BOARD MEETING DATE: January 9, 2026 AGENDA NO. 19

PROPOSAL: Determine That Proposed Amended Rule 463 – Organic Liquid Storage, Is Exempt from CEQA; Amend Rule 463; and Submit for Inclusion Into State Implementation Plan

SYNOPSIS: Proposed Amended Rule 463 will clarify the tank types subject to periodic optical gas imaging inspections and address control efficiency requirements for small above-ground gasoline storage tanks.

COMMITTEE: Stationary Source, November 21, 2025, Reviewed

RECOMMENDED ACTIONS:
Adopt the attached Resolution:
1. Determining that Proposed Amended Rule 463 – Organic Liquid Storage, is exempt from the requirements of the California Environmental Quality Act;
2. Amending Rule 463; and
3. Directing staff to submit Proposed Amended Rule 463 – Organic Liquid Storage to CARB and U.S. EPA for inclusion into the State Implementation Plan.

Wayne Nastri
Executive Officer

SR:MK:MM:IS:JW

Background
Rule 463 – Organic Liquid Storage (Rule 463) was adopted in 1977 to reduce VOC emissions from the storage of organic liquids in above-ground tanks. Rule 463 applies to above-ground stationary organic liquid storage tanks with capacity of 75,000 liters (19,815 gallons) or more, above-ground tanks with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) that are used to store gasoline, and any stationary tank with a potential for VOC emissions of six tons per year or greater used in crude oil and natural gas production operations.

The most recent amendment to Rule 463 in June 2024 established more stringent leak detection and control requirements, including periodic optical gas imaging (OGI) inspections, more stringent control requirements, and contingency measures to address Clean Air Act requirements.

The June 2024 amendment to Rule 463 did not evaluate smaller above-ground gasoline storage tanks, nor were any emission reductions assumed from these tanks. Smaller above-ground gasoline storage tanks have a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons). As part of this rule development effort, a cost-effectiveness analysis was conducted for the OGI inspections requirement for smaller above-ground gasoline storage tanks, and it was found to not be cost-effective.

Proposal
PAR 463 clarifies that smaller above-ground gasoline storage tanks are not subject to OGI inspection requirements. OGI inspection requirements continue to be applicable to all larger tanks meeting the capacity and vapor pressure thresholds and tanks with a potential for VOC emissions of six tons per year or greater used in crude oil and natural gas production operations. PAR 463 also provides an additional compliance option for smaller above-ground gasoline storage tank operators to comply with performance requirements through a Phase I vapor recovery system. Furthermore, PAR 463 makes other administrative changes for clarity and consistency.

Public Process
The development of PAR 463 was conducted through a public process. A Public Workshop was held on October 21, 2025, to present the proposed amended rule to the general public and stakeholders and to solicit comments.

Emission Reductions
The proposed amendments to Rule 463 are administrative. PAR 463 will not result in any emission reductions.

Key Issues
Throughout the rulemaking process, staff worked with stakeholders to resolve key issues. Staff is not aware of any key remaining issues.

California Environmental Quality Act
Pursuant to CEQA Guidelines Sections 15002(k) and 15061, the proposed project (PAR 463) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 and is included as Attachment H to this Board Letter. 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, and with the State Clearinghouse of the Governor's Office of Land Use and Climate Innovation.

Socioeconomic Analysis
PAR 463 is administrative in nature and will not significantly affect air quality or emission limitations, and thus, will not result in socioeconomic impacts. Therefore, a socioeconomic impact assessment is not required by Health and Safety Code Sections 40440.8 and 40728.5.

Implementation and Resource Impact
Existing staff resources are adequate to implement the proposed amendments.

Attachments
A. Summary of Proposal
B. Key Issues and Responses
C. Rule Development Process
D. Key Contacts List
E. Resolution
F. Proposed Amended Rule 463
G. Final Staff Report
H. Notice of Exemption from CEQA
I. Board Presentation

ATTACHMENT A

SUMMARY OF PROPOSAL

Proposed Amended Rule 463 – Organic Liquid Storage
Performance Requirements for Small Gasoline Tanks • Added a vapor control compliance option for a tank equipped with a Phase I vapor recovery system, for which CARB has issued a valid Executive Order pursuant to Health and Safety Code Section 41954 • Added a separate vapor control compliance option for a tank that exclusively stores aviation gasoline to be equipped with a Phase I vapor recovery system Other Administrative Clarifications • Clarified applicability of monitoring, reporting, and recordkeeping requirements • Clarified that small gasoline tanks are not subject to optical gas imaging inspection requirements

ATTACHMENT B

KEY ISSUES AND RESPONSES

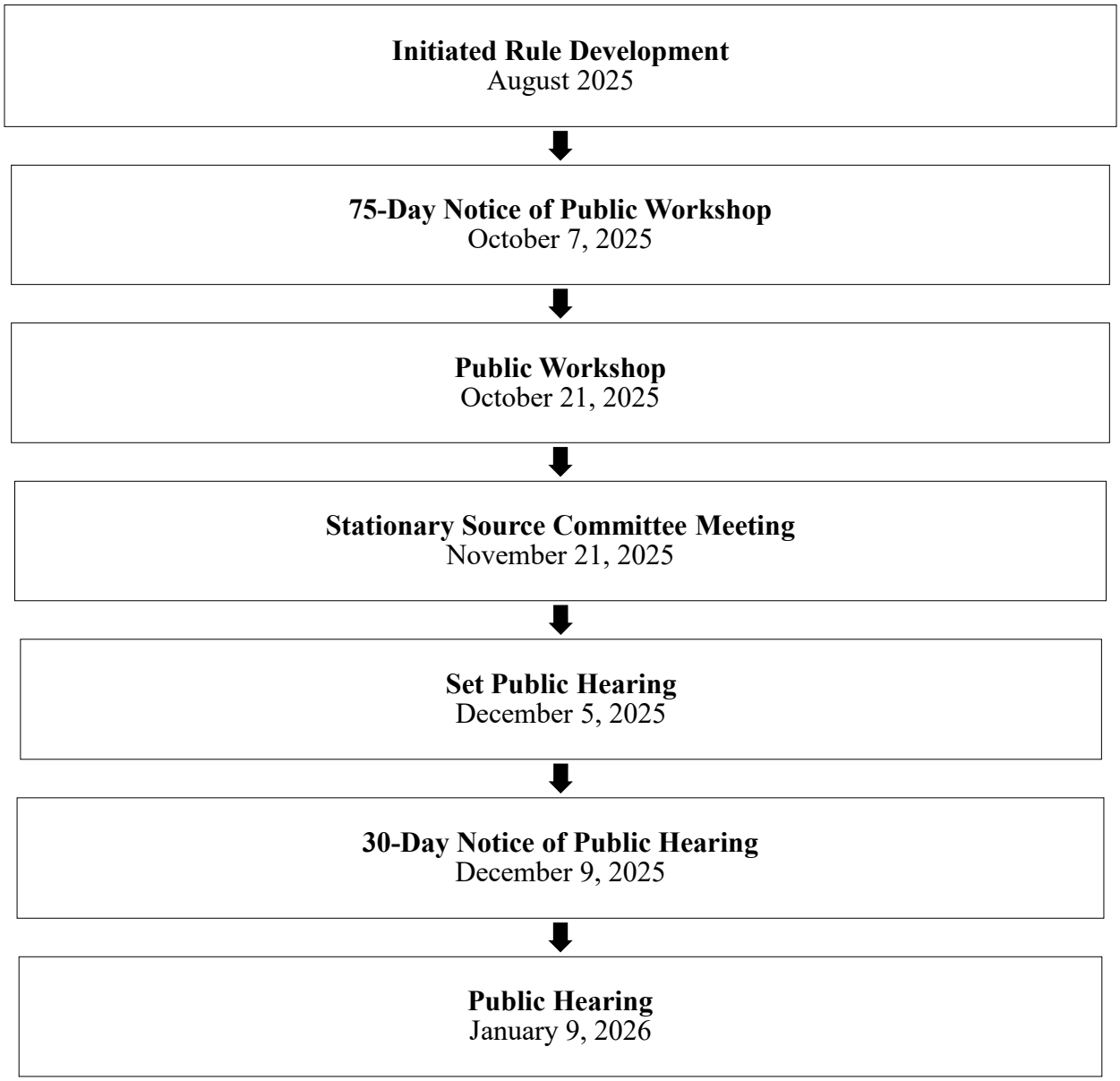
Proposed Amended Rule 463 – Organic Liquid Storage

Throughout the rulemaking process, staff worked with stakeholders to resolve key issues. Staff is not aware of any key remaining issues.

ATTACHMENT C

RULE DEVELOPMENT PROCESS

Proposed Amended Rule 463– Organic Liquid Storage



Five (5) months spent in rule development
One (1) Public Workshop
One (1) Stationary Source Committee Meeting

ATTACHMENT D

KEY CONTACTS LIST

Proposed Amended Rule 463 – Organic Liquid Storage

California Air Resources Board

Husky Corporation

R.A. Nichols Engineering

Southern California Gas Company

SSA Terminal

ATTACHMENT E

RESOLUTION NO. 26-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Amended Rule 463 – Organic Liquid Storage, is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board amending Rule 463 – Organic Liquid Storage.

A Resolution of the South Coast AQMD Governing Board directing staff to submit Proposed Amended Rule 463 – Organic Liquid Storage to CARB and U.S. EPA for inclusion into the State Implementation Plan.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 463 is considered a "project" as defined by CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and has conducted a CEQA review and analysis of the proposed project pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that the Proposed Amended Rule 463 is exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that Proposed Amended Rule 463 would cause a significant adverse effect on the environment because: 1) no physical modifications are expected from the proposed administrative clarifications; and 2) the exclusion of smaller gasoline tanks from periodic optical gas imaging (OGI) inspection requirements will not exceed the South Coast AQMD air quality significance threshold for VOC emissions during operation; therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

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

WHEREAS, Proposed Amended Rule 463 and supporting documentation, including but not limited to, the Notice of Exemption, Board Letter, and Final Staff Report, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the proposed project; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (Section 30.5(4)(D)(i) of the Administrative Code), that there were no modifications to Proposed Amended Rule 463 since the Notice of Public Hearing was published; and

WHEREAS, Proposed Amended Rule 463 will be submitted for inclusion into the State Implementation Plan; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the Public Hearing and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to adopt Proposed Amended Rule 463 to clarify the tank types subject to specific monitoring, recordkeeping, and reporting requirements as well as vapor control requirements for smaller above-ground gasoline storage tanks; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 through 40728, and 41508; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 463 is written and displayed so that its meaning can be easily understood by persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 463 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 463 does not impose the same requirements as any existing state

or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in adopting Proposed Amended Rule 463, references the following statute which the South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 39002, 40001, 40406, 40702, 40440(a), and 40725 through 40728.5; and

WHEREAS, the South Coast AQMD Governing Board finds that no comparative analysis pursuant to Health and Safety Code Section 40727.2 is required because Proposed Amended Rule 463 does not impose a new emission limit or standard, make an existing emission limit of standard more stringent, or a impose new or more stringent monitoring, reporting, or recordkeeping requirements; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 463 does not significantly affect air quality or emission limitations and will not result in socioeconomic impacts; therefore, a socioeconomic impact assessment pursuant to Health and Safety Code Sections 40440.8 and 40728.5 is not required; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 463 does not include new Best Available Retrofit Control Technology (BARCT) requirements nor a feasible measure pursuant to Health and Safety Code Section 40914, therefore analyses for cost-effectiveness and incremental cost-effectiveness consistent with the Health and Safety Code Section 40920.6, are not applicable; and

WHEREAS, the South Coast AQMD staff conducted a Public Workshop regarding Proposed Amended Rule 463 on October 21, 2025; and

WHEREAS, the Public Hearing has been properly noticed in accordance with all provisions of Health and Safety Code Sections 40725 and 40440.5; and

WHEREAS, the South Coast AQMD Governing Board has held a Public Hearing in accordance with all provisions of state and federal law; and

WHEREAS, the South Coast AQMD specifies the Planning and Rules Manager of Proposed Amended Rule 463 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of the proposed amended rule is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

NOW, THEREFORE BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 463 is exempt from CEQA pursuant to CEQA Guidelines

Sections 15061(b)(3) – Common Sense Exemption. This information was presented to the South Coast AQMD Governing Board, whose members exercised their independent judgment and reviewed, considered, and approved the information therein prior to acting on Proposed Amended Rule 463; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 463 as set forth in the attached, and incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board requests that Proposed Amended Rule 463 be submitted for inclusion in the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Amended Rule 463 and supporting documentation to the California Air Resources Board for approval and subsequently submitted to the U.S. Environmental Protection Agency for inclusion into the State Implementation Plan.

DATE: _____ _____

CLERK OF THE BOARDS

ATTACHMENT F

(Adopted August 15, 1977)(Amended June 1, 1984)(Amended December 7, 1990)
(Amended March 11, 1994)(Amended May 6, 2005)
(Amended November 4, 2011)(Amended May 5, 2023)(Amended June 7, 2024) (Amended TBD)

PROPOSED AMENDED RULE 463. ORGANIC LIQUID STORAGE

(RULE INDEX TO BE ADDED AFTER ADOPTION)

(a) Purpose

The purpose of this rule is to reduce emissions of Volatile Organic Compounds (VOC) from the storage of Organic Liquids in stationary above-ground Tanks and establish contingency measures for applicable ozone standards for the reduction of VOCs.

(b) Applicability

This rule applies to any above-ground stationary Tank with a capacity of 75,000 liters (19,815 gallons) or greater used for storage of Organic Liquids, and any above-ground Tank with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) used for storage of Gasoline. This rule also applies to any stationary Tank with a Potential For VOC Emissions of 6 tons per year or greater used in Crude Oil And Natural Gas Production Operations.

