



Air Pollution Control Board

San Diego County Air Pollution Control District

GOVERNING BODY

GREG COX
First District

DIANNE JACOB
Second District

DAVE ROBERTS
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

AGENDA ITEM

DATE: June 24, 2015

AP02

TO: Air Pollution Control Board

SUBJECT: NOTICED PUBLIC HEARING - ADOPTION OF PROPOSED NEW RULE 67.0.1 - ARCHITECTURAL COATINGS AND REPEAL OF EXISTING RULE 67.0 -ARCHITECTURAL COATINGS DISTRICTS: ALL)

Overview

This is a request for the Air Pollution Control Board to adopt proposed new Rule 67.0.1 to reduce the volatile organic compounds (VOC) emitted from the application of coatings to stationary structures in San Diego County. These coatings include a variety of residential, commercial and industrial paints, primers, sealers and other products. When these architectural coatings are applied, VOC are emitted into the air and react with other air pollutants to form ground level ozone, a major component of smog. San Diego County Air Pollution Control District (District) has programs and regulations in place designed to meet the current California or National Ambient Air Quality Standards for ozone, however, the county currently does not meet these standards. As a result, the District is required to update its regulations, as necessary, to reflect the latest advances in technology to further reduce ozone-forming emissions. Adoption of Rule 67.0.1 will help fulfill these State and national requirements.

If adopted, Rule 67.0.1 will replace existing Rule 67.0, which was last updated in 2001. Since 2001, coating manufacturers have developed new architectural coatings that contain less VOC while meeting appearance, durability and other performance needs. Proposed Rule 67.0.1 reflects the development of new, lower VOC content coatings and is based on a Suggested Control Measure (SCM) developed in 2007 by the California Air Resources Board that is designed to further reduce VOC emissions and encourage consistency in the regulation of architectural coatings across the State. Several air districts throughout California have already adopted the requirements found in the SCM and as a result complying coatings are now readily available.

If adopted, on January 1, 2016, the proposed new Rule 67.0.1 would go into effect and existing Rule 67.0 would be automatically repealed. Coatings manufactured before January 1, 2016, may be sold for up to three years and applied at any time. This will allow time for affected businesses and consumers to sell or use their inventories of non-compliant coatings and then transition to the new coatings required by Rule 67.0.1.

Substantial outreach was conducted during the rule development process to ensure that the

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architectural coatings industry would not be negatively affected. No significant concerns were raised and all known issues have been addressed.

Recommendation(s)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of proposed new Rule 67.0.1 and repeal of existing Rule 67.0 are categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to California Code of Regulations, Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the Resolution entitled RESOLUTION ADOPTING NEW RULE 67.0.1 - ARCHITECTURAL COATINGS AND REPEALING RULE 67.0 - ARCHITECTURAL COATINGS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

Fiscal Impact

There is no fiscal impact associated with the adoption of the resolution. If adopted, there will be no change in net General Fund cost and no additional staff years.

Business Impact Statement

Adopting proposed new Rule 67.0.1 will not adversely impact the business community. Only one company in San Diego County manufactures architectural coatings and it already complies with the VOC content limits and other requirements of the proposed rule. Businesses involved in the distribution, sales and application of architectural coatings are familiar with the requirements of proposed new Rule 67.0.1 due to the California Air Resources Board's 2007 SCM and corresponding requirements already in place throughout much of California. A socioeconomic impact assessment (Attachment B) conducted by the District demonstrates that adopting the proposed rule will not have a significant economic impact on affected industries or small businesses in San Diego County.

Advisory Board Statement

At its meeting on August 13, 2014, with a quorum present, the Air Pollution Control District Advisory Committee voted unanimously in support of the Air Pollution Control District's recommendations.

Background

San Diego County does not meet the current California and National Ambient Air Quality Standards for ozone and therefore is classified as an ozone nonattainment area. Both State and federal laws require the District to adopt and implement rules to control emissions of ozone

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precursors, which include VOC and oxides of nitrogen (NO_x). In addition, as control technologies advance and new or tighter limits on air pollutant emissions become feasible, the District is required to update its rules accordingly and the proposed rule is a result of this requirement.

Existing Rule 67.0 regulates VOC emissions from the manufacture, sale and use of architectural coatings that include a variety of residential, commercial and industrial paints, stains, varnishes and other products. Existing Rule 67.0 was first adopted in 1988 and last amended in 2001. In 2007, the California Air Resources Board (CARB) approved a new SCM for architectural coatings that included lower VOC content limits for several coatings and other requirements based on the latest achievements in coating formulation technology. Additionally, CARB adopted a resolution strongly encouraging local air districts to adopt the 2007 SCM as written. Several air districts throughout California have since adopted the requirements of the SCM and, as a result, complying coatings are now readily available.

To ensure clarity, and due to the large number of revisions to existing Rule 67.0 that would be necessary to reflect the 2007 SCM, the District now proposes repealing Rule 67.0 and adopting proposed new Rule 67.0.1 in its place. Like Rule 67.0, proposed new Rule 67.0.1 will regulate VOC emissions from architectural coatings used for painting stationary structures and their accessories. The rule requires any person who manufactures, supplies, sells, offers for sale, applies or solicits for application any architectural coating within San Diego County to comply with all applicable provisions of the rule, including VOC content limits, labeling and reporting requirements.

Proposed new Rule 67.0.1 provides a three-year sell-through period for architectural coatings manufactured before its effective date. In addition, architectural coatings purchased before the rule's effective date may be applied at any time, both before and after the effective date. If adopted, proposed new Rule 67.0.1 will take effect on January 1, 2016. On that same date, Rule 67.0 will be automatically repealed.

During development of proposed new Rule 67.0.1, District staff conducted a public workshop to discuss the proposed requirements with affected parties. The workshop was attended by 18 people, including representatives of out-of-state paint manufacturers and an industry group, architectural coatings distributors, sellers and users. No significant concerns were raised at the workshop and all known issues have been addressed. Additional outreach is planned upon adoption of the proposed rule, including distribution of an advisory to affected parties to enhance awareness of the new requirements.

Socioeconomic Impact Assessment

Section 40728.5 of the State Health and Safety Code requires the District to perform an assessment of the socioeconomic impacts when adopting, amending, or repealing a rule that will significantly affect air quality or emission limitations. Proposed new Rule 67.0.1 will affect emission limitations by establishing more stringent VOC emission standards for architectural coatings. Accordingly, a Socioeconomic Impact Assessment has been prepared (Attachment B),

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which shows that proposed new Rule 67.0.1 will not have a significant economic impact on either the affected industry or on small businesses in San Diego County.

Environmental Statement

The California Environmental Quality Act (CEQA) requires environmental review for certain actions. CARB determined that no significant adverse environmental impacts would occur as a result of an air district adopting the provisions of the 2007 SCM for architectural coatings. The District conducted a preliminary review of whether CEQA applies to the adoption of Rule 67.0.1. Proposed new Rule 67.0.1 will reduce VOC emissions from architectural coatings in San Diego County by approximately 32%, or 840 tons per year. District staff determined that the adoption of Rule 67.0.1 and repeal of Rule 67.0 are categorically exempt from the provisions of CEQA pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Linkage to the County of San Diego Strategic Plan

Today's proposed actions support the Sustainable Environments Initiative in the County of San Diego's 2015–2019 Strategic Plan with an objective to enhance the quality of the environment by focusing on sustainability, pollution prevention and strategic planning. Proposed new Rule 67.0.1 will reduce air pollutant emissions and improve air quality in San Diego County.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer



ROBERT J. KARD
Air Pollution Control Officer

ATTACHMENT(S)

- Attachment A – Resolution Adopting New Rule 67.0.1 - Architectural Coatings and Repealing Rule 67.0 - Architectural Coatings, of Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District
- Attachment B – Socioeconomic Impact Assessment
- Attachment C – Comparative Analysis
- Attachment D – Incremental Cost-Effectiveness Analysis
- Attachment E – Workshop Report
- Attachment F – Existing Rule 67.0 - Architectural Coatings to be Repealed

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:
December 12, 2001 (2), Amendment of Rule 67.0 – Architectural Coatings

BOARD POLICIES APPLICABLE:
N/A

BOARD POLICY STATEMENTS:
N/A

MANDATORY COMPLIANCE:
N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):
N/A

ORIGINATING DEPARTMENT: AIR POLLUTION CONTROL DISTRICT

OTHER CONCURRENCES(S): N/A

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