



Proposed Amended Rule 463 – Organic Liquid Storage **Public Workshop**

OCTOBER 21, 2025

JOIN ZOOM MEETING:

[HTTPS://SCAQMD.ZOOM.US/J/99338291672](https://scaqmd.zoom.us/j/99338291672)

MEETING ID: 993 3829 1672

DIAL IN: +1 669 444 9171

AGENDA

- Background
- Proposed Amended Rule 463 (PAR 463)
- Impact Assessments
- Next Steps



Background

Rule 463 Background

- ❑ Rule 463 reduces volatile organic compound (VOC) emissions from storage tanks
- ❑ Rule 463 applies to above-ground storage tanks (ASTs) with:
 - A capacity of 75,000 liters (19,815 gallons) or greater used for storage of organic liquids
 - A capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons) used for storage of gasoline
 - A potential for VOC emissions of six tons per year or greater used in crude oil and natural gas production operations



Last Amendment of Rule 463

- ❑ Rule 463 was last amended on June 7, 2024, to further limit VOC emissions from organic liquid storage tanks by establishing:
 - Periodic optical gas imaging (OGI) inspections
 - More stringent control requirements
 - Contingency measures to address Clean Air Act requirements



PAR 463 Background

- ❑ PAR 463 rule development was initiated to:
 - Clarify tank applicability for periodic OGI inspections
 - Ensure smaller gasoline tanks have a pathway to comply with control requirements



Smaller Gasoline Tanks

- ❑ Staff considers smaller gasoline tanks as those with a capacity between 950 liters (251 gallons) and 75,000 liters (19,815 gallons)
- ❑ June 2024 amendment to Rule 463 did not evaluate smaller gasoline tanks
 - Mostly above-ground gasoline dispensing tanks
- ❑ Further amendments to Rule 463 are necessary to clarify for smaller gasoline tanks:
 - Applicability of OGI inspections
 - Applicable options for vapor control performance



Smaller Gasoline Tanks – OGI Inspections

- ❑ Cost-effectiveness analysis was conducted for OGI inspections of smaller gasoline dispensing tanks
 - Random sample with 95% confidence level was selected (86 tanks)
- ❑ Staff evaluated various OGI inspection scenarios which included the following variables:
 - Frequency: Daily, every other day, weekly, every two weeks, monthly, and every two months
 - Operator: Performed by internal employee (with purchase of an OGI camera) and through third-party service provider
- ❑ OGI inspections determined to not be cost-effective for smaller gasoline tanks
 - Approximately \$8,500,000 per ton of VOC reduced