(c) Definitions

For purposes of this rule, the following definitions apply:

(1) ACCESS HATCH is an opening in the roof with a vertical well and a cover attached to it. Access Hatch provides passage for workers and materials through the roof for construction or maintenance.

(2) ACTUAL STORAGE CONDITIONS means the temperature at which a product is stored in an above-ground stationary Tank.

(3) AMBIENT TEMPERATURE is the temperature of an Organic Liquid within a storage Tank that has been influenced by atmospheric conditions only and is not elevated by a non-atmospheric means of heating at the Tank which includes but is not limited to steam, hot water, heaters, heat exchangers, Tank insulation, or Tank jacketing.

(4) CERTIFIED PERSON is a person who has successfully completed the South Coast AQMD Tank self-inspection program and a South Coast AQMD approved fugitive emissions compliance inspection program, and who holds a certificate issued by the Executive Officer evidencing that such person is in good standing in this program.

(c) (5) CLEANING is the process of washing or rinsing a stationary Tank, reservoir, pipelines, or other container or removing vapor, sludge, or rinsing liquid from a stationary Tank, reservoir, or other container.

(6) COMPONENT is any valve, fitting, pump, compressor, pressure relief device, diaphragm, hatch, sight-glass, Roof Opening, Rim Seal System, pressure vacuum vents, Guidepoles, Roof Legs, or meter in VOC service.

(7) COMPONENT INSPECTION is monitoring for Visible Vapors with a handheld Optical Gas Imaging Device of a Storage Tank roof and individual Components, including but not limited to Roof Openings and Rim Seal Systems, viewable from the Tank platform or a vantage point capable of seeing the Tank roof, and ground for Components not viewable from the Tank platform or vantage point but viewable at ground level.

(8) CRUDE OIL AND NATURAL GAS PRODUCTION OPERATIONS are any operations from a crude oil well to the point of custody transfer to a refinery and any operations from a natural gas well to the natural gas customer.

(9) DOMED ROOF is a self-supporting Fixed Roof attached to the top of an External Floating Roof Tank to reduce evaporative losses. An External Floating Roof Tank equipped with a Domed Roof is a Domed External Floating Roof Tank.

(10) DRAIN-DRY BREAKOUT TANK is an above-ground Storage Tank designed such that the floating roof rests on support legs no higher than one foot along the Tank shell with a bottom sloped to a sump or sumps such that no product or sludge remains on the Tank bottom and walls after emptying except clingage and is primarily used to receive product from pipelines and to distribute product back into pipelines.

(11) EMISSION INVENTORY YEAR is the annual emission-reporting period specified by the Annual Emission Reporting (AER) Program requirements for a given year.

(12) EXEMPT COMPOUND is as defined in Rule 102.

(13) EXTERNAL FLOATING ROOF TANK is a Storage Tank with a roof consisting of a double deck or pontoon single deck which rests or floats on the liquid being contained and is not equipped with a Fixed Roof above the floating roof.

(14) FACILITY is any equipment or group of equipment or other VOC-emitting activities, which are located on one or more contiguous properties within the South Coast AQMD, 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.

(c) (15) FIXED ROOF SUPPORT COLUMN AND WELL is a column made of round pipe or of structural shape with an irregular cross section that passes through the floating roof via a peripheral vertical well and is used to support the roof of an Internal Floating Roof Tank.

(16) FIXED ROOF TANK is a Storage Tank with a permanently affixed roof.

(17) FLEXIBLE ENCLOSURE SYSTEM is a VOC emission reduction system made of a VOC impervious material which is resistant to ultraviolet radiation, completely enclosing a Slotted Guidepole and controls the vapor emission pathway from inside the storage vessel through the Guidepole slots to the outside air.

(18) FUEL GAS SYSTEM is the piping and control system that gathers gaseous stream(s) generated by onsite operations and transports the gaseous stream for sale or for use as fuel gas in combustion devices, or in-process combustion equipment such as furnaces and gas turbines, either singly or in combination.

(19) GASOLINE means any petroleum distillate having a Reid vapor pressure of 200 mm Hg (3.9 pounds per square inch), or greater.

(20) GAUGE FLOAT is a device that is used to indicate the level of liquid within the Tank. The float rests on the liquid surface and is housed inside a well that is closed by a removable cover.

(21) GAUGE HATCH/SAMPLE PORT is an opening in the roof that provides access for gauging or sampling. A Gauge Hatch/Sample Port is usually equipped with a closing cover or a funnel and slit-fabric Seal to cover the opening.

(22) GUIDEPOLE is an anti-rotation device that is fixed to the top and bottom of the Tank, passing through a well that is equipped with a sliding cover. The Guidepole is used to prevent adverse movement of the roof and subsequent damage to the roof fittings and rim Seals, or as access for level gauging or sampling of the liquid stock. The Guidepole can be solid or equipped with slots or holes for gauging purpose.

(23) HEAVY CRUDE OIL means a crude oil with American Petroleum Institute (API) gravity 20 degrees or less.

(24) INTERNAL FLOATING ROOF TANK is a Storage Tank equipped with a fixed roof and a floating roof which rests on the liquid being contained.

(25) LADDER AND WELL is a ladder that passes through a well and is used to access the Tank bottom of an Internal Floating Roof Tank.

(c) (26) LIQUID MOUNTED PRIMARY SEAL is a Primary Seal that is mounted in full contact with the liquid in the annular space between the Tank shell and the floating roof.

(27) MECHANICAL SHOE PRIMARY SEAL is a metallic band attached to the floating roof sliding in contact with the Tank shell. The shoes are supported and held against the Tank shell by a mechanical device, and are joined together to form a ring. The vapor space between the shoe and the roof is sealed from the atmosphere by a Primary Seal of coated or VOC impervious fabric.

(28) OPTICAL GAS IMAGING DEVICE is an infrared camera with a detector capable of visualizing gases in the 3.2-3.4 micrometer waveband.

(29) ORGANIC LIQUID is any liquid containing VOC.

(30) POLE FLOAT is a device located inside a Guidepole that floats on the surface of the stored liquid, and is used to indicate the liquid level inside the Tank.

(31) POLE SLEEVE is a device that extends from either the cover or the rim of an opening in a floating roof deck to the outer surface of a pole that passes through the opening.

(32) POLE WIPER is a Seal that extends from either the cover or the rim of an opening in a floating roof deck to the outer surface of a pole that passes through the opening.

(33) POTENTIAL FOR VOC EMISSIONS means emissions calculated using a generally accepted model or calculation methodology, based on permitted throughput limits or, when permitted throughput limits are not available, based on the maximum throughput in a calendar month, where at least 30-days of production occurred, in years 2019 to 2022.

(34) PRESSURE RELIEF VALVE (PRV) is a valve which is automatically actuated by upstream static pressure, and used for safety or emergency purposes.

(35) PRIMARY SEAL is a Seal mounted below a Secondary Seal of a Rim Seal System that consists of two Seals. A Primary Seal, which is in contact with the floating roof Tank shell, can be either Mechanical Shoe, Resilient Filled, or a Seal with multiple wipers, drip curtain and weight.

(36) PRODUCT CHANGE is the process of changing the Tank contents from one Organic Liquid to another Organic Liquid that has different characteristics i.e. vapor pressure, viscosity, etc.

(37) RESILIENT FILLED PRIMARY SEAL is an envelope filled with resilient foam (non-metallic polyurethane) mounted at the rim of the floating roof that makes contact with the shell.

(c) (38) RIM MOUNTED SECONDARY SEAL is a Secondary Seal mounted on the rim of the floating roof of a Storage Tank. Rim Mounted Secondary Seals are effective at reducing losses from the Primary Seal fabric.

(39) RIM SEAL SYSTEM is a closure device between the shell of the Storage Tank and the floating roof edge. A Rim Seal System may consist of two Seals, one above the other. The lower Seal is referred to as the Primary Seal and the upper Seal is referred to as the Secondary Seal.

(40) RIM VENT is a device consisting of a weighted pallet that rests on a valve seat. Rim Vents are used to release any excess pressure or vacuum present in the vapor pocket between the Seal and the rim area of a floating roof Tank.

(41) ROOF DRAIN is a drain on the roof of a floating roof Tank that is used to remove rainwater from the floating roof. There are two types of Roof Drains. A closed Roof Drain removes the rainwater from the surface of the roof through a flexible hose through the stored liquid prior to exiting the Tank. With a closed Roof Drain, the rainwater does not come in contact with the liquid stored in the Tank. An open Roof Drain is any drain other than the closed Roof Drain. An open Roof Drain is typically used only during an emergency.

(42) ROOF LEG is a device that holds the floating roof at a predetermined distance from the Tank bottom to allow for Tank Cleaning or repair. There are two types of Roof Legs, adjustable or fixed. Fixed legs are attached to the floating roof or hangers suspended from the roof, whereas adjustable legs pass through a well or sleeve, and penetrate the roof.

(43) ROOF OPENING is any opening through a floating roof of a Storage Tank for any roof fitting including but not limited to Access Hatch, Fixed Roof Support Column And Well, Gauge Float, Gauge Hatch, Sample Port, Guidepole, Ladder And Well, Rim Vent, Roof Drain, Roof Leg, and Vacuum Breaker, and excluding Rim Seal System.

(44) SEAL is a closure device between the Tank wall and the floating roof edge that controls emissions of VOCs. Approved floating roof Tank Seals are categorized as follows:

(A) Category "A" Seals are Seals approved by the Executive Officer as most effective in the control of VOCs and are deemed Best Available Control Technology (BACT) according to the criteria set forth in Attachment A - "Floating Roof Tank Seal Categories."

(c) (44) (B) Category "B" Seals are Seals approved by the Executive Officer that are considered more effective than Category "C" Seals based on the criteria set forth in Attachment A - "Floating Roof Tank Seal Categories."

(C) Category "C" Seals are Seals approved by the Executive Officer which are currently in service but are considered least effective in the control of VOCs.

(45) SECONDARY SEAL is a Seal mounted above the Primary Seal of a Rim Seal System that consists of two Seals.

(46) SLOTTED GUIDEPOLE is a Guidepole that has slots or holes through the wall of the Guidepole. The slots or holes allow the stored liquid to flow into the pole at liquid levels above the lowest operating level.

(47) STORAGE TANK or TANK is a stationary container primarily constructed of non-earthen materials that meets the applicability criteria of this rule.

(48) TANK FARM INSPECTION is monitoring for Visible Vapors with a handheld Optical Gas Imaging Device of all applicable Storage Tanks at a Facility where the person conducting the inspection views the top of the Tank shell, and fixed roof or dome if applicable. Tank Farm Inspections may be conducted from an elevated position and/or from ground level.

(49) TRUE VAPOR PRESSURE is the vapor pressure of a liquid at Actual Storage Conditions.

(50) VACUUM BREAKER is a device used to equalize the pressure of the vapor space across the deck as the floating roof is either being landed on or floated off its legs. A Vacuum Breaker consists of a well with a cover. Attached to the underside of the cover is a guided leg long enough to contact the Tank bottom as the floating roof is being landed. When in contact with the Tank bottom, the guided leg mechanically lifts the cover off the well.

(51) VAPOR TIGHT is a condition that exists when the reading on a portable hydrocarbon meter is less than 500 parts per million (ppm), expressed as methane, above background.

(52) VISIBLE GAP is a gap of more than 1/8 inch between any gasket or Seal and the opening that it is intended to control. Visible Gap for Primary and Secondary Seals is a gap that does not meet the requirements specified in subdivision (d).

(53) VISIBLE VAPORS are any VOC vapors detected with an Optical Gas Imaging Device, when operated and maintained in accordance with manufacturer training or certification, or equivalent California Air Resources Board (CARB) training, user manuals, specifications, and recommendations.

(c) (54) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 102.

(55) WASTE STREAM TANK is a Storage Tank containing at least 75% water by volume, and some liquid waste stream generated in a manner which contains petroleum liquid, emulsified oil, VOC or other hydrocarbons. For the purpose of this rule, Waste Stream Tanks include waste water Tanks and recovered oil (or slop oil) Tanks.

(56) WORKING DAY is Monday through Friday and includes holidays that fall on any of the days Monday through Friday.

(d) Tank Roof Requirements

No person shall place, store or hold in any Tank with a capacity of 150,000 liters (39,630 gallons) or greater, any Organic Liquid having a True Vapor Pressure of 25.8 mm Hg (0.5 psi) absolute or greater under Actual Storage Conditions, in any Tank of more than 75,000 liters (19,815 gallons) capacity, any Organic Liquid having a True Vapor Pressure of 77.5 mm Hg (1.5 psi) absolute or greater under Actual Storage Conditions, or any Tank with a Potential For VOC Emissions of 6 tons per year or greater used in Crude Oil And Natural Gas Production Operations, unless such Tank is a pressure Tank maintaining working pressures sufficient at all times to prevent organic vapor loss to the atmosphere, or is designed and equipped with one of the following vapor control devices, or other vapor control device that has been determined to be equivalent after review by the South Coast AQMD, CARB, and the United States Environmental Protection Agency (U.S. EPA), and approved in writing by the Executive Officer, CARB, and U.S. EPA, which is properly installed and continuously maintained in good operating condition:

(1) External Floating Roof

An external floating roof shall consist of a pontoon-type or double deck-type cover that continuously rests on the surface of the Organic Liquid and is equipped with a closure device between the Tank shell and roof edge. The closure device shall consist of two Seals, with one Seal placed above the other. The Seal below shall be designated as the Primary Seal, and the Seal above shall be designated as the Secondary Seal. An owner or operator shall not install or use a Seal which is not identified on the current list of Seals approved by the Executive Officer unless the Executive Officer determines that such Seal meets the applicable criteria of subparagraphs (d)(1)(A) through (d)(1)(C). The owner or operator of an External Floating Roof Tank shall equip the tank with a Rim Seal System meeting the following requirements:

(d) (1) (A) A closure device on a welded or a riveted Tank shell which uses a Mechanical Shoe Primary Seal shall comply with the following requirements:

(i) Gaps between the Tank shell and the Primary Seal shall not exceed 1.3 centimeters (1/2 inch) for a cumulative length of 30 percent of the circumference of the Tank, and 0.32 centimeter (1/8 inch) for 60 percent of the circumference of the Tank. No gap between the Tank shell and the Primary Seal shall exceed 3.8 centimeters (1-1/2 inches). No continuous gap between the Tank shell and the Primary Seal greater than 0.32 centimeter (1/8 inch) shall exceed 10 percent of the circumference of the Tank.

