Proposed Amended Rules 307.1, 1401, and 1402

Public Workshop & CEQA Scoping Session

August 10, 2016

Background

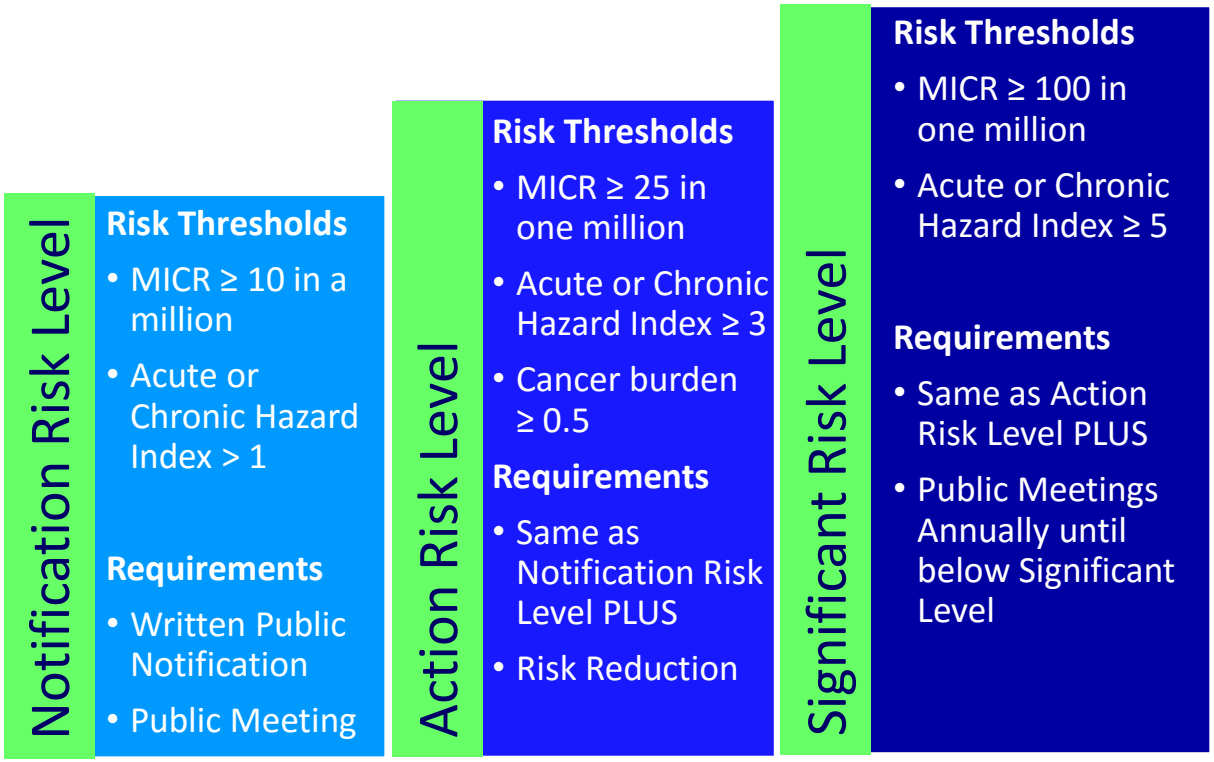
- Rule 1402 was amended June 2015 to incorporate Revised OEHHA Risk Guidelines – Board directed staff to:
  - Work with stakeholders to incentivize early risk reduction beyond those required under Rule 1402
  - Assess and explore alternatives for public notification procedures
  - Report back to Stationary Source Committee no later than September 2015 with staff recommendations
- Provided status update to Stationary Source with recommendations to proceed with rulemaking

Public Process

- Four Working Group Meetings
  - September 9, 2015
  - March 2, 2016
  - May 26, 2016
  - July 27, 2016
- Monthly briefings to Environmental Groups
- Received five comment letters
  - Two comment letters from WSPA
  - Two comment letters from CCEEB
  - One comment letter from SCAP
- Public Workshop and CEQA Scoping Meeting

Rule 1402

- Adopted April 1994
- Implements Air Toxics “Hot Spots” Program (AB 2588)
- Requires high priority facilities to submit an Air Toxics Inventory Report and Health Risk Assessment
- Establishes three facility-wide health risk thresholds for Public Notification and Risk Reduction



Overview of Proposed Amendments

- Maintain health protective risk thresholds
- Incorporate Voluntary Risk Reduction Program – an alternative pathway that will result in more risk reductions sooner
- Add additional requirements for Potentially High Risk Level Facilities
- Provisions to streamline and improve the clarity of Rules 1401, 1402, and 307.1
- Remove obsolete provisions
- Update Notification Procedures

Purpose (a) and Applicability (b)

Purpose

- Clarified that Rule 1402 also specifies Air Toxic Inventory Report and Health Risk Assessment requirements

