

Meeting Date: 3/22/2018
Report Type: PUBLIC HEARINGS
Report ID: 2018-0322-3.



3.

Title: Adopt Rule 468 - Surface Coating of Plastic Parts and Products and a Negative Declaration for Surface Coating of Pleasure Craft

Recommendation:

Conduct a public hearing and: 1) determine that the adoption of Rule 468 – Surface Coating of Plastic Parts and Products is exempt from the California Environmental Quality Act (CEQA); 2) adopt a resolution approving Rule 468; 3) determine that the adoption of the Negative Declaration for Surface Coating of Pleasure Craft is exempt from CEQA; 4) adopt a resolution approving the Negative Declaration; and 5) direct Staff to forward Rule 468, the Negative Declaration, and all necessary supporting documents to the California Air Resources Board for submittal to the U.S. Environmental Protection Agency (EPA).

Rationale for Recommendation:

The District is designated as a severe nonattainment area for the 2008 federal 8-hour ozone standard. The federal Clean Air Act (CAA) requires areas classified as moderate nonattainment or worse to adopt “reasonably available control technology” (RACT) for each source category covered by a Control Techniques Guidelines (CTG) document adopted by EPA.

In 2008, EPA promulgated a CTG document for Miscellaneous Metal and Plastic Parts Coatings. In February of 2017, EPA found that the District was deficient in implementing RACT for this CTG. Specifically, there are no District rules that apply to the surface coating of plastic parts or pleasure craft. To correct the RACT deficiency, the District must adopt rules with RACT-level controls for these coating operations. As an alternative to adopting a RACT rule, the District may adopt a negative declaration stating that it has no stationary sources to which a particular CTG applies.

Contact: Kevin J. Williams, Ph.D., Program Supervisor, 916-874-4851

Presentation: Yes

ATTACHMENTS:

- Attachment 1: Resolution for Rule 468
- Attachment 2: Exhibit A – Proposed Rule 468
- Attachment 3: Resolution for Negative Declaration
- Attachment 4: Exhibit B – Proposed Negative Declaration
- Attachment 5: Statement of Reasons for Rule 468
- Attachment 6: Statement of Reasons for Negative Declaration
- Attachment 7: Evidence of Public Notice

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 3/13/2018

District Counsel or Designee: Kathrine Pittard, Approved as to Form 3/12/2018

Discussion / Justification:

EPA defines reasonably available control technology, or RACT, as “the lowest emission limitation that a

particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility” (Federal Register Notice 44 FR 53761, September 17, 1979). Because of the District’s designation as a severe nonattainment area for the 2008 federal 8-hour ozone standard, the District is required by CAA Section 182(b)(2) to implement RACT for each category of sources covered by a CTG document issued by EPA. On March 23, 2017, the District’s Board of Directors approved a plan document, known as the “RACT SIP,” to demonstrate that the District meets CAA RACT requirements. EPA determined the RACT SIP was deficient because it did not include a District rule implementing RACT standards for coatings that are applied to plastic substrates and pleasure craft, as specified in EPA’s 2008 CTG for Miscellaneous Metal and Plastic Parts Coatings .

To remedy the RACT deficiency, Staff is proposing two actions. First, approve Rule 468 – Surface Coating of Plastic Parts and Products, which establishes RACT requirements for the coating of transportation plastic parts, business machine plastic parts, and miscellaneous plastic parts. Second, approve a negative declaration stating that the District has no pleasure craft coating operations governed by the CTG. The negative declaration is supported by Staff’s research, which found that there are no pleasure craft coating operations in the District with VOC emissions above the CTG threshold of 2.7 tons per twelve-month rolling period.

If approved by the District’s Board of Directors, Staff will forward Rule 468 and the negative declaration for pleasure craft coating operations to the California Air Resources Board for submittal to EPA as a revision to the State Implementation Plan.

Summary of Plan / Rule / Amendment:

Rule 468 – Surface Coating of Plastic Parts and Products

Rule 468 applies to facilities that perform surface coating of transportation plastic parts, business machine plastic parts, or miscellaneous plastic parts. Only facilities with actual volatile organic compound (VOC) emissions of 2.7 tons or more of VOC per 12-month rolling period from the coatings and associated cleaning activities are subject to the rule, consistent with the CTG. The rule exempts coating operations that are already subject to other District rules. VOC content limits do not apply to certain well-defined specialty coatings. In addition, sources may apply up to 55 gallons per 12-month rolling period of coatings that do not meet the VOC limits in the rule.