(ii) Gaps between the Tank shell and the Secondary Seal shall not exceed 0.32 centimeter (1/8 inch) for a cumulative length of 95 percent of the circumference of the Tank. No gap between the Tank shell and the Secondary Seal shall exceed 1.3 centimeters (1/2 inch).

(iii) Mechanical Shoe Primary Seals installed on or after August 1, 1977 shall be installed so that one end of the shoe extends into the stored Organic Liquid and the other end extends a minimum vertical distance of 61 centimeters (24 inches) above the stored Organic Liquid surface.

(iv) The geometry of the shoe shall be such that the maximum gap between the shoe and the Tank shell is no greater than double the gap allowed by the Seal gap criteria specified in clause (d)(1)(A)(i) for a length of at least 46 centimeters (18 inches) in the vertical plane above the liquid surface.

(v) Primary and Secondary Seals for Tanks subject to U.S. EPA CFR 40 Part 60 Subpart Kb must meet the Seal gap requirements specified in U.S. EPA CFR 40 Part 60 Subpart Kb.

(B) A closure device which uses a resilient toroid-type Seal as its Primary Seal shall comply with the applicable requirements of subparagraph (d)(1)(A).

(C) The Primary and Secondary Seals shall comply with the following requirements:

(i) The Primary Seal envelope shall be made available for unobstructed inspection by the Executive Officer along its circumference. In the case of riveted Tanks with resilient toroid-type seals, at least eight such locations shall be made available; for all other types of Seals, at

least four such locations shall be made available. If the Executive Officer deems it necessary, further unobstructed inspection of the Primary Seal may be required to determine the Seal's condition along its entire circumference.

(d) (1) (C) (ii) The Secondary Seal shall be installed in a way that permits the Executive Officer to insert probes up to 3.8 centimeters (1-1/2 inches) in width to measure gaps in the Primary Seal.

(iii) The Secondary Seal shall extend from the roof to the Tank shell and shall not be attached to the Primary Seal.

(iv) Notwithstanding the Secondary and the Primary Seal requirements of paragraph (d)(1), a secondary or Primary Seal may be loosened or removed for preventive maintenance, inspection or repair for a period not exceeding 72 hours with prior notification to the Executive Officer.

(D) The owner or operator shall ensure that all Roof Openings except pressure-vacuum valves, provide a projection below the liquid surface to prevent belching, escape, or entrainment of Organic Liquid, and shall be equipped with a cover, Seal or lid. The cover, Seal, or lid shall at all times be in a closed position, with no Visible Gaps, and maintained in a Vapor Tight condition except when the device or appurtenance is in use. Pressure vacuum valves shall be set to within 10 percent of the maximum allowable working pressure of the roof.

(E) The owner or operator shall ensure that there are no holes, tears or openings in the Secondary Seal or in the Primary Seal envelope surrounding the annular vapor space enclosed by the roof edge, Seal fabric, and Secondary Seal.

(F) The owner or operator shall equip any emergency Roof Drain with a slotted membrane fabric cover, or equivalent device, that covers at least nine-tenths (9/10) of the area of the opening.

(G) Tank Condition Requirements

The owner or operator shall maintain the Tank in a condition free of Visible Vapors resulting from a defect in equipment.

(i) In the event that Visible Vapors are detected and an owner or operator states the Tank is in compliance with the provisions in paragraphs (d)(1), (d)(2), (d)(3), or (d)(4), the owner or operator

must demonstrate that the Visible Vapors are not the result of a defect in the equipment.

(d) (1) (H) Doming Requirements

Beginning three years after June 7, 2024, the owner or operator shall install a Domed Roof on External Floating Roof Tanks used to store Organic Liquid with a True Vapor Pressure of 3 psia or greater as demonstrated pursuant to subparagraph (d)(1)(I) at the time of the next internal API 653 inspection or the next time the Tank is cleaned and degassed, whichever is sooner. The owner or operator shall install domes no later than twenty-three years after a test specified in subparagraph (d)(1)(I) verifies that the Organic Liquid stored has a True Vapor Pressure of 3 psia or greater.

(I) Verification of True Vapor Pressure

Effective January 1, 2025, an owner or operator of an External Floating Roof Tank shall demonstrate the True Vapor Pressure of the Organic Liquid stored using an initial test completed by July 1, 2025, with one representative sample. External Floating Roof Tanks storing Organic Liquids with True Vapor Pressure below 3 psia shall conduct subsequent tests at least once every six calendar months pursuant to the requirements of subdivision (i).

(i) In lieu of the semi-annual subsequent TVP tests specified in subparagraph (d)(1)(I), an owner or operator may elect to conduct monthly TVP tests beginning January 2025 and calculate an average every six months.

(J) In lieu of complying with the requirements in subparagraph (d)(1)(H), the owner or operator of a waste water Tank where the conversion to a Domed External Floating Roof Tank may create a hazard due to the accumulation of pyrophoric material, as confirmed by the Executive Officer, shall accept permit conditions to limit the True Vapor Pressure of the Organic Liquid stored in a Tank to less than 3 psia.

(2) Internal Floating-Type Cover

An owner or operator of a Fixed Roof Tank equipped with an internal floating-type cover shall comply with the following requirements:

(A) A Fixed Roof Tank which has an internal floating-type cover shall have a closure device which consists of a Liquid Mounted Primary Seal and a Secondary Seal. All Roof Openings and fittings shall be fully gasketed and maintained in a Vapor Tight condition or controlled in a manner specified

by the Executive Officer, except for when in operation or opened for access. The closure device shall control vapor loss with an effectiveness equivalent to a closure device which meets the requirements of subparagraph (d)(1)(A), with the exception of a Mechanical Shoe Primary Seal which shall have one end extend a minimum vertical distance of 15 centimeters (6 inches) above the liquid surface and the other end extend into the liquid a minimum of 10 centimeters (4 inches). Seal designs not identified on the current list of Seals approved by the Executive Officer shall not be installed or used unless the Executive Officer has given their prior written approval to its installation or use.

(d) (2) (B) The concentration of organic vapor in the vapor space above the internal floating-type cover shall not exceed 50 percent of its lower explosive limit (LEL) for those installed prior to June 1, 1984 and 30 percent of its LEL for those installed after June 1, 1984. Compliance shall be verified by the use of an explosimeter.

(C) The owner or operator shall comply with the requirements of subparagraph (d)(1)(G).

(D) Beginning two years after June 7, 2024, the owner or operator shall comply with the Primary and Secondary Seal requirements for Internal Floating Roof Tanks specified in subparagraph (d)(2)(A) at the time of the next internal API 653 inspection or the next time the Tank is cleaned and degassed, whichever is sooner. The owner or operator shall install Secondary Seals no later than twenty-two years after June 7, 2024.

(3) Fixed Roof Tanks

An owner or operator of a Fixed Roof Tank not using an internal floating-type cover shall equip the Tank with a vapor recovery system that complies with the following requirements:

(A) Any Tank gauging or sampling device on a Tank vented to the vapor recovery system shall be equipped with a cover maintained in Vapor Tight condition which shall be closed at all times except during gauging or sampling. The roof of such Tank shall be properly maintained in a Vapor Tight condition with no holes, tears or uncovered openings.

(B) All piping, valves and fittings shall be constructed and maintained in a Vapor Tight condition, in accordance with requirements of other South Coast AQMD rules for such equipment.

(d) (3) (C) For Fixed Roof Tanks, the efficiency of a vapor recovery system shall be determined by making a comparison of controlled emissions to those emissions which would occur from a fixed cone roof Tank holding the same Organic Liquid without a vapor control or vapor recovery system. The vapor recovery system shall have an efficiency of at least 98 percent by weight, or vent Tank emissions to a Fuel Gas System.

(D) The owner or operator shall comply with the requirements of subparagraph (d)(1)(G).

(4) Domed External Floating Roof Tanks

The owner or operator of a Domed External Floating Roof Tank shall:

(A) Equip and maintain all Roof Openings and Rim Seal Systems and in accordance with the specifications listed in paragraph (d)(1), except for Slotted Guidepoles. Each Slotted Guidepole shall be equipped with the following combination of Components:

(i) A gasketed cover, a Pole Wiper, a Pole Float with a wiper or Seal; ~~or~~

(ii) A gasketed cover, a Pole Wiper, and a Pole Sleeve that shall be extended into the stored liquid; or

(iii) A gasketed cover, a Pole Wiper, and a flexible enclosure system.

(B) Ensure that the concentration of organic vapor in the vapor space above the floating roof does not exceed 30 percent of its lower explosive limit (LEL).

(C) Comply with the requirements of subparagraph (d)(1)(G).

(D) Maintain the Domed Roof in a condition that is free of gaps, cracks, punctures, and other openings, except where vents and access points are located.

(e) Other Performance Requirements

(1) An owner or operator shall not place, store or hold Gasoline in any Tank, with a capacity of between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) unless such Tank is equipped with ~~a~~:

(A) A pressure-vacuum valve which is set to within 10 percent of the maximum allowable working pressure of the container~~,~~;

(B) A Phase I vapor recovery system, for which CARB has issued a valid Executive Order pursuant to Health and Safety Code Section 41954;

(C) A Phase I vapor recovery system for a tank that exclusively stores aviation gasoline; or

(D) ~~is equipped with a~~A vapor loss control device which complies with the requirements set forth in subdivision (d).

(2) An owner or operator shall float the roof of any ~~Internal or External F~~floating ~~R~~roof Tank on the Organic Liquid at all times (i.e., free of the Roof Leg supports) except when the Tank is being completely emptied for Cleaning, repair, or during a Product Change. The process of emptying or refilling, when the roof is resting on leg supports, shall be continuous.

(e) (3) If a Tank has been gas-freed and is to be refilled with Gasoline, the owner or operator shall refloat the roof with water or by an equivalent procedure approved by the Executive Officer. Paragraphs (e)(2) and (e)(3) shall be inapplicable to Gasoline Storage Tanks at bulk Gasoline distribution terminals which do not have:

(A) existing facilities for treatment of waste water used to refloat the Tank roof; or

(B) facilities for equivalent emission control when refloating the roof with Organic Liquid.

(4) An owner or operator shall not use a Fixed Roof Tank with an internal floating-type cover or a Tank with an external floating roof cover for storing Organic Liquids having a True Vapor Pressure of 11 psia (569 mm Hg) or greater under Actual Storage Conditions.

(5) The owner or operator shall not replace a Seal on a floating roof Tank unless the replacement Seal is chosen from the current list of Seals approved by the Executive Officer. Category "A" Seals shall be replaced only by Category "A" Seals. Category "B" Seals shall be replaced only by Category "A" or Category "B" Seals. Category "C" Seals shall be replaced only by Category "A" or Category "B" Seals. Seal designs not identified on the current list of Seals approved by the Executive Officer shall not be installed or used unless the Executive Officer has given their prior written approval to its installation or use.

(6) The addendum to this rule can be used as a guide for compliance with the appropriate vapor pressure limits for the Tank in which the corresponding Organic Liquid is stored provided the actual storage temperature does not exceed the corresponding maximum temperature listed.

(f) Monitoring Requirements

Any owner or operator of ~~a floating roof~~ any Tank(s) shall conduct the applicable self-inspections of its Tank(s) according to the following procedures:

(1) Inspection and Maintenance Plan

(A) Each owner or operator of a floating roof Tank shall maintain a current or revised Inspection and Maintenance Plan approved by the Executive Officer. Each owner or operator constructing floating roof Tank(s) subject to this rule shall submit an Inspection and Maintenance Plan, or a revision of its current Inspection and Maintenance Plan, to the Executive Officer prior to the completion of construction. The Inspection and Maintenance Plan shall include an inventory of floating roof Tanks subject to this rule, the proposed self-inspection schedule, the number of Certified Persons to be dedicated to the program, any self-inspection procedures proposed in addition to those required by the South Coast AQMD, and a copy of the owner or operator's safety procedures used for floating roof Tanks. The Tank inventory shall include Tank identification number, maximum design capacity, product, shell type, dimensions, Seal type and manufacturer, floating roof type, date of construction and location.

(f) (2) Identification Requirements

(A) All floating roof Tanks subject to this rule shall be clearly and visibly identified by a sign on the outside wall for inventory, inspection and recordkeeping purposes.

(B) Any change(s) in floating roof Tank identification shall require prior written approval by the Executive Officer.

(3) Owner or Operator Inspection Requirements

(A) All floating roof Tanks subject to this rule shall be inspected by a Certified Person twice per year at 4 to 8 months intervals according to the procedures and guidelines set forth in Attachment B - "Inspection Procedures and Compliance Report Form."

(B) The Primary and Secondary Seals shall be inspected by a Certified Person each time a floating roof Tank is emptied and degassed. Gap measurements shall be performed on an External Floating Roof Tank when the liquid surface is still but not more than 48 hours after the Tank roof is refloated.