Applicability

- Clarified that Rule 1402 applies to any facility that “has the potential to be greater than or equal to the Notification Risk Level” instead of “significant or action risk level”
- Deleted (b)(2) – redundant

Definition (c)

- New Definitions to improve clarity of PAR 1402
  - Air Toxics Inventory Report
  - Health Risk Assessment
  - Reference Exposure Level
- New Definitions for new provisions in PAR 1402
  - Potentially High Risk Level Facility
  - Reference Source
  - Voluntary Risk Threshold
- Revisions to existing definitions
  - Action Risk Level (Includes reference to lead)
  - Notification Risk Level (Includes reference to lead)
- Deleted definitions (no longer needed)
  - Initial Plan Submittal Date
  - Phase I Facility

Air Toxic Inventory Report Requirements (d)

- Added Requirements for Air Toxics Inventory Report
  - Includes submittal and approval
  - Requirements for source testing, in certain situations
- Executive Officer may require an Air Toxics Inventory Report when emissions are potentially > Notification Risk Level
- Staff will use the approved Air Toxics Inventory Report to calculate the health risk using the Hotspots Analysis Reporting Program (HARP)
  - If approved Air Toxics Inventory Report is < Notification Risk Level, no HRA will be required

Air Toxics Inventory Report (d)

Air Toxics Inventory Report Process

- Executive Officer will notify operator to prepare Air Toxics Inventory Report
- Operator must submit initial information 30 days from notification
  - List identifying each device and/or process and corresponding toxic air contaminants; and
  - Reference Source – the basis of each emission factor
- Operator must submit Air Toxics Inventory Report 150 Days from notification using SCAQMD Guidelines for Preparing Risk Assessments

Approval Process

Within 30 days of receipt, EO will confirm receipt and conduct an initial review of the ATIR

EO reviews and approves or rejects based on consistency with Guidelines, completeness, and accuracy

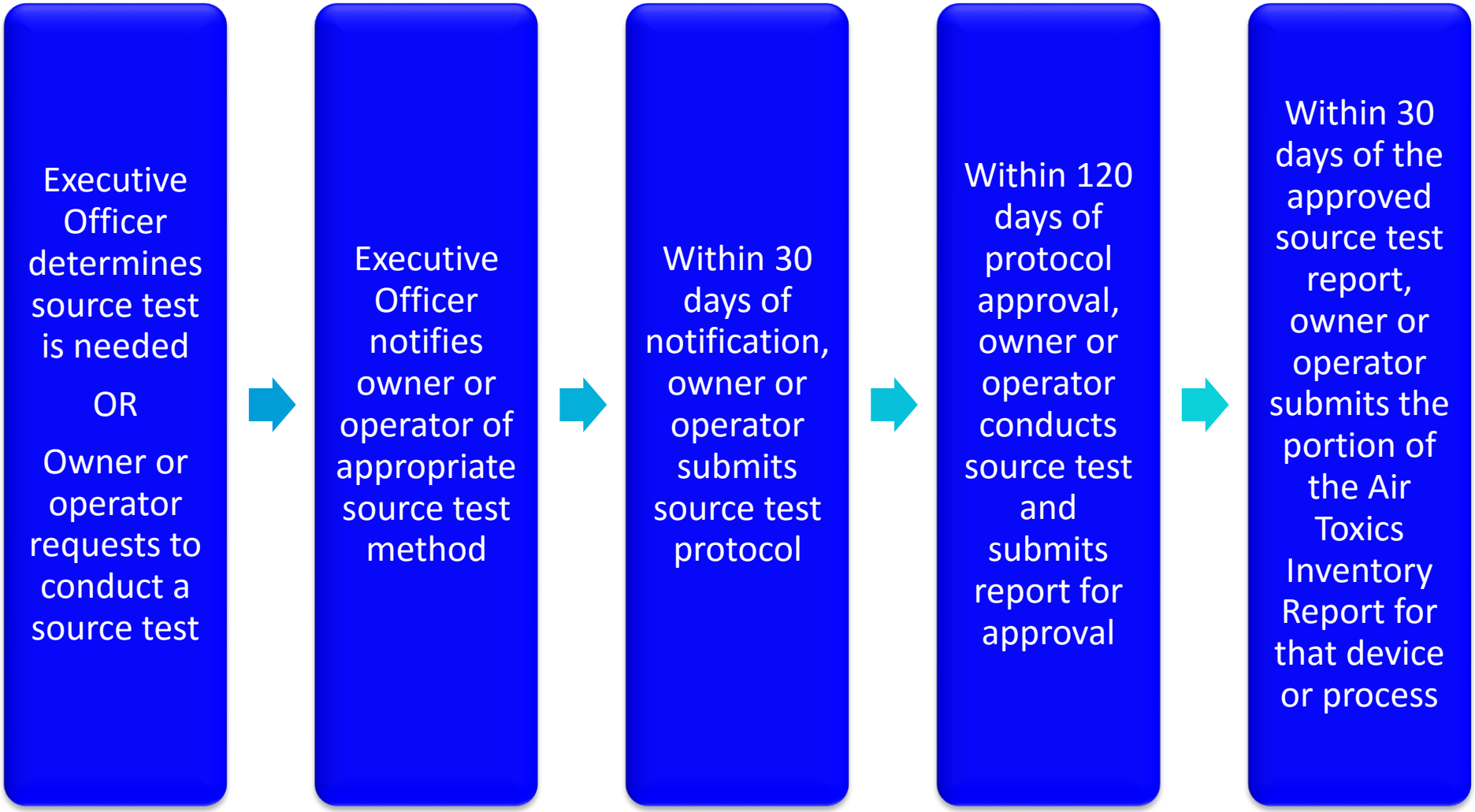
If rejected, owner or operator shall correct all deficiencies and resubmit within 30 days

