

Meeting Date: 5/24/2018
Report Type: PUBLIC HEARINGS
Report ID: 2018-0524-7.



7.

Title: Amend Rule 801 - New Source Performance Standards and Rule 904 - Air Toxics Control Measures

Recommendation: Conduct a public hearing and 1) determine that the adoption of amendments to Rule 801 – New Source Performance Standards and Rule 904 – Air Toxics Control Measures are exempt from the California Environmental Quality Act, and 2) adopt resolutions approving amendments to Rules 801 and 904.

Rationale for Recommendation:

New Source Performance Standards (NSPS) are promulgated by the U.S. Environmental Protection Agency (EPA) and apply to new, modified, and reconstructed sources. EPA has delegated to the District the authority to implement and enforce the NSPS regulations. Rule 801 incorporates by reference the NSPS regulations to facilitate implementation of this authority. Since Rule 801 was last amended in 2011, EPA has amended many of the NSPS regulations and promulgated new regulations for eight source categories.

The California Air Resources Board (CARB) adopts Airborne Toxic Control Measures (ATCMs) to reduce the emissions of identified toxic air contaminants. State law requires air districts to implement and enforce ATCMs for non-vehicular sources. Rule 904 incorporates by reference the ATCMs, which facilitates implementation and enforcement and makes it easier for sources to identify applicable requirements. Since Rule 904 was last amended in 2011, CARB has amended four ATCMs.

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Presentation: No

ATTACHMENTS:

- Attachment 1: Resolution for Rule 801
- Attachment 2: Exhibit A – Proposed Rule 801
- Attachment 3: Resolution for Rule 904
- Attachment 4: Exhibit B – Proposed Rule 904
- Attachment 5: Proposed Rule 801, Underline/Strikeout Version
- Attachment 6: Proposed Rule 904, Underline/Strikeout Version
- Attachment 7: Statement of Reasons
- Attachment 8: Evidence of Public Notice

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 5/17/2018

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/16/2018

Discussion / Justification: The NSPS regulations are contained in Title 40 of the Code of Federal Regulations, Part 60. The purpose of these standards is to require best demonstrated technology to achieve continuous emission reductions from identified source categories. The NSPS program takes into consideration compliance costs, environmental impacts, and energy impacts, among other factors. EPA continues to amend existing NSPS regulations and to promulgate NSPS subparts for new source categories and industries. The District has amended Rule 801, which incorporates the NSPS subparts by reference, eight times since its initial adoption in 1991 to maintain consistency with the most recent changes to the regulations. Staff is proposing to

amend Rule 801 once again to incorporate the NSPS changes that have occurred since the rule was last amended.

State law requires CARB to identify and designate toxic air contaminants based on scientific research, and to adopt ATCMs to reduce emissions of toxic air contaminants. ATCMs for non-vehicular sources are contained in Title 17 of the California Code of Regulations. State law requires districts to implement and enforce these ATCMs. Rule 904, which incorporates the ATCMs by reference, has been amended four times since its initial adoption in 1997 to maintain consistency with the ATCMs. Staff is proposing to amend Rule 904 once again to incorporate changes to the ATCMs that have occurred since the rule was last amended.

Summary of Plan / Rule / Amendment:

Rule 801 – New Source Performance Standards

Since the last amendment of Rule 801 in 2011, thirty-seven existing NSPS subparts have been amended, mostly to make minor technical corrections, and eight new subparts have been added. A full description of the new and amended subparts is in the Statement of Reasons (Attachment 7 to this Board letter). Five of the new subparts apply or potentially apply to source types in the District, including municipal solid waste landfills, oil and gas production operations, new residential wood-fired hydronic heaters and furnaces, and fossil fuel-fired electric generating units.

Rule 904 – Air Toxics Control Measures

Since the last amendment of Rule 904 in 2011, CARB has adopted amendments to four ATCMs. A full description of the amended ATCMs is in the Statement of Reasons (Attachment 7 to this Board letter). Two of the amended ATCMs affect a considerable number of sources in the District, although they are already in effect and enforceable by CARB and the District.

- ATCM for Stationary Compression Ignition (CI) Engines: The amendments more closely aligned the rule with federal standards and delayed implementation of standards for certain emergency standby engines for up to three years. Approximately 1,270 stationary CI engines in the District are subject to this ATCM.
- ATCM for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater: The amendments extended the deadline to replace portable CI engines by one year, to January 1, 2011, for certain engines in small fleets. Approximately 50 CI portable engines in the District are subject to this ATCM.

Financial Considerations: Sources subject to NSPS and ATCMs already have District permits, and Staff already inspects those sources. Therefore, the adoption of Rules 801 and 904 will not result in additional costs to the District.

Emissions Impact: The NSPS subparts included in Rule 801 are already in effect under federal regulations and are enforceable by EPA. The ATCMs included in Rule 904 are already in effect under state regulations and are enforceable by CARB. The District's action to adopt these regulations by reference does not impose any additional requirements on affected sources. Therefore, no additional emission reductions will result from the adoption of these amended rules.

Economic Impact: Because District sources are already subject to the requirements of the NSPS and ATCMs, the adoption of amendments to Rules 801 and 904 will not impose additional compliance costs or impact employment or the regional economy.

Public Outreach/Comments:

The noticing for today's hearing included:

- A public notice in the Sacramento Bee on April 24, 2018.
- A notice posted on the District website with links to the proposed rules and Statement of Reasons.
- Email notices to:
 - The California Air Resources Board and U.S. Environmental Protection Agency;

- o Interested and affected parties; and
- o All persons who have requested rulemaking notices.

As of May 4, 2018, no public comments have been received. Staff will notify the Board if comments are received between May 4, 2018 and the public hearing.

Environmental Review: The proposed amendments to Rules 801 and 904 are exempt from the California Environmental Quality Act (CEQA) as ministerial actions under Section 15268 of the State CEQA Guidelines.