

**SACRAMENTO METROPOLITAN
AIR QUALITY MANAGEMENT DISTRICT**

For Agenda of **October 26, 2006**

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene, Air Pollution Control Officer
Sacramento Metropolitan Air Quality Management District

Subject: Adoption of a Revision to the Ozone State Implementation Plan for Reasonably Available Control Technology

Recommendations

1. Conduct a public hearing;
 2. Determine that the adoption of the revision to the Ozone State Implementation Plan is exempt from the California Environmental Quality Act (CEQA); and
 3. Approve the attached resolution adopting the revision to the Ozone State Implementation Plan for Reasonably Available Control Technology.
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Executive Summary

The federal Clean Air Act requires air districts that are in nonattainment areas for the federal ozone standard to implement Reasonably Available Control Technology (RACT) for the emissions of ozone precursors – volatile organic compounds (VOC) and oxides of nitrogen (NOx). The RACT requirements apply to all source categories for which the U.S. Environmental Protection Agency (EPA) has published a Control Technique Guideline (CTG) document as well as all major sources of VOC and NOx.

The District was designated by EPA as a serious nonattainment area for the 8-hour ozone standard. Federal regulations promulgated by EPA require the District to submit a revision to the State Implementation Plan (SIP) that meets the federal Clean Air Act RACT requirements as they apply to the 8-hour ozone standard.

Staff performed an analysis of District rules that implement RACT for all CTG categories and major source of VOC and NOx. As a result of this analysis, Staff has determined that the District has fulfilled the requirements of RACT, as applicable to the 8-hour ozone standard, for all CTG source categories and for all major sources of VOC and NOx, with the following exception. At the Kiefer Landfill, a major source of NOx, the emissions of NOx from the flare are not limited by a SIP-approved rule.

Staff has prepared a revision to the Ozone SIP to satisfy the federal RACT requirements. The proposed SIP revision includes: 1) negative declarations for 13 CTG source categories for which the District has no sources, 2) certification that the District has met the RACT requirements for applicable CTG source categories and all major sources of VOC and NOx, and 3) portions of the existing permit for the flare at the Kiefer Landfill. (This action is equivalent to adopting a rule with the same requirements and including it in the SIP.)

Attachments

The table below identifies the attachments to this memo:

Item	Attachment	Page #
Board Resolution for Ozone SIP Revision	A	5
Proposed Ozone SIP Revision	B	8
Staff Report	C	31
Evidence of Public Notice	D	149

Background

EPA published the final Phase 2 Rule to implement the 8-hour ozone air quality standard on November 29, 2005 (70 FR 71611). Among the requirements of the Phase 2 Rule, a new section was added to the Code of Federal Regulations (40 CFR 51.912) that requires the District to submit a revision to the SIP that meets the RACT requirements for VOC and NOx in accordance with Sections 182(b)(2) and 182(f) of the federal Clean Air Act. This requirement is known as the RACT SIP.

EPA defines RACT (44 FR 53762) 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.” Sections 182(b)(2) and 182(f) of the Clean Air Act require the District to implement RACT for:

- Each category of VOC sources that is covered by a Control Technique Guideline (CTG) document issued by EPA; and
- All major stationary sources of VOC and/or NOx.

EPA’s designations and classifications for the 8-hour ozone standard were published on April 30, 2004 (69 FR 23857) and became effective on June 15, 2004. The Sacramento Metropolitan Area was classified as a serious nonattainment area, with a deadline of 2013 to attain the standard. The major source emissions threshold for areas classified as serious is 50 tons per year of either VOC or NOx.

RACT Analysis

Staff’s analysis is presented in the Staff Report (Attachment C). The process Staff used to demonstrate compliance with federal RACT requirements consists of the following steps:

- For CTG source categories for which the District has no applicable rule, verify that the District has no sources in these categories.
- For CTG source categories for which the District has an applicable rule, perform a detailed comparison of the rule requirements with applicable CTG and other RACT guidance documents.

- For non-CTG source categories that are found at one or more major sources within the District, perform a detailed comparison of the rule requirements applicable to those source categories with relevant RACT guidance documents.
- For major sources, determine the types of emission units at the facility and determine which District rules apply to these sources. The RACT requirement is satisfied for a major source when all units that emit VOC or NOx are subject to rules that have been determined to satisfy RACT.

EPA Region 9 provided a list of CTG categories and documents in a letter from Andrew Steckel dated April 4, 2006. Staff reviewed the list, and determined which District rules are applicable to the CTG categories. For categories where the District has no applicable rule, Staff reviewed the database of permitted sources and the yellow pages to determine whether there are any sources in these categories. Staff determined that there are 13 CTG categories for which the District has no sources. Staff also determined there are no CTG categories for which the District has sources but no applicable rule.

Staff reviewed the permitting records of sources within the District to compile a list of major sources of VOC and/or NOx. Because the District is classified as a serious nonattainment area for the 8-hour ozone standard, major sources are those for which the potential-to-emit exceeds 50 tons per year of either VOC or NOx.

Based on the analysis as presented in the Staff Report (Attachment C), Staff finds that the District has fulfilled the requirements of RACT, as applicable to the 8-hour ozone standard, for all CTG source categories and for all major sources of VOC and NOx, with the following exception. At the Kiefer Landfill, a major source of NOx, the emissions of NOx from the flare are not limited by a SIP-approved rule.

The RACT deficiency will be remedied by submitting for inclusion in the SIP the portions of the permit that require a NOx limit of 0.06 lb/mmBtu for the flare and the associated testing and recordkeeping requirements.

Business Cost Impacts

No costs to businesses will be incurred as a result of proposed SIP revision.

District Impacts

The proposed SIP revision will not result in an additional need for staff resources.

Emission Impacts

The proposed SIP revision will not have any effect on emissions.

Environmental Review and Compliance

The proposed SIP revision will make the existing NOx emission limit for the Kiefer Landfill flare federally enforceable. The source already meets the emission limit. Therefore, Staff has determined that the adoption of the proposed SIP revision is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the State CEQA Guidelines 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.

Public Outreach

A public notice for the Board hearing to consider the adoption of the proposed SIP revision was published in the Sacramento Bee on September 26, 2006. The Staff Report and proposed SIP revision were made available on that day. The public notice was also mailed to all major sources within the District as well as other parties who requested public notices for District rulemaking activities. In addition, Staff discussed the inclusion of the Kiefer Landfill flare permit as a SIP revision with the County of Sacramento Department of Waste Management and Recycling and received their concurrence.

Conclusion

The proposed SIP revision will satisfy the requirements of the federal Clean Air Act and federal regulations (40 CFR 51.912). Therefore, staff recommends that the Board determine that the proposed SIP revision is exempt from CEQA and approve the attached resolution adopting the SIP revision.

Respectfully Submitted

Larry Greene, Air Pollution Control Officer
Sacramento Metropolitan
Air Quality Management District

Approved as to form:

Kathrine Pittard, District Counsel
Sacramento Metropolitan
Air Quality Management District

Attachments