce emissions to a level comparable to that of a pole float system. Where Rule 1178 specifies a pole float be in place and maintained, a flexible enclosure device is also deemed comparable to that of a pole float system. This exemption only applies to replacements that do not otherwise change the existing permit equipment description.

2-4

We hope that you will take this information into additional consideration as we believe we are close to coming to a resolution and do not believe it is necessary to defer this topic to the next Rule 219 revision cycle. If you have any questions, please feel free to contact Ruthanne Walker at (714) 880-1715.

Sincerely,

Ruthanne Walker
Sr. Environmental Specialist
Tesoro Logistics Operations LLC
Southern California Light Products Terminals

Emailed cc:

David Ono	SCAQMD
Laki Tisopulos	SCAQMD
Susan Stark	Tesoro Refining & Marketing
David Essex	Tesoro Refining & Marketing
Robert Nguyen	Tesoro Refining & Marketing
Donna DiRocco	Tesoro Logistics
Lucina Lopez	Tesoro Logistics
Shan Mathews	Tesoro Logistics

Response to comment 2-1:

Thank you for your additional comments and for hosting staff at your facility to inspect an installed vapor sock. Including the reasons cited in the Preliminary Draft Staff Report, there are several reasons staff did not incorporate the requested exemption in the staff proposal to replace the pole float on a slotted guidepole with a vapor sock. Briefly, these reasons include:

1. For tanks subject to the requirements of Rule 463, there is no requirement under Rule 463 to repair or replace a vapor sock if it is damaged. Rule 463 requires tank owners/operators to maintain an approved Inspection and Maintenance Plan [463(e)(1)(A)], that specifies certain information, including tank ID, design capacity, product, shell type, dimensions, seal type and manufacturer, floating roof type, date of construction and location. However, it does not require pole vapor control technology to be listed in the plan and there is no requirement in Rule 463 to repair a damaged vapor sock if discovered. Attachment B lists inspection procedures for floating roof tanks but does not speak to inspection of vapor socks or other vapor control technology. There is no requirement to replace or repair a torn vapor sock within a specified time period.
2. Vapor sock equivalency with slotted guidepole gloat – Staff acknowledges that under the Storage Tank Emission Reduction Partnership Program (STERPP), Option 6 allows a flexible enclosure (i.e. vapor sock) for slotted guidepoles [65 FR 19891, April 13, 2000]. However, this determination of equivalency was made at the federal level and staff has not had the opportunity to verify equivalent emissions. The TANKS program used by staff to calculate emissions does not have an option for vapor socks. Staff is not aware of a suitable source testing protocol to test fugitive emissions. In addition, the long term durability of vapor socks is not known. For example, the secondary seal under the zipper may leak over time as the vapor sock is repeatedly compressed and extended. Local jurisdictions, including SCAQMD are required to be as stringent as federal requirements, but can be more stringent, as is the case with Rule 1178 and New Source Review, as discussed below.
4. Replacement without permit modification – a facility's permit may not be accurate if the permit specifies a guidepole float and may cause enforcement issues. Regarding the comment about equipment description changes, the commenter has only reviewed their own permit descriptions, but presumably not those of other facilities that may take advantage of an exemption that would allow such a replacement of existing control equipment without a permit modification.
5. Verifying Requirements for Tanks Subject to Rule 1178 – Tanks subject to Rule 1178 (>19,815 gallon tanks storing organic liquids with vapor pressure >0.1 psi at facilities greater than 20 tons per year of VOC emissions) are required to either use a gasketed cover, pole wiper and pole sleeve [1178(d)(1)(A)(ix)] or a pole float with gasketed cover, pole wiper and pole float wiper [1178(d)(1)(A)(x)]. There are only two compliance options. A vapor sock is not an option under Rule 1178. Tanks where a pole float is removed would need to comply with [1178(d)(1)(A)(ix)]. There is no opportunity for SCAQMD to verify compliance with this requirement, including proper installation, if an exemption allows removal of the pole float without a permit.
6. Precedent of Tank Seal Replacement – Staff recognizes Rule 219(c)(4) allows replacement of tank seals without permit modification. At times, this exemption has caused discrepancies between the permit description and actual installation in addition to inaccuracies in emissions calculations. Furthermore, other districts do not allow replacement of a tank seal or installation

of a vapor sock in place of a slotted guidepole float. For example, both Santa Barbara APCD and Bay Area AQMD both require a permit modification for primary or secondary tank seal replacement, as well as for vapor sock installation. Finally, replacement of an old seal with a new seal in general will result in emission reductions, whereas replacement of a float with a vapor sock is estimated to result in an emissions increase, albeit a small one.

Response to comment 2-2:
A permit evaluation involves other elements in addition to BACT analysis, including evaluation of compliance with all local, state and federal rules, and establishing appropriate conditions under a permit to ensure the vapor control technology is properly installed and maintained. As previously discussed in the response to comment 2-1, the local rule analysis includes SCAQMD Rules 463 and 1178, in addition to New Source Review (NSR) among others. Such installation of vapor socks may trigger NSR for pre-NSR tanks.

Response to comment 2-3:
As discussed in the responses to comments 2-1 and 2-2, staff needs to condition the control technology to ensure it is installed and operating properly.

Response to comment 2-4:
Thank you for your suggested permit language, but staff proposes to defer any action on your proposed exemption during this rulemaking. Staff intends to commit to Resolution language to work with US EPA, CARB and the industry to evaluate a path forward for replacement of slotted guidepole floats with vapor socks; potentially including a return to our Governing Board in 12 to 18 months with a recommendation for possible rule amendments.

The following comments are from Moog – Comment Letter #3 – received via email

Dear Robert Gottschalk,

In reviewing the proposed amendments to Rule 219, I have some concerns regarding some equipment that may now require permits and some concerns on interpretations. Below I list the specific parts of Rule 219 that I would like to comment on.

(f) Abrasive Blasting Equipment
Can the exemption consider whether or not the blasting unit is vented outside or not, or if they have specific filtration? If the equipment does not vent outside, or have filtration at ____ level of efficiency, I would think it would meet the" Purpose" of Rule 219 (…that emit small amounts of air contaminants….).

3-1

(s) Exceptions
Specifically **(s) (5)** – The wording is vague to me and it's not clear to me where a line can be drawn for which equipment does and does not apply. For example, would a soap rinse tank on a line with other permitted tanks fall into this, or a solvent tank used to clean paint gun equipment used in a permitted spray booth, or the equipment used to maintain water quality (holding tank and chemistry) for a permitted boiler? This seems to be a blanket statement that could end up capturing otherwise unregulated equipment (and ones that would likely fall into an exemption in Rule 219) and I feel clarification is needed. A better definition of equipment would be helpful as well as clarification on what AQMD wants to cover under this section. I would also suggest wording be added so that if the equipment otherwise falls in Rule 219, it does not need fall in (s)(5).

In addition, I fail to see the benefit of adding this requirement. If the equipment is not otherwise regulated and requiring a permit, why include it in a permit? I see that in the Preliminary Draft Staff Report, that the basis of the proposed change is possible future requirements under Rule XIV. Couldn't a blanket statement, if not already in Rule 219, be added that states the exceptions apply unless regulated elsewhere in AQMD Rules? If the equipment is of concern, then it will be addressed at some point in another Rule. Otherwise, equipment not of concern could be captured, regulated and incur costs (my next point) which seems to me to be beyond the scope of AQMD.

3-2

Also, by adding this requirement, additional costs to modify the permit initially, or request a new permit if not already captured in a permit, will be incurred. Several thousands of dollars in cost could be involved for the time spent on modifying permits, permit application and renewal fees. This seems unnecessary for an otherwise unregulated item and quite burdensome to a facility. The additional costs could result in a significant burden to many facilities. In times where costs keep increasing and companies are struggling to cut costs and be lean, additional costs to permit otherwise unregulated equipment seems unfair to require.

I appreciate your consideration of my input. Should you have any questions, I can be reached at (310) 618-7648 or mbreiter@moog.com

Sincerely,

Michelle Breiter
Environmental and Process Engineer
Moog
20263 Western Ave
Torrance, CA 90501
310-618-7648

Response to comment 3-1:
See response to comment 1-3.

Response to comment 3-2:
The intent of the language proposed under paragraph (s)(5) was that exempt equipment not currently listed on any permit would be listed on an associated permit when that permit was opened for other reasons, after the date of rule amendment for PAR 219. The intent was not to require a permit amendment for the sole purpose of adding exempt equipment to a permit. However, staff appreciates the comments regarding further clarification of the equipment intended to be captured under this exception, and the costs associated with permit modification, application and renewal fees. Therefore, staff has focused the types of equipment intended to be captured under this exception to two areas: currently exempt water quench tanks and other equipment that are an integral part of a heat treatment process, and currently exempt rinse tanks, dye tanks, seal tanks that are an integral part of a metal finishing operation. This applies to exempt equipment listed under paragraph (e)(12) for heat treatment equipment, and paragraphs (p)(4) and (p)(5) for metal finishing operations. The language related to the proposal under paragraph (s)(5) has been clarified and moved to paragraph (e)(21) for heat treatment equipment and (p)(23) for metal finishing operations.

The following comments are from Ecotek – Comment Letter #4 – received via email

Dear Mr. Gottschalk,

I appreciate the opportunity to submit a comment in regards to the proposed Rule 219.

I am very concerned about proposed Exemption to Exemptions R219(s)(5).

(s) Exceptions

Notwithstanding equipment identified in (a) through (r) of this rule, written permits are required pursuant to paragraphs (s)(1), and (s)(2), (s)(4), and (s)(5), and filings are required under Rule 222 pursuant to paragraph (s)(3):

(5) Equipment that is an integral part of a series of permitted items, making up one continuous flow, unless it is listed or otherwise identified in an associated permit.

I believe that as currently proposed this exemption is too general and open to interpretation. Reading R219(s)(5) without looking the staff report it could be interpreted as negating the whole Rule 219 and its purpose, since any equipment could be interpreted as "an integral part of a series of permitted items", otherwise, if not needed for a process, it would not be in use.

I do not believe that this was AQMD's intent, being flooded with permit applications for every minimum emissions source (such as <50HP ICE) because it is used in association to permitted unit?

In addition, as proposed, R219(s)(5) would greatly expand Source specific rules applicability for Rules that apply only to permitted sources. For example, was it intended for this exemption to require NOx control for every small unit of 410,000 BTU/hr? Please keep in mind that if the unit is physically connected, it would already be listed in the permit.

Furthermore, if we start permitting or adding to the existing permits every previously exempted source, then every change to previously exempted sources would require application and application fee for Equipment Modification.

Looking at the staff report I understood that SCAQMD had uncovered specific concerns related to specific rinse tanks and of course that needs to be addressed, but the rule change should be more specific.

I would like to appeal for a reevaluation and reformulation of the proposed R219(s)(5) to specifically target newly discovered concerns that would afford the AQMD staff the opportunity to evaluate specific equipment of concern for emissions and potential toxics risk, without introducing excessive and unwarranted burden for AQMD and the regulated facilitates.

4-1

Thank you.

Best Regards,

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Response to comment 4-1:
Staff appreciates your concerns regarding the exception potentially being too general and open to interpretation. See response to comment 3-2.

Regarding your comment on unpermitted equipment being evaluated for source specific rules, if equipment that is currently exempt is added to an associated permit when that permit is open for another reason, the exempt equipment will not be evaluated for New Source Review under Regulation XIII, Rule 1401 – New Source Review of Toxic Air Contaminants, or Rule 1147 – NOx Reductions from Miscellaneous Sources, unless the Executive Officer determines that equipment does not fall under an exemption in Rule 219.

The following comments are from Southern California Edison – Comment Letter #5 – received via email

Dear Mr. Gottschalk,

Southern California Edison (SCE) welcomes the opportunity to comment on the subject amended rules.

First of all, we offer a general proposal for Rule 222 with regard to Title V facilities. Title V permits are already required to list exempt equipment that operates at a Title V facility along with all of the permitted equipment. We find that a further registration step for certain exempt equipment is unnecessarily duplicative. We therefore propose that the applicability section of the rule include a statement that the rule does not apply to Title V facilities. 5-1

We also offer the following specific comments for proposed amended Rule 219.