EO will either approve the resubmitted ATIR or modify resubmitted ATIR and approve as modified

Air Toxic Inventory Report Source Test Requirements (d)(3)

- Added provision to allow the Executive Officer to require a source test or option for facility to request to a source test
- Objective is to ensure toxic air contaminants are appropriately quantified in Air Toxics Inventory Report
- Source test required if Reference Source:
  - Does not adequately quantify toxic air contaminants
  - Is not consistent with purpose, type, and/or size of device or process
  - Is not in accordance with CARBs AB 2588 Guidelines – Appendix D
- Additional time is allowed to submit information for the device or process that will be source tested
- Based on comments received, staff considering:
  - Referencing CARB AB 2588 Guidelines and not limit to Appendix D
  - Referencing Health and Safety Code 44342

Source Test Process



Health Risk Assessment Requirements (e)

- Added more details to the Submittal and Approval of Health Risk Assessments
- If the approved Air Toxics Inventory Report ≥ Notification Risk Level, the owner or operator must submit a Health Risk Assessment within 90 days of notification using the SCAQMD Guidelines for Preparing Risk Assessments

HRA Approval Process

Within 30 days of receipt, EO will confirm receipt and conduct an initial review of the HRA

EO reviews, and approves or rejects based on consistency with Guidelines, completeness, and accuracy

If rejected, owner or operator shall correct all deficiencies and resubmit HRA within 60 days

EO will either approve the resubmitted HRA or modify resubmitted HRA and approve as modified

Risk Reduction Plan Requirements and Implementation

- No changes to trigger for submitting Risk Reduction Plans
- Submittal of Risk Reduction Plan is reduced to 120 days from the date HRA is approved (previously 180 days)
- No substantive changes to information required in Risk Reduction Plan
- Implementation of Risk Reduction Plans must be implemented as quickly as feasible, but no later than 2 ½ years from its *approval* date (previously 3 years from its *submittal* date)
- Risk Reduction Plan Approval
  - Added that the Executive Officer may approve the Risk Reduction Plan in parts or in its entirety
  - Revised the timeframe to resubmit a Risk Reduction Plan if the Hearing Board denies an appeal of a rejected Risk Reduction Plan from 90 to 30 days after the decision
- Moved time extensions requirements to separate subdivision (l)

Risk Reduction Time Extensions (l)

- Allow a one-time extension of up to 2.5 years for Risk Reduction Plan (Previously multiple extensions allowed)
- Removed technical infeasibility and dollar per cancer case as criteria
- Criteria focuses on progress in risk reduction and unforeseen circumstances such as permitting delays, equipment delays, etc.
- Approval of Time Extensions (l)(4)
  - Facility-wide health risk is below Significant Risk Level at time of submittal of request
  - Demonstration that extension is needed for circumstances beyond the control of the owner or operator
  - Time extension will not result in an unreasonable risk to public health

Potentially High Risk Level Facilities (g)

- Added provision for Potentially High Risk Level Facilities - facilities with potential to either exceed or has exceeded the Significant Risk Level (100×10^{-6})
- Process includes Early Action Reduction Plan
- Requirements
  - Within 90 days of notification, submit Early Action Reduction Plan
  - Implement approved Early Action Reduction Plan
  - Within 180 days of notification, concurrently submit
    - Air Toxics Inventory Report,
    - Health Risk Assessment, and
    - Risk Reduction Plan
  - Approval of Early Action Reduction Plan and Risk Reduction Plan similar to approval process for “traditional” Risk Reduction Plan
  - Timeframe to implement Risk Reduction Plan and time extensions same as “traditional” Risk Reduction Plan

