



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

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: October 30, 2019

AP02

TO: Air Pollution Control Board

SUBJECT

**NOTICED PUBLIC HEARING - ADOPTION OF AMENDMENTS TO RULE 11 –
EXEMPTION FROM RULE 10 PERMIT REQUIREMENTS (