Section (f)(2) proposes to limit the exemption for small, manually operated blast cabinets by excluding blast media and materials to be blasted containing arsenic, beryllium, cadmium or lead. While this proposed prohibition may be practical with regard to the blast media, it is very impractical with regard to material subject to blasting in a facility maintenance setting. We simply are not in a position to know whether or not these substances are contained in equipment or structures subject to maintenance operations that occur at our generating stations, substations or other facilities. We cannot know whether or not we are in compliance. SCE suggests that the limitation for these substances contained in material subject to blasting not apply to maintenance operations. 5-2

Section (m)(2) exempts from permit requirements, containers holding less than 500 pounds of anhydrous ammonia, among other materials. SCE proposes that the exemption include the same amount of aqueous ammonia as well. It seems obvious that the potential harm resulting from an aqueous ammonia release is far less than that from an anhydrous release. We believe that including small amounts of aqueous ammonia storage with the exemption for anhydrous ammonia is warranted. 5-3

Please feel free to contact me with any questions. Thank you.

Uve Sillat, P.E., C.P.P.
Southern California Edison
CES Technical Services-Air Quality
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Office: 626-633-3346 (PAX 43346)
Cell: 626-476-6394

Response to comment 5-1:
Regarding registration of exempt equipment being duplicative for Title V facilities, under the proposed changes to Rule 222, staff is proposing to add only a limited number of source categories to the list of equipment to be registered. Although Title V permits list Rule 219-exempt equipment, in many cases they do not list equipment in sufficient detail to identify specific equipment. For example, Title V permits for gas storage facilities may only list Rule 219-exempt oil and gas well heads and pumps as a single line item on the permit, irrespective of the actual number of well heads and pumps. Under the Rule 222 registration program, these well heads and pumps are currently registered in groups of four, and under the staff proposal, they will be individually identified by API numbers, which allows further identification by location within an oil field. This detail is necessary for SCAQMD compliance activities.

Response to comment 5-2:
See response to comment 1-3.

Response to comment 5-3:
Staff is aware of two recent permits issued for storage of aqueous ammonia; both were storage of less than 20% solutions of aqueous ammonia. Both were large tanks (> 10,000 gallons) of aqueous ammonia used for selective catalytic reduction. This issue was brought up early in the rule development process in terms or storage of much larger quantities than 500 pounds, as the commenter correctly states the exempt level for storage of anhydrous ammonia.

SCAQMD requires a permit for storage of large amounts of aqueous ammonia in order to ensure the application of appropriate controls and work practices are followed to minimize the chances for upset. However, the commenter may wish to bring the issue forward for consideration during the next amendment to Rule 219, with a specific lower threshold to be proposed for the storage of aqueous ammonia.

The following comments are from Milan Steube, Environmental Consultant – Comment Letter #6 – received via email

Robert and Tracy:

I wasn't able to attend today's Public Workshop for PAR219 and PAR222, but have the following brief comments:

PAR219(r)(1) – PERP Equipment:

- The addition of language to establish the applicable MRR protocol for PERP equipment used at RECLAIM facilities is problematic in that it essentially amends one rule by adding language in an unrelated rule. Though I'm sure it's not intended, this amendment, in a way, would set a potential compliance trap for well-meaning operators who carefully read the applicable RECLAIM rule and believe they are fully complying with its requirements when in fact they could be in violation because they failed to read the applicable language in Rule 219(r)(1). In addition, it is likely that some affected parties in the regulated community who are responsible for compliance with RECLAIM requirements at their facility are not even yet aware this change is being proposed because they may not have recognized that a proposed change to Rule 219 will affect RECLAIM requirements in this way. Thus, they won't recognize this opportunity to even comment on the proposed change. I believe the proper way to implement this change is to amend the RECLAIM rules directly and ensure the affected regulated community is fully aware of it via the usual rulemaking process. 6-1

- Rule 2012(d)(1)(B) specifies criteria for classifying an internal combustion engine as a large source. If the proposed amendment is adopted, I assume the time criteria of 2,190 operating hours per year would apply to the time the engine is operated at the RECLAIM facility in question and not to the time the engine is operated at any facility during the year in question (?). The same question could be asked regarding the fuel usage criteria specified in Rule 2012(d)(1)(A). This is another reason this change should be implemented by amending the RECLAIM rules directly. 6-2

PAR219(n)(2):

- There appears to be a typographical error here: "Crude oil ~~and natural gas~~ pipeline transfer pumps, provided a filing pursuant to Rule 222 is submitted to the Executive Officer for natural gas pipeline transfer pumps.~~.~~" 6-3

Thanks,

Milan Steube, Environmental Consultant
SCAQMD Certified Permitting Professional
Phone: 949.309.9310
Fax: 949.588.7669
E-Mail: milans@cox.net

Response to comment 6-1:
The intent of subparagraph (r)(3) is to establish the appropriate protocol for RECLAIM facilities to use to report emissions from Rule 219-exempt equipment. It is the intent of staff to establish similar requirements in Rule 2011 - Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) Emissions and Rule 2012 - Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions when these rules are next amended. However, staff appreciates the comment regarding operators of RECLAIM facilities that may not be aware of the amended language under the staff proposal in proposed amended rule (PAR) 219. This is an implementation issue which will be addressed by staff to ensure operators of RECLAIM facilities are made aware of the proposed rule language.

Response to comment 6-2:
RECLAIM requirements are individually applicable to each RECLAIM facility. The annual limit on operating hours will not be accumulated across two separate facilities.

Response to comment 6-3:
Staff thanks the commenter for pointing out this language discrepancy. The intent of the language under paragraph (n)(2) is to include natural gas transfer pumps as exempt equipment provided a filing pursuant to Rule 222 is submitted to the Executive Officer. The struck language has been restored.

The following comments are from Metropolitan Water District – Comment Letter #7 – received via email

Hello,

Metropolitan appreciates this opportunity to provide comments on Proposed Amended Rule (PAR) 219. As we have actively participated in the prior workgroups, the overall process to date has been very beneficial in working together on items of potential concern. This e-mail is a follow-up to our verbal comments made during the March 2nd Public Workshop.

(f)(2), Manually Operated Abrasive Blast Cabinets

The amendments propose to remove the exemption for manually operated abrasive blast cabinets, vented to a dust-filter where the total internal volume of the blast section is 53 cubic feet or less, when materials containing arsenic, beryllium, cadmium or lead are used as blast media or subject to blasting. For Metropolitan, this proposal would result in capturing multiple small cabinets located inside a shop environment which are typically used for infrequent, short-term maintenance activities. For worker safety purposes, these cabinets are kept maintained and employee exposure is not an issue. Therefore, we ask that the exemption be retained for the abrasive blast cabinets used in such maintenance operations.

7-1

- **(g)(2), Wood Products**

PAR 219 proposes to remove the wood product exemption for the "shredding, extruding, handling or storage of any organic waste material generated from gardening, agricultural, or landscaping activities including, but not limited to, leaves, grass clippings, tree and shrub trimmings and plant remains." Per the Preliminary Draft Staff Report for PAR 219/222, dated February 2017, the reason for the removal of the exemption is that shredding of greenwaste has the potential for nuisance odors. Metropolitan owns one brush chipper that is used for periodic maintenance of our facilities. For this type of non-production/non-commercial activity, we ask that the exemption be retained.

7-2

- **(l)(9), Portable Coating Equipment**

The PAR 219 language proposes to exclude portable coating equipment and pavement stripers where supplemental heat is added during the coating or pavement striping operation. We would like clarification as to whether the supplemental heat referred to in this provision is externally applied, and/or integral to the coating equipment operation. Additionally, heated application equipment (e.g., heated pump manifolds, heat traced resin lines) can be used to heat and reduce the viscosity of some plural component coatings during application. These plural component coatings are high solids with minimal VOCs. Therefore, we ask that the exemption be retained for portable coating equipment that requires supplemental heat during the coating operations involving high solids, low-VOC coatings.

7-3

Thank you for your consideration of our comments. Please contact me if you have any questions.

Sincerely,

Carol Kaufman
Air Quality Program Manager
Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012
213-217-6207
FAX 213-217-6700
Cell 310-850-6105

Response to comment 7-1:
See response to comment 1-3.

Response to comment 7-2:
The exemption under paragraph (g)(2) was originally intended for clean wood products that may be found at a manufacturing facility or similar facility such as a wood furniture or wood cabinet manufacturer. Grinders and shredders for green waste contain other materials not intended for the Rule 219(g)(2) exemption such as leaves, branches, bark covered tree limbs, dirt, roots, etc. In addition, staff understands the brush chipper is used at multiple MWD facilities and usage time may run into the hundreds of hours per year. For these reasons, the request to allow non-production/non-commercial activity was not incorporated under paragraph (g)(2).

Response to comment 7-3:
The intent of the change to paragraph (l)(9) was to address a situation with higher-than-ambient temperature application of pavement striping, which resulted in VOC and PM emissions. However, heating to reduce coating viscosity was not intended to be excluded from the exemption. Staff has therefore amended the language of paragraph (l)(9) to be as follows:

> *"Portable coating equipment and pavement stripers used exclusively for the application of architectural coatings, and associated internal combustion engines provided such equipment is exempt pursuant to subdivision (a) or paragraph (b)(1), and provided no supplemental heat is added during pavement striping operations.*"

The following comments are from Disneyland Resort – Comment Letter #8 – received via email

Morning Bob,

Thank you for the opportunity for commenting the proposed rule language. For R219(m)(9): can I suggest to add a clarification (in red)? My concerns is that our mobile fueling truck carries 2 small fuel tanks, one for gasoline and one for diesel fuel. Each tank holds less than 250 gallons.

".....In addition, this exemption does not apply to a group of more than one VOC-containing liquid or odorant tank where a single product is stored and the combined storage capacity of all tanks exceeds 950 liters (251 gallons), and where the tanks are mounted on a shared mobile platform and stored at a facility."

8-1

Thank you

Hao Jiang, P.E.
Environmental Affairs
Disneyland Resort
PO Box 3232
TDA 224C
Anaheim, Ca 92802
714-781-4504, hao.jiang@disney.com

Response to comment 8-1:
Staff agrees with the comment. The suggested language has been incorporated.

The following comments are from United Airlines – Comment Letter #9

March 10, 2017

VIA EMAIL

Mr. Tracy A. Goss, P.E.
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
(909) 396-3106
tgoss@aqmd.gov

Re: Comments Regarding the South Coast Air Quality Management District's Proposed Amended Rule 219

Dear Mr. Goss:

I am writing on behalf of United Airlines, Inc. ("United") to provide the South Coast Air Quality Management District ("the District" or "SCAQMD") with comments on the Proposed Amended Rule ("PAR") 219 – Equipment Not Requiring A Written Permit Pursuant To Regulation II. The District has requested feedback on PAR 219 by March 10, 2017.

The current rulemaking schedule provides that the District will set a public hearing on April 7, 2017, in anticipation of a District Board hearing to consider PAR 219 on May 5, 2017. United respectfully reserves the right to supplement these comments as this rulemaking process moves forward, including the submission of additional comments as part of the April 7 public hearing.

I. INTRODUCTION

Rule 219 is an administrative rule that provides exemptions from SCAQMD permitting requirements. According to District staff, the purpose of PAR 219 is to include additional equipment for exemptions, to clarify existing rule language regarding the intent of existing exemptions, and to make editorial corrections to Rule 219. *See* Preliminary District Draft Staff Report at 2-4 and 2-5 (February 2017).

Notably, PAR 219 includes new requirements for portable equipment registered under the California Air Resource Board's ("CARB's") Statewide Portable Equipment Registration Program ("PERP"). In its proposal, the District is seeking to alter the way in which facilities covered by the Regional Clean Air Incentives Market ("RECLAIM") program would account for emissions from PERP-registered equipment. The specific changes in PAR 219 would seem to

United Airlines, Environmental Affairs, 233 S. Wacker Drive, 11th Floor, Chicago, IL 60606

require affected RECLAIM facilities to use the Monitoring, Recordkeeping and Reporting ("MRR") protocols in Rules 2011 and 2012 for portable non-road engines with existing PERP registrations.