Process to Designate a Potentially High Risk Level Facility

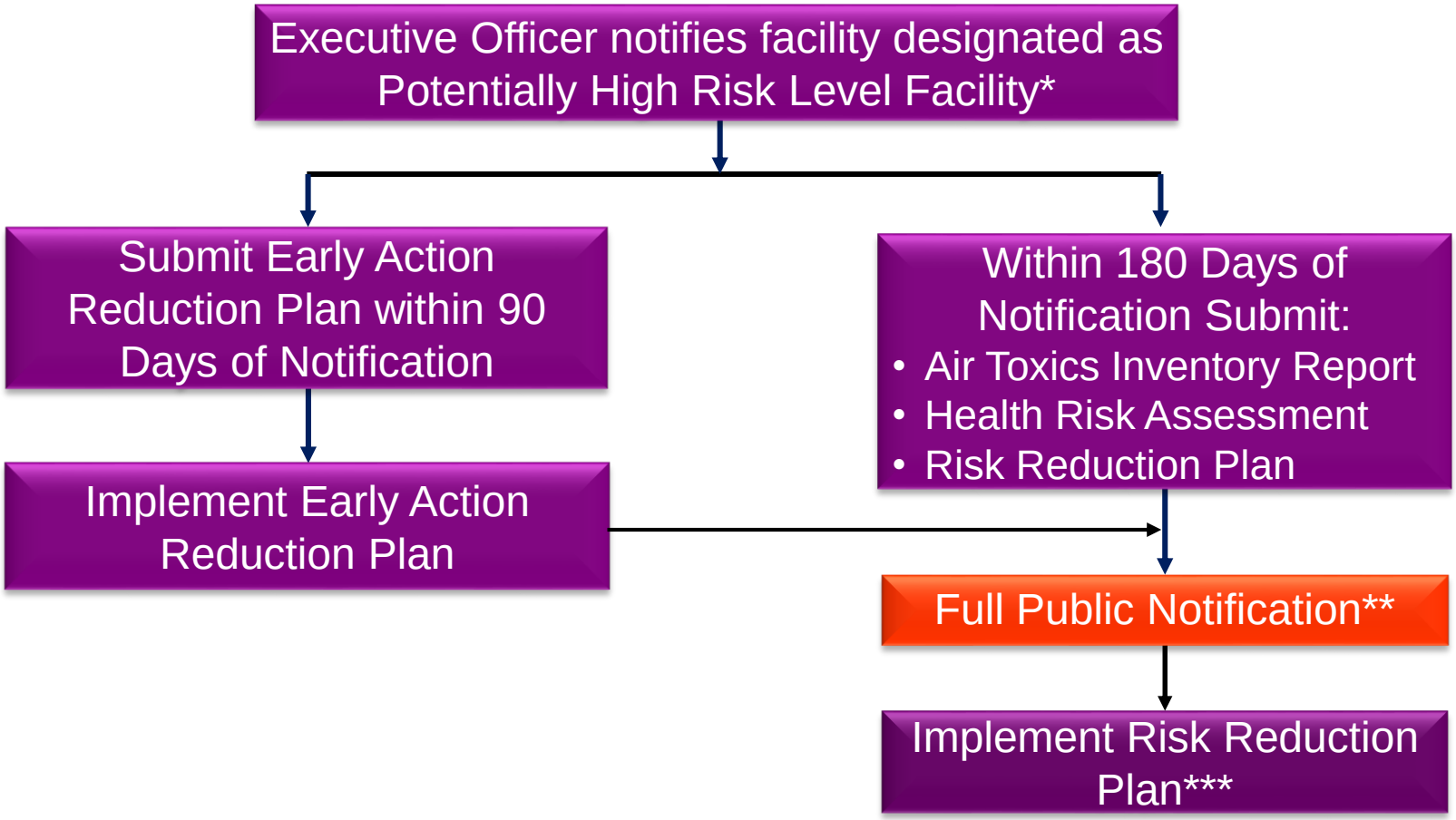
Executive Officer notifies facility that they may be designated as Potentially High Risk Level Facility

SCAQMD staff meets with facility to obtain additional information

SCAQMD staff will review emissions data, conduct a site visit, conduct investigation of surrounding sources

Executive Officer will notify facility of designation and present findings from above

Potentially High Risk Level Facilities



* After review of information and consultation with facility

** Full Public Notification if Approved HRA ≥ Notification Risk Level

*** Risk Reduction if Approved HRA ≥ Action Risk Level

Voluntary Risk Reduction Program Overview

- Voluntary Risk Reduction Program is an alternative risk reduction program for facilities that meet eligibility criteria
- Facilities that elect to participate will:
  - Reduce health risks below the Notification Risk Level (More stringent than R1402 Action Risk Level)
  - Reduce health risks faster than traditional risk reduction program
  - Modified public notification
- Facility submits a Voluntary Risk Reduction Plan
- Upon approval of Plan, facility must implement measures in Voluntary Risk Reduction Plan

Participation in Voluntary Risk Reduction Program (h)(1)

