

# SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

## Draft Staff Report

### Proposed Amended Rule 463 – Organic Liquid Storage

December 2025

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## 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 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 found to not be cost-effective. PAR 463 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**

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**INTRODUCTION**

**BACKGROUND**

**REGULATORY HISTORY**

**AFFECTED FACILITIES AND EQUIPMENT**

**PUBLIC PROCESS**

## 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 roof 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**

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**INTRODUCTION**

**PROPOSED AMENDED RULE STRUCTURE**

**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**

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**INTRODUCTION**

**EMISSION REDUCTIONS**

**COSTS**

**SOCIOECONOMIC IMPACT ASSESSMENT**

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ANALYSIS**

**DRAFT FINDINGS UNDER HEALTH AND SAFETY**

**CODE SECTION 40727**

**COMPARATIVE ANALYSIS**

## **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 not 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 be 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**

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**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
- (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.

1-1

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**

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**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.

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***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.