United is concerned that PAR 219 could have the effect of creating two very different reporting requirements where emissions from the same PERP-registered equipment would be calculated differently under CARB's statewide regulation and the District's MRR protocols. PAR 219 is silent on how sources should attempt to implement these changes involving PERP-registered equipment at a RECLAIM facility.

9-1

II. COMMENTS

A. Compatibility Between PERP Rule Requirements and PAR 219 Requirements.

A brief summary of the PERP rule is necessary to understand the potential ramifications of PAR 219. PERP regulates portable non-road engines on a statewide level by providing a mechanism for it to obtain a single registration document that will allow it to operate anywhere within the state. Substantively, the PERP rule requires such portable non-road engines to comply with CARB's Airborne Toxic Control Measure requirements, among others. Simply put, if a non-road engine is portable and otherwise satisfies CARB's PERP requirement, and it is duly registered under and complies with CARB's PERP program, then it is exempt from District permitting requirements. There are no additional eligibility requirements for this exemption beyond valid PERP registration.

Within its jurisdiction, the District is responsible for inspection of portable non-road engines registered under PERP. A summary of the District's responsibilities under PERP is available on its website at http://www.aqmd.gov/home/permits/equipment-registration/perp. This summary explains: "PERP allows the freedom to operate portable engines and portable equipment units anywhere in the state without the need to obtain separate permits from each air quality district." Id. The PERP rule provides, in part:

> Purpose – These regulations establish a statewide program for the registration and regulation of portable engines and engine-associated equipment (portable engines and equipment units) as defined herein. Portable engines and equipment units registered under the Air Resources Board program may operate throughout the State of California without authorization (except as specified herein) or permits from air quality management or air pollution control districts (districts). These regulations preempt districts from permitting, registering, or regulating portable engines and equipment units, including equipment necessary for the operation of a portable engine (e.g. fuel tanks), registered with the Executive Officer of the Air Resources Board except in the circumstances specified in the regulations.

13 CCR § 2450 (emphasis added).

9-2

The District's provisions related to the PERP program – specifically, the exemption in Rule 219(r) for PERP-registered equipment – exempt all equipment that is regulated by CARB

under the PERP program from District permitting requirements. These provisions are necessary in order to avoid duplicative regulation of these sources. However, United believes that there may be some issues of compatibility between the statewide PERP requirements and certain new requirements proposed in PAR 219.

9-2 cont

B. The District's PAR 219 Language Regarding PERP-Registered Equipment.

According to District staff, the purpose of the proposed amendments to the existing Rule 219 exemption for equipment registered with CARB under PERP is to provide "[c]larification of emission calculation procedures related to the Monitoring, Recordkeeping and Reporting (MRR) protocols in Rules 2011 and 2012 [stet]." *See* Preliminary District Draft Staff Report at 2-5 (February 2017). PAR Rule 219 provides, in relevant part:

> The purpose of this rule is to identify equipment, processes, or operations that emit small amounts of air contaminants that shall not require written permits, unless such equipment, process or operation is subject to subdivision (s) – Exceptions. In addition, exemption from written permit requirements in this rule is only applicable if the equipment, process, or operation is in compliance with subdivision (t).
>
> Written permits are not required for:
>
> ****
>
> (r) Registered Equipment and Filing Program
>
> (1) Any portable equipment, including any turbines qualified as military tactical support equipment under Health and Safety Code Section 41754 ~~which is~~ registered in accordance with the Statewide Portable Equipment Registration Program (PERP) adopted pursuant to California Health and Safety Code Section 41750 et seq. PERP registered equipment operated at a RECLAIM Facility shall be classified as Major Source, Large Source or Process Units in accordance with Rule 2011 (c) and (d) for SOx emissions and Rule 2012 (c), (d) and (e) for NOx emissions for purposes of determining the applicable requirements for Monitoring, Reporting and Recordkeeping (MRR). Use of RECLAIM MRR Protocols for Rule 219 equipment as specified in Rule 2011 (Rule 2011 Protocol, Appendix A, Chapter 3, Subsection F) and Rule 2012 (Rule 2012 Protocol, Appendix A, Chapter 4, Subsection F is only allowed if the registered PERP equipment also qualifies for an exemption from permit under a separate provision of this Rule.

PAR 219(r)(1) (February 2017) (emphasis in original).

9-3

As currently drafted, PAR 219 is inconsistent with the requirements of CARB's PERP program, and the District's own rules and guidance. In November 2016, and again in December 2016, United wrote to the District seeking clarification of many of the questions and issues identified below. Unfortunately, neither PAR 219 nor the District's Preliminary Draft Staff Report attempt to address or discuss United's questions and concerns regarding the effect of PAR 219 on portable non-road engines that are subject to the existing PERP registrations.

C. Specific Comments on PAR 219.

1. **PAR 219 is inconsistent with the PERP program's recordkeeping and reporting requirements applicable to airlines.** Under the PERP program, airlines with PERP-registered portable non-road engines are classified as a "Provider of Essential Public Service (PEPS)." Such portable non-road engines are not subject to monthly monitoring and reporting. Recordkeeping and reporting requirements for portable non-road engines and equipment operated by a PEPS are specifically listed in the operating conditions of each Statewide Portable Equipment Registration that CARB issues. The changes proposed in PAR 219 for affected RECLAIM facilities could impose monthly monitoring and reporting requirements on the same PERP-registered portable non-road engines and equipment, in direct conflict with the PERP program requirements. United already monitors and reports portable non-road engine emissions on a quarterly basis, which is also inconsistent with the PERP program. Reporting on a quarterly basis is currently manageable due to the ease of use of the web-based WATERS reporting system, as opposed to a monthly facsimile-based RTU reporting system. As such, monitoring and reporting of emissions from portable non-road engines with existing PERP registrations should continue to follow the quarterly reporting schedule. 9-4

2. **PERP-registered portable non-road engines must meet CARB emission standards, meaning the emissions factors in the protocol for Rule 2012 are unnecessary and should not be required.** The District should clarify that emissions from PERP-registered portable non-road engines at RECLAIM facilities are to be calculated consistently with CARB and EPA emissions testing and certification standards for non-road engines. As currently drafted, PAR 219 could require operators of PERP-registered portable non-road engines to use the emission factors for diesel engines as provided for in Table 3-D of Rule 2012A-3-25. This is inconsistent with CARB and EPA non-road emissions standards and would result in inaccurate quantification of NOx emissions, which seems contrary to the intent of RECLAIM. 9-5

3. **PERP-registered equipment is not listed separately in a Facility Permit, because such equipment is exempt from District permitting.** CARB establishes conditions for PERP-registered portable non-road engines and equipment. (*See* District's summary of PERP requirements at http://www.aqmd.gov/home/permits/equipment-registration/perp). As currently drafted, PAR 219 would require affected RECLAIM facilities to use the MRR protocols in Rules 2011 and 2012 for portable non-road engines and equipment with existing PERP registrations. The language in PAR 219 does not attempt to reconcile these regulatory requirements with the existing conditions established under the PERP rule. For example, under Rule 2012, emission calculations for Large NOx Sources and Process Units are required to be set forth in the Facility Permit. *See* Rule 2012(f). For both Large NOx Sources and Process Units, the Facility Permit holder shall: "Accept the emission factor, concentration limit, or equipment-specific or category-specific emission rate, as specified pursuant to subdivision (f) of this Rule and in the Facility Permit, as the sole method for determining mass emissions for all purposes …." Rule 2012(d)(2)(C) and (e)(2)(C) (emphasis added). However, Facility Permits issued by the District do not 9-6

separately list PERP-registered portable non-road engines and equipment. Such portable non-road engines and equipment are already subject to the requirements of the PERP program, and are exempt from District permitting. Additionally, portable non-road engines are certified to CARB emission standards, meaning that an emission factor has already been established through CARB-approved testing by the manufacturer of the non-road engine. Therefore, a separate listing of the portable non-road engine and its associated emissions standard or certified emissions level in a Facility Permit is unnecessary.

9-6 cont

4. **Source testing requirements for PERP-registered portable non-road engines are unnecessary and should not be required.** The specific changes in PAR 219 would require affected RECLAIM facilities to use the MRR protocols in Rule 2012 for portable non-road engines with existing PERP registrations. Under PAR 219, PERP-registered portable non-road engines that trigger the "Large NOx Source" category, as defined by Rule 2012(d), would be required to be source-tested once every three years. This requirement should not apply to PERP-registered portable non-road engines. Such PERP-registered portable engines are certified to emissions standards established by CARB. Since these engines are already CARB-certified, a separate source test every three years as specified in Rule 2012 is unnecessary.

9-7

5. **Installing Continuous Emissions Monitoring Systems (CEMS) or Continuous Process Monitoring Systems (CPMS) for PERP-registered portable non-road engines is unnecessary and should not be required.** The specific changes in PAR 219 would require affected RECLAIM facilities to use the MRR protocols in Rule 2012 for portable non-road engines with existing PERP registrations. Under PAR 219, PERP-registered portable non-road engines that trigger the "Large NOx Source" category as defined by Rule 2012(d) would be required to have CEMS or CPMS in the form of a fuel meter. This requirement should not apply to PERP-registered portable engines. CEMS and/or fuel metering technology is overly burdensome and unnecessary considering that these portable non-road engines are certified to CARB emissions standards expressed in units inclusive of time, meaning a simple non-resettable elapsed time hour meter is sufficient to monitor and report NOx emissions.

9-8

6. **In light of the District Governing Board's recent decision to eventually phase-out the RECLAIM program, it seems counterproductive to require affected RECLAIM facilities to use the MRR protocols in Rule 2012 for portable non-road engines with existing PERP registrations.** On March 3, 2017, the Governing Board voted to approve an amended 2016 Air Quality Management Plan ("AQMP") for the District. The AQMP, as approved, requires an orderly sunsetting of the RECLAIM program in order to create more regulatory certainty and reduce compliance burdens for smaller facilities. As demonstrated above, the RECLAIM program's MRR protocols in Rule 2012 are especially ill-suited for monitoring, calculating and reporting emissions from portable non-road engines with existing PERP registrations. The incompatibility between the requirements of the PERP and RECLAIM programs are significant, and necessitate revisions to PAR 219 as currently drafted. Those concerns are further complicated when coupled with the fact that the RECLAIM program is now set to expire.

9-9

Mr. Tracy A. Goss
March 10, 2017

III. CONCLUSION

United appreciates your consideration of these comments. If you or your colleagues have questions or require additional information concerning the issues raised in this letter, please feel free to contact Corrie Zupo at (310) 431-3614, corrie.zupo@united.com, or me at (872) 825-8405, robert.schlingman@united.com.

Sincerely,

Robert Schlingman
Director, Environmental Policy and Programs
United Airlines, Inc.

cc: Robert Gottschalk, SCAQMD (rgottschalk@aqmd.gov)
John Yee, SCAQMD (jyee@aqmd.gov)
Bob Sanford, SCAQMD (bsanford@aqmd.gov)
Christina Landgraf, United Airlines, WHQLD
Rohini Sengupta, United Airlines, WHQEN
Corrie Zupo, United Airlines, LAXEN

Response to comment 9-1:
Staff thanks the commenter for your comments. The proposed amendment to PAR 219 paragraph (r)(3) is intended to clarify and reiterate requirements of Rule 2011(e)(8) and Rule 2012 (g)(8) (see excerpt below). These are applicable to PERP equipment which is operated at a RECLAIM facility but not listed on the facility permit. It does not impose a new reporting requirement.

Rule 2011 (e)(8) and Rule 2012 (g)(8) state:

> *"A Facility Permit holder shall at all times comply with all applicable requirements specified in this rule and Appendix A for monitoring, reporting and recordkeeping of operations of RECLAIM NOx sources that are not included in the Facility Permit so as to determine and report to the District Central Station the quarterly emissions from these sources by the end of the quarterly reconciliation period as specified under Rule 2004(b). These sources may include, but are not limited to, rental equipment, equipment operated by contractors, and equipment operated under a temporary permit or without a District permit."*

Response to comment 9-2:
The proposal under PAR 219 (r)(3) does not alter the exemption from the requirement to obtain an SCAQMD-issued permit for equipment operating within SCAQMD's jurisdiction with a valid PERP registration. As stated in response to comment 9-1 above, the proposed amendment merely clarifies and reiterates the existing requirements applicable to operations within a RECLAIM facility and does not impose any new or additional requirements. Therefore, the proposal does not create any compatibility issues as explained further in responses below.