- Eligibility Criteria
  - Facility has a health risk assessment approved or prepared by SCAQMD (below Action Risk Level)
  - Facility is not a Potentially High Risk Level Facility
  - Considering allowing facilities that do not have an approved Health Risk Assessment to participate
- Owner or operator must submit written acceptance within 30 days of notification from Executive Officer
- By electing to participate, must reduce below Voluntary Risk Threshold (Same as Notification Risk Level)
- Compliance with Voluntary Risk Reduction requirements is in lieu of Air Toxics Inventory Report, Health Risk Assessment, and Risk Reduction Plan requirements

Voluntary Risk Reduction Plan (h)(2)

- Within 150 days of notification, submit Voluntary Risk Reduction Plan
- Timeframe to implement Voluntary Risk Reduction Plan same as “traditional” Risk Reduction Plan (2 ½ years from approval)
  - Each risk reduction measure shall be implemented by the dates specified in the Plan
  - Measures shall be incorporated through enforceable permit conditions or compliance plans
- Voluntary Risk Reduction Plans can be updated and modified per subdivision (k)
- Allows time extension to implement Voluntary Risk Reduction Plan same as “traditional” Risk Reduction Plan

Voluntary Risk Reduction Plan

- Procedures are in “SCAQMD Guidelines for Participating in the Rule 1402 Voluntary Risk Reduction Program”
  - Facility Information
    - Name, SCAQMD Facility Identification Number, E-mail address
    - Location (address and UTM coordinates)
    - Facility plot plan
  - Current Facility Risk Characterization
  - Proposed Facility Risk Characterization
    - Including a description of verifiable risk reduction measure(s) and estimated reductions or efficiency
    - Implementation schedule
  - Point Source Information
  - Fugitive Source Information
  - Required Files

Approval of Voluntary Risk Reduction Plans (h)(3)

Within 30 days of receipt, the EO will conduct an initial review of the Voluntary Risk Reduction Plan and confirm receipt

EO reviews and approves or rejects the Voluntary Risk Reduction Plan based on consistency with Guidelines, completeness, accuracy and ability to reduce total facility risk to below Voluntary Risk Threshold

If rejected, owner or operator corrects deficiencies and resubmits the Voluntary Risk Reduction Plan within 30 days.

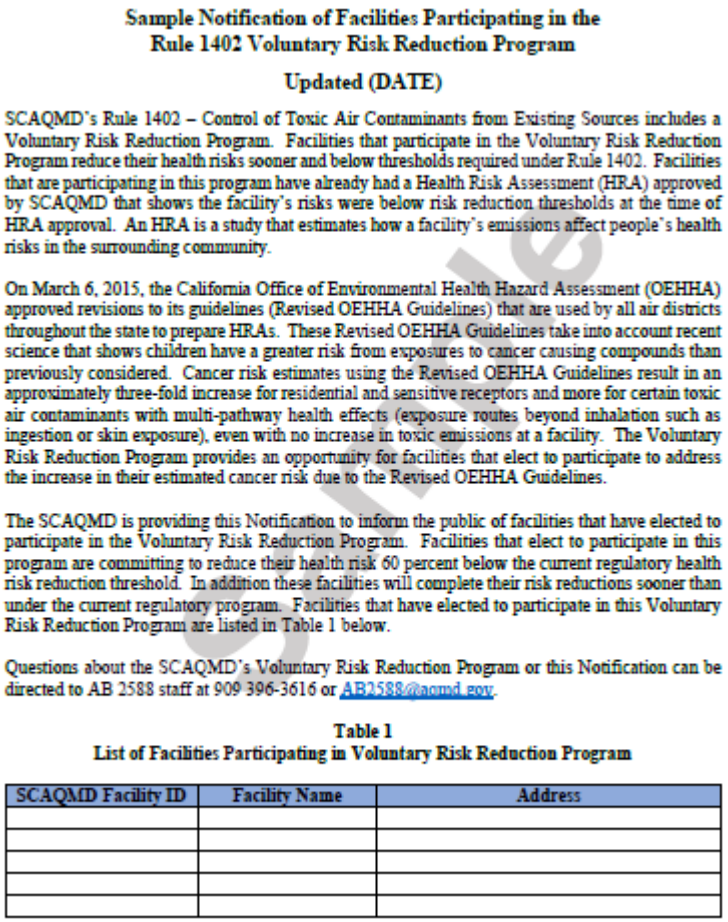
If the resubmitted Plan is denied, the owner or operator shall correct all deficiencies resubmit within 30 days of the date of rejection

If the Voluntary Risk Reduction Plan is approved, facility begins implementation

If the second revised Voluntary Risk Reduction Plan is denied, the facility must submit an ATIR/HRA within 90 days