(C) The Executive Officer shall be notified electronically in writing to the Executive Officer via Rule463ComplianceReports@aqmd.gov at least 2 days prior to the start of any tank-emptying or roof-refloating operation for planned maintenance of a floating roof Tank.

(D) Optical Gas Imaging Inspections

~~Effective July 1, 2025,~~ The owner or operator shall demonstrate compliance with subparagraphs (d)(1)(G), (d)(2)(C), (d)(3)(D) and (d)(4)(C) for Tanks

with a capacity greater than 75,000 liters (19,815 gallons) storing Organic Liquid with a True Vapor Pressure of 1.5 psi or greater, Tanks with a capacity of 150,000 liters (39,630 gallons) and above storing Organic Liquid with a True Vapor Pressure of 0.5 psi or greater, ~~Tanks with a capacity of 950 liters (251 gallons) to 75,000 liters (19,815 gallons) used to store Gasoline,~~ and any Tank with a Potential For VOC Emissions of 6 tons per year or greater used in Crude Oil And Natural Gas Production Operations by conducting OGI inspections in accordance with the following requirements:

(f) (3) (D) (i) The person conducting an OGI inspection shall:

(A) Complete a manufacturer's certification or training program, or equivalent CARB training for the OGI Device used to conduct the inspection; and

(B) Operate and maintain the OGI Device in accordance with the manufacturer's specifications and recommendations.

(ii) Tank Farm Inspections

A person meeting the requirements of clause (f)(3)(D)(i) shall:

(A) Conduct a Tank Farm Inspection at least once every two calendar weeks; and

(B) When Visible Vapors are detected from a Tank, conduct an inspection from the Tank's platform or a vantage point capable of seeing the top of the tank roof if there is no platform available to identify Components and/or equipment emitting Visible Vapors.

(1) If determined that Visible Vapors are emitted from Components required to be maintained in a Vapor Tight condition or in a condition with no Visible Gaps, the owner or operator shall make necessary repairs or adjustments pursuant to paragraph (f)(4), or demonstrate compliance with a Vapor Tight condition or a condition with no Visible Gaps for the Component from which Visible Vapors are emitted within 3 days.

(2) If determined that Visible Vapors are emitted from equipment not specified in item (f)(3)(D)(ii)(B)(1), a visual inspection for defects in equipment shall be conducted, which may include the use of the OGI

Device. The owner or operator shall make necessary repairs or adjustments pursuant to paragraph (f)(4) for any defects identified.

(f) (3) (D) (iii) Component Inspections

A person that meets the requirements of clause (f)(3)(D)(i) shall:

(A) Conduct a Component Inspection for each floating roof Tank at least twice per year at 4 to 8 month intervals; and

(B) When Visible Vapors are detected, and are not emitted from the Rim Seal System, the owner or operator shall make any necessary repairs or adjustments pursuant to paragraph (f)(4), or demonstrate compliance with the applicable rule requirements for the Components or equipment from which Visible Vapors are detected within 3 days; and

(C) When the Visible Vapors are detected from the Rim Seal System, the owner or operator shall identify any defects in the equipment and make any necessary repairs or adjustments pursuant to paragraph (f)(4). If no defects are identified, an inspection from ground level shall be conducted. If Visible Vapors are detected at the top of the Tank shell or roof vents, the owner or operator shall demonstrate compliance with the Rim Seal requirements of this rule, or make any necessary repairs, within 3 days.

(E) In lieu of the required OGI inspections specified in subparagraph (f)(3)(D), an owner or operator may elect to use an alternative monitoring method approved in writing by the U.S. EPA that is equivalent or more stringent than the monitoring requirements specified in subparagraph (f)(3)(D).

(i) An owner or operator seeking to use the alternative monitoring method specified in subparagraph (f)(3)(E) shall submit written documentation of the U.S. EPA approved method to the South Coast AQMD for approval.

(4) Maintenance Requirements

Any Tank which does not comply with any provision of this rule shall be brought into compliance within 72 hours of the determination of non-compliance.

(5) Vapor Recovery Systems

~~No later than one year after June 7, 2024, t~~The owner or operator of a Facility who operates a vapor recovery system to comply with the requirements in subparagraph

(d)(3)(C) shall conduct an initial performance test to determine the overall efficiency of the vapor recovery system. The performance testing of the vapor recovery system shall be repeated when the system is modified or an operating parameter is changed in a manner that affects the capture or control efficiency. In such case, the performance test shall be within 180 days after the modification. Subsequent to the initial performance test, the operator shall conduct a performance test at least once every ten years, and shall monitor and record applicable operating parameters on a weekly basis to ensure that the vapor recovery system is achieving 98% overall control efficiency.

(g) Reporting and Recordkeeping Requirements

(1) The following shall apply to an owner or operator of a floating roof Tank subject to the provisions of subdivision (f):

(A) All inspections shall be recorded on compliance inspection report forms approved by the Executive Officer as described in Attachment B - "Inspection Procedures and Compliance Report Form." An owner or operator may use an electronic compliance inspection report form provided that all required information specified in Attachment B is contained in the electronic report form.

(B) All compliance inspection reports and documents shall be submitted to the Executive Officer either electronically or by hard copy within 5 Working Days of completion of the self-inspection. Electronic reports shall be submitted to the Executive Officer via Rule463ComplianceReports@aqmd.gov.

(C) If a Tank is determined to be in violation of the requirements of this rule, a written report shall be submitted electronically to the Executive Officer via Rule463ComplianceReports@aqmd.gov within 120 hours of the determination of non-compliance, indicating corrective actions taken to achieve compliance.

(D) All records of owner or operator inspection and repair shall be maintained at the Facility for a period of 3 years and shall be made available to the Executive Officer upon request.

(2) Emissions Reporting

(A) An owner or operator shall provide emissions information, to the Executive Officer upon request, based on the parameters listed in Attachment C using AQMD's Annual Emissions Reporting Program. The requirement shall

apply to all Organic Liquid Storage Tanks without regard to exemptions specified in subdivision (h).

(B) An owner or operator shall provide all upset emissions information associated with Product Change, repair, and turnover or any other excess emission incidents.

(g) (2) (C) An owner or operator shall maintain records of emissions data for all Organic Liquid Storage Tanks for the most recent two (2) year period.

(3) An owner or operator shall keep an accurate record of liquids stored in such containers, the vapor pressure ranges, the API gravity, the temperature, and the initial boiling points referenced.

(4) For OGI inspections required by subparagraph (f)(3)(D), the owner or operator shall:

(A) Report Visible Vapors detected during a Tank Farm Inspection requiring a demonstration with rule requirements or a repair pursuant to subclause (f)(3)(D)(ii)(B) to the Executive Officer by phone (1-800-CUT-SMOG or 1-800-288-7664) within 24 hours after the inspection is completed;

(B) Keep written records and digital recordings of Visible Vapors detected during a Tank Farm Inspection resulting from a defect or emitted from a Component required to be maintained in a Vapor Tight condition or a condition with no Visible Gaps. Written records shall include Tank identification, date of inspection, and findings. Findings shall include identification of Tanks from which Visible Vapors were identified and any repairs or determinations made pursuant to clause (f)(3)(D)(ii). Digital recordings shall be accurately time-stamped and capture the Visible Vapors for a minimum of 5 seconds; and

(C) Keep written records of Component Inspections that include Tank identification, date of inspection and findings. Findings shall include identification of Storage Tanks from which Visible Vapors were identified, any repairs or determinations made pursuant to clause (f)(3)(D)(iii).

(5) An owner or operator shall keep records of all True Vapor Pressure results from tests specified in subparagraph (d)(1)(I) for the most recent 20 year period and records shall be made available to the Executive Officer upon request.

(6) An owner or operator shall report any tests specified in subparagraph (d)(1)(I) that result in a True Vapor Pressure of 3.0 psia or greater to the Executive Officer via Rule463ComplianceReports@aqmd.gov within 14 days. The report shall include

the year of the next internal API 653 inspection and the next planned tank cleaning and degassing.

(7) The owner or operator of a vapor recovery system shall submit all performance test reports to the Executive Officer via Rule463ComplianceReports@aqmd.gov no later than 60 days after conducting the test.

(h) Exemptions

(1) The provisions of this rule shall not apply to the following Tanks, unless the Tank has a Potential For VOC Emissions of 6 tons per year or greater and is used in Crude Oil And Natural Gas Production Operations, provided the owner or operator seeking the exemption supplies proof of the applicable criteria sufficient to satisfy the Executive Officer:

(A) Oil production Tanks with a capacity of between 75,000 liters (19,815 gallons) and 159,000 liters (42,008 gallons) which have a roof maintained in a Vapor Tight condition and are equipped with a pressure-vacuum valve which is set within 10 percent of the maximum allowable working pressure of the Tank, are exempt from the control requirements of this rule when:

(i) The Organic Liquid contents fail to comply with subdivision (d) only when heated for shipment, and such heating occurs for not more than 48 hours and not more than once in any 20-day period; or

(ii) The Tank has a monthly average throughput of not more than 30 barrels of oil per day and was constructed prior to June 1, 1984.

(B) Tanks being brought into compliance within the time period specified in paragraph (f)(4).

(2) The provisions of paragraph (e)(2) shall not apply to Drain-Dry Breakout Tanks that are subject to the provisions of Rule 1149 - Storage Tank And Pipeline Cleaning And Degassing.

(3) The provisions of this rule shall not apply to Storage Tanks that are subject to Rule 1178, except for subdivision (e) and paragraphs (c)(36) and (c)(44).

(4) Any tank that is out of service, where the tank has been emptied or has been opened to the atmosphere pursuant to the requirements of Rule 1149, shall be exempt from the requirements of subparagraphs (f)(3)(D) and (f)(3)(E) until the tank is refilled.

(5) An owner or operator shall be exempt from the requirements of clause (f)(3)(D)(iii) if a determination is made that it is unsafe to conduct an inspection from a Tank platform or vantage point capable of seeing the Tank roof, provided that the

reason(s) and date(s) the inspection was not conducted is documented. The inspections shall resume on the first day determined to be safe.

(i) Test Methods

The following test methods and procedures shall be used to determine compliance with this rule. Other test methods determined to be equivalent after review by the South Coast AQMD, CARB, and the U.S. EPA, and approved in writing by the Executive Officer may also be used.

(i) (1) Efficiency of a vapor recovery system specified in subparagraph (d)(3)(C) shall be determined according to South Coast AQMD Method 501.1 for the determination of total organic compound emissions. EPA Reference Methods 25 or 25A may be used, as applicable, in place of South Coast AQMD Method 25.1 specified in Method 501.1. An efficiency determined to be less than established by this rule through the use of any of the above-referenced test methods shall constitute a violation of the rule. Baseline emissions shall be calculated by using the criteria outlined in American Petroleum Institute Bulletin 2518.

(2) Exempt compounds shall be determined according to South Coast AQMD Method 303. For the purpose of testing the efficiency of a vapor recovery system, Exempt Compounds shall be determined according to EPA Reference Method 18 or Air Resources Board Method 422. Any test method(s) for Exempt Compounds which cannot be identified through these referenced test methods shall be specified by the owner or operator seeking an exemption and shall be subject to approval in accordance with the procedures set forth above in this subdivision.

(3) The Reid vapor pressure specified in paragraph (c)(~~18~~19) and the Reid vapor pressure used in determining the True Vapor Pressure limit specified in paragraph (e)(4) and subparagraph (d)(1)(I) shall be determined according to the following test methods and converted to True Vapor Pressure using applicable nomographs in U.S. EPA AP-42, or nomographs approved by the Executive Officer and U.S. EPA:

(A) ASTM D-323-82 Vapor Pressure of Petroleum Products (Reid Method);

(B) ASTM D-6377 Standard Test Method for Determination of Vapor Pressure of Crude Oil: VPCRx (Expansion Method);

(C) ASTM D-6378 Standard Test Method for Determination of Vapor Pressure (VPX) of Petroleum Products, Hydrocarbons, and Hydrocarbon-Oxygenate Mixtures (Triple Expansion Method); or

(D) California Code of Regulations, Title 13, Section 2297.

(4) Notwithstanding the provisions of paragraph (i)(3), if a permit condition or South Coast AQMD rule requires a demonstration of True Vapor Pressure of less than 5 mm Hg (0.1 psi) absolute, either of the following test methods may be used:

(A) Organic liquids that are stored at Ambient Temperatures with a True Vapor Pressure of greater than 5 mm Hg (0.1 psi) absolute under Actual Storage Conditions shall be determined as those with a flash point of less than 100 °F as determined by ASTM Method D-93 – 10a - Flash Point by Pensky-Martens Closed Cup Tester.

(i) (4) (B) Organic liquids that are stored at above Ambient Temperatures with a True Vapor Pressure greater than 5 mm Hg (0.1 psi) absolute under Actual Storage Conditions shall be determined as those whose volume percent evaporated is greater than ten percent at an adjusted temperature T_{Adj} as determined by ASTM Method D-86 – 11a - Distillation of Petroleum Products at Atmospheric Pressure of:

$$T_{Adj} = 300\ °F + T_l - T_a$$

Where:

T_l = Liquid Storage Temperature (°F)

T_a = Ambient Temperature (°F) = 70 °F

(5) Notwithstanding the provisions of paragraph (i)(3), the True Vapor Pressure of crude oils and distillates shall be determined, at Actual Storage Conditions, by converting Reid vapor pressure using the appropriate API nomograph found in U.S. EPA AP-42, or API nomograph found in API Publication 2517,. The True Vapor Pressure of crude oils with an API gravity of 26.0 or less, may be measured using the Lawrence Berkeley National Laboratory "Test Method for Vapor Pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatography.".