Response to comment 9-3:
PAR 219 is not inconsistent with the requirements of CARB's PERP program or with SCAQMD's rules and guidance specific to PERP equipment. The comment fails to identify in which ways the commenter believes PAR 219 is inconsistent with the PERP program or SCAQMD rules and guidance. Once again, the proposed amendment to PAR 219 paragraph (r)(3) is intended to clarify and reiterate requirements of Rule 2011(e)(8) and Rule 2012 (g)(8).

Response to comment 9-4:
Pursuant to Rule 2011 (e)(8) or Rule 2012 (g)(8), emissions from equipment not included in the Facility Permit, such as PERP equipment, are to be reported quarterly. The comment expresses concern for additional monthly reporting requirements, but United Airlines, Inc. has been reporting emissions from PERP equipment quarterly. It may continue to use the District web based WATERS reporting system to comply with the said RECLAIM provisions. United Airlines, Inc.'s operation at the Los Angeles International Airport is subject to RECLAIM and Regulation XXX – Title V Permits, which specify monitoring, reporting and recordkeeping (MRR) requirements for which Rule 219 does not provide any exemption. PERP equipment operated within a RECLAIM facility still must comply with the MRR requirements in accordance with applicable provisions under RECLAIM and Title V Permits.

Response to comment 9-5:
Determination of emissions as Large Source and Process Unit PERP equipment may be based on concentration limit, which in this case would be the CARB certified emission rates or Tier emission standard limit (g/bhp-hr) stated on PERP registrations. The reportable quarterly emissions will be based upon the emission standard limit, PERP nameplate bhp, and engine hour meter or fuel meter. The use of default emission factors are required only if a PERP registration lacks a specific emission rate or a Tier emission standard.

Response to comment 9-6:
The proposed language does not require the PERP equipment to be individually listed in the Facility Permit. See response to 9-5 for use of PERP emission standard limits for emission determination.

Response to comment 9-7:
PERP equipment may only operate at a stationary source for no more than one year. RECLAIM provisions allow the use of simple calculations for reportable emissions for the first year of operations. Source testing is required every three or five year of operation, dependent of the size of the equipment. Operation of PERP equipment at a stationary source beyond one year is in violation of the PERP conditions and invalidates the provision of Rule 219 exempting that equipment from the requirement to obtain an SCAQMD-issued permit. The subject equipment would then be required to obtain an SCAQMD-issued permit, which will include all applicable RECLAIM MRR requirements, such as testing for continued compliance with concentration limits for Large Sources and Process Units.

Response to comment 9-8:
For PERP equipment which meets the major source definition, RECLAIM allows the facility to report using the emission limit (g/bhp-hr) to determine emissions during the first year of operation. However, operation of PERP equipment at a stationary source beyond one year is in violation of the PERP conditions and invalidates the provision of Rule 219 exempting that equipment from the requirement to obtain an SCAQMD-issued permit. The subject equipment would then be subject to obtain an SCAQMD-issued permit, which will include all applicable RECLAIM MRR requirements, such as CEMS requirements for Major Sources.

Response to comment 9-9:
Specific provisions on how to transition from RECLAIM will be discussed in the future. Current requirements are applicable in the meantime.

~~*Response to comment 9-1:*~~
~~Staff thanks the commenter for your comments. The proposed amendment to PAR 219 paragraph (r)(3) is intended to clarify and re-iterate requirements of Rule 2011(e)(8) and Rule 2012 (g)(8) (see excerpt below). These are applicable to PERP equipment which is operated at a RECLAIM facility but not listed on the permit. It does not impose a new reporting requirement.~~

~~Rule 2011 (e)(8) and Rule 2012 (g)(8) state:~~

> ~~*"A Facility Permit holder shall at all times comply with all applicable requirements specified in this rule and Appendix A for monitoring, reporting and recordkeeping of operations of RECLAIM NOx sources that are not included in the Facility Permit so as to determine and report to the District Central Station the quarterly emissions from these sources by the end of the quarterly reconciliation period as specified under Rule 2004(b). These sources may include, but are not limited to, rental equipment, equipment operated by contractors, and equipment operated under a temporary permit or without a District permit."*~~

~~*Response to comment 9-2:*~~
~~The proposal under PAR 219 (r)(3) does not alter the exemption from SCAQMD issued permit for equipment operating within SCAQMD's jurisdiction with a valid PERP registration. As stated in response to comment 9-1 above, the proposed amendment merely clarify and re-iterate the existing requirements applicable to operations within a RECLAIM facility and does not impose any new and additional requirement. Therefore, the proposal does not create any compatibility issues as explained further in responses below.~~

~~*Response to comment 9-3:*~~
~~Staff does not believe PAR 219 is inconsistent with the requirements of CARB's PERP program, or with SCAQMDs rules and guidance specific to PERP equipment. Once again, the proposed amendment to PAR 219 paragraph (r)(3) is intended to clarify and re-iterate requirements of Rule 2011(e)(8) and Rule 2012 (g)(8).~~

~~*Response to comment 9-4:*~~
~~Pursuant to Rule 2011 (e)(8) or Rule 2012 (g)(8), emissions from equipment not included in the Facility Permit, such as PERP, are to be reported quarterly. As stated in the comment United Airlines, Inc. has been reporting emissions from PERP equipment quarterly. It may continue to use the District web based WATERS reporting system to comply with the said RECLAIM provisions. United Airlines, Inc.'s operation at the Los Angeles International Airport is subject to RECLAIM and Regulation XXX – Title V Permits, which specify monitoring, reporting and recordkeeping (MRR) requirements that Rule 219 does not provide any exemption for. PERP equipment when operated within a RECLAIM facility still needs to comply with the MRR requirements in accordance with applicable provisions under RECLAIM and Title V Permits.~~

~~*Response to comment 9-5:*~~
~~Determination of emissions as Large Source and Process Unit PERP equipment may be based on concentration limit which in this case would be the CARB certified emission rates or Tier emission standard limit (g/bhp-hr) stated on PERP permits. The reportable quarterly emissions will be based upon the emission standard limit, PERP nameplate bhp and engine hour meter or fuel meter. The use~~

of default emission factors are required only if a PERP permit lacks specific emission rate or Tier emission standard.

Response to comment 9-6:
The proposed language does not require the PERP equipment to be individually listed in the Facility Permit. See response to 9-5 for use of PERP emission standard limits for emission determination.

Response to comment 9-7:
PERP equipment may only operate at a stationary source for no more than one year. RECLAIM provisions allow the use of simple calculations for reportable emissions for the first year of operations. Source testing are required every three or five year of operation, dependent of the size of the equipment. Operation of a PERP equipment at a stationary source beyond one year is in violation of the PERP conditions and invalidates the Rule 219 exemption from written permit provision. The subject equipment would then be subject to SCAQMD issued permits which will include all applicable RECLAIM MRR requirements, such as testing for continued compliance with concentration limits for Large Sources and Process Units.

Response to comment 9-8:
For PERP equipment which meets the major source definition, RECLAIM allows the facility to report using emission limit (g/bhp-hr) to determine emissions during the first year of operation. However, operation of a PERP equipment at a stationary source beyond one year is in violation of the PERP conditions and invalidates the Rule 219 written permit provision. The subject equipment would then be subject to SCAQMD issued permits which will include all applicable RECLAIM MRR requirements, such as CEMS requirements for Major Sources.

Response to comment 9-9:
Specific provision on how to transition from RECLAIM will be discussed in the future. Current requirements are applicable in the meantime.

The following comments are from SoCalGas – Comment Letter #10

Gumm

SoCalGas
A Sempra Energy utility

Noel Muyco
Environmental Affairs Program Manager
External Affairs & Environmental Strategy
Southern California Gas Company

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March 10, 2017

Mr. Tracy Goss
Planning, Rule Development, and Area Sources
21865 Copley Drive
Diamond Bar, CA 91765
BGottschalk@aqmd.gov

Submitted via Email

RE: Comments on Proposed Rule Amendments 219/222

Dear ~~Mr. Goss:~~ Tracy

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide comments on the South Coast Air Quality Management District's (SCAQMD) Proposed Amendment Rule 219 – Equipment Not Requiring A Written Permit Pursuant To Regulation II and Rule 222 – Filing Requirements For Specific Emissions Sources Not Requiring A Written Permit Pursuant To Regulation II. The following comments are respectfully submitted for your consideration.

PERP Equipment

PAR219(r)(1) – In an attempt to broaden applicability to address portable equipment registered under PERP, the proposed language suggests additional monitoring, recordkeeping, and reporting requirements for equipment that has historically not been subject to the RECLAIM requirements that Major, Large, and Process Units are subject to. We request clarification regarding the intent of the amendments to this section. Was the intent to create additional requirements related to rental PERP equipment or to merely exclude PERP equipment greater than 50 bhp from using the emission calculation methodologies specified in Rule 2011 (Rule 2011 Protocol, Appendix A, Chapter 3, Subsection F) and Rule 2012 (Rule 2012 Protocol, Appendix A, Chapter 4, Subsection F? SoCalGas recommends the following edit:

> "PERP registered equipment operated at a RECLAIM Facility shall be classified as Major Source, Large Source or Process Units in accordance with Rule 2011 (c) and (d) for SOx emissions and Rule 2012 (c), (d) and (e) for NOx emissions for purposes of determining the applicable requirements for~~,~~ Reporting SOx and NOx emissions. Use of

10-1

Page 2

> RECLAIM Emissions Reporting Protocols for Rule 219 equipment as specified in Rule 2011 (Rule 2011 Protocol, Appendix A, Chapter 3, Subsection F) and Rule 2012 (Rule 2012 Protocol, Appendix A, Chapter 4, Subsection F is only allowed if the registered PERP equipment also qualifies for an exemption from permit under a separate provision of this Rule."

10-1 cont

Furthermore, the specified emission calculation methodologies in PAR219 as currently written may not be feasible for calculating SOx and NOx emissions from rental PERP equipment. For instance, Rule 2012 Protocol, Appendix A, Chapter 4 for Process Units indicates in Section A.1 that: "The category-specific starting emission factor found in Table 1 of Rule 2002 - Allocations for Oxides of Nitrogen (NOx) and Sulfur (SOx) shall be used for quantifying quarterly mass emissions for a NOx process unit." Reviewing Table 1 of Rule 2002 indicates that for ICEs, for example, that the starting and ending emission factors are: "Equivalent to permitted BACT limit." Rental PERP equipment does not always meet NOx and SOx emission limits that are equivalent to permitted BACT since the units are not permitted with SCAQMD. The District should provide further guidance for calculating emissions for PERP equipment operated at a RECLAIM Facility.

10-2

Natural Gas and Crude Oil Production Equipment

PAR 219(n) – Historically Rule 219(n) applies only to natural gas and crude oil production equipment and with Southern California Gas' Storage Fields classified under the Standard Industrial Code (SIC 4922) as Natural Gas Transmissions and Storage, proposed changes to Rules 219/222 would NOT be applicable to Southern California Gas Company. However, SoCalGas understands that the District will be implementing the California Air Resources Board's (CARB) Proposed Regulation Order for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities in PAR 222, so that changes to PAR 219 subdivision (n) to address sources that will be subject to the new CARB Regulation are necessary. We respectfully request that a category be added to Rules 219/222 to reflect the equipment subject to the new CARB Regulation expected to be finalized around April/May. You might consider incorporating a Rule 219/222 category in the following manner:

> "Equipment subject to California Air Resources Board Regulation Order for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities."

This language will give the District the needed coverage from CARB, as well as avoid conflating equipment at SoCalGas facilities that does not fall into the category of natural gas and crude oil production equipment with equipment at other facilities that does.

10-3

Several of SoCalGas' facilities in SCAQMD are subject to Title V Regulations and our Title V Facility Permits already list and track Rule 219 equipment at each facility. As such, we believe the registration requirements in PAR 222 are redundant for Title V facilities. Therefore, SoCalGas respectfully requests that PAR 219 exclude Title V facilities from PAR 222 registration requirements.