Modified Public Notification for Voluntary Risk Reduction

- Modified Public Notification :
  - Background information about Voluntary Risk Reduction Program
  - Information about the OEHHA Revised Guidance on estimating health risk
  - Facility is volunteering to make risk reductions that:
    - Account for changes in risk estimates based on the Revised OEHHA Guidance
    - Go beyond what is required through regulatory requirements - earlier and more reductions
  - Name and address of facilities
- Placed on SCAQMD Website and AB 2588 Annual Report



Sample Notification of Facilities Participating in the Rule 1402 Voluntary Risk Reduction Program

Updated (DATE)

SCAQMD's Rule 1402 – Control of Toxic Air Contaminants from Existing Sources includes a Voluntary Risk Reduction Program. Facilities that participate in the Voluntary Risk Reduction Program reduce their health risks sooner and below thresholds required under Rule 1402. Facilities that are participating in this program have already had a Health Risk Assessment (HRA) approved by SCAQMD that shows the facility's risks were below risk reduction thresholds at the time of HRA approval. An HRA is a study that estimates how a facility's emissions affect people's health risks in the surrounding community.

On March 6, 2015, the California Office of Environmental Health Hazard Assessment (OEHHA) approved revisions to its guidelines (Revised OEHHA Guidelines) that are used by all air districts throughout the state to prepare HRAs. These Revised OEHHA Guidelines take into account recent science that shows children have a greater risk from exposures to cancer causing compounds than previously considered. Cancer risk estimates using the Revised OEHHA Guidelines result in an approximately three-fold increase for residential and sensitive receptors and more for certain toxic air contaminants with multi-pathway health effects (exposure routes beyond inhalation such as ingestion or skin exposure), even with no increase in toxic emissions at a facility. The Voluntary Risk Reduction Program provides an opportunity for facilities that elect to participate to address the increase in their estimated cancer risk due to the Revised OEHHA Guidelines.

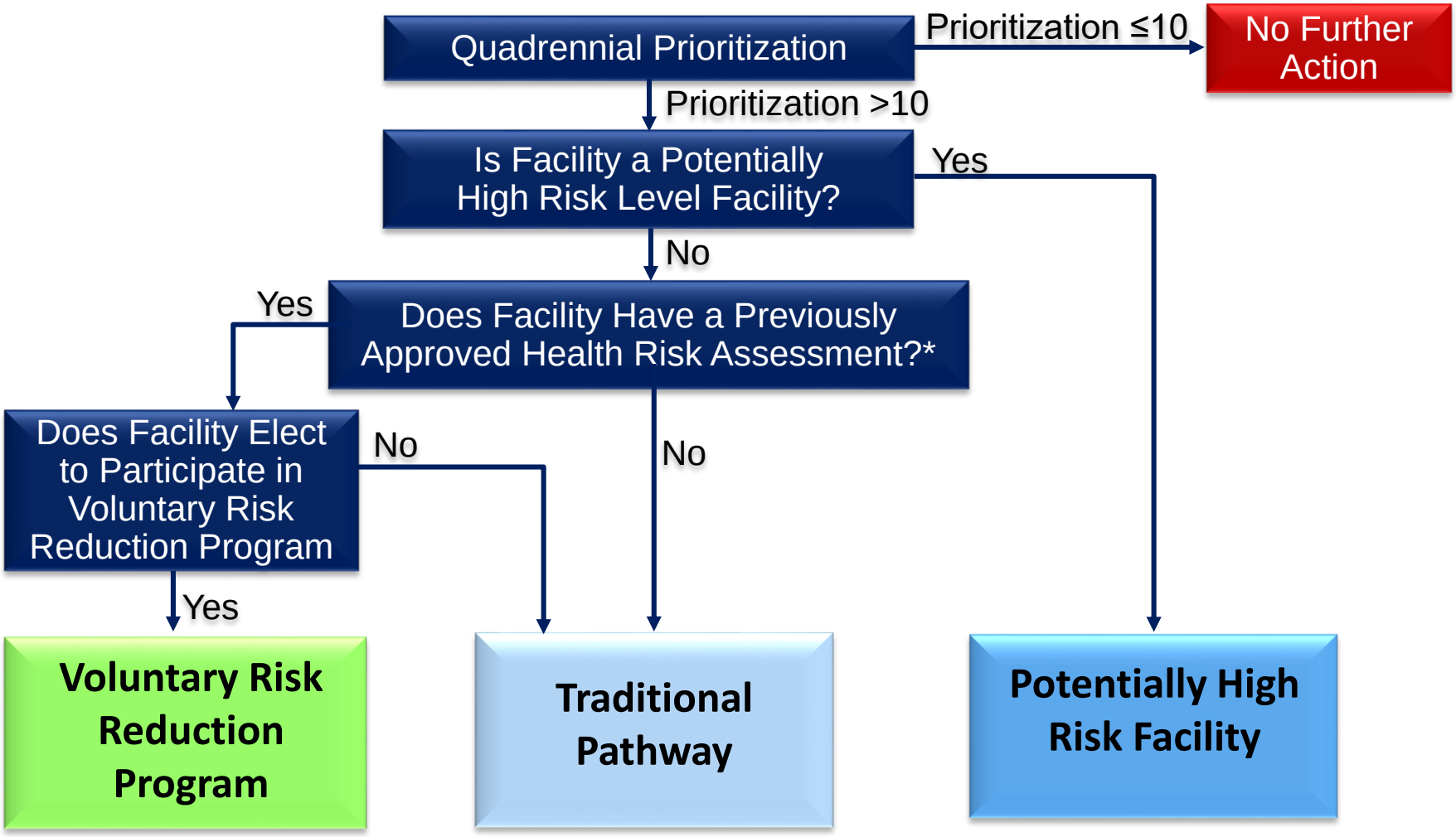
The SCAQMD is providing this Notification to inform the public of facilities that have elected to participate in the Voluntary Risk Reduction Program. Facilities that elect to participate in this program are committing to reduce their health risk 60 percent below the current regulatory health risk reduction threshold. In addition these facilities will complete their risk reductions sooner than under the current regulatory program. Facilities that have elected to participate in this Voluntary Risk Reduction Program are listed in Table 1 below.