(6) Vapor Tight condition specified in subparagraphs (d)(1)(D), (d)(2)(A), (d)(3)(A), (d)(3)(B), and (h)(1)(A) shall be determined according to U.S. EPA's Reference Method 21 using an appropriate analyzer calibrated with methane.

(7) API gravity is determined using the following:

(A) ASTM D-1298-99e2 Standard Test Method for Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum Products by Hydrometer Method; ~~or~~

(B) ASTM D-6822-02 Standard Test Method for Density, Relative Density, and API Gravity of Crude Petroleum and Liquid Petroleum Products by Thermohydrometer Method; or

(C) ASTM D-287-92(2000)e1 Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method).

(j) Ozone Contingency Measure

(1) The applicable contingency measure(s) specified in paragraph (j)(2) shall be implemented upon the issuance of a final determination by U.S. EPA that the South Coast Air Basin has failed to comply with any of the following requirements:

(A) meet a Reasonable Further Progress (RFP) requirement in an approved attainment plan for the 2008 or 2015 ozone National Ambient Air Quality Standard (NAAQS); or

(B) attain the 2008 or 2015 ozone NAAQS by the applicable date.

(2) No later than 60 days after the final determination as specified in paragraph (j)(1), any owner or operator of a South Coast Air Basin Tank subject to the requirements of this rule, storing product with a TVP of 5.0 psi or greater pursuant to the requirements of subdivision (i), is required to increase the frequency of inspections specified in subclause (f)(3)(D)(ii)(A) to every calendar week.

(3) The applicable contingency measure(s) specified in paragraph (j)(4) shall be implemented upon the issuance of a final determination by U.S. EPA that the Coachella Valley has failed to comply with any of the following requirements:

(A) meet a RFP requirement in an approved attainment plan for the1997, 2008, or 2015 ozone NAAQS; or

(B) attain the 1997, 2008, or 2015 ozone NAAQS by the applicable date.

(4) No later than 60 days after the final determination as specified in paragraph (j)(3), any owner or operator of a Coachella Valley Tank subject to the requirements of this rule, storing product with a TVP of 5.0 psi or greater pursuant to the requirements of subdivision (i), is required to increase the frequency of inspections specified in subclause (f)(3)(D)(ii)(A) to every calendar week.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 463 - ADDENDUM

Storage Temperatures Versus Actual Vapor Pressure
(Gravity/Initial Boiling Points Referenced)

	Reference Property A - °API B - IBP, °F		Temperature, °F Not to Exceed Vapor Pressure	
Organic Liquids	A	B	0.5 psia	1.5 psia
Crude Oils	12	--	--	--
	13	--	120	180
	14	--	85	145
	16	--	60	107
	18	--	55	93
	20	--	52	84
	22	--	49	77
	24	--	45	73
	26	--	42	70
	28	--	40	67
	30	--	38	64
Middle Distillates				
Kerosene	42.5	350	195	250
Diesel	36.4	372	230	290
Gas Oil	26.2	390	249	310
Stove Oil 23	421	275	340	
Jet Fuels				
JP-1	43.1	330	165	230
JP-3	54.7	110	--	25
JP-4	51.5	150	20	68
JP-5	39.6	355	205	260
JP-7	44-50	360	205	260
Fuel Oil				
No. 1	42.5	350	195	250
No. 2	36.4	372	230	290
No. 3	26.2	390	249	310
No. 4	23	421	275	340
No. 5	19.9	560	380	465
No. 6	16.2	625	450	--

RULE 463 - ADDENDUM (Cont.)

Organic Liquids	Reference Property A - °API	Reference Property B - IBP, °F	Temperature, °F Not to Exceed Vapor Pressure 0.5 psia	Temperature, °F Not to Exceed Vapor Pressure 1.5 psia
Asphalts				
60 - 100 pen.	--	--	490	550
120 - 150 pen.	--	--	450	500
200 - 300 pen.	--	--	360	420
Acetone	47.0	133	--	35
Acrylonitrile	41.8	173	30	60
Benzene	27.7	176	35	70
Carbon Disulfide	10.6	116 (lb/gal)	--	10
Carbon Tetrachloride	13.4	170	30	60
Chloroform	12.5	142 (lb/gal)	--	40
Cylohexane	49.7	177	35	70
1,2 Dichloroethane	10.5	180 (lb/gal)	35	77
Ethyl Acetate	23.6	171	35	70
Ethyl Alcohol	47.0	173	45	83
Isopropyl Alcohol	47.0	181	45	87
Methyl Alcohol	47.0	148	--	50
Methylene Chloride	11.1	104 (lb/gal)	--	70
Methylethyl Ketone	44.3	175	30	70
1,1,1-Trichloroethane	11.2	165 (lb/gal)	60	100
Trichloroethylene	12.3	188 (lb/gal)	50	91
Toluene	30.0	231	73	115
Vinyl Acetate	19.6	163	--	60

ATTACHMENT A

FLOATING ROOF TANK SEAL CATEGORIES

PRIMARY SEALS

Category A	Category B	Category C
1. Liquid mounted multiple wipers with drip curtain and weight	1. Liquid mounted single wiper with drip curtain and weight	1. Liquid mounted single wiper
2. Liquid mounted mechanical shoe	2. Liquid mounted double foam wipers with vapor curtain	2. Liquid mounted foam log
	3. Vapor mounted primary wiper	3. Liquid mounted foam log with vapor curtain
	4. Vapor mounted E wiper	4. Liquid mounted resilient toroid type liquid filled log
	5. Vapor mounted double wipers	5. Vapor mounted foam log/bag
	6. Vapor mounted double foam wipers	6. Vapor mounted foam wiper
	7. Vapor mounted multiple wipers	

SECONDARY SEALS

Category A	Category B	Category C
1. Multiple wipers	1. Single wiper	1. Liquid mounted wiper
		2. Foam log/bag
		3. Maloney

Criteria used for categorization of floating roof Tank Seals:

1. Emission control effectiveness design
2. Ability to maintain contact with Tank wall
3. Longevity in service

ATTACHMENT B

INSPECTION PROCEDURES AND COMPLIANCE REPORT FORM

Equipment Needed:

Explosimeter (for Internal Floating Roof Tanks), liquid resistant measuring tape or device, Tank probe (to measure gaps in Tank Seals - 1/8 inch, 1/2 inch, 1-1/2 inch), flashlight.

Inspection Procedures:

1. The findings of all Tank self-inspections, whether completed or not, shall be recorded on the Rule 463 Compliance Report form prescribed by the Executive Officer and submitted to the South Coast AQMD's Refinery Section in accordance with the rule's requirements. If an inspection is stopped before completion, indicate the reason for this action in the Comments section of the compliance report form.

2. During compliance inspection, the person(s) conducting the inspection must have a copy of the Permit to Operate or Permit to Construct pertinent to the Tank being inspected. Any discrepancies between the permit equipment description and the existing Tank or the permit conditions and the actual operating conditions of the Tank as verified during inspection must be recorded in the Comments section of the compliance report form.

3. Inspect the ground level periphery of each Tank for possible leaks in the Tank shell. Complete the Tank information section (D) on the report.

4. For floating roof Tanks containing Organic Liquid not subject to the provisions of subdivision (d) of Rule 463, conduct only steps 1 through 3 of this attachment. For all other floating roof Tanks, conduct steps 5 through 7 as applicable.

5. For External Floating Roof Tanks:

    - From the platform, conduct an overall visual inspection of the roof and check for obvious permit or rule violations. Record the information as shown under section F of the compliance report form.
    - During visual inspection of the roof, check for unsealed Roof Legs, open hatches, open emergency Roof Drains or Vacuum Breakers and record the findings on the report accordingly. Indicate presence of any tears in the fabric of both Seals.
    - After the visual inspection, conduct an inspection of the entire Secondary Seal using the 1/8" and 1/2" probes. Record the gap data in section F(4) of the report.
    - Conduct an inspection of the entire Primary Seal using the 1/8", 1/2", and 1 1/2" probes. Inspect the Primary Seal by holding back the Secondary Seal. Record the gap data in section F(5) of the report.

- o Record all cumulative gaps between 1/8 inch and 1/2 inch; between 1/2 inch and 1-1/2 inch; and in excess of 1-1/2 inches, for both Primary and Secondary Seals in section G of the report. Secondary Seal gaps greater than 1/2 inch should be measured for length and width, and recorded in Comments under section (J) of the report.

6. For Internal Floating Roof Tanks:

   - o Using an explosimeter, measure the concentration of the vapor space above the internal floating roof in terms of lower explosive limit (LEL), and record the reading in section (E) of the report.
   - o Conduct a visual inspection of the Roof Openings and the Secondary Seal, if applicable, and record findings on the report.

7. Complete all necessary calculations and record all required data accordingly on the report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 463 COMPLIANCE REPORT

Tank No. _____ South Coast AQMD Permit No. _____ Inspection Date _____ Time _____

Is This a Follow-up Inspection? No ☐ Yes ☐ Date of Previous Inspection _____

A. COMPANY INFORMATION:

Company Name _____

Location Address _____ City _____ Zip _____

Mailing Address _____ City _____ Zip _____

Contact Person _____ Title _____

Phone _____

B. INSPECTION CONDUCTED BY:

Name _____ Title _____

Company Name _____ Phone _____

Mailing Address _____ City _____ Zip _____

C. TANK INFORMATION:

Capacity _____ (bbls) Installation Date _____ Tank Diameter _____ (ft) Tank Height _____ (ft)

Product Type _____ Product RVP _____

Type of Tank: Riveted ☐ Welded ☐ Other ☐ (describe) _____

Color of Shell _____ Color of Roof _____

Roof Type: Pontoon ☐ Double Deck ☐ Other(describe) _____

External floating roof ☐ Internal floating roof ☐

D. GROUND LEVEL INSPECTION:

1) Product Temperature _____ ° F 2) Product level _____ (ft)

3) List type and location of leaks found in Tank shell.

_____

4) List any discrepancies between the existing equipment and the equipment description on the Permit.

_____

5) Is Tank in compliance with Permit conditions? No ☐ Yes ☐ If no, explain _____

_____

_____

E. INTERNAL FLOATING ROOF TANK:

1) Check vapor space between floating roof and fixed roof with expiosimeter. _____ % LEL

2) Conduct visual inspection of roofs and Secondary Seals, if applicable.

3) Are all Roof Openings covered? No ☐ Yes ☐ If no, explain in Comments section (J) and proceed to part (H)(6).

F. EXTERNAL FLOATING ROOF TANK:

1) On the diagram (below) indicate the location of the ladder, Roof Drain(s), anti-rotation device(s), platform, gauge well, and vents or other appurtenances. *Note information in relation to North (to the top of the worksheet)*.

2) Describe any uncovered openings found on the roof in the Comments section (J).

3) Identify any tears in the Seal fabric. Describe and indicate on diagram (below):

_____

_____

_____

4) Secondary Seal Inspection

a) Type of Secondary Seal: _____

b) Does 1/2" probe drop past Seal? No ☐ Yes ☐ if yes, measure length(s) and show on diagram

c) Does 1/8" probe drop past Seal? No ☐ Yes ☐ if yes, measure length(s) and show on diagram.

d) Record dimensions of gap for gaps > 1/8" _____ >1/2" _____

NOTE: Record the actual width and cumulative length of gaps in feet and inches.

(Do not include gaps > 1/2" in 1/8" measurements)

5) Primary Seal Inspection

a) Type of Primary Seal: ☐ Shoe; ☐ Tube; ☐ Other _____

b) (shoe Seal) does 1-1/2" probe drop past Seal? No ☐ Yes ☐; if yes, measure length(s) and show on diagram.

c) (shoe Seal) does 1/2" probe drop past Seal? No ☐; Yes ☐; if yes, measure length(s) and show on diagram.

d) (tube Seal) does 1/2" probe drop past Seal? No ☐ Yes ☐ if yes, measure (length(s) and show on diagram.

e) (all Seal types) does 1/8" probe drop past Seal? No ☐ Yes ☐ if yes, measure (length(s) and show on diagram.

f) Record dimensions of gaps for gaps >1/8" _____ > 1/2" _____

>1-1/2" _____ *NOTE: Record the actual width and cumulative length of gaps in feet and inches.*

(Do not include gaps > 1/2" in 1/8" measurements, or gaps > 1-1/2" in 1/2" measurements)

NOTE: Show defects using symbols. Show Seal gaps and lengths.

N

LEGEND:

Equipment:

☐	Antirotational device
O	Gauge well
⊤	Leg stand
⊗	Roof Drain
*	Emergency Roof Drain
∞	Vacuum breaker
σ	Vent
▭	Platform & ladder

Defects:

ϴ	Leg top
╫	Leg pin
ơ	Open hatch
\/\	Torn Seal
|-P-|	Primary Seal gap
|-S-|	Secondary Seal gap

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 463 COMPLIANCE REPORT

Tank No. _____ South Coast AQMD Permit No. _____

IF INTERNAL FLOATING ROOF TANK, PROCEED TO PART H(6).

G. CALCULATIONS - complete all applicable portions of the following:

Record dimensions of indicated gaps [from F(4)(d), F(5)(b), and F(5)(f)]. Record in feet and inches.