10-4

Page 3

Thank you again for the opportunity to submit comments. Please feel free to reach out to me at nmuyco@semprautilities.com or (213) 215-3397 if you have any questions regarding our comments.

Respectfully submitted,

Noel Muyco

cc: Bob Gottschalk
David Ono

Response to comment 10-1:
Staff thanks the commenter for your comments. The proposed amendment to PAR 219 paragraph (r)(3) is intended to clarify and re-iterate requirements of Rule 2011(e)(8) and Rule 2012 (g)(8) (see excerpt below). These are applicable to PERP equipment which is operated at a RECLAIM facility but not listed on the facility permit. It does not impose a new reporting requirement.

Rule 2011 (e)(8) and Rule 2012 (g)(8) state:

> *"A Facility Permit holder shall at all times comply with all applicable requirements specified in this rule and Appendix A for monitoring, reporting and recordkeeping of operations of RECLAIM NOx sources that are not included in the Facility Permit so as to determine and report to the District Central Station the quarterly emissions from these sources by the end of the quarterly reconciliation period as specified under Rule 2004(b). These sources may include, but are not limited to, rental equipment, equipment operated by contractors, and equipment operated under a temporary permit or without a District permit."*

Response to comment 10-2:
Determination of emissions as Large Source and Process Unit PERP equipment may be based on the concentration limit which in this case would be the CARB certified emission rate or Tier emission standard limit (g/bhp-hr) stated on PERP ~~permits~~registrations. The reportable quarterly emissions will be based upon the emission standard limit, PERP nameplate bhp, and engine hour meter or fuel meter. For PERP equipment which meet the major source definition, RECLAIM allows the facility to report using the emission limit (g/bhp-hr) to determine emissions during the first year of operation. All PERP equipment is only allowed to operate at a stationary facility for period no longer than one year. Operation of ~~a~~ PERP equipment at a stationary source beyond one year is in violation of the PERP conditions and invalidates the provisions of Rule 219 exempting that equipment ~~exemption~~ from the requirement to obtain an SCAQMD-issued permit~~written permit provision~~.

Response to comment 10-3:
Under the CARB Proposed Regulation Order for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities, SCAQMD compliance personnel will inspect equipment addressed under the proposed regulation. As such, CARB requires that all equipment addressed by the draft regulation be either permitted or registered by the local air district, in order for CARB to delegate authority to the

local air district. Staff believes that nearly all of this equipment is already permitted or registered under Rule 222. However, there may be limited numbers of equipment that have not been subject to either permit or registration. These include equipment exclusively handling natural gas. Therefore, the commenter's suggestion to incorporate a new exemption category into Rule 222 limiting authority of the SCAQMD to register this equipment cannot be accommodated.

Response to comment 10-4:
Although Title V permits list Rule 219-exempt equipment, in many cases they do not list equipment in sufficient detail to identify specific equipment. For example, Title V permits for gas storage facilities may only list Rule 219-exempt oil and gas well heads and pumps as a single line item on the permit, irrespective of the actual number of well heads and pumps. Under the Rule 222 registration program, these well heads and pumps are currently registered in groups of four, and under the staff proposal, they will be individually identified by API numbers, which allows further identification by location within an oil field. This detail is necessary for SCAQMD compliance activities

The following comments are from Integra Environmental Consulting, Inc. – Comment Letter #11 – received via email

Hi Bob,

Hope you are doing well.

The proposed language seems too general and may have unintended consequences. For example, if a permitted process included a non-permitted small ICE or small boiler, based on the proposed language, that piece of equipment needs to be permitted, which I am pretty sure was not the intent of this proposal.

I would suggest to clarify the language to avoid any ambiguities or confusions.

11-1

Best regards,

Zorik Pirveysian
Integra Environmental Consulting, Inc.
649 Tufts Ave,
Burbank, CA 91504
Office: (818) 843-3107
Cell: (818) 441-6496

Response to comment 11-1:
Staff appreciates your concerns regarding the exception under paragraph (s)(5) potentially being too general and having unintended consequences. See response to comment 3-2.

The following comments are from California Steel Industries, Inc. – Comment Letter #12 – received via email

CALIFORNIA STEEL INDUSTRIES, INC.

14000 San Bernardino Avenue, P.O. Box 5080
Fontana, California 92335
Telex 201239 (909) 350-6300

March 10, 2017

Mr. Tracy A. Goss, P.E.
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

ELECTRONICALLY DELIVERED

Dear Mr. Goss:

Re: AMENDMENTS TO PROPOSED RULE 219 – EQUIPMENT NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II

California Steel Industries, Inc. respectfully submits the following comments to the draft Amendments to Rule 219 released February 17, 2017. These comments are a follow-up to public workshop regarding the amendment on March 2, 2017. Comments are specific to section (e)(8):

> "Welding equipment, oxygen gaseous fuel-cutting equipment, hand-held plasma-arc cutting equipment, hand-held laser cutting equipment, laser etching or engraving equipment, and associated air pollution control equipment. This exemption does not include any equipment that is used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead laser cutting, etching and engraving equipment that are rated more than 400 watts."

Using 0.1% by weight for Cr, Ni, Cd, and Pb as reported in product SDSs for steel materials is inappropriate. SDSs are not reliable to provide actual concentrations and rather provide potential maximum amounts of these elements. If any detection is found, a de minimus concentration or more will be listed even if below 0.1% by weight. All carbon steels in the AISI/SAE 1000 series grades, by definition, do not have the concerned elements added as part of the production process and are only present as trace or residual amounts. As such, we recommend that these carbon steel grades that do not have these elements added as part of the alloying process be exempt as it would accomplish the original intent of determining whether the elements were intentionally added at the mill rather than just being present as trace elements.

12-1

Hand-held plasma-arc cutting equipment is specifically called out as exempt. Some plasma arc-cutting tasks are required to be done with the precision of machine mounted torches. Machine mounted torches are often functionally the same device with the same power supply as hand-held devices with modified torches to allow for mounting. Understanding that the purpose of calling out hand-held equipment is that it "is not typically operated in a production environment," we propose allowing all cutting associated with construction, maintenance, and quality assurance and quality control

12-2

purposes including rework, sampling, and testing to obtain data to meet quality specifications without limitation regardless of hand-held status.

12-2 cont.

We propose the following language:

> "Welding equipment, oxygen gaseous fuel-cutting equipment, ~~hand-held~~ plasma-arc cutting equipment, ~~hand-held~~ laser cutting equipment, laser etching or engraving equipment, and associated air pollution control equipment. This exemption does not include any equipment that is used to cut stainless steel, or non-carbon steel alloys containing ~~0.1% by weight or more of~~ chromium, nickel, cadmium or lead laser cutting, etching and engraving equipment that are rated more than 400 watts. Any equipment that is used to cut SAE 1000 series grades of carbon steel is exempt. All cutting associated with construction, maintenance, and quality assurance and quality control purposes including rework, sampling, and testing to obtain data to meet quality specifications are exempt without limitation."

12-3

Please call me at (909) 350-5991 if you have any questions or comments regarding this submittal.

Very truly yours,

ENVIRONMENTAL SERVICES

Ramsey Haddad
Senior Environmental Engineer

RH/blp
Enclosure
cc: Kathleen Brundage, CSI

S90152

Response to comment 12-1:
Staff understands that suppliers of Safety Data Sheets (SDS) may include the maximum concentration or a range of concentrations for toxics within alloys, whether deliberately alloyed or present as impurities, in order to be conservative. For this reason, demonstration of the de minimis level of toxic concentrations may be demonstrated either by Safety Data Sheet (SDS), by a metallurgical assay or other quantitative measure of in the steel. Regardless of the method used to determine concentrations of chromium, cadmium, nickel and/or lead, records must be kept by the facility operator in order to demonstrate the alloy does not contain 0.1% by weight or more of chromium, cadmium, nickel or lead to SCAQMD compliance personnel, if exemption for the operation is claimed under paragraph (e)(8). It is not possible for SCAQMD staff to determine whether reportable levels of toxic metals were added at the mill for alloying purposes or are present as impurities in alloys, mild steels, and carbon steels. Therefore, the proposed language is intended to specify the de minimis level to align with readily accessible reporting concentration values to improve enforceability and improve clarity. Staff has SDS sheets for carbon steels that report concentrations of higher than 0.1% for chromium and nickel. Therefore, the request to exempt carbon steels cannot be accommodated.

Response to comment 12-2:
Staff agrees that the intent of allowing hand-held equipment under this exemption is that it is not typically operated in a production environment. However, the commenter's suggestion to allow "all cutting that is associated with construction, maintenance, quality assurance and quality control purposes" may in fact allow production operations to occur under this exemption; especially for construction and quality assurance and quality control operations, since these operations may occur on a daily basis. Staff believes that maintenance and repair operations are occasional, non-production activities and pose limited risk of exposure to toxics emissions from cutting processes. Therefore, staff proposes amended language for this exemption, as follows:

> *"This exemption does not include cutting equipment described in this paragraph that is used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead, unless the equipment is used exclusively for maintenance or repair operations."*

Response to comment 12-3:
Staff thanks you for the suggested language. Due to the reasons expressed in responses to comments 12-1 and 12-2, staff proposes the following language for paragraph (e)(8):

> *"Welding equipment, oxygen gaseous fuel-cutting equipment, hand-held plasma-arc cutting equipment, hand-held laser cutting equipment, laser etching or engraving equipment, and associated air pollution control equipment. This exemption does not include cutting equipment described in this paragraph that is used to cut stainless steel, or alloys containing 0.1% by weight or more of chromium, nickel, cadmium or lead, unless the equipment is used exclusively for maintenance or repair operations. In addition this exemption does not include, laser cutting, etching and engraving equipment that are rated more than 400 watts, and control equipment venting such equipment."*

The following comments are from Radtech – Comment Letter #13 – received via email

March 10, 2017

Mr. Robert Gottschalk
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, California 91765

Re: Public comments to Proposed Amended Rule 219

Dear Mr. Gottschalk:

RadTech is pleased to comment on the proposed amendments to Rule 219. We have participated in the public process and submitted the additional information requested about market sectors. In the past, various board members have expressed support for an exemption for UV/EB/LED as a means to provide incentives to companies who reduce their emissions, in the form of reduced permitting requirements for supercompliant materials. I recently came across minutes of a Stationary Source Committee meeting in 2006 wherein the late Supervisor Roy Wilson "voiced encouragement" for RadTech's exemption request and directed staff to work with our industry to address our issues. 13-1

We echo the directives provided to staff by the Stationary Source Committee in 2014. Specifically, Councilwoman Judy Mitchell stated:

"I have long been a fan of the UV/EB technology as most of you know and I would maybe go to, what some of you may call, to the extreme point on this, I would give them the blanket exemption that they had in 2007. This is a very clean technology. I've seen it demonstrated and in a basin like ours that is in non-attainment, I think we need to strongly incentivize this kind of clean technology and encourage it in our area. I am very much in favor of incentivizing this and keeping in California the people that are part of this industry. It is an application that I have seen on labeling canned beverages, bottled beverages, it's applied to floors and I've seen the demonstration of the floor application where your coating on the floor is done immediately, you don't have to wait for it to dry. It really is very innovative and clean technology. I think we can't do enough here to incentivize and keep it here in California and we have a lot of manufacturers and associated manufacturers with that technology here in our basin and I think we 13-2

need to work toward keeping them here and giving them an incentive to stay here…"

We support Councilwoman Mitchell's proposal to restore the rule language prior to the 2007 amendments. Her comments were unanimously supported by all present members of the committee. We believe the following rule language (as it appeared in Section (h)(1)(B) of the July 7, 2007 proposed rule) would be in line with Councilwoman Mitchell's proposal:

13-2 cont.

UV/EB/LED materials containing fifty (50) grams of VOC per liter of material, and using exclusively cleanup solvents containing twenty five (25) grams of VOC per liter or less.