Questions about the SCAQMD's Voluntary Risk Reduction Program or this Notification can be directed to AB 2588 staff at 909 396-3616 or AB2588@aqmd.gov.

Table 1
List of Facilities Participating in Voluntary Risk Reduction Program

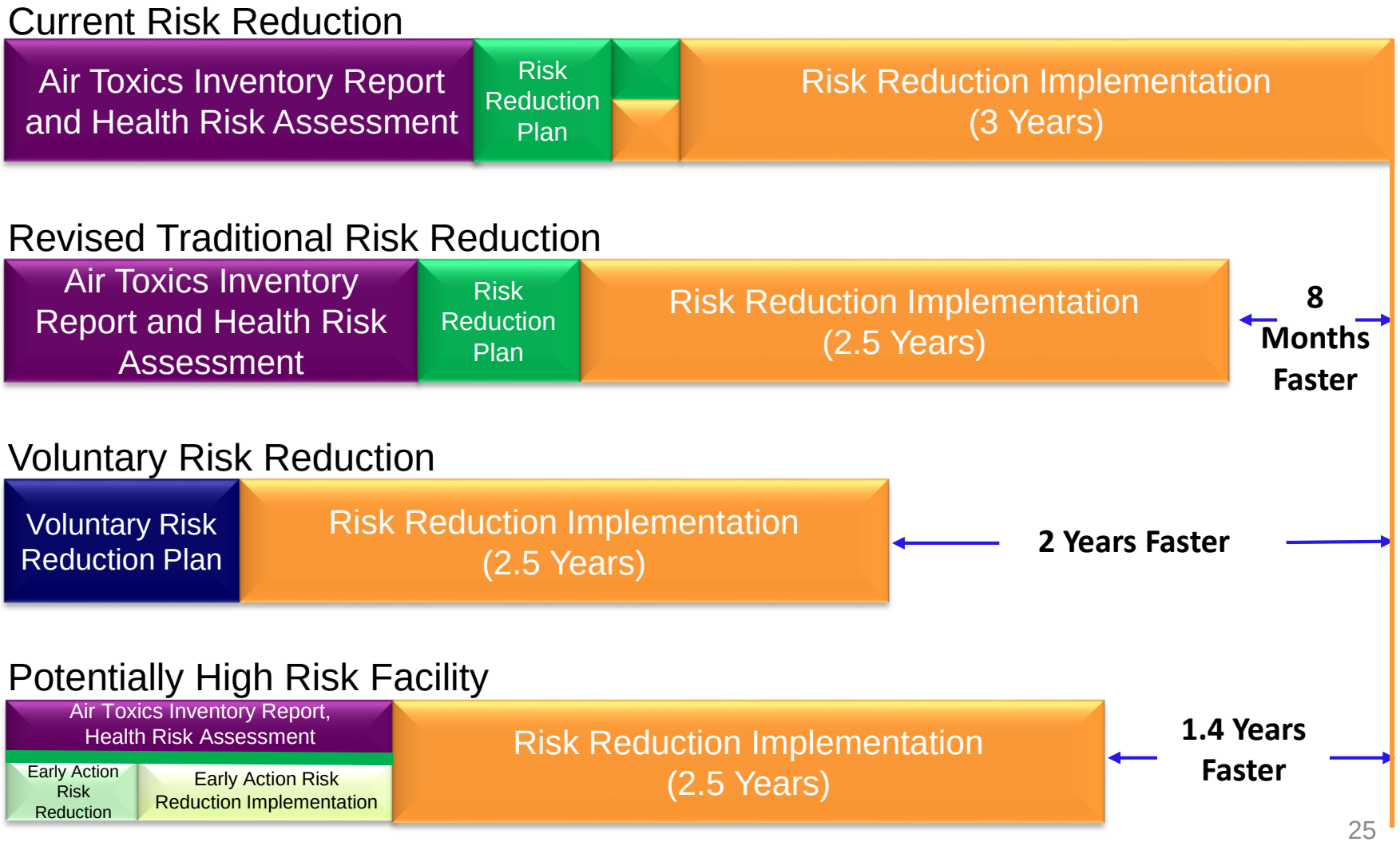
SCAQMD Facility ID	Facility Name	Address