Gaps in Primary Seal between 1/8 and 1/2 inch: _____

Gaps in Primary Seal between 1/2 and 1-1/2 inch: _____

Gaps in Primary Seal greater than 1-1/2 inches: _____

Gaps in Secondary Seal between 1/8 and 1/2 inch: _____

Gaps in Secondary Seal greater than 1/2 inch: _____

Multiply diameter (ft) of Tank to determine appropriate gap limits:

5% circumference = diameter X 0.157 = _____ 60% circ. = diam. X 1.88 = _____

10% circumference = diameter X 0.314 = _____ 90% circ. = diam. X 2.83 = _____

30% circumference = diameter X 0.942 = _____ 95% circ. = diam. X 2.98 = _____

H. DETERMINE COMPLIANCE STATUS OF TANK:

1)	Were any openings found on the roof?		No ☐	Yes ☐
2)	Were any tears in the Seals found:		No ☐	Yes ☐
3)	Is the product level lower than the level at which the roof would be floating?		No ☐	Yes ☐
4)	Secondary Seal:			
		Did 1/2" probe drop between shell and Seal?	No ☐	Yes ☐
		Did cumulative 1/8" - 1/2" gap exceed 95% circumference length?	No ☐	Yes ☐
5)	Primary Seal			
	Shoe	Did 1-1/2" probe drop between shell and Seal?	No ☐	Yes ☐
		Did cumulative 1/2" - 1-1/2" gap exceed 30% circumference length, and		
		Did cumulative 1/8 - 1/2" gap exceed 60% circumference length?	No ☐	Yes ☐
		Did any <u>single continuous</u> 1/8" - 1-1/2" gap exceed 10% circ. length?	No ☐	Yes ☐
	Tube	Did 1/2" probe drop between shell and Seal	No ☐	Yes ☐
		Did cumulative 1/8" - 1/2" gap exceed 95% circumference length?	No ☐	Yes ☐
6)	Internal floating roof (installed before 6/1/84) did LEL exceed 50%		No ☐	Yes ☐
		(installed after 6/1/84) did LEL exceed 30%?	No ☐	Yes ☐
7)	Does Tank have permit conditions?		No ☐	Yes ☐
		Does Tank comply with these conditions?	No ☐	Yes ☐

I. IF INSPECTION WAS TERMINATED PRIOR TO COMPLETION FOR ANY REASON, PLEASE EXPLAIN:

_____

_____

J. COMMENTS:

Use this section to complete answers to above listed items and to describe repairs made to the Tank; include date and time repairs were made.

K. ***I(We) certify the foregoing information to be correct and complete to the best of my(our) knowledge.***

Inspection completed by: _____ _____ Date: _____
(signature) (Certification ID #)

Compliance status by: _____ _____ Date: _____
(signature) (Certification ID #)

Company Representative: _____ _____ Date: _____
(signature) (Certification ID #)

SEND COMPLETED REPORT (Both Sheets) TO:

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

21865 Copley Drive

FAX: (909) 396-3341

Diamond Bar, CA 91765
Attn: Rule 463 Program Supervisor

FOR South Coast AQMD USE ONLY: Date received_____

Reviewed by:_____ Date reviewed_____
(signature) (Certification ID #)

Tank Status: [ ] in compliance [ ] in violation, Rule(s)_____
Comments:_____

DATA REPORTING REQUIREMENT FOR ROOF TANKS

The data items shall include, but not be limited to, the following:

A. External Floating Roof Tank

1. Tank I.D.
2. Product Code
3. Type of Floating Roof Seal
4. Shell Construction
5. Reid Vapor Pressure
*6. Average Stock Storage Temperature
7. True Vapor pressure
8. Tank Diameter
*9. Wind Speed Exponent
*10. Average Wind Velocity
*11. Seal Factor
*12. Product Factor
*13. Vapor Molecular Weight
*14. Clingage Factor
15. Throughput
*16. Density of Liquid Stock
17. Total Number of Different Type of Fitting
18. Total Roof Fitting Loss Factor
19. Vapor Pressure Function
20. Roof Fitting Loss
21. Standing Loss
22. Withdrawal Loss
23. Total Loss
24 Number of Excess Upset Emissions Incidents
25. Total excess Upset Emissions

B. Internal Floating Roof Tank

1. Tank I.D.
2. Product Code
3. Type of Floating Roof Seal
4. Shell Construction
5. Reid Vapor Pressure
*6. Average Stock Storage Temperature
7. True Vapor Pressure
8. Tank Diameter
*9. Wind Speed Exponent
*10. Average Wind Velocity
*11. Seal Factor
*12. Product Factor
*13. Vapor Molecular Weight
*14. Clingage Factor
15. Throughput
*16. Density of Liquid Stock
*17. Number of Columns
*18. Effective Column Diameter
19. Total Number of Different Types of Fittings
*20. Total Deck Fitting Loss Factor
21. Vapor Pressure Function
*22. Deck Seam Length Factor
*23. Deck Seam Loss per Unit
24. Deck Seam Loss
25. Deck Fitting Loss
26. Standing Loss
27. Withdrawal Loss
28. Total Loss
29. Number of Excess Upset Emissions Incidents
30. Total Excess Upset Emissions

C. Fixed Roof Tank

1. Tank I.D.
2. Product Code
3. Vent Type to Vapor Recovery System
*4. Average Stock Storage Temperature
5. True Vapor Pressure
6. Tank Diameter
*7. Vapor Molecular Weight
8. Average Outage
*9. Average Daily Temperature Change
10. Throughput
11. Turnover Factor
*12. Turnovers Per Year
*13. Adjustment Factor for Small Tank
*14. Paint Factor
*15. Crude-Oil Factor (Breathing)
*16. Crude-Oil Factor (Working)
17. Breathing Loss
18. Working Loss
19. Total Loss (Without Vapor Recovery)
*20. Vapor Recovery System Efficiency
21. Total Loss (With Vapor Recovery)
22. Number of Excess Upset Emissions Incidents
23. Total Excess Upset Emissions

*** Default values are available from the South Coast AQMD**

The Data format and order shall be specified and approved by the Executive Officer.

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Rule 463 – Organic Liquid Storage

January 2026

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Planning, Rule Development, and Implementation
Sarah L. Rees, Ph.D.

Assistant Deputy Executive Officer
Planning, Rule Development, and Implementation
Michael Krause

Planning and Rules Manager
Planning, Rule Development, and Implementation
Michael Morris

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD

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Senate Rules Committee Appointee

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Councilmember, Yorba Linda
Cities of Orange County

VACANT
Governor's Appointee

EXECUTIVE OFFICER:

WAYNE NASTRI

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Rule 463 applies to above-ground stationary organic liquid storage tanks with capacity of 75,000 liters (19,815 gallons) or more, above-ground tanks with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) that are used to store gasoline, and any stationary tank with a potential for volatile organic compound (VOC) emissions of six tons per year or greater used in crude oil and natural gas production operations. Rule 463 requires tanks that meet the capacity, vapor pressure, and/or VOC emission threshold applicability to install controls based on tank type. The most recent amendment to Rule 463 in June 2024 established more stringent leak detection and control requirements, including periodic optical gas imaging (OGI) inspections, more stringent control requirements, and contingency measures to address Clean Air Act requirements.

After the June 2024 amendment was adopted, rule development was initiated to clarify the tank types subject to OGI inspections and to ensure smaller above-ground gasoline storage tanks have a pathway to comply with vapor control requirements. Staff considers smaller above-ground gasoline storage tanks as those tanks with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons). Staff noted that the June 2024 amendment to Rule 463 did not ~~evaluate~~ consider smaller above-ground gasoline storage tanks, nor were any emission reductions assumed from these tanks.

As part of this rule development effort, a cost-effectiveness analysis was conducted of the requirement to perform OGI inspections for smaller above-ground gasoline storage tanks, and it was not found to ~~not~~ be cost-effective. PAR 463 therefore clarifies that OGI inspections are not required for smaller above-ground gasoline storage tanks. OGI inspection requirements continue to be applicable to all larger tanks meeting the capacity and vapor pressure thresholds and tanks with a potential for VOC emissions of six tons per year or greater used in crude oil and natural gas production operations.

While most of the smaller above-ground gasoline storage tanks are required to be California Air Resources Board (CARB) certified, it is uncertain if these tanks would also be able to comply with existing vapor control requirements in Rule 463. PAR 463 provides an additional compliance option for smaller above-ground gasoline storage tank operators to comply with performance requirements through a Phase I vapor recovery system.

PAR 463 applies to approximately 2,400 tanks located at 1,300 facilities including refineries, bulk storage, loading, oil production, and gasoline storage and dispensing facilities. Out of the affected facilities, there are approximately 900 above-ground gasoline storage tanks used for gasoline dispensing at approximately 900 facilities.

The proposed amendments to Rule 463 are administrative. There will not be additional emission reductions or additional costs in adopting PAR 463.

PAR 463 was developed through a public process. A Public Workshop for PAR 463 was held on October 21, 2025.

CHAPTER 1: BACKGROUND

INTRODUCTION

Rule 463 limits VOC emissions from storage tanks containing volatile organic liquids as depicted in Figure 1-1. This rule applies to any above-ground stationary tank with a capacity of 75,000 liters (19,815 gallons) or greater used for storage of organic liquids and any above-ground tank with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) used for storage of gasoline. Rule 463 also applies to stationary tanks with a potential for VOC emissions of six tons per year or greater used in crude oil and natural gas production operations.

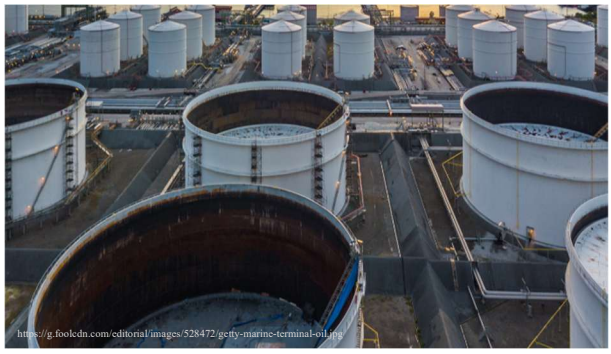


Figure 1-1- Example of Storage Tanks Subject to Rule 463

Rule 463 specifies different control requirements based on storage tank type. Control requirements include specifications for tank roofs, seals, emission control systems, and covers for roof openings. Inspection and monitoring requirements are specific to the type of tank. Proposed Amended Rule 463 (PAR 463) clarifies the tank types subject to monitoring, recordkeeping, and reporting requirements as well as vapor control requirements for smaller above-ground gasoline storage tanks.

BACKGROUND

The most recent amendment to Rule 463 was adopted in June 2024, which implemented more stringent leak detection and control requirements. The amendment established requirements for doming exterior floating roof tanks and installing secondary seals on internal floating root tanks, as well as more stringent requirements for emission control systems and seal gaps. Furthermore, the amendment established requirements for periodic OGI inspections and contingency measures.

After the June 2024 amendment was adopted, it was brought to staff's attention that certain clarifications were needed for Rule 463, including: 1) the tank types subject to OGI inspections; and 2) the vapor control requirements for smaller above-ground gasoline storage tanks.

Staff considers smaller above-ground gasoline storage tanks as those with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons). The vapor control compliance options in Rule 463 paragraph (e)(1) were noted to potentially be incompatible with requirements for CARB certified Phase I equipment for gasoline tanks that might be required by Rule 461 – Gasoline Transfer and Dispensing. The compliance options include: 1) A pressure-vacuum valve which is set to within 10 percent of the maximum allowable working pressure of the container; and 2) A vapor loss control device which complies with the requirements set forth in subdivision (d). Subdivision (d) contains requirements for tanks with a capacity of more than 75,000 liters and a true vapor pressure of 77.5 mm Hg absolute or greater, which would not otherwise apply to these smaller tanks. Subparagraph (d)(3)(C) specifies the test method for the current control efficiency requirement of at least 98 percent by weight for a vapor recovery system, as demonstrated by

making a comparison of controlled emissions to those emissions which would occur in a fixed cone roof tank without a vapor control system. The test method is different from the CARB certification test method – a volumetric efficiency test – and therefore may result in different control efficiency values. In addition, CARB's enhanced vapor recovery certification for standing loss control specifies a pressure range that a pressure-vacuum value must operate within. The smaller above-ground storage tanks at gasoline dispensing facilities might not be able to meet both CARB's standing loss control pressure specifications and the Rule 463 pressure setting compliance option. Therefore, an additional compliance option for demonstrating vapor control performance is needed for smaller above-ground gasoline storage tanks. The added compliance option will allow these tanks to comply with Rule 463 and CARB certification requirements with no additional costs.

The affected facility and equipment permit query conducted for the June 2024 amendment of Rule 463 did not identify above-ground gasoline dispensing tanks as part of the Rule 463 equipment universe. Therefore, above-ground gasoline storage tanks used for gasoline dispensing were not included in the best available retrofit control technology (BARCT) assessment for OGI inspections or discussed or identified to provide a basis for new emission reductions. Furthermore, none of the smaller above-ground gasoline storage tanks were included in the sample used for the BARCT assessment during the June 2024 amendment to Rule 463.

As part of this rule development, staff conducted a cost-effectiveness analysis of the requirement to conduct OGI inspections for smaller above-ground gasoline storage tanks. A random sample of 86 tanks was selected to support a 95% confidence interval. Staff evaluated the cost-effectiveness of requiring OGI inspections at the following frequencies: daily, every other day, weekly, biweekly, monthly, and bimonthly. The evaluation compared the cost-effectiveness at the aforementioned frequencies through two options: 1) conducting OGI inspections internally using trained staff with a purchased camera; and 2) outsourcing inspections to third-party contracted personnel. All gasoline tanks in the sample had capacities between 950 liters (251 gallons) and 75,000 liters (19,815 gallons). The cost-effectiveness analysis to require OGI inspections for smaller above-ground gasoline storage tanks utilized the same emission reduction methodology and cost assumptions, adjusted for inflation of 4%, as the June 2024 amendment to Rule 463. See the Final Staff Report for the 2024 amendment to Rule 463 for more details.