In order to work collaboratively towards consensus and accommodate staff's concern that the cleanup solvent limit of 50 grams per liter (previously proposed by RadTech) may be inconsistent with current requirements under Rule 1171 –Solvent Cleaning—we can agree to lower the VOC limit for cleanup solvents to 25 grams per liter.

13-3

We continue to request the inclusion of the above language in Section (h) Printing and Reproduction Equipment and Section (l) Coating and Adhesive Process/Equipment. Attached please find a transcript of the comments made by the Stationary Source Committee, which were published in our magazine, for quick reference. Our members have been greatly encouraged by the supportive comments of district board members.

13-4

Please let me know of any additional information you may need.

Sincerely,

Rita M. Loof
Director, Environmental Affairs

Cc: Wayne Nastri

Response to comment 13-1:
Staff thanks the commenter for participating in the public rule development process and for the historical perspective from past rule development efforts on Rule 219.

Response to comment 13-2:
Notwithstanding the comments made by Committee members in 2007 and 2013, staff believes the members of the Stationary Source Committee (SSC) gave clear guidance at the SSC meeting on March 17, 2017. That is, any proposal with regard to VOC content in UV/EB/LED materials should be technology-neutral and should not favor any particular industry or technology.

Response to comment 13-3:
Staff thanks the commenter for the suggested language. Given the guidance from SSC members discussed in the response to comment 13-2, the staff proposal for all low-VOC emitting technologies allows an exemption from written permit for any technology that contains fifty (50) grams or less of VOC per liter of material and provided that all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar

year, and provided that either a filing pursuant to Rule 222 is submitted to the Executive Officer or records kept pursuant to Rule 109 are submitted to the Executive Officer. Under the staff proposal, existing facilities that are currently registered may opt out of registration if these facilities instead choose to submit Rule 109 records to demonstrate they are exclusively using compliant materials and cleanup solvents, and their mass VOC emissions do not exceed one ton per calendar year.

Response to comment 13-4:
The following language is proposed for paragraphs (h)(1), (l)(6) and (l)(11), consistent with direction provided to staff at the most recent Stationary Source Committee meeting (March 17, 2017):

(h)(1)(E): "all inks, coatings and adhesives, fountain solutions, and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is records are submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit."

(l)(6)(F): "all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is records are submitted to the Executive Officer for the preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit."

(l)(11)(F) "all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either:

(i) a filing pursuant to Rule 222 is submitted to the Executive Officer; or

(ii) beginning March 1, 2018 and every March 1 thereafter, an annual low-VOC verification is records are submitted to the Executive Officer for the

preceding calendar year, in a format approved by the Executive Officer, to demonstrate compliance with material and cleanup solvent VOC concentration limits and the annual VOC emission limit."

~~*(h)(1)(D): "all inks, coatings and adhesives, fountain solutions, and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either a filing pursuant to Rule 222 is submitted to the Executive Officer or records are submitted to the Executive Officer in accordance with paragraph (u)(8)."*~~

~~*(l)(6)(E): "all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either a filing pursuant to Rule 222 is submitted to the Executive Officer or records are submitted to the Executive Officer in accordance with paragraph (u)(8)."*~~

~~*(l)(11)(E) "all coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year, and provided that either a filing pursuant to Rule 222 is submitted to the Executive Officer or records are submitted to the Executive Officer in accordance with paragraph (u)(8)."*~~

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The following comment letters were received after the requested submittal date for comments. Staff provides a response to these comments to the extent time allowed.

The following comments are from Small Business Alliance – Comment Letter #14

CALIFORNIA Small Business Alliance
Dedicated to Environmental Progress and Economic Growth

March 11, 2017

Mr. Wayne Nastri, Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

COMMENTS: PROPOSED RULE 222 – FILING REQUIREMENTS FOR SPECIFIC EMISSION SOURCES NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II

Dear Mr. Nastri:

The California Small Business Alliance (Alliance) is a coalition of trade associations representing approximately 14,000 small businesses with approximately 750,000 employees who work in the state's manufacturing, construction, oil and natural gas, and service sectors. These associations created the Alliance to advocate on their behalf before all branches of government, including environmental regulatory agencies.

Our purpose for writing is to comment on the South Coast Air Quality Management District's (District) Proposed Amended Rules (PAR) 219 (*Equipment Not Requiring A Written Permit Pursuant To Regulation II*), and 222 (*Filing Requirements for Specific Emission Sources Not Requiring A Written Permit Pursuant To Regulation II*). While we understand that the District is undertaking these amendments to expand the list of equipment covered by these rules, and thereby simplify and streamline the administration of the permit system, our comments are focused specifically on PAR 222.

District staff has willfully ignored their policy on public participation in the rulemaking process.

14-1

For the past five-and-a-half (5-1/2) years, Alliance representatives, representatives of other industry organizations, consultants, and individual business owner/operators have repeatedly petitioned the District staff to seriously consider reassigning low-emitting **(less than one (1) pound per day of NOx emissions)** heated paint spray booths, which are presently controlled by Rule 1147 (*NOx Reductions from Miscellaneous Sources*), and place them under the control of Rule 222. It is a fact that the Alliance submitted formal written comments on this subject, on August 3, 2012, at the invitation of the District staff. To date, we have yet to receive a formal reply. What we have received in response to our repeated requests in working groups, public consultation meetings, and public workshops, over the past 5-1/2 years, are casual references from various staff members that they are either considering the matter, or discussing the matter with their "*bosses*." It is also a matter of fact that when Rule 222 was amended in 2013, that the Alliance offered public testimony at the adoption hearing, whereupon the staff assured the Governing Board that they were continuing to explore transferring other items of equipment into

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Telephone: (714) 778-0763 • Web: www.calsmallbusinessalliance.org

Rule 222. To be fair, it appears that the staff is proposing to transfer some low-emitting equipment from other rules into this latest proposed amendment, but again, no mention has thus far been made of accommodating low-emitting heated paint spray booths, most of which are owned and operated by overburdened small businesses.

We would like to point out that by transferring these low-emitting heated paint spray booths into Rule 222, the District would continue to receive regular reports of NOx emissions. But, small businesses would be relieved of the cost of annual permitting. It is also both timely and appropriate to point out that the District could greatly relieve itself of a considerable number of backlogged permits. It is also appropriate to mention that there is some additional precedent for exempting low-emitting equipment. **When the District wrote, and adopted Rule 1153.1 (*Emissions of Oxides of Nitrogen from Commercial Food Ovens*), in 2014, they had the wisdom to exempt units with daily NOx emissions of 1 pound per day or less, if sufficiently documented.**

The District's policy about public comment, input of any kind, and participation in the rulemaking process, is very clear, in our reading of the agency's website. In one example, it reads:

*"The South Coast AQMD issues many public notices as part of its rulemaking, permitting, and other regulatory processes. You can access those notices here and find out how to provide comments. Public participation in regulatory processes is very important and **all comments received are addressed.**"* Sadly, we couldn't find any specific time limit being placed on the staff to formally respond to such comments.

In another example, it reads:

"Generally, the rule-making process incorporates extensive information gathering and research into available technologies, coordination with industry groups, and analysis of the economic impact of each proposed rule or rule amendment. SCAQMD provides an opportunity for public input on every proposed rule. At public workshops and consultations, the public can voice suggestions and concerns about the impact of a proposed rule. A final public hearing is held before the SCAQMD Governing Board before the Board votes on the proposed or amended rule."

General Comments

Since Rule 1147 was first adopted in 2008, the rule has adversely impacted hundreds of small business owners. Notwithstanding staff's attempt to provide regulatory relief to some facilities, when the rule was amended in 2011, hundreds of small business owners are still unnecessarily burdened by technology deficiencies in the low NOx burners that are prescribed in the rule, as well as the deficiencies in the cost-effectiveness methodology, and assumptions, that were used to justify the rule amendment.

14-1 cont.

Notwithstanding staff's assertion that Rule 1147 provides relief to the facilities it regulates, the rule has adversely impacted hundreds of small business owners since it was first adopted in 2008.

Because many small business owners still find the technical basis behind Rule 1147 grossly deficient, unreasonably demanding and in many instances impossible to comply with, we have been urged by our members to ask the District staff to earnestly consider including low-emitting heated paint spray booths in this next amendment of Rule 222.

14-1 cont.

We hope that you will accept our comments even though they are submitted two (2) days after the announced closing period. Most likely, we will offer public comment to the Governing Board for consideration when the rule is presented to them in May.

Please contact me with any questions at (714) 778-0763 or at: BillLaMarr@msn.com.

Sincerely,

Bill La Marr
Executive Director

cc: Tracy Goss, Planning & Rules Manager, Philip Fine, Ph.D., Deputy Executive Officer, Planning, Rule Development & Area Sources

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Response to comment 14-1

Heaters, dryers and ovens are integral to many spray booths – they are not separate from the spray booth. Permitting of the entire spray booth, including combustion equipment is necessary in order for permitting staff to make a determination regarding the complete emissions profile from spray booths, for VOC, PM and potentially toxics emissions from the coatings sprayed, as well as NOx from any combustion equipment. In addition, staff evaluates spray booths for potential nuisance impacts under Rule 402. The Technology Assessment conducted by staff under Rule 1147, and verified by an independent third party, did not establish a definitive level at which all heaters, dryers and ovens used on either printing presses or spray booths will be less than 1 lb/day of NOx; rather, it depends on the heat input, operating schedule and age of the heater, dryer or oven. Also, the current proposal for a planned upcoming amendment to Rule 1147 does not require small, low emitting units to retrofit with a compliant unit; it only requires these units to meet the appropriate Rule 1147 emission limit when they are subject to a combustion modification that changes the heat rating or are replaced or rebuilt.

For the reasons stated above, staff did not incorporate these comments into the proposal for PARs 219 and 222.

The following comments are from Beta Offshore & DCOR – Comment Letter #15

March 8, 2017

Mr. Tracy A. Goss, P.E.
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

RE: Proposed Amended Rule 219
PERP Engines in the OCS

Dear Mr. Goss:

Further to (1) Beta Offshore's comment letter of similar subject addressed to Mr. Robert Gottschalk dated August 31, 2016, (2) a telephone conference with Mr. Gottschalk and various other District Staff on December 6, 2016, and (3) the District's response to Beta Offshore's comment letter included in the District's Preliminary Draft Staff Report for Proposed Amended Rules 219 and 222 dated February 2017, Beta Offshore and DCOR, LLC wish to provide the South Coast Air Quality Management District (SCAQMD or District) with additional comments and information for the purpose of developing a regulatory process that will readily allow PERP engines to be operated in the Outer Continental Shelf (OCS) in a manner consistent with similar onshore activities.

DESCRIPTION OF OFFSHORE ACTIVITIES USING PERP

On a non-routine basis, OCS operators require the use of equipment to perform various maintenance and construction activities. Contractors to OCS operators use diesel-fired engines to power construction and maintenance equipment. These activities occur infrequently, generally only require portable engines for a matter of a few days, and often do not require use of portable engines at all or can be accomplished using smaller portable engines that are exempt from permitting per Rule 219(b)(1). However there are some activities that require engines that are large enough to require that they be regulated. In most cases these engines are regulated by the Statewide Portable Equipment Registration Program (PERP), in accordance with a voluntary registration. Examples of the types of activities that use PERP engines and for which a District regulatory process to operate in the OCS is required, include the following:

- Construction, maintenance, and repair projects that require portable engines to power equipment such as pumps, air compressors, hot water heaters, etc.

15-1

- Well drilling (construction) and workover (maintenance and repair) projects that require portable engines to power equipment such as power tongs, power swivels, well control equipment, cement pumps, centrifugal pumps, etc.

When portable engines that are not exempt from permitting requirements are needed, we currently must either locate an engine that already has a South Coast Various Locations Permit (which are not plentiful because it is not cost effective for rental equipment owners to permit their engines with local Districts in addition to maintaining a PERP registration) or – as we have been led to believe by the District - apply for such a permit even if the engine already has a current PERP registration and will be operated at the platform for less than 12 months. This significantly complicates the ability of OCS operators to procure vendors for these jobs, as well as increases the time, effort, and expense to projects without any corresponding benefit to air quality.