Summary of Risk Reduction Pathways



* Considering allowing certain facilities that do not have a previously approved Health Risk Assessment to participate

Summary of Risk Reduction Schedules



Reports (j)

- Progress Reports (j)(1)
  - Annual Progress Reports for both Risk Reduction and Voluntary Risk Reduction Plans
  - Progress reports must be submitted 12 months after Plan approval
  - Primary change to Progress Report is to add the status of applicable permit applications
- Final Implementation Report for Voluntary Risk Reduction Plans (j)(2)
  - Procedures in “SCAQMD Guidelines for Participating in the Rule 1402 Voluntary Risk Reduction Program”
  - Approval by EO based on complete implementation of *measures* identified in approved Voluntary Risk Reduction Plan
  - Upon approval facility becomes District Tracking Facility

Public Notification Requirements (q)

- Modified rule language to better coordinate public notification requirements to sections in the Public Notification Procedure
- "SCAQMD Public Notification Procedures for Facilities Under the Air Toxics 'Hot Spots' Information and Assessment Act (AB 2588) and Rule 1402"
  - Updated to improve clarity
  - Revised procedures for Public Meetings
    - SCAQMD staff will conduct public meeting
    - SCAQMD will reserve venue for public meeting and arrange for audio visual equipment and personnel, translation (if needed), security, parking, and any other logistics
    - Requires that owner or operator is present at Public Meeting
  - Added Modified Public Notification for Voluntary Risk Reduction Program will be placed on SCAQMD Website on the "AB 2588 Notices" page and included in the AB 2588 Annual Report
  - Revised Appendices (Verification Form, Sample Notification Letter and Library Cover Letter)

Subdivisions (m) and (o)

- Deleted previous subdivision (m) that use of risk reduction measures to comply with other regulatory requires are acceptable as risk reduction measure for Rule 1402 – will include in Staff Report
- Deleted subdivision (o) for Phase I Facilities – provision is obsolete

PARs 1401 and 1402
Risk Assessment Procedures

- No changes to procedures for determining health risks or reference to procedures in PAR 1402 (m)(1) and (m)(2)
- Removing provisions in PARs 1401 and 1402 to report to the Governing Board regarding differences between OEHHA and SCAQMD guidelines and changes in new or revised TACs (previously PAR 1402 (e)(2) and (e)(3) and PAR 1402 (m)(1)-(m)(4))
- Adoption Resolution will include a commitment to brief Stationary Source Committee if new or revised toxic air contaminant has significant impacts on permitting or AB 2588 and include in the AB 2588 Annual Report:
  - Material differences between OEHHA and SCAQMD guidelines and recommendation to whether or not to amend rule
  - Identification of new TACs or revised risk values for existing TACs and affected industries
  - Preliminary estimates of Rules 1401 and 1402 program impacts associated with the new or revised TAC(s)

PAR 307.1

- Add a fee category for Voluntary Risk Reduction Facilities
  - Fee is the same as a "PS > 10, No HRA" Facility Program Category
  - Once risk reduction is complete, facility pays HRA Tracking Facility Program Category fee

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
*HRA Tracking**	Simple	$416.25	$67	$483.25
	Medium	$601.30	$100	$701.30
	Complex	$786.35	$134	$920.35
PS>10, No HRA	Simple	$5,249.21	$1,674	$6.923.21
	Medium	$5,622.20	$2,009	$7,631.20
	Complex	$5,992.31	$2,344	$8,336.31
Voluntary Risk Reduction	Simple	$5,249.21	$1,674	$6.923.21
	Medium	$5,622.20	$2,009	$7,631.20
	Complex	$5,992.31	$2,344	$8,336.31

- Add a provision for facility to directly pay or reimburse SCAQMD for costs of Public Meetings

CEQA and Socioeconomic Scoping

- Purpose
  - Identify key environmental and socioeconomic issues and potential stakeholder concerns
- Key Elements of the Project
  - Voluntary Risk Reduction Program
  - Potential environmental impacts from installing associated control equipment
  - Potential costs from installing controls
  - Potential savings

Rule Development Schedule

- Set Hearing – September 2, 2016
- Public Hearing – October 7, 2016

SCAQMD Contacts

Rule Development

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General Questions

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