



COUNTY OF SAN DIEGO
AIR POLLUTION CONTROL DISTRICT

AIR POLLUTION CONTROL
BOARD

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: March 26, 2008

TO: San Diego County Air Pollution Control Board

SUBJECT: AMENDMENTS OF RULE 61.4 – TRANSFER OF VOLATILE ORGANIC COMPOUNDS INTO VEHICLE FUEL TANKS AND RULE 61.4.1 – TRANSFER OF GASOLINE FROM STATIONARY UNDERGROUND STORAGE TANKS INTO VEHICLE FUEL TANKS (District: All)

SUMMARY:

Overview

Adoption by the Air Pollution Control Board is requested for proposed amendments to Rule 61.4 – Transfer of Volatile Organic Compounds (gasoline and ethanol blends) into Vehicle Fuel Tanks, and Rule 61.4.1 – Transfer of Gasoline from Stationary Underground Storage Tanks into Vehicle Fuel Tanks.

Rule 61.4 requires gasoline stations to be equipped with vapor recovery systems that collect and control gasoline vapor emissions during vehicle refueling, pursuant to federal requirements. Rule 61.4.1, per State law, requires gasoline stations to be equipped with more stringent Enhanced Vapor Recovery systems, which is a mandated upgrade to the federal system requirement,

New federal guidance authorizes exemptions for non-retail gasoline stations from refueling vapor recovery requirements where at least 95% of vehicles being refueled are equipped with an Onboard Refueling Vapor Recovery system. This system is installed on newer model year vehicles to collect and control gasoline vapors during vehicle refueling. The onboard system is redundant to equipment installed at gasoline stations to control gasoline vapors during refueling. Consequently, gasoline stations primarily serving newer model year vehicles—such as municipal, corporate, or rental car fleets—can be exempted from costly requirements to install and maintain refueling vapor recovery equipment, without causing any increase in vapor emissions.

Recommendation(s)

AIR POLLUTION CONTROL OFFICER

1. Find that it is certain there is no possibility that amending Rules 61.4 and 61.4.1 may have a significant adverse effect on the environment, and this action is exempt from the provisions of California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15061 (b)(3);

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2. Adopt a resolution titled Resolution Amending Rules 61.4 and 61.4.1 of Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District.

Fiscal Impact

The recommended amendments to Rules 61.4 and 61.4.1 will not have a fiscal impact on the Air Pollution Control District Operational Plan for Fiscal Year 2008-2009. The amended rules will be enforced with existing District staff, and full-cost recovery is anticipated through the District's Permit Program.

Business Impact Statement

Amending Rules 61.4 and 61.4.1 will provide regulatory flexibility and economic benefits to many local businesses. Qualifying non-retail gasoline dispensing facilities will likely seek an exemption from costly requirements to install and maintain refueling vapor recovery equipment.

Advisory Board Statement

There was no quorum at the December 12, 2007, meeting of the Air Pollution Control District Advisory Committee. Members present recommended adopting the proposed amendments to Rules 61.4 and 61.4.1.

BACKGROUND:

Rule 61.4 regulates emissions during the transfer of volatile organic compounds (VOC), – primarily gasoline from stationary underground and aboveground storage tanks into vehicle fuel tanks. Rule 61.4 requires fuel dispensing facilities to be equipped with California Air Resources Board (ARB) certified vapor recovery (VR) systems that reduce VOC emissions during vehicle refueling (Phase II vapor recovery). The rule implements federal requirements and is included in the State Implementation Plan (SIP).

Further, pursuant to State requirements, the District adopted Rule 61.4.1 that regulates the transfer of gasoline from stationary underground storage tanks into vehicle fuel tanks. It requires gasoline dispensing facilities to be equipped with more stringent certified Enhanced Vapor Recovery (EVR) Phase II systems that further reduce VOC emissions.

Pursuant to federal requirements, all model year 2000 and newer passenger cars are equipped with an Onboard Refueling Vapor Recovery (ORVR) system, as are all model year 2003 and newer light duty trucks, sport utility and similar vehicles, and most model year 2003 and newer medium duty and heavy duty trucks with Gross Vehicle Weight Rating less than 10,000 lbs. It is expected that the VOC emission reduction efficiency of the ORVR systems on vehicles is at least as high as that of the EVR Phase II systems installed at gasoline stations, making it redundant to vapor recovery systems at gas stations. Accordingly, United States Environmental Protection Agency (EPA) allows for removing vehicle refueling vapor recovery equipment at gasoline

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dispensing facilities where it was determined that at least 95% of all vehicles refueled at the facility are ORVR-equipped. ARB concurs with this federal guidance.

The proposed amendments will exempt non-retail gasoline dispensing facilities, at which 95% or more of vehicles refueled are ORVR-equipped, from the VR (Rule 61.4) or EVR (Rule 61.4.1) refueling vapor recovery requirements, as applicable. These amendments will also provide the same exemption in both rules for retail and non-retail facilities that refuel Flexible Fuel Vehicles operating on ethanol-gasoline blend (E85) that are already equipped with ORVR. Flexible fuel dispensers serve only Flexible Fuel Vehicles. These vehicles are newer and therefore equipped with the onboard systems to collect gasoline vapors during refueling.

Rule 61.4 is also being amended to correct minor deficiencies identified by EPA and delete outdated provisions. The amended rule will be submitted to EPA as a SIP revision. The rule was last amended in 1990 and has become outdated with respect to emission testing, recordkeeping, and test method provisions.

On October 18, 2007, the District held a public workshop to discuss and receive comments on the proposed amended rules. No significant issues were raised, and workshop participants expressed support for the proposed amendments. (Attachment C)

Compliance with Board Policy on Adopting New Rules

On February 2, 1993 (APCB #2), the Board directed that, with the exception of a regulation requested by business or a regulation for which a socioeconomic impact assessment is not required, no new or revised regulation shall be implemented unless specifically required by federal or State law. Proposed amendments to Rules 61.4 and 61.4.1 do not require a socioeconomic impact assessment. Therefore, implementation of these proposed amendments is consistent with the Board's directive.

Environmental Statement

It can be seen with certainty that there is no possibility that amending Rules 61.4 and 61.4.1 may have a significant adverse impact on the environment. This action is exempt from the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Section 15061 (b)(3).

Linkage to the County of San Diego's Strategic Plan

The County's five-year strategic plan includes an Environment Initiative to ensure environmental preservation and enhance quality of life. Proposed amended Rules 61.4 and 61.4.1 will benefit the local business community while maintaining equivalent or greater reduction of VOC emissions. The amended rules appropriately balance air quality preservation, public health protection, and economic development needs.

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Respectfully submitted,

Chandra Wallar

CHANDRA L. WALLAR
Deputy Chief Administrative Officer

Raymond A. Fernandez

RAYMOND A. FERNANDEZ
Air Pollution Control Officer (Acting)

ATTACHMENT(S)

Attachment A – Resolution Amending Rules 61.4 and 61.4.1 of Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District.

Attachment B – Change Copies

Attachment C – Workshop Report

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW	<input checked="" type="checkbox"/> Yes	
Written disclosure per County Charter §1000.1 required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
GROUP/AGENCY FINANCE DIRECTOR	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
CHIEF FINANCIAL OFFICER	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
Requires Four Votes	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
COUNTY TECHNOLOGY OFFICE	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
DEPARTMENT OF HUMAN RESOURCES	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: Air Pollution Control District, County of San Diego

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Raymond A. Fernandez
Air Pollution Control Officer (Acting)

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AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

March 1, 2006 (APCB #1), Adoption of New Rules 61.3.1 - Transfer of Gasoline into Stationary Underground Storage Tanks and 61.4.1-Transfer of Gasoline from Stationary Underground Storage Tanks into Vehicle Fuel Tanks; February 2, 1993 (APCB #2), Delayed implementation of new or revised regulations unless requested by business, specifically ordered by federal or State law, or for which a socioeconomic impact assessment is not required; October 16, 1990 (APCB #3) Amendment of Rules 61.3 and 61.4 to correct deficiencies identified by the Environmental Protection Agency; May 6, 1977, Adoption of Rule 61.3 – Transfer of Volatile Organic Compounds into Stationary Storage Tanks and Rule 61.4 - Transfer of Volatile Organic Compounds into Vehicle Fuel Tanks.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

CONTRACT AND/OR REQUISITION NUMBER(S):

N/A