REGULATORY APPLICABILITY

We acknowledge that PERP engine registrations issued in accordance with the PERP regulation are not valid for use in the OCS and must be authorized for such use by the District. However, we believe the form of such authorization is not limited to the District's issuance of a permit to operate. Adoption of District Rule 1183 acknowledges the unique conditions, both physically and from a regulatory perspective, of sources operating in the OCS. Delegation of authority per 40 CFR Part 55.11 as a Corresponding Onshore Area (COA) permitting authority allows the District to permit sources within existing applicable rules and regulations listed in 40 CFR Part 55 Appendix A. Specifically, we believe the District's permitting authority for OCS sources includes the ability to authorize use of a PERP engine in the OCS via an explicit exemption from permitting requirements in Rule 219, a listed applicable rule in Appendix A. Further, note that air toxics rules in general, and District Rules 1401 and 1402 in particular, are not applicable to OCS sources [District Rules 1401 and 1402 are not listed in Appendix A].

New Source Review (NSR) provisions under Regulation XIII rules, also listed in Appendix A, define a Facility to include an outer continental shelf (OCS) source, as determined in 40 CFR Section 55.2, and states that "Sources or installations involved in crude oil and gas production in Southern California Coastal or OCS Waters and transport of such crude oil and gas in Southern California Coastal or OCS Waters shall be included in the same facility which is under the same ownership or use entitlement as the crude oil and gas production facility on-shore." This suggests that OCS Waters sources permitted with the onshore facility sources, would also be subject to the same permitting provisions and exemptions, under the same ownership or use entitlement. Thereby an owner/operator would expect to have the same set of NSR provisions including BACT, applied to their onshore and offshore facilities.

Similarly, Regional Clean Air Incentives Market (RECLAIM) treats oxides of nitrogen (NOx) emissions from PERP engines at onshore facilities for the activities described above as exempt the reporting pursuant to the construction and maintenance exemptions of Rule 2012 Appendix A, Chapter 1. The District would agree that the applicability of NOx reporting under RECLAIM is not intended to differentiate between onshore and offshore activities that are otherwise the same.

15-1 cont.

PROPOSED REGULATORY PROCESS

Subjecting the intermittent use of PERP engines to stationary source permitting does not seem to us as a proportionate regulatory response for their allowed use. This is highlighted by the fact that this same equipment, used for the same activities, is categorically exempt from permitting requirements at onshore facilities, and whose NOx emissions not reported or otherwise offset under RECLAIM NSR rules.

As discussed during the December 6, 2016, conference call, Beta Offshore proposes that for OCS operators the District provide a regulatory process to authorize the use of PERP engines in the OCS via a streamlined permitting or, preferably, a simple notification process. Other regional air districts, specifically the Santa Barbara County Air Pollution Control District (APCD) and the Ventura County APCD have developed regulatory processes that would be acceptable to Beta Offshore. These are briefly described below:

- A temporary permit process, to streamline the process of obtaining authorization to operate a PERP engine in the OCS. This regulatory process is effectively used by the Ventura Air Pollution Control District, whose exemption from permitting requirements for PERP engines in its Rule 23(D)(9), is virtually identical to South Coast's Rule 219(r)(1)]. VCAPCD Form APP001 is used for this purpose.

- A simple notification process used by the Santa Barbara Air Pollution Control District, whose exemption from permitting requirements for PERP engines in its Rule 202(F)(2) is virtually identical to South Coast's Rule 219(r)(1), that authorizes the use of PERP engines in the OCS in lieu of requiring a permit. SBCAPCD Form 38P is used for this process.

- A simple notification process used by the South Coast Air Quality Management District to authorize the use of PERP equipment in State Territorial Waters. The SCAQMD form titled "State Territorial Waters (STW) Equipment Notification" is used for this purpose.

We believe these alternative processes are effectively serving the needs of both agency and operator in those instances and could be adapted or extended by South Coast to authorize the use of PERP engines in the OCS. An exemption from SCAQMD permitting requirements or an alternative authorization process such as those described above could include any conditions the District deems necessary and appropriate.

The SCAQMD Preliminary Staff Report provided during the March 2, 2017 Rule 219 amendment public workshop, recommended deferring consideration of changes to Rule 219 that would allow engines operating under statewide registrations to be exempt from being required to obtain an operating permit until CARB issues an amended Final Regulation Order for the PERP regulation that would "potentially satisfy the stakeholders' request through implementation guidance rather than presumptively making changes to the exemption language in Rule 219. Staff has and will continue to monitor and coordinate with CARB on any amendments to the PERP regulation." CARB clarified that their proposed revisions to

15-1 cont.

ATCM and PERP regulation, which are due to be heard by the Board during its March 2017 public hearing, entirely reflect revisions to the fleet average emission standards for DPM that would become effective 2017 through 2020 and in no way will address use of PERP equipment in the OCS. Therefore using the CARB rulemaking as a basis for deferring consideration of a PERP exemption under SCAQMD Rule 219 is not warranted.

Our suggestion, similar to the process utilized by SBCAPCD, is to require the operator of PERP equipment in the OCS to honor the conditions on the current PERP registration for the equipment in question. California registrations contain emission limits, operating conditions, and notification procedures. This would ensure that operation of a PERP engine in the OCS is in compliance with the conditions on the currently valid (though not in the OCS) PERP registration. This would provide OCS operators with the ability to use a PERP engine in the same manner and subject to the same conditions as operators of onshore oil and gas production facilities in the South Coast Basin and, thus, create a level playing field for industry. And this would eliminate the competitive disadvantage currently being experienced by OCS operators to invest time, effort, and money in a permitting process for situations where onshore operators have no permitting requirements.

15-1 cont.

We do not believe we are requesting anything that is not within the permitting authority of the District or requesting any consideration that operators of onshore oil and gas production facilities in the South Coast Basin don't already enjoy. Again, we are simply requesting the District's assistance with "leveling the playing field" for all oil and gas facility operators in the South Coast Basin.

Thank you for your consideration of these additional comments. OCS stakeholders would like to establish an agreed upon regulatory process for the occasional use of portable engines in the OCS at the District earliest convenience. We will contact you in the near future to request an opportunity to meet with appropriate District staff to further discuss the above options. In the meantime, please feel free to contact either Ms. Diana Lang of Beta Offshore via phone at 562-628-1526 or via e-mail at diana.lang@memorialpp.com or Mr. Scott Knight of DCOR, LLC via phone at 805-535-2066 or via e-mail at sknight@dcorllc.com.

Sincerely,

Diana Lang

Diana Lang, HSE Manager, Beta Offshore

K Scott Knight

Scott Knight, ES&RC Manager, DCOR, LLC

Response to comment 15-1
Staff has incorporated the following language into Rule 219, paragraph (r)(2):

(r)(2) PERP registered engines used in the Outer Continental Shelf (OCS), provided that:
(A) notification is submitted to the Executive Officer via submittal of a filing pursuant to Rule 222;
(B) the equipment shall not reside at one location for more than 12 consecutive months; and
(C) notwithstanding the exemption applicability under Health and Safety Code §2451 of the Statewide Portable Equipment Registration Program (PERP) for engines operating in the OCS, all operators using this permit exemption shall comply with PERP and with California Air Resources Board-issued registration requirements.

In terms of procedure, under the staff proposal a facility operator will submit a registration under Rule 222 when a PERP engine is procured. The registration is effective upon submittal to the SCAQMD; no approval is required. The registration acts as the operator's notice of a start date of PERP equipment operating in the OCS to ensure that it does not exceed 12 months. There will be no technical evaluation regarding the PERP equipment.

Submittal of the Rule 222 registration acts as an immediate notification to the SCAQMD and does not require review. Staff is not proposing a 14-day notice, as other air agencies do. The registration is good until the rental unit is returned, but must not exceed 12 months, pursuant to the PERP Regulation. Registration is simply a notification mechanism and a verification that the engine used is a PERP engine.

The following comments are from Boeing – Comment Letter #16

The Boeing Company
4000 Lakewood Blvd
Long Beach, CA 90808

March 21, 2017

S C A Q M D
21865 E. Copley Drive
Diamond Bar, CA 91765

ATTN: Tracy Goss
Planning & Rules Manager

Re: SCAQMD Rule 219 Proposed Amendments

Thank you for the opportunity to provide comments relating to the proposed amendments to SCAQMD Rule 219 (Equipment Not Requiring a Written Permit). Boeing requests that the following changes/clarifications be incorporated into the proposed amendments to the rule:

- With respect to the proposed language in (e)(8), request that the modified language (.1% by weight or more of chromium, nickel, cadmium or lead) not apply to oxygen gaseous fuel-cutting equipment. While emissions from plasma arc and laser cutting have been well characterized, Boeing has not been able to identify (in this short time frame) any testing and emission characterization that has been performed with respect to oxygen gaseous fuel-cutting equipment. This is the usual method of operation to perform maintenance and repair work where this type of cutting is necessary. Exemption language with respect to this type of operation should be retained.
- The proposed language in (f)(2) should be removed until such time as a more detailed study of these small abrasive blasting cabinets can be performed by industry and SCAQMD. These types of cabinets are normally used in the repair of older parts or repair and maintenance operations, where the chemical makeup of the underlying substrate or coating is not readily identified. In many cases, the only prudent course of action will be to permit each individual unit, as this would be the only method to assure compliance with District regulations.
- There are several categories in Rule 219 that are only applicable when no VOC is present in the material or process. Although a product or process by its very nature should contain no VOC (such as waxes or heavy oils), the product may contain some trace amount of VOC. The District should establish a de minimis value for VOC content for exemptions (l)(1) and (l)(2) of 20 g/l. This level is far below the District's explicit value of 50 g/l in several exemptions.
- With respect to (p)(4)(H), the last sentence of the exemption (or any tank that contains chromium or contains nickel, lead or cadmium and is rectified, sparged or heated) appears duplicative of the language already contained in (p)(4)(F). If required, perhaps a better choice would be to incorporate the language in the very beginning of (p)(4) rather than at the end. Recommend same approach respect to (p)(5).

16-1

The Boeing Company
4000 Lakewood Blvd
Long Beach, CA 90808

Boeing looks forward to continuing to work with District staff in the development of the proposed amendments to SCAQMD Rule 219. If you should have any questions or require additional information, please do not hesitate to contact me.

Bill Pearce
Senior Environmental Engineer
Environmental Services
Environment, Health & Safety

Response to comment 16-1
See response to comment 1-2 and 1-3.

Regarding the request for a de minimis threshold of 20g/L for VOC content for waxes and heavy oils in paragraphs (l)(1) and (l)(2), this proposal was made late in the rule development process for fully evaluating the impacts of including it with the staff proposal. However, staff suggests that the commenter bring this issue forward for a subsequent rule development for Rules 219 and 222.

Regarding the language changes to paragraphs (p)(4) and (p)(5), staff agrees with the suggested language changes and has incorporated the comment.

APPENDIX B: SAMPLE ANNUAL RECORD SUBMITTAL FORM FOR PRINTING, COATING AND DRYING EQUIPMENT PURSUANT TO RULE 219 (h)(1)(E)(ii), (l)(6)(F)(ii) or (l)(11)(F)(ii) IN LIEU OF REGISTRATION

APPENDIX B: SAMPLE ANNUAL RECORD SUBMITTAL FORM FOR PRINTING, COATING AND DRYING EQUIPMENT

The following form represents an example of the form to be developed for submittal of records in lieu of registration for printing, coating and drying equipment.

South Coast Air Quality Management District
Form LVM
Low VOC Material Annual Verification

Mail To:
SCAQMD
P.O. Box 4944
Diamond Bar, CA 91765-0944
Tel: (909) 396-3385
www.aqmd.gov

Complete one form per facility.