The VOC content limits for coatings are consistent with the limits in the CTG. The rule also contains work practice requirements for handling and storage of VOC-containing materials that are intended to reduce unnecessary evaporation and emission of VOC.

Negative Declaration for Surface Coating of Pleasure Craft

The proposed negative declaration lists the methods the District has used to identify applicable surface coating operations: review of permit files, the emission inventory for the federal Clean Air Plan, business listings, and yellow pages. Based on this research, the District has determined that there are no pleasure craft coating operations to which the CTG applies and does not anticipate that any businesses will propose constructing these sources in the future.

Financial Considerations:

Rule 468 will apply to only one District source. The source already has District permits for the applicable equipment, which is compliant with Rule 468, and Staff already inspects the facility. Therefore, the adoption of Rule 468 will not result in additional costs to the District. The adoption of the negative declaration for pleasure craft surface coating operations will likewise not result in additional costs to the District.

Emissions Impact:

The one source that will become subject to Rule 468 already meets the rule requirements. Therefore, no additional emission reductions will result from the adoption of this rule. There are no emission impacts associated with the negative declaration for pleasure craft surface coating operations.

Economic Impact:

The source that will become subject to Rule 468 already meets its requirements. Therefore, there will be no compliance costs or impacts to employment or the economy of the region. In addition, there are no economic

impacts associated with the negative declaration for pleasure craft surface coating operations.

Public Outreach/Comments:

On February 1, 2018, Staff met with representatives from Siemens Industry, Inc. at their Sacramento facility. Siemens coats transportation plastic parts and is the only source in Sacramento County with annual emissions great enough to be subject to Rule 468. Staff presented information on the reasons behind the rulemaking and how the requirements would apply to their facility, and provided Siemens with the opportunity to ask questions. Siemens agreed that Rule 468 would not impact their facility.

Staff held a public workshop on February 7, 2018, to discuss the proposed adoption of Rule 468. A public notice was published in the Sacramento Bee, emailed to interested parties (including the affected source, Siemens) and posted on the District website. The draft rule and Statement of Reasons was made available for public review at that time.

Two questions at the workshop asked for minor clarification. One written comment was received, from Siemens, asking whether Staff intended to define plastic and rubber, as discussed above. All comments and responses are included in Appendix C of the Statement of Reasons.

The noticing for today's hearing included:

- A public notice in the Sacramento Bee on February 16, 2018.
- A notice posted on the District website with links to the proposed rule, negative declaration, and associated Statements of Reasons.
- Email notices to:
 - The California Air Resources Board and U.S. Environmental Protection Agency;
 - Interested and affected parties, including the affected source (Siemens); and
 - All persons who have requested rulemaking notices.

As of March 13, 2018, no public comments had been received. Staff will notify the Board if comments are received between March 13 and the public hearing.

Environmental Review:

California Public Resources Code Section 21159 requires an environmental analysis of the reasonably foreseeable methods of compliance. Proposed Rule 468 establishes the requirements, including the VOC limits, for the surface coating of transportation plastic parts, business machine plastic parts, and miscellaneous plastic parts. Staff identified one source that will be subject to the proposed rule. That source already complies with the proposed VOC limits. Therefore, Staff has concluded that no environmental impacts will be caused by the proposed rule.

Staff finds that the adoption of proposed Rule 468 is exempt from CEQA as an action by a regulatory agency for the maintenance or protection of the environment (Class 8 Categorical Exemption, Section 15308, State CEQA Guidelines) and because it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment (Section 15061(b)(3), State CEQA Guidelines).

In adopting the negative declaration for pleasure craft coating operations, the District is not adopting requirements for emission sources. No source will need to change its operations to comply with a requirement. Staff finds that the adoption of this negative declaration is not subject to CEQA because it is an activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment, and because it can be seen with certainty that the adoption will not have a significant impact on the environment. (Public Resources Code Section 21084(a) and Preliminary Review, Section 15060(c)(2), 15061(b)(3) State CEQA Guidelines).