



Air Pollution Control Board

San Diego County Air Pollution Control District

Governing Body

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

AGENDA ITEM

DATE: February 24, 2010

TO: San Diego County Air Pollution Control Board

SUBJECT: NOTICED PUBLIC HEARING - ADOPTION OF RULE 66.1 – MISCELLANEOUS SURFACE COATING OPERATIONS AND OTHER PROCESSES EMITTING VOLATILE ORGANIC COMPOUNDS AND REPEAL OF EXISTING RULE 66 – ORGANIC SOLVENTS (District: All)

SUMMARY:

Overview

Volatile organic compounds emitted into the atmosphere contribute to formation of ozone, a major component of smog. San Diego County does not yet attain State and federal air quality standards for ozone.

Rule 66, initially adopted in 1972, was the first rule to control emissions of volatile organic compounds from stationary sources in San Diego County. It is presently used as a "catch-all" regulation for a variety of industrial operations that are not controlled by other air pollution control rules, including golf club manufacturing, plastic, glass and rubber coating operations, soil remediation, asbestos removal, and other operations using materials that contain volatile organic compounds. However, Rule 66 has become outdated. In addition, Rule 66 no longer satisfies the federal requirement for Reasonably Available Control Technology or the State requirement to implement all feasible measures to reduce volatile organic compound emissions. Therefore, the Air Pollution Control District requests to replace Rule 66 with proposed new Rule 66.1 in order to include a current definition of volatile organic compounds, provide emission limits for cleaning materials used for surface preparation and coating equipment cleaning, and specify record keeping requirements for users and manufacturers of such materials. After adoption, new Rule 66.1 will be submitted to the Environmental Protection Agency to replace Rule 66 in the San Diego County portion of the federally approved State Implementation Plan.

Staff conducted substantial outreach to affected facilities and industrial groups to ensure development of a balanced proposal. The proposed new rule includes exemptions in response to documented feasibility issues for specific operations. All known issues have been addressed.

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Recommendation(s)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of Rule 66.1 and repeal of Rule 66 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 Repealing Existing Rule 66 and Adding New Rule 66.1 into Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District.

Fiscal Impact

The proposed new Rule 66.1 will be implemented and enforced with existing staff and will not have a significant fiscal impact on the Air Pollution Control District.

Business Impact Statement

Adopting Rule 66.1 will not adversely impact the business community. Compliant cleaning solvents are widely available and many of them cost the same or less than conventional organic solvents. The majority of affected businesses are already using compliant cleaning materials. The socioeconomic impact assessment conducted by the San Diego County Air Pollution Control District shows that the proposed rule will not have a detrimental impact on affected industries.

Advisory Board Statement

At its meeting on November 12, 2009, with a quorum present, the Air Pollution Control District Advisory Committee expressed support of the Air Pollution Control District's recommendations.

BACKGROUND:

San Diego County does not currently meet the National and State Ambient Air Quality Standards for ozone and therefore 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 (VOCs) and oxides of nitrogen.

Proposed new Rule 66.1 will control VOC emissions from sources not subject to other District rules. It will replace outdated Rule 66. Rule 66.1 also satisfies federal requirements to

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implement Reasonably Available Control Technology and State requirements for implementing all feasible control measures to reduce VOC emissions.

Proposed Rule 66.1 establishes new emission standards that limit the VOC content of cleaning materials used in surface preparation, wipe cleaning, and coating application equipment cleaning. However, VOC emission limits for major operations subject to the rule will remain similar to current Rule 66. Specifically, any VOC emitting operation not covered by the District's other prohibitive rules must be controlled by air pollution control equipment unless the VOC emissions from such operations—excluding emissions from cleaning materials, which are subject to a separate VOC limit—are less than 5 tons per year. Alternatively, a facility can comply by using coatings with a specified, complying VOC content for both air-dried and baked coatings. Rule 66.1 includes the most recent definition of VOCs and establishes labeling and record keeping requirements for manufacturers and suppliers of VOC-containing materials that will facilitate compliance by affected facilities.

New Rule 66.1 requires the use of surface cleaning materials with a VOC content not exceeding 50 grams per liter or having a composite VOC vapor pressure (a measure of the VOC evaporation rate) not higher than 8 mm mercury (Hg) at 20°C (68°F). Cleaning of coating application equipment must be conducted according to the conditions outlined in the rule. All facilities must keep usage records and other specified parameters of VOC-containing materials to demonstrate compliance with the rule.

New Rule 66.1 exempts research and development operations, testing for quality control or quality assurance purposes, touch-up operations and the stripping of cured inks, coatings, and adhesives. In addition, some specialized processes are allowed exemptions from the VOC content limits for cleaning materials provided that the use of such non-compliant materials is limited to the small amounts specified in the rule.

New facilities will be subject to Rule 66.1 requirements immediately upon adoption. Existing facilities will have 12 months to comply with the new rule, allowing time for any adjustments of their processes and to deplete existing inventories of non-compliant materials. Upon completion of the 12-month grace period for existing facilities they will become subject to Rule 66.1 and Rule 66 will automatically be repealed.

New Rule 66.1 will apply to 172 companies in San Diego County. Upon full implementation, it will reduce VOC emissions from solvent cleaning operations by approximately 16%, or 9.1 tons per year.

During development of Rule 66.1, District staff conducted meetings with the operators of affected sources including industrial facilities, military installations, and small businesses. A public workshop was also held. Issues that were raised during and after the workshop were successfully resolved with affected parties.

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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 66.1 is required pursuant to federal law, which requires Reasonably Available Control Technology, and State law, which calls for adoption of every feasible control measure to accelerate progress toward achieving the ambient air quality standards for ozone. Therefore, implementation of the proposed rule is consistent with the Board directive.

Environmental Statement

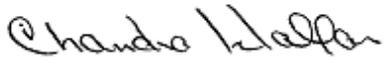
The California Environmental Quality Act (CEQA) requires environmental review for certain actions. The District conducted a preliminary review of whether CEQA applies to the adoption of Rule 66.1. Upon full implementation, new Rule 66.1 will reduce VOC emissions from solvent cleaning operations by approximately 16%, or 9.1 tons per year. District staff determined that the adoption of Rule 66.1 and repeal of Rule 66 are categorically exempt from the provisions of the 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

The County's five-year strategic plan includes an Environment Initiative to ensure environmental preservation and enhance quality of life. Proposed new Rule 66.1 will reduce emissions that contribute to smog formation without negatively impacting the local business community. The rule balances air quality preservation, public health protection, and economic development needs.

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Respectfully submitted,



CHANDRA L. WALLAR
Deputy Chief Administrative Officer



ROBERT KARD
Air Pollution Control Officer

ATTACHMENT(S)

Attachment A – Resolution Repealing Rule 66 & adopting new Rule 66.1 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

Attachment F – Existing Rule 66 to be Repealed

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 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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AUTHORIZED REPRESENTATIVE:

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AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

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

N/A