Section A - Operator Information

1. Facility Name (Business Name of Operator):

2. Are you a new operator? ○ Yes ○ No
If no, provide valid SCAQMD Facility ID.

3. Owner's Business Name (If different from Business Name of Operator):

Section B - Equipment Location Address

4. Equipment Location Is:
Street Address
City, CA Zip
Contact Name Title
Phone # Ext. Fax #
E-Mail:

Section C - Business Mailing Address

5. Correspondence Information:
☐ Check here if same as equipment location address
Address
City State Zip
Contact Name Title
Phone # Ext. Fax #
E-Mail:

Section D - Equipment Information

For facilities utilizing Rule 219 exemptions for all of the following categories;

- Printing and reproduction equipment - Rule 219(h)(1)(E)
- Coating and adhesive process equipment-Rule 219 (l)(6)(F), and
- Drying Equipment-Rule 219 (l)(11)(F):

The facility Responsible Official hereby verifies that for the calendar year 20___:(Check all that apply):

○ All inks, coatings, adhesives, fountain solutions, polyester resin and gel coat type materials, and associated VOC-containing solvents (excluding clean up solvents) used in this equipment contain fifty (50) grams or less of VOC per liter of material; and

○ All clean up solvents used in this equipment contain twenty five (25) grams or less of VOC per liter of material; and

○ The total quantity of VOC emissions from this equipment does not exceed one ton of emissions.

Rule 109 Records, technical data sheets and other information are not required to be submitted, rather made available upon request.

There are no fees associated with this submittal.

Section E - Authorization/Signature *I hereby certify that all information contained herein and information submitted with this application are true and correct.*

7. Signature of Responsible Official:
8. Title of Responsible Official:
9. Print Name:
10. Date:

ATTACHMENT I

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: **NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

PROJECT TITLE: **PROPOSED AMENDED RULE 219 – EQUIPMENT NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II, AND PROPOSED AMENDED RULE 222 - FILING REQUIREMENTS FOR SPECIFIC EMISSION SOURCES NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II**

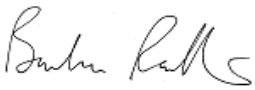
Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The proposed project is amending Rule 219 – Equipment not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II. SCAQMD staff has reviewed the proposed project pursuant to CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. A Notice of Exemption has been prepared pursuant to CEQA Guidelines § 15062 - Notice of Exemption. If the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Sam Wang (c/o Planning, Rule Development and Area Sources) at the above address. Mr. Wang can also be reached at (909) 396-2649. Mr. Robert Gottschalk is also available at (909) 396-2456 to answer any questions regarding the proposed amended rules.

Date: April 19, 2017

Signature: 

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rules, and Area Sources

Reference: California Code of Regulations, Title 14

NOTICE OF EXEMPTION

To:	County Clerks Counties of Los Angeles, Orange, Riverside and San Bernardino	**From:**	South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765

Project Title: Proposed Amended Rule (PAR) 219 – Equipment not Requiring a Written Permit Pursuant to Regulation II, and Proposed Amended Rule (PAR) 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

Project Location: The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: PAR 219 proposes to exempt the following equipment and/or processes from the requirement to obtain a SCAQMD permit because they emit very small levels of criteria pollutants and have minimal toxic emission profiles: engines at remote 2-way radio towers fueled with liquefied propane gas or compressed natural gas; sub-slab ventilation systems; passive carbon filter odor control of food waste slurry storage tanks; hand-held plasma-arc cutting and laser cutting equipment; separation/segregation of plastic materials for recycling without cutting, shredding, grinding, or odors; certain coffee roasting equipment; small batch breweries; and equipment used for dehydrated meat manufacturing. In addition, PAR 219 proposes to remove existing exemptions for the following equipment and/or processes because they have the potential to emit criteria pollutants at greater than de minimis levels, emit toxic air contaminants of concern, or create a nuisance: cutting of stainless steel and alloys containing toxics; portable asphalt recycling equipment; greenwaste shredding or grinding; separation/segregation of plastic materials that involves cutting, shredding, grinding or odors; recycling of expanded polystyrene; equipment used for cleaning of diesel particulate filters; certain surface preparation tanks with toxic emissions; certain plating, stripping or anodizing tanks with toxic emissions; and paper, carpet, and fabric recycling operations. PAR 219 also includes minor clarifications and editorial corrections for food oven combustion equipment, fuel cells, charbroilers, barbeque grills and other underfired grills, VOC-containing liquid storage and transfer equipment, quench tanks for heat treating operations, pavement striping, and certain printing, coating and drying operations. PAR 222 proposes to add the following equipment to the SCAQMD Rule 222 filing program in lieu of requiring a written SCAQMD permit because they have been identified as small sources of emissions: industrial cooling towers located in a chemical plant, refinery or other industrial facility; natural gas transfer pumps and natural gas repressurization equipment; and engines registered under the statewide Portable Equipment Registration Program (PERP) used in the Outer Continental Shelf (OCS). Storage tanks of aqueous urea solutions and certain natural gas and crude oil production equipment are proposed to be exempted in PAR 219 but to be included in PAR 222 filing program.

Public Agency Approving Project:	**Agency Carrying Out Project:**
South Coast Air Quality Management District	South Coast Air Quality Management District

Exempt Status: CEQA Guidelines § 15002(k) - General Concepts (Three Step Process) and CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule

Reasons why project is exempt: SCAQMD staff has reviewed the proposed project pursuant to CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, per CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. A Notice of Exemption (NOE) has been prepared pursuant to CEQA Guidelines § 15062 - Notice of Exemption, and if the project is approved, the NOE will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Date When Project Will Be Considered for Approval (subject to change):
SCAQMD Governing Board Hearing: May 5, 2017; SCAQMD Headquarters

CEQA Contact Person:	**Phone Number:**	**Email:**	**Fax:**
Mr. Sam Wang	(909) 396-2649	swang1@aqmd.gov	(909) 396-3982
Rules Contact Person:	**Phone Number:**	**Email:**	**Fax:**
Mr. Robert Gottschalk	(909) 396-2456	rgottschalk@aqmd.gov	(909) 396-3324

Date Received for Filing: _____ **Signature:** *(Signed Upon Board Approval)*

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development & Area Sources

ATTACHMENT J

Proposed Amended Rules 219 and 222

Governing Board Meeting

May 5, 2017

Background

- Rule 219 - Equipment Not Requiring a Written Permit Pursuant to Regulation II
  - Identifies exempt equipment
    - Low actual or potential to emit regulated air pollutants
    - Will not trigger Rule 1401 (toxics permitting)
    - Readily demonstrates compliance with SCAQMD rules
  - Includes multiple source categories of equipment
- Rule 222 - Filing Requirements For Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II
  - Provides an alternative to written permits
  - Equipment must be exempt per Rule 219 [PAR 219(r)(4)]

Proposal

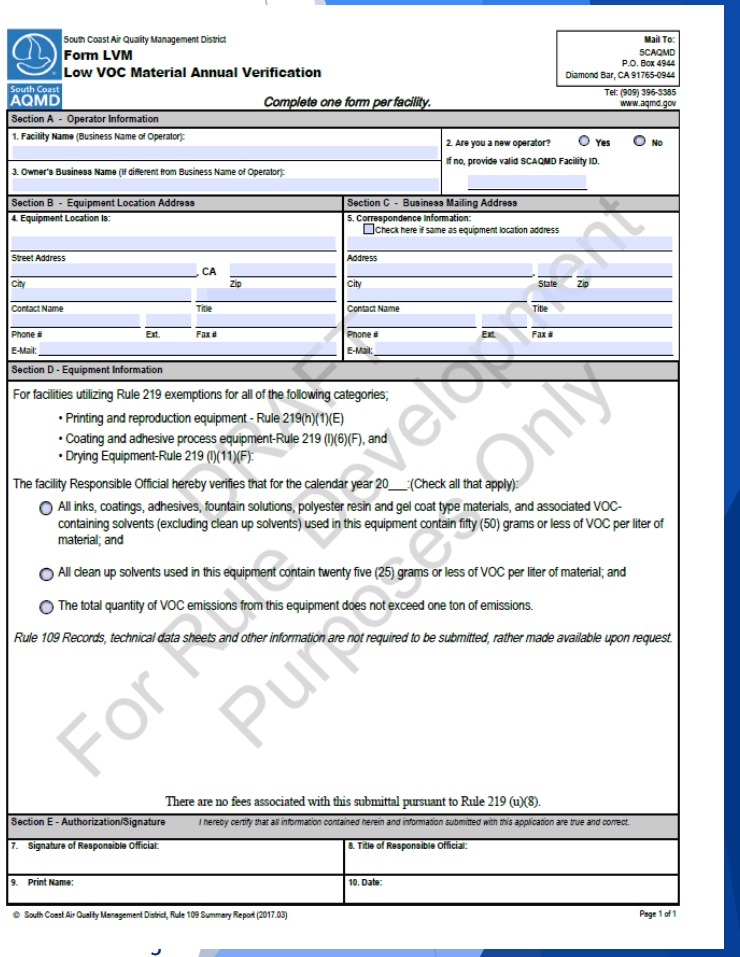
- PAR 219
  - 7 equipment/process categories exempt from permit due to low criteria pollutant and/or toxic emissions
  - 10 equipment/processes categories will require permit due to criteria pollutants, toxics, or potential for public nuisance to ensure compliance with all applicable rules
- PAR 222
  - 4 equipment/process categories added to the registration program

Issues Addressed by Staff

- Onset of rulemaking: over 40 requests for rule clarifications and new exemptions
  - 16 additional proposals received from stakeholders
- Staff addressed many stakeholder issues during rulemaking
  - Resolution commitment to address replacement of VOC vapor control technology under an exemption (vapor socks on floating roof tanks)
- Outstanding issue after working with all stakeholders
  - Exemption for UV/EB/LED materials

Proposed Permit Exemption for UV/EB/LED and Other Low VOC Technologies

- Industry comments Rule 219 provisions for UV/EB/LED technologies are difficult for small businesses
- Permit not required if:
  - Using materials <50 g/L and clean-up solvents <25 g/L; and
  - Total quantity of VOCs used is <1 tpy (~5.5 lbs/day)
  - Two options:
    - Option 1: Annual Rule 222 Registration (~$200) or
    - Option 2: Annually submit low-VOC verification - Simplified VOC verification form, no fee
- Technology neutral approach and no fee option is an additional compliance option
  - Additional threshold recognizes low-VOC technology
  - Provides an incentive for low-VOC technologies
- Both options provide ability to verify compliance



South Coast Air Quality Management District
Form LVM
Low VOC Material Annual Verification
Complete one form per facility.

Mail To: SCAQMD P.O. Box 4944 Diamond Bar, CA 91765-0944
Tel: (909) 396-3385 www.aqmd.gov

Section A - Operator Information
1. Facility Name (Business Name of Operator):
2. Are you a new operator? Yes No
If no, provide valid SCAQMD Facility ID.
3. Owner's Business Name (If different from Business Name of Operator):

Section B - Equipment Location Address
4. Equipment Location is:
Street Address
City CA Zip
Contact Name Title
Phone # Ext. Fax #
E-Mail:

Section C - Business Mailing Address
5. Correspondence Information:
Check here if same as equipment location address
Address
City State Zip
Contact Name Title
Phone # Ext. Fax #
E-Mail:

Section D - Equipment Information
For facilities utilizing Rule 219 exemptions for all of the following categories;
- Printing and reproduction equipment - Rule 219(h)(1)(E)
- Coating and adhesive process equipment-Rule 219 (l)(6)(F), and
- Drying Equipment-Rule 219 (l)(11)(F):

The facility Responsible Official hereby verifies that for the calendar year 20___:(Check all that apply):
- All inks, coatings, adhesives, fountain solutions, polyester resin and gel coat type materials, and associated VOC-containing solvents (excluding clean up solvents) used in this equipment contain fifty (50) grams or less of VOC per liter of material; and
- All clean up solvents used in this equipment contain twenty five (25) grams or less of VOC per liter of material; and
- The total quantity of VOC emissions from this equipment does not exceed one ton of emissions.

Rule 109 Records, technical data sheets and other information are not required to be submitted, rather made available upon request.

There are no fees associated with this submittal pursuant to Rule 219 (u)(8).

Section E - Authorization/Signature *I hereby certify that all information contained herein and information submitted with this application are true and correct.*
7. Signature of Responsible Official:
8. Title of Responsible Official:
9. Print Name:
10. Date:

© South Coast Air Quality Management District, Rule 109 Summary Report (2017.03) Page 1 of 1

Staff Recommendation

- Determine proposed amendments to Rules 219 and Rule 222 are exempt from requirements of CEQA
- Amend Rule 219
- Amend Rule 222