



# Air Pollution Control Board

## San Diego County Air Pollution Control District

### GOVERNING BODY

GREG COX  
First District

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Second District

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Third District

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Fourth District

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Fifth District

### AGENDA ITEM

**DATE:** May 11, 2016

# AP02

**TO:** Air Pollution Control Board

**SUBJECT:** NOTICED PUBLIC HEARING - ADOPTION OF PROPOSED NEW RULE 67.12.1 – POLYESTER RESIN OPERATIONS, AND REPEAL OF EXISTING RULE 67.12 – POLYESTER RESIN OPERATIONS (DISTRICTS: ALL)

#### Overview

This is a request for the Air Pollution Control Board to adopt proposed new Rule 67.12.1 to reduce the volatile organic compounds (VOCs) emitted from polyester resin materials used in the manufacture of products such as aerospace components, synthetic marble products, surfboards and boats. VOCs emitted into the air contribute to the formation of ground level ozone, an air pollutant. Despite substantial air quality improvement over the past two decades, San Diego County has not yet attained state and federal air quality standards (limits) for ozone. Consequently, the Air Pollution Control District (District) is required by state and federal law to update its regulations as necessary to reflect the latest advances in technology to further reduce ozone-forming emissions. Adoption of Rule 67.12.1 will help fulfill this requirement.

If adopted, Rule 67.12.1 will replace existing Rule 67.12, which was last updated in 1996 and is now outdated. Since 1996, manufacturers of polyester resin materials have developed new materials that contain less VOCs while still meeting appearance, durability, strength, and other performance needs. Proposed Rule 67.12.1 reflects the development and availability of these lower emitting materials. Several air districts throughout California have already adopted the same requirements and compliant polyester resin materials are now readily available and are largely in use in San Diego County.

If adopted, proposed new Rule 67.12.1 will take effect in one year for existing facilities, and existing Rule 67.12 will be automatically repealed at that time. This one year grace period provides time for affected businesses to use their existing inventories of conventional polyester resin materials and then transition to the new lower emitting materials required by Rule 67.12.1. Any future new operations must comply with new Rule 67.12.1 upon startup.

Substantial outreach to affected facilities was conducted during the rule development process. No significant concerns were raised and all known issues have been addressed. Additional outreach is planned upon adoption of the proposed new rule, including distribution of an advisory to affected parties to enhance awareness of the new requirements. Additionally, the

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amended rules will be submitted to the U.S. Environmental Protection Agency through the California Air Resources Board for approval as part of the San Diego County portion of the State Implementation Plan for attaining and maintaining air quality standards.

**Recommendation(s)**

**AIR POLLUTION CONTROL OFFICER**

1. Find that the adoption of proposed new Rule 67.12.1 and repeal of existing Rule 67.12 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 67.12.1 – POLYESTER RESIN OPERATIONS AND REPEALING RULE 67.12 – POLYESTER RESIN OPERATIONS 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 these recommendations. There will be no change in net General Fund cost and no additional staff years are required.

**Business Impact Statement**

Adopting proposed new Rule 67.12.1 will not adversely impact the business community. Compliant polyester resin materials are widely available and equally priced, or only marginally more expensive. Most affected facilities already comply with the proposed new rule. Furthermore, the new requirements will not apply to existing businesses for one year, allowing time to deplete existing inventories of conventional materials and transition to lower emitting materials.

**Advisory Board Statement**

At its meeting on February 10, 2016, with a quorum present, the Air Pollution Control District Advisory Committee voted unanimously in support of the 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 precursors, including VOCs. In addition, as control technologies advance and new or tighter limits on air pollutant emissions become feasible, the District is required under state and federal laws to update its rules accordingly. Proposed new Rule 67.12 is a result of these state and federal requirements.

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Proposed new Rule 67.12.1 will limit VOC emissions from polyester resin materials and cleaning solvents used in the manufacture of products such as aerospace components, synthetic marble products, surfboards and boats. The proposed rule also limits emissions of particulate matter that results from the sanding of newly manufactured polyester resin products. In addition, the rule contains updated record keeping requirements and test methods.

There are 24 facilities in San Diego County that are currently subject to existing Rule 67.12 and thus subject to proposed new Rule 67.12.1, with total VOC emissions from polyester resin operations of approximately 25 tons per year. The proposed new rule will reduce VOC emissions by approximately 4 tons per year or 16%. Most affected facilities already voluntarily comply with the proposed standards and thus the emission reductions are occurring. Nevertheless, adoption of Rule 67.12.1 is necessary to account for these emission reductions in the air quality program and fulfill state and federal mandates.

Pursuant to state law, District staff have compared the proposed new rule to other local or federal requirements for the control of air pollutant emissions from polyester resin operations (Attachment B). In addition, staff have evaluated the cost-effectiveness of any potential control options that achieve the same emission reduction objectives as the proposed rule (Attachment C).

District staff conducted a public workshop to discuss the proposed requirements with affected parties. No significant concerns were raised and all known issues have been addressed, as described in a workshop report that was distributed to interested parties (Attachment D).

**Socioeconomic Impact Assessment**

State law 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. A review conducted by District staff found that proposed new Rule 67.12.1 will not significantly affect air quality or emission limitations. Most affected facilities already comply with the proposed standards. Emission reductions have already occurred due to compliant polyester resin materials being widely available and largely in use in San Diego County. The District does not expect additional, significant emission reductions as a result of the adoption of proposed new Rule 67.12.1. Accordingly, a socioeconomic impact assessment is not required and has not been prepared.

**Environmental Statement**

The California Environmental Quality Act (CEQA) requires environmental review for certain actions. The District conducted a review to determine if CEQA applies to the adoption of proposed Rule 67.12.1. Most affected facilities already use materials that comply with the proposed new rule. If adopted, the rule will further reduce VOC emissions from polyester resin operations in San Diego County. District staff thus determined that the adoption of Rule 67.12.1 and repeal of Rule 67.12 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

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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 2016–2021 Strategic Plan with an objective to enhance the quality of the environment by focusing on sustainability, pollution prevention and strategic planning. Proposed new Rule 67.12.1 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 67.12.1 – Polyester Resin Operations and Repealing Rule 67.12 – Polyester Resin Operations, of Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District
- Attachment B – Comparative Analysis
- Attachment C – Incremental Cost-Effectiveness Analysis
- Attachment D – Workshop Report
- Attachment E – Existing Rule 67.12 – Polyester Resin Operations 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:**  
May 15, 1996, Amendment of Rule 67.12 – Polyester Resin Operations

**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

**CONTACT PERSON(S):**

ROBERT KARD  
Name  
(858) 586-2700  
Phone  
Robert.Kard@sdcounty.ca.gov  
E-mail

ROBERT REIDER  
Name  
(858) 586-2640  
Phone  
Robert.Reider@sdcounty.ca.gov  
E-mail