The analysis indicates that it is not cost-effective to conduct OGI inspections of smaller above-ground gasoline storage tanks through owning an OGI camera or by utilizing a third-party service. In the 2022 AQMP, a cost-effectiveness threshold of $36,000 per ton of VOC reduced was established. After adjusting for inflation, the cost-effectiveness threshold is $41,400 per ton of VOC reduced (2024 U.S. Dollars). The best option was to contract a third-party service provider to perform monthly OGI inspections. The cost-effectiveness was determined to be approximately $8,500,000 per ton of VOC reduced. The cost-effectiveness to require OGI inspections for smaller above-ground gasoline storage tanks every two weeks is approximately $13,700,000 per ton of VOC reduced. Therefore, PAR 463 is updated to clearly exclude OGI inspection requirements for smaller above-ground gasoline storage tanks; existing design and control requirements for fugitive emissions from these tanks, including periodic vapor tightness testing, will continue to apply.

REGULATORY HISTORY

Rule 463 was adopted in August 1977 and subsequently amended seven times. The 1984 amendment added a criterion for hydrogen sulfide content in crude oil contained in floating roof tanks; a subsequent amendment in March 2005 removed this limitation based on a comparative review of similar regulations within the state and at the federal level. The December 1990 amendment addressed SIP deficiencies inconsistent with U.S. EPA policies or requirements. The March 1994 amendment restructured the rule, clarified rule language, streamlined compliance activities by including a self-compliance program, and corrected rule deficiencies identified by the U.S. EPA and CARB. The November 2011 amendment harmonized test methods and leak standards with Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities. The May 2023 amendment addressed U.S. EPA's limited disapproval of CARB's Oil and Gas Methane Rule by aligning the applicability threshold with U.S. EPA's 2016 Control Techniques Guidelines for the Oil and Natural Gas Industry. The most recent amendment to Rule 463 in June 2024 established more stringent control requirements, incorporated requirements for periodic OGI inspections, and established contingency measures to fulfill ozone attainment plan requirements.

AFFECTED FACILITIES AND EQUIPMENT

PAR 463 applies to approximately 2,400 tanks located at 1,300 facilities including refineries, bulk storage, loading, oil production, and gasoline storage and dispensing facilities. Out of the affected facilities, there are approximately 900 above-ground gasoline storage tanks used for gasoline dispensing at approximately 900 facilities.

PUBLIC PROCESS

The development of PAR 463 was conducted through a public process. A Public Workshop was held on October 21, 2025. The purpose of the Public Workshop was to present the proposed amended rule language to the general public and stakeholders and to solicit comments.

CHAPTER 2: PROPOSED AMENDED RULE 463

INTRODUCTION

PAR 463 clarifies the tank types subject to monitoring, reporting, and recordkeeping requirements, as well as control requirements for smaller gasoline tanks.

The following information describes the structure of PAR 463. Any modifications to provisions that have been incorporated are explained. PAR 463 also includes editorial changes for clarity.

PROPOSED AMENDED RULE STRUCTURE

PAR 463 contains the following subdivisions:

a) Purpose
b) Applicability
c) Definitions
d) Tank Roof Requirements
e) Other Performance Requirements
f) Monitoring Requirements
g) Reporting and Recordkeeping Requirements
h) Exemptions
i) Test Methods
j) Ozone Contingency Measures

PROPOSED AMENDED RULE 463

Subdivision (d) ─ Tank Roof Requirements

Clause (d)(4)(A)(i) was updated to be consistent with the current preferred South Coast AQMD rule structure. The intent of the provision remains unchanged; an owner or operator of a domed external floating roof tank is required to equip each slotted guidepole with one of the three component combinations listed in subparagraph (d)(4)(A).

Subdivision (e) ─ Other Performance Requirements

Gasoline Storage Tank Requirement – Paragraph (e)(1)
Smaller above-ground gasoline storage tanks subject to Rule 463 are mostly gasoline dispensing tanks, which are required to comply with CARB regulations, including requirements to install, operate, and maintain a CARB-certified Phase I vapor recovery system. To ensure smaller above-ground gasoline storage tanks have a compliance pathway to demonstrate vapor control performance pursuant to subdivision (e), PAR 463 includes an additional compliance option to install and operate a Phase I vapor recovery system that has been issued a valid CARB Executive Order (EO) pursuant to Health and Safety Code Section 41954. Phase I vapor recovery systems are currently classified into two categories: pre-enhanced vapor recovery (pre-EVR) systems and enhanced vapor recovery (EVR) systems. A valid CARB EO includes: 1) existing Phase I pre-EVR systems that were previously issued an EO and installed in a permitted tank; 2) existing or future Phase I EVR systems installed in a permitted tank; and 3) any Phase I system that is demonstrated to be more stringent than Phase I EVR and subsequently issued an EO by CARB.

Tanks that are modified and require Phase I vapor recovery system upgrades pursuant to CARB Certification Procedure for Vapor Recovery Systems at Gasoline Dispensing Facilities Using Aboveground Storage Tanks (CP-206), are no longer considered to be equipped with a Phase I vapor recovery system operating under a valid CARB EO, until such required upgrades are completed.

Storage tanks containing aviation gasoline are not currently within the scope of CARB's vapor recovery certification regulations. Aviation gasoline is intended for fueling smaller aircraft powered by reciprocating spark ignition engines. Rule 463 defines gasoline as any petroleum distillate with a Reid vapor pressure of 200 mm Hg (3.9 pounds per square inch) or greater, which is inclusive of aviation gasoline. In contrast, CARB vapor recovery certification regulations use a more narrow definition of gasoline which excludes products that do not meet the specifications for motor vehicle gasoline by referencing Title 13, California Code of Regulations, Division 3, Chapter 5, Article 1, beginning with Section 2250. Therefore, aviation gasoline is not included in CARB's definition of gasoline and the aforementioned CARB certification is not applicable to aviation gasoline. To address these regulatory inconsistencies, PAR 463 introduces a separate compliance option to demonstrate vapor control performance pursuant to subdivision (e), for smaller above-ground gasoline storage tanks exclusively used for aviation gasoline storage; subparagraph (e)(1)(C) allows for the use of a Phase I vapor recovery system for a tank that exclusively stores aviation gasoline. There is no reference to Health and Safety Code 41954 in subparagraph (e)(1)(C), as CARB vapor recovery certification regulations do not directly apply to aviation gasoline. This requirement mirrors a similar compliance pathway in Rule 461 clause (c)(3)(F)(i) for tanks storing aviation gasoline. All permitted aviation gasoline tanks in South Coast AQMD currently utilize a Phase I vapor recovery system.

Floating Roof Requirement – Paragraph (e)(2)
A general term of floating roof tank, which refers to both internal and external floating roof tanks, is used to maintain consistency and improve clarity.

Subdivision (f) ─ Monitoring Requirements

Multiple monitoring requirements, including OGI inspection requirements, were added or modified during the June 2024 amendment to Rule 463. The applicability of the new or modified monitoring requirements based on tank type was specified in the respective paragraphs or subparagraphs in subdivision (f). However, the general applicability statement under subdivision (f) was not updated to address the new or modified monitoring requirements, which were either not exclusive to or not applicable to floating roof tanks. To eliminate ambiguity, the general applicability statement under subdivision (f) was updated to be inclusive of all tanks and the type of tank applicable to each requirement in subdivision (f) was reviewed and specified as needed.

Inspection and Maintenance Plan for Floating Roof Tanks ─ Subparagraph (f)(1)(A)
Since subdivision (f) was updated to clarify that the monitoring requirements apply to any tank, PAR 463 also needs to clarify that subparagraph (f)(1)(A) is only applicable to floating roof tanks.

Electronic Notification of Planned Maintenance ─ Subparagraph (f)(3)(C)
Since subdivision (f) was updated to clarify that the monitoring requirements apply to any tank, PAR 463 also needs to clarify that subparagraph (f)(3)(C) is only applicable to floating roof tanks.

Optical Gas Imaging Inspections ─ Subparagraph (f)(3)(D)
The effective date of initiating OGI inspections has passed and is therefore removed.

Smaller above-ground gasoline dispensing tanks were not assessed as affected facilities during the June 2024 amendment to Rule 463. In addition, the cost-effectiveness analysis conducted for PAR 463 found that it was not cost-effective to perform OGI inspections on smaller above-ground gasoline storage tanks. Therefore, PAR 463 clarifies that the requirements for OGI inspections do not apply to smaller above-ground gasoline storage tanks.

Vapor Recovery Systems ─ Paragraph (f)(5)
The compliance deadline to complete an initial performance test to demonstrate 98% overall efficiency of a vapor recovery system has passed and is therefore removed since it is obsolete.

Subdivision (g) ─ Reporting and Recordkeeping Requirements

Inspection Report Form Requirement ─ Paragraph (g)(1)
Since paragraph (g)(1) specifies that the requirements listed are applicable to tanks subject to subdivision (f), PAR 463 clarifies that paragraph (g)(1) is applicable to only floating roof tanks. The amendment to paragraph (g)(1) eliminates ambiguity and ensures that the scope of recordkeeping and reporting requirements remains unchanged after the proposed amendment in subdivision (f).

Subdivision (i) ─ Test Methods

Subparagraph (i)(7)(A) was updated to be consistent with the current preferred South Coast AQMD rule structure. The intent of the provision remains unchanged; API gravity can be determined by one of the three methods listed in paragraph (i)(7).

CHAPTER 3: IMPACT ASSESSMENTS

INTRODUCTION

Impact assessments were conducted as part of PAR 463 rule development to assess environmental and socioeconomic implications. These impact assessments include costs, emission reductions, socioeconomic impacts, and California Environmental Quality Act (CEQA) analysis. Staff prepared draft findings pursuant to Health and Safety Code Sections 40727 and 40727.2, respectively.

EMISSION REDUCTIONS

The proposed amendments to Rule 463 are administrative. PAR 463 will not result in any emission reductions.

COSTS

PAR 463 does not impose any additional costs.

SOCIOECONOMIC IMPACT ASSESSMENT

The proposed amendments to Rule 463 are administrative in nature and ~~do~~ will not significantly affect air quality or emission limitations, and thus, will not result in socioeconomic impacts. Therefore, a socioeconomic impact assessment is not required by Health and Safety Code Sections 40440.8 and 40728.5.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ANALYSIS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PAR 463) is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3). A Notice of Exemption ~~will~~ has been prepared pursuant to CEQA Guidelines Section 15062, and 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, and with the State Clearinghouse of the Governor's Office of Land Use and Climate Innovation.

DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE SECTION 40727

Requirements to Make Findings

Health and Safety Code Section 40727 requires that the Governing Board make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Staff Report. In order to determine compliance with Health and Safety Code Section 40727, Health and Safety Code Section 40727.2 requires a written analysis comparing the proposed amended rule with existing regulations, if the rule meets certain requirements.

Necessity

A need exists to amend PAR 463 to clarify tank types subject to specific monitoring, reporting, and recordkeeping requirements as well as control requirements for smaller above-ground gasoline storage tanks.

Authority

The South Coast AQMD obtains its authority to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 through 40728~~, 40920.6~~, and 41508.

Clarity

PAR 463 is written or displayed so that its meaning can be easily understood by the persons directly affected by it.

Consistency

PAR 463 is in harmony with and not in conflict with or contradictory to existing statutes, court decisions, or state or federal regulations.

Non-Duplication

PAR 463 will not impose the same requirements as any existing state or federal regulations. The proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference

In amending this rule, the following statutes which the South Coast AQMD hereby implements, interprets or makes specific are referenced: Health and Safety Code Sections 39002, 40001, 40406, 40702, 40440(a), and 40725 through 40728.5.

COMPARATIVE ANALYSIS

PAR 463 does not impose a new or more stringent emissions limit or standard, or a new or more stringent monitoring, reporting, or recordkeeping requirement. Therefore, consistent with Health and Safety Code Section 40727.2(g), no comparative analysis is required.

APPENDIX A: RESPONSE TO PUBLIC COMMENTS

Public Workshop Comments

Comment Emails

Public Workshop Comments

Public Workshop Commenter #1: Rich Nichols – R. A. Nichols Engineering

The commenter highlighted a potential technology that can be used to achieve VOC emission reductions from storage tanks. The commenter also requested the following:

1a) Clarification on the review and approval process for new vapor control technologies to be allowed as a compliance option in Rule 463, including whether testing proving the control efficiency could be done once or if it must be conducted on a tank-by-tank basis.

Staff Response to Public Workshop Commenter #1:

Staff acknowledges and appreciates the opportunity to learn about new technologies. A virtual meeting was held to provide additional guidance and discuss the commenter's question in more detail.

1a) Rule 463 subdivision (d) requires applicable tanks to be equipped with the specified vapor control devices or other vapor control device that has been determined to be equivalent in performance and approved in writing by South Coast AQMD, CARB, and U.S. EPA. Therefore, for new vapor control technologies to be permissible under Rule 463, all three agencies will need to review technical information, emission test results, and any other documentation deemed necessary to determine equivalency.

Public Workshop Commenter #2: Tony Lurch – SSA Terminal

The commenter requested the following:

2a) Clarify if permits in progress will not be issued until PAR 463 is adopted.

2b) Clarify if tanks equipped with Phase I vapor recovery systems will be acceptable under the proposed additional compliance option in paragraph (e)(1).

Staff Response to Public Workshop Commenter #2:

2a) The permitting process for small above-ground gasoline storage tanks was paused until PAR 463 is adopted.

2b) Paragraph (e)(1) was updated to clarify that Phase I vapor recovery systems with a valid CARB Executive Order pursuant to Health and Safety Code Section 41954 or a Phase I vapor recovery system for a tank that exclusively stores aviation gasoline are compliance options to demonstrate vapor control performance pursuant to subdivision (e).

Comment Emails

Email #1:

Hello,

I work for Husky on CARB certification of our products. One of our customers in southern California is trying to install some small ASTs; however, he is having trouble receiving a permit because of questions related to Rule 463. After listening to your workshop today, I am trying to understand if our customer cannot get a permit because:
(a) you put a hold on issuing ANY permits until the Proposed Amendment Rule 463 is passed in January 2026, OR 1-1
(b) if your permitting staff need more documentation on how our Husky 5885 CARB EVR Certified P/V vent meets your Proposed Amendment Rule 463.

