



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: June 30, 2010

TO: San Diego County Air Pollution Control Board

SUBJECT: NOTICED PUBLIC HEARING - ADOPTION OF RULE 67.20.1 - MOTOR VEHICLE AND MOBILE EQUIPMENT COATING OPERATIONS, AND REPEAL OF EXISTING RULE 67.20 - MOTOR VEHICLE AND MOBILE EQUIPMENT REFINISHING OPERATIONS (DISTRICT: ALL)

SUMMARY:

Overview

Adoption by the Air Pollution Control Board is requested for proposed Rule 67.20.1, regulating emissions of volatile organic compounds from automotive coating operations. 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 standards for ozone. Consequently, State law requires local adoption of all feasible measures to control emissions of volatile organic compounds.

Rule 67.20.1, if adopted, will replace Rule 67.20 and reflects the current availability of lower-emitting water-based automotive paints and cleaning solvents used in refinishing operations. The proposed rule provisions are consistent with those in a Suggested Control Measure developed by the California Air Resources Board, designed to simplify and improve consistency among automotive refinishing rules of California air districts while further reducing emissions from refinishing operations. The California Air Resources Board has requested adoption and implementation of the Suggested Control Measure by local air districts as soon as possible. Adoption of Rule 67.20.1 will fulfill this request for San Diego County.

Existing automotive refinishing operations will have 12 months to comply with the new rule, allowing time for adjustments of their processes and to deplete existing inventories of non-compliant materials. Upon completion of the 12-month grace period for existing operations, Rule 67.20 will automatically be repealed.

Staff conducted substantial outreach to affected facilities and industrial groups. All known issues have been addressed. Numerous automotive refinishing shops are already

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in compliance due to market availability of compliant products.

Recommendation(s)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of Rule 67.20.1 and repeal of Rule 67.20 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 67.20.1 – Motor Vehicle and Mobile Equipment Coating Operations, and Repeal of Rule 67.20 – Motor Vehicle and Mobile Equipment Refinishing Operations of Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District.

Fiscal Impact

The proposed new Rule 67.20.1 will not have a significant fiscal impact on the Air Pollution Control District. The rule will be implemented and enforced with existing Air Pollution Control District staff.

Business Impact Statement

Adopting Rule 67.20.1 will not adversely impact the business community. Compliant coatings and cleaning solvents are widely available and many affected businesses are already using compliant materials. The socioeconomic impact assessment conducted by the San Diego County Air Pollution Control District and its contractor shows that the proposed rule will not have a detrimental impact on affected industries.

Advisory Board Statement

At its meeting on April 14, 2010, with a quorum present, the Air Pollution Control District Advisory Committee supported 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.

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Existing Rule 67.20 regulates VOC emissions from motor vehicle and mobile equipment refinishing (coating or recoating) operations. The rule was adopted in 1996 to satisfy State law. In 2005, the California Air Resources Board (ARB) adopted a Suggested Control Measure (SCM) for Automotive Coatings to achieve further VOC emission reductions due to the availability of low emitting water-based paints and cleaning materials. The SCM also improves the clarity and enforceability of District automotive coatings rules and provides a basis for Statewide uniformity in those rules. The SCM reflects nearly four years of study of automotive coatings and was developed in cooperation with local air districts, the United States Environmental Protection Agency, and the affected industry. Several air districts have since updated their rules to reflect the SCM, including South Coast, San Joaquin Valley, Ventura County, Santa Barbara County, and Bay Area.

As a result of the State SCM and other air district rules, compliant coatings and solvents are now readily available in San Diego County and elsewhere. These coatings are lower emitting due to reformulations that replaced some of the organic solvent with water or exempt solvents (with low photochemical reactivity) while maintaining coating durability. New application equipment and training are generally required to apply the low-emitting coatings. However, coating manufacturers and paint suppliers often provide equipment and training free of charge for use of their coatings.

Due to the extent of Rule 67.20 revisions that would be necessary for consistency with the SCM, and for purposes of clarity, the District proposes repealing Rule 67.20 and adopting new Rule 67.20.1 that incorporates the VOC limits and other provisions of the SCM. Consistent with the SCM, Rule 67.20.1 simplifies the regulation of automotive refinishing operations by eliminating the separation of vehicle types into Group I and Group II categories and instead provides uniform VOC limits for coatings used on passenger vehicles, heavy-duty vehicles, and mobile equipment. It also eliminates the composite VOC limit for multistage systems and the corresponding averaging calculations of the VOC content for such systems and instead provides separate VOC limits for clear coatings and color coatings.

Proposed Rule 67.20.1 specifies lower VOC content for nearly all coating categories. It also specifies a VOC limit of 25 grams/liter for any cleaning material used for motor vehicle and mobile equipment coating operations. Additionally, as required by the SCM, the proposed rule has a number of prohibitions that include a prohibition of sale of non-compliant coatings or solvents and a prohibition of possession of such materials in automotive refinishing shops. The rule also contains some additional requirements for manufacturers or suppliers of automotive coatings and related materials to provide all the necessary information to their clients enabling them to comply with the rule requirements.

Proposed Rule 67.20.1 also has some exemptions, as appropriate. These are limited exemptions for military tactical support vehicles and equipment and for motor vehicle restoration facility operations designed to restore a vehicle to its original appearance.

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New Rule 67.20.1 will apply to approximately 370 existing automotive refinishing facilities in San Diego County. It will reduce VOC emissions by approximately 65%, or 370 tons per year.

During development of Rule 67.20.1, District staff conducted meetings with the operators of affected sources and conducted a public workshop. Issues that were raised during and after the workshop were successfully resolved with affected parties.

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. New Rule 67.20.1 will affect emission limitations by establishing more stringent VOC emission standards for automotive coating operations. Accordingly, a Socioeconomic Impact Assessment has been prepared (Attachment B). It is not anticipated that proposed Rule 67.20.1 will have any significant impacts on the regional economy or on small businesses in San Diego County.

Environmental Statement

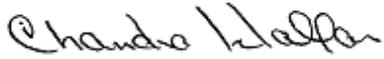
The California Environmental Quality Act (CEQA) requires environmental review for certain actions. The ARB determined that no significant adverse environmental impacts should occur as a result of an air district adopting the provisions of the State SCM. The District conducted a preliminary review of whether CEQA applies to the adoption of Rule 67.20.1. Upon full implementation, new Rule 67.20.1 will reduce VOC emissions from automotive refinishing operations by approximately 65%, or 370 tons per year. District staff determined that the adoption of Rule 67.20.1 and repeal of Rule 67.20 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

The County's five-year strategic plan includes an Environment Initiative to ensure environmental preservation and enhance quality of life. Proposed new Rule 67.20.1 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 Adopting New Rule 67.20 and Repeal of Rule 67.20
- Attachment B – Socioeconomic Impact Assessment
- Attachment C – Comparative Analysis
- Attachment D – Incremental Cost Effectiveness Analysis
- Attachment E – Workshop Report
- Attachment F – Existing Rule 67.20 to be Repealed

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

November 13, 1996 (APCB #3), Adoption of Rule 67.20 – Motor Vehicle and Mobile Equipment Refinishing Operations.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

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

N/A

ORIGINATING DEPARTMENT: [Click here & type]

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AGENDA ITEM INFORMATION SHEET

(continued)

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	
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	
Group/Agency Human Resources Director	<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			

AUTHORIZED REPRESENTATIVE:

ROBERT J. KARD
Air Pollution Control Officer