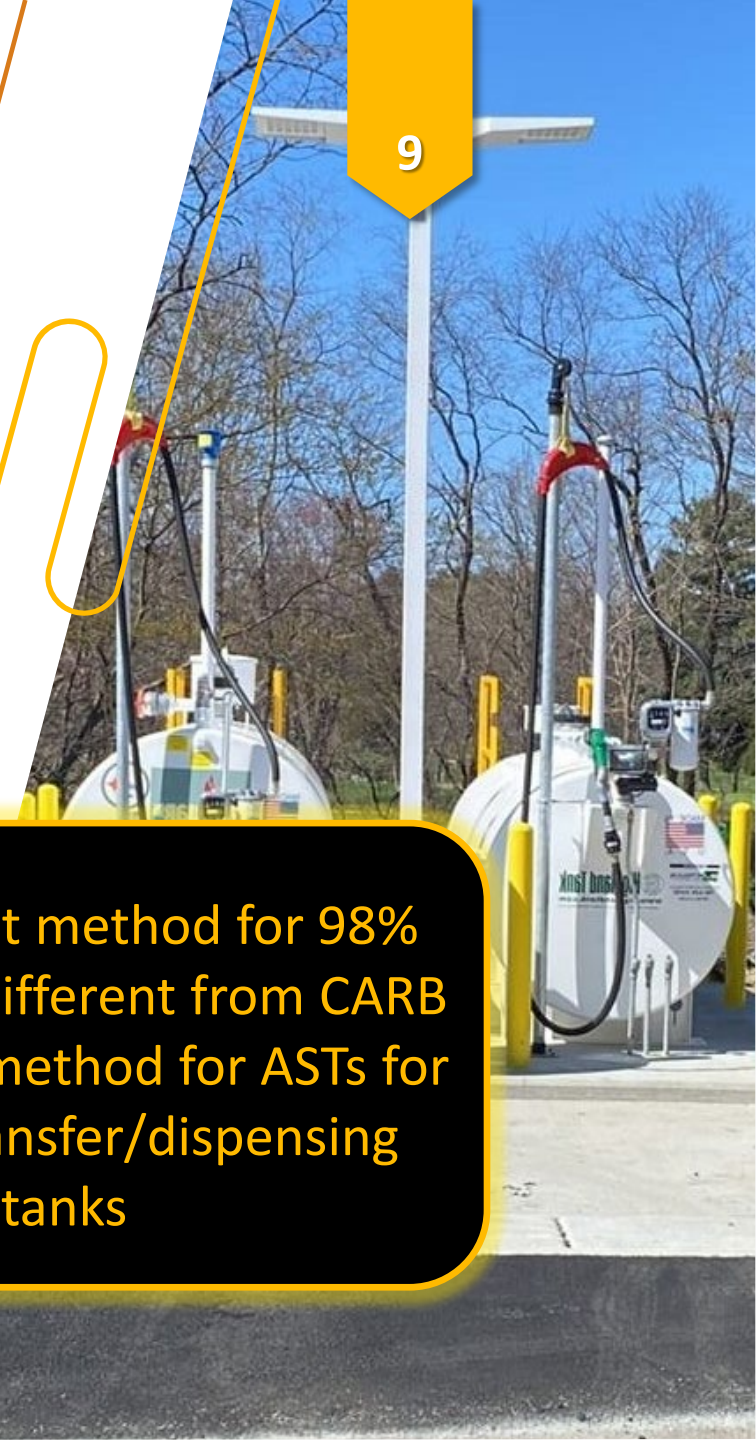
Smaller Gasoline Tanks – Vapor Control Performance

Existing Compliance Options

- A pressure-vacuum valve setting within 10 percent of the maximum allowable working pressure; or
- A vapor loss control device which complies with subdivision (d) for 98% efficiency by weight

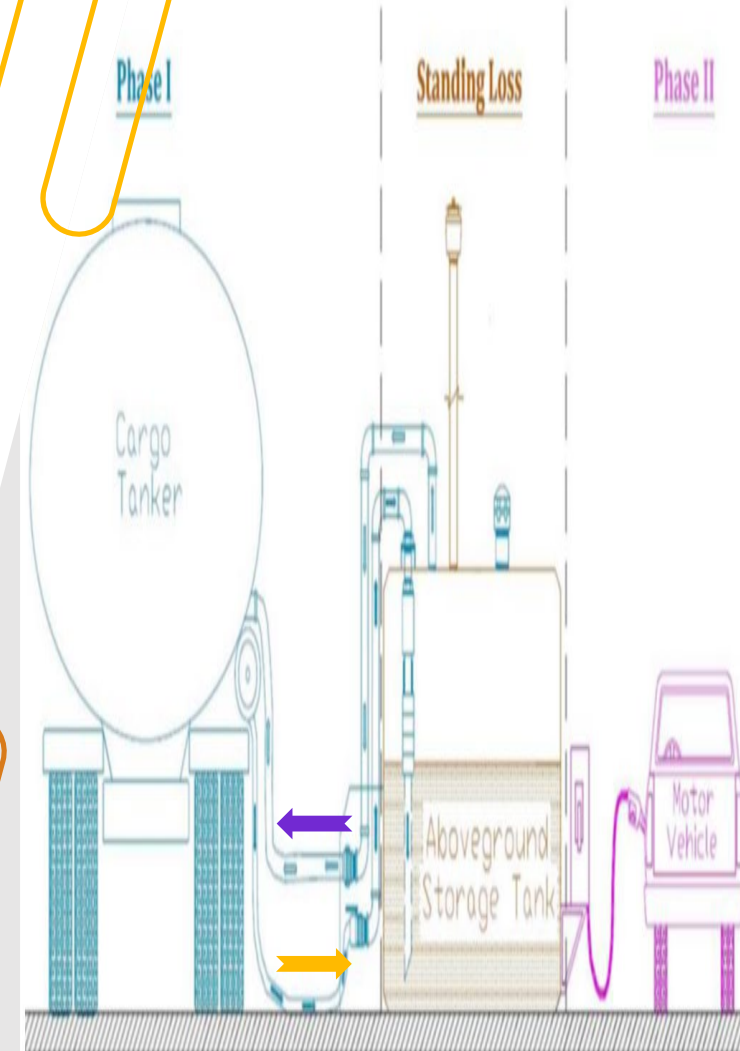
Aboveground storage tanks (ASTs) at gasoline dispensing facilities might not be able to meet both California Air Resources Board's (CARB) standing loss control pressure range and Rule 463 pressure setting

Rule 463 test method for 98% efficiency is different from CARB certification method for ASTs for gasoline transfer/dispensing tanks



Smaller Gasoline Tanks – Other Regulatory Requirements

- ❑ Smaller gasoline dispensing ASTs are also subject to Rule 461 – Gasoline Transfer and Dispensing
- ❑ Rule 461 specifies vapor recovery performance requirements
 - Equipped with CARB certified vapor recovery systems
- ❑ CARB certified vapor recovery systems:
 - Phase I – during the transfer of gasoline from the cargo tank to the AST
 - Enhanced vapor recovery (EVR) system (98% efficiency)
 - Pre-EVR (95% efficiency)
 - Phase II (95% efficiency) – during dispensing of gasoline into the tank of the motor vehicle





Proposed Amended Rule 463

Overview of PAR 463 Rule Changes

Clarify which tanks are subject to OGI inspection requirements

Add an additional compliance option to demonstrate vapor control performance for small gasoline tanks

Other editorial changes for clarity – OGI inspections required for all large tanks

Rule 461 Vapor Recovery System as an Additional Compliance Option - Paragraph (e)(1)

13

Existing Two Compliance Options

- A pressure-vacuum valve setting within 10 percent of the maximum allowable working pressure
- A vapor loss control device which complies with subdivision (d) for 98% efficiency by weight



Added a Third Option

- Include a vapor recovery system for tanks meeting the requirements of Rule 461



OGI Inspection Requirement Clarifications– Subdivision (f)

14

Subdivision (f) - Monitoring Requirements

- OGI inspections required in subparagraph (f)(3)(D) apply to all types of tanks, except for the smaller gasoline tanks



Further Clarification on Tank Types

The following provisions were updated to specify that requirements only apply to floating roof tanks and align rule language for consistency:

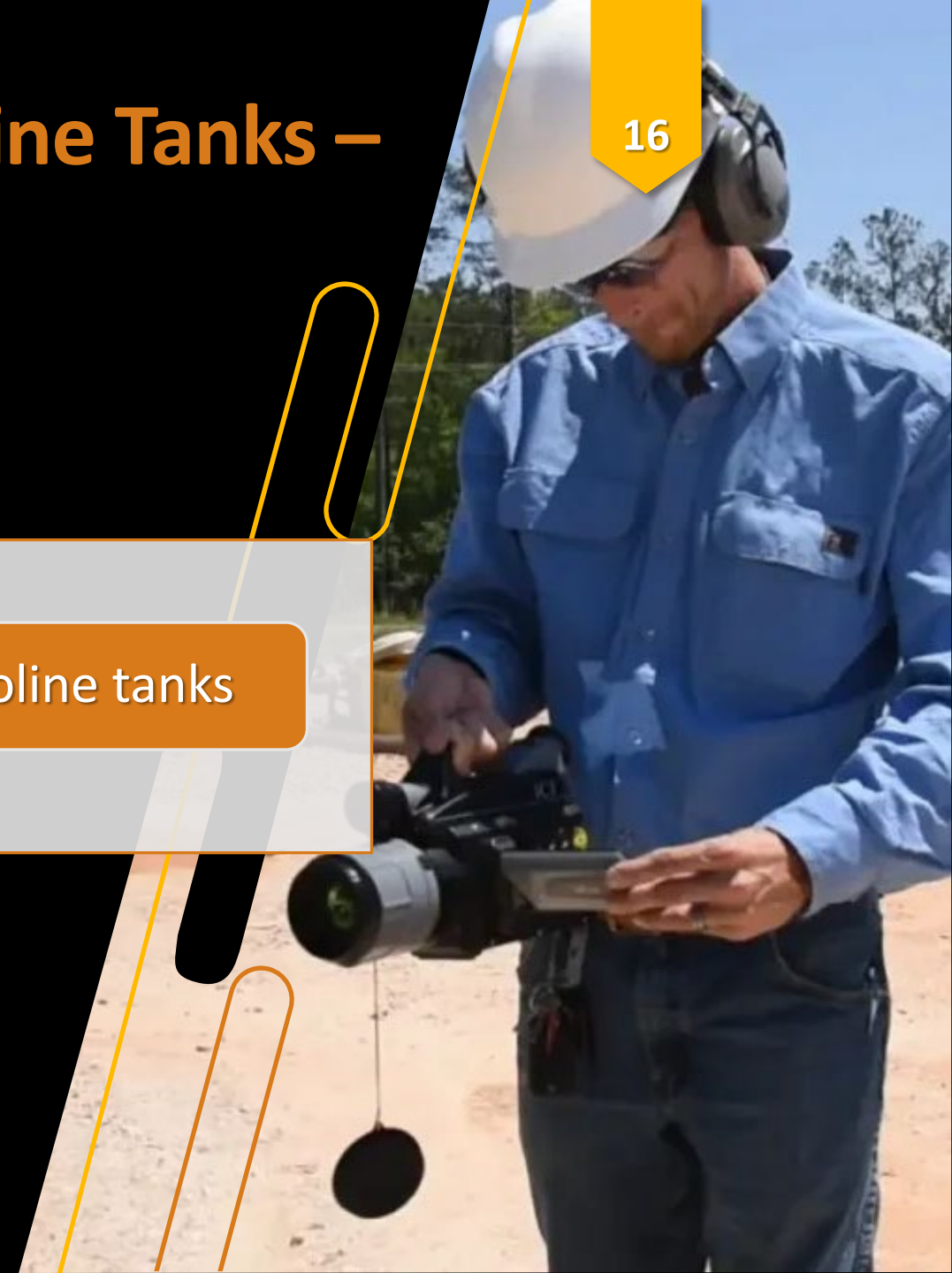
- ❑ Paragraph (e)(2) – floating roof requirement
- ❑ Subparagraph (f)(1)(A) – inspection and maintenance plan
- ❑ Subparagraph (f)(3)(C) – electronic notification of planned maintenance
- ❑ Subparagraph (g)(1)(A) – inspection report form requirement



OGI Inspections for Smaller Gasoline Tanks – Subparagraph (f)(3)(D)

16

OGI inspections are not required for smaller gasoline tanks





Impact Assessments

Costs and Emission Impacts

Costs

- PAR 463 is not expected to impose any additional costs

Emission Impacts

- No additional emission reductions from PAR 463



Socioeconomic Impacts and California Environmental Quality Act

19

Socioeconomic Impacts

- The proposed amendments to Rule 463 are administrative in nature and do not affect air quality or emission limitations
- A socioeconomic impact assessment is not required under Health and Safety Code Sections 40440.8 and 40728.5

California Environmental Quality Act (CEQA)

- PAR 463 is a project subject to CEQA
- PAR 463 is comprised of rule requirements, clarifications, and administrative changes without requiring physical modifications
- No adverse environmental impacts are expected
- A Notice of Exemption will be prepared

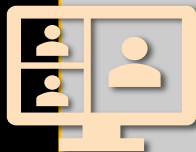
Next Steps



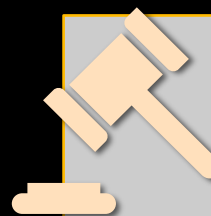
Written comments
requested by
November 4, 2025



Stationary Source
Committee on
November 21, 2025



Set Hearing on
December 5, 2025



Public Hearing on
January 9, 2026

Please note that under the California Public Records Act (Gov. Code Section 7920.000 et seq.) your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public on request or posted on the South Coast AQMD website.

STAFF CONTACTS

Jennifer Wang

Air Quality Specialist

jwang@aqmd.gov

(909)396-3098

Isabelle Shine

Program Supervisor

ishine@aqmd.gov

(909)396-3064

Michael Morris

Planning and Rules
Manager

mmorris@aqmd.gov

(909)396-3282

Michael Krause

Assistant Deputy
Executive Office

mkrause@aqmd.gov

(909)396-2706

Sign up for the mailing list at:
<https://www.aqmd.gov/sign-up>
(select “**Rule 463 – Organic Liquid
Storage**”)

For more information, visit the
[Proposed Rule 463 webpage](#)