Can you clarify? 1-2

As the manufacturer, I want to support our customer the best I can with all the historical data we gathered along with Paul Marzilli at CARB during the original 5885 P/V Vent certification.

Sincerely,

Tim Schroeder
Product Design Engineer
Husky Corporation
2325 Husky Way
Pacific, MO 63069
ph. 636-825-7238 direct
fx. 636-825-7338
em. tschroeder@husky.com
wp. www.husky.com

Staff Response to Email #1:

Response to Comment 1-1:

See response to Public Workshop Commenter 2a.

Response to Comment 1-2:

The current version of Rule 463 remains in effect and serves as the basis for evaluating all open permit applications. Under subdivision (e), Other Performance Requirements, which applies to gasoline storage tanks with capacities between 251 gallons and 19,815 gallons, the rule specifies that such tanks shall not store gasoline unless they are equipped with a pressure-vacuum valve set within 10 percent of the maximum allowable working pressure (MAWP) of the container or equipped with a vapor loss control device that complies with the requirements set forth in subdivision (d). Paragraph (d)(3), Fixed Roof Tanks, requires the installation of a vapor recovery system with an efficiency of at least 98 percent by weight or venting of tank emissions to a fuel gas system.

Staff identified instances where tanks are unable to comply with either the 10 percent MAWP or the 98 percent vapor recovery efficiency compliance options. To address this issue, PAR 463 includes an additional compliance option for smaller above-ground gasoline storage tanks to utilize Phase I vapor recovery systems. Additionally, Rule 463 subparagraph (f)(3)(D) currently requires OGI inspections for gasoline tanks ranging from 251 gallons to 19,815 gallons. Staff determined that OGI inspections for tanks of this size are not cost-effective and therefore this requirement is proposed to be removed.

Email #2:

Staff Response to Email #2:

Good morning,

SoCalGas would like to seek clarification on rule requirements for floating roof tanks under Rule 463 Organic Liquid Storage. We understand that the rule is currently being amended to provide more clarity on floating roof tank requirements, but SoCalGas is seeking clarification on requirements that are not being addressed through the rule amendment process.

Specifically, we would like clarification on whether any of the following sections of PAR 463 apply to fixed roof tanks: (g)(1)(B), (g)(1)C), (g)(1)(D), (g)(2)(A), (g)(2)(B), (g)(2)(C), (g)(3), (g)(5) or (g)(6). 2-1

Thank you.

Hadley Nolan | Southern California Gas Company
ENERGY & ENVIRONMENTAL POLICY – ENVIRONMENTAL AFFAIRS PROGRAM MANAGER
213-248-7996 PHONE
HNolan@socalgas.com
555 W. 5th Street | Los Angeles, CA 90013

Response to Comment 2-1:

Since paragraph (g)(1) references subdivision (f), and the current amendment clarifies that subdivision (f) applies to any tank, paragraph (g)(1) was updated to provide additional clarification. Staff revised the rule language to specify that paragraph (g)(1) applies exclusively to floating roof tanks.

Paragraphs (g)(2) and (g)(3) remain unchanged, as they apply to all tanks. In addition, because paragraphs (g)(5) and (g)(6) are included to demonstrate compliance with subparagraph (d)(1)(I), these provisions will continue to apply only to external floating roof tanks.

ATTACHMENT H

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 463 – ORGANIC LIQUID STORAGE**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD), as Lead Agency, has prepared a Notice of Exemption pursuant to CEQA Guidelines Section 15062 – Notice of Exemption for the project identified above.

If the proposed project is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The Notice of Exemption will also be electronically filed with the State Clearinghouse of the Governor's Office of Land Use and Climate Innovation for posting on their CEQAnet Web Portal which may be accessed via the following weblink: https://ceqanet.lci.ca.gov/Search/Recent. In addition, the Notice of Exemption will be electronically posted on the South Coast AQMD's webpage which can be accessed via the following weblink: http://www.aqmd.gov/nav/about/public-notices/ceqa-notices/notices-of-exemption/noe---year-2026.

NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

To:	County Clerks for the Counties of Los Angeles, Orange, Riverside, and San Bernardino; and Governor's Office of Land Use and Climate Innovation – State Clearinghouse	**From:**	South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765

Project Title: Proposed Amended Rule 463 – Organic Liquid Storage

Project Location: The proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes 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 portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Rule 463 applies to above-ground stationary tanks with capacity of 75,000 liters (19,815 gallons) or more used to store organic liquids, above-ground tanks with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) that are used to store gasoline, and any stationary tank used in crude oil and natural gas production operations with potential to emit six tons per year or more of volatile organic compounds (VOC). Rule 463 was most recently amended in 2024 to further limit VOC emissions from organic liquid tanks by establishing periodic optical gas imaging (OGI) inspections and more stringent control requirements. Proposed Amended Rule 463 (PAR 463) clarifies the applicability for the types of storage tanks that would be subject to periodic OGI inspections and provides an additional compliance pathway to demonstrate vapor control performance for smaller gasoline tanks. PAR 463 clarifies that smaller gasoline tanks will be excluded from the requirement to conduct OGI inspections. While conducting OGI inspections on smaller gasoline tanks could potentially reduce 5.6 pounds per day of VOC emissions from these sources, it is not cost-effective to do so. Nonetheless, the potentially unachieved emission reductions do not exceed the South Coast AQMD air quality significance threshold for VOC emissions during operation and therefore, are not a significant impact on the environment. PAR 463 will benefit stakeholders by providing improved clarity when implementing the applicable requirements.

Public Agency Approving Project:	**Agency Carrying Out Project:**
South Coast Air Quality Management District	South Coast Air Quality Management District

Exempt Status:
CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

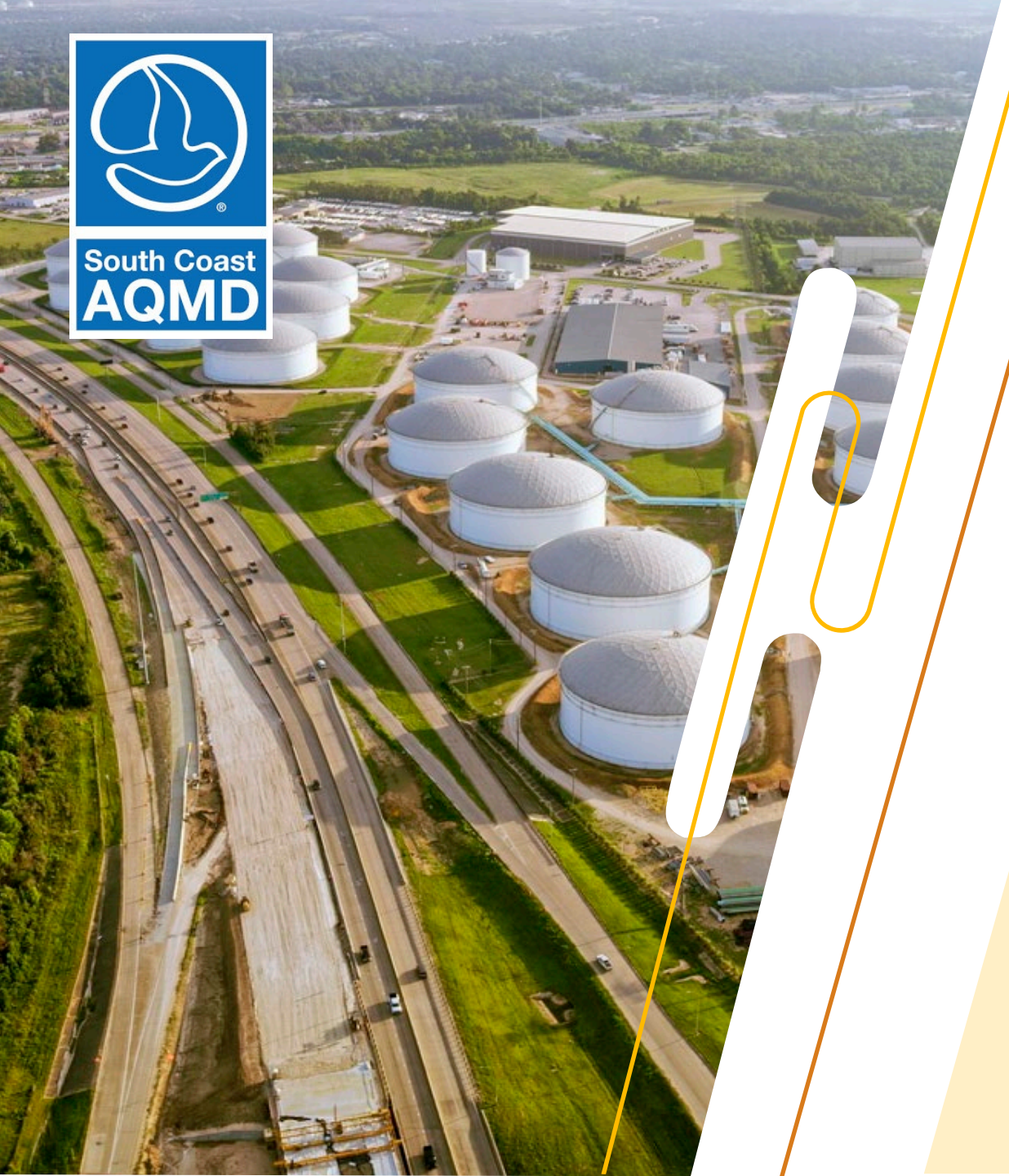
Reasons why project is exempt: South Coast AQMD, as Lead Agency, has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. It can be seen with certainty that there is no possibility that the proposed project (PAR 463) may have a significant adverse effect on the environment because: 1) no physical modifications are expected from making administrative clarifications; and 2) excluding smaller gasoline tanks from OGI inspection requirements will not exceed the South Coast AQMD air quality significance threshold for VOC emissions during operation. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

Date When Project Will Be Considered for Approval (subject to change): South Coast AQMD Governing Board Public Hearing: January 9, 2026		
CEQA Contact Person:	**Phone Number:**	**Email:**
Farzaneh Khalaj, Ph.D.	(909) 396-3022	fkhalaj@aqmd.gov
PAR 463 Contact Person:	**Phone Number:**	**Email:**
Jennifer Wang	(909) 396-3098	jwang@aqmd.gov

Date Received for Filing: _____ **Signature:** *(Signed and Dated Upon Board Approval)*

Kevin Ni
Program Supervisor, CEQA
Planning, Rule Development, and Implementation

ATTACHMENT I



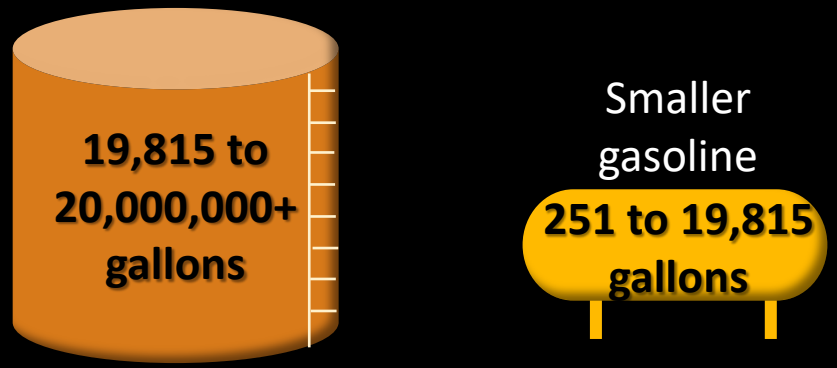
Proposed Amended Rule 463 – Organic Liquid Storage

Board Meeting

JANUARY 9, 2026

Rule 463 Background

- Rule 463 reduces volatile organic compound (VOC) emissions from the following storage tanks:



- Rule 463 was last amended on June 7, 2024, and established:
  - Periodic optical gas imaging (OGI) inspections
  - More stringent control requirements
  - Contingency measures to address Clean Air Act requirements

Proposed Amended Rule 463 (PAR 463) Background

June 2024 amendment to Rule 463 did not consider OGI for smaller tanks

PAR 463 affects approximately 900 smaller gasoline tanks at facilities such as fire departments, other public agencies, and recreational facilities

Small gasoline storage tanks are mostly used for gasoline dispensing

Proposed Rule 463 Amendments

Clarify that smaller gasoline tanks are not subject to OGI inspection requirements

- OGI inspections are not cost-effective
- Currently required to perform periodic tightness testing

Add Phase I vapor recovery system as an additional option for smaller gasoline tanks to demonstrate vapor control performance

- All smaller gasoline dispensing tanks are equipped with a California Air Resources Board certified Phase I vapor recovery system already

Other changes for clarity

Impact Assessment

Socioeconomic Impacts

- PAR 463 is administrative in nature and does not significantly affect air quality or emission limitations
- A socioeconomic impact assessment is not required by Health and Safety Code Sections 40440.8 and 40728.5
- No socioeconomic impacts expected

California Environmental Quality Act (CEQA)

- No physical modifications expected from administrative clarifications
- Excluding smaller gasoline tanks from periodic OGI inspection requirements will not cause an exceedance of South Coast AQMD air quality significance thresholds
- No significant adverse environmental impacts expected
- A Notice of Exemption has been prepared

Staff Recommendation

- Adopt Resolution:
  - Determining that Proposed Amended Rule 463 is exempt from the requirements of CEQA
  - Amending Rule 463
  - Directing staff to submit Proposed Amended Rule 463 to CARB and U.S. EPA for inclusion into the State Implementation Plan