



COUNTY OF SAN DIEGO
AIR POLLUTION CONTROL DISTRICT

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: March 25, 2009

TO: San Diego County Air Pollution Control Board

SUBJECT: ADOPTION OF NEW RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, AND STEAM GENERATORS (District: All)

SUMMARY:

Overview

Adoption by the Air Pollution Control Board is requested for proposed new Rule 69.2.1, regulating emissions of oxides of nitrogen from new and replacement small boilers, process heaters, and steam generators. Nitrogen oxides emitted to the atmosphere as a result of fuel combustion in this equipment play a role in ozone formation. San Diego County does not yet attain State and federal air quality standards for ozone, a major component of smog.

The emissions control technology for the equipment affected by this rule is well established and the proposed rule provisions are similar to existing regulatory requirements in several other California air districts. Proposed new Rule 69.2.1 applies to manufacturers, sellers, distributors, or installers of affected equipment. It will prohibit the sale, distribution, or installation of any unit that does not comply with the proposed emission limits and requires equipment manufacturers to certify the unit's compliance with all applicable rule provisions. The proposed rule will not affect existing equipment.

Upon full implementation, the rule will reduce emissions of nitrogen oxides from affected equipment by approximately 73%, or 65 tons per year. It will help fulfill State requirements to implement all feasible control measures to achieve the ambient air quality standards for ozone.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the adoption of Rule 69.2.1 is 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.
2. Adopt the resolution entitled Resolution Adopting Rule 69.2.1 into Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control

SUBJECT: NEW RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, AND STEAM GENERATORS (District: All)

District.

Fiscal Impact

The proposed new Rule 69.2.1 will not have a significant fiscal impact on the Air Pollution Control District. The rule will be enforced with existing District staff.

Business Impact Statement

Adopting Rule 69.2.1 will not adversely impact the business community. Combustion equipment complying with the proposed rule is currently readily available in California. The rule will not affect any facility that currently operates such equipment in San Diego County until the equipment is replaced or new equipment is installed. Low-emitting units are more energy-efficient and their cost is expected to decrease over time due to advances in technology and increasing demand.

Advisory Board Statement

There was no quorum at the Air Pollution Control Advisory Committee meeting on January 14, 2009, but the members present recommended adopting the proposed rule.

BACKGROUND:

San Diego County currently does not meet the National and State Ambient Air Quality Standards for ozone and is classified as an ozone nonattainment area. Both federal and State laws require the San Diego County Air Pollution Control District (District) to implement rules that regulate emissions of ozone precursors - volatile organic compounds and oxides of nitrogen (NO_x).

Proposed new Rule 69.2.1 will control NO_x emissions from small combustion units, such as boilers, process heaters, and steam generators. Rule 69.2.1 will also help fulfill State requirements to implement all feasible control measures that reduce NO_x emissions. The proposed rule emission standards are similar to existing regulatory requirements in several other California air districts, including South Coast, San Joaquin Valley, Bay Area, and Ventura County, among others, and the emission control technology such as low-NO_x burners is widely available.

New Rule 69.2.1 will prohibit the manufacture, sale, offer for sale, or installation within San Diego County of any small boiler, process heater, or steam generator that does not comply with the specified emission standards. It will require the manufacturer of any unit offered for sale within San Diego County to submit to the District a statement certifying that each model of boiler, process heater, or steam generator complies with all applicable provisions of the rule. A certification statement approved by the South Coast Air Quality Management District may be submitted to avoid duplicative testing and certification costs. The manufacturer must also display on the shipping carton and the nameplate of such a unit the model number and certification status showing that it complies with the proposed Rule 69.2.1, or the South Coast Air Quality Management District Rule 1146.2. All emission test records and certification records must be kept by the equipment manufacturer for as long as the unit model is offered for sale or sold within San Diego County, or for three calendar years after manufacture, whichever is longer.

SUBJECT: NEW RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, AND STEAM GENERATORS (District: All)

Proposed new Rule 69.2.1 will become effective one year after the date of adoption to allow for depletion of existing inventories of combustion equipment. It will not affect any facility that currently operates any unit subject to the new requirements until the unit is replaced or a new unit is installed.

When fully implemented, Rule 69.2.1 will affect approximately 800 combustion units and reduce NOx emissions from those units by 65 tons/year (73%). The estimated cost effectiveness ranges from \$4 to \$6 per pound of NOx reduced, depending on the size of the new unit.

On October 7, 2008, the District held a public workshop to discuss and receive comments on the proposed amended rule. No significant issues were raised.

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 new Rule 69.2.1 is required by State law, which calls for adoption of every feasible control measure to accelerate progress toward achieving the ambient air quality standard for ozone. Therefore, implementation of the proposed rule is consistent with the Board directive.

Environmental Statement

The California Environmental Quality Act (CEQA) requires environmental review for certain actions. The District conducted a preliminary review of whether CEQA applies to the adoption of Rule 69.2.1. Proposed new Rule 69.2.1 is required by State law, which calls for adoption of every feasible control measure to accelerate progress toward achieving the ambient air quality standard for ozone. Rule 69.2.1 will protect the environment by promoting significant reductions in NOx emissions. Therefore, the adoption of Rule 69.2.1 is exempt from the provisions of CEQA pursuant to California Code of Regulations, title 14, Section 15308.

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 new Rule 69.2.1 will provide a significant reduction of emissions without negatively impacting the local business community. The rule balances air quality preservation, public health protection, and economic development needs.

Respectfully submitted,



CHANDRA L. WALLAR
Deputy Chief Administrative Officer



ROBERT KARD
Air Pollution Control Officer

SUBJECT: NEW RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, AND
STEAM GENERATORS (District: All)

ATTACHMENT(S)

Attachment A – Resolution adopting new Rule 69.2.1 in 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

Attachment E – Workshop Report

SUBJECT: NEW RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, AND STEAM GENERATORS (District: All)

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

CONTACT PERSON(S):

ROBERT J. KARD

Name
(858) 586-2700
Phone
(858) 586-2701
Fax
O-176
Mail Station
Robert.Kard@sdcounty.ca.gov
E-mail

Name

Phone

Fax

Mail Station

E-mail

AUTHORIZED REPRESENTATIVE: _____

ROBERT J. KARD
Air Pollution Control Officer

SUBJECT: NEW RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, AND
STEAM GENERATORS (District: All)

AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

CONTRACT AND/OR REQUISITION NUMBER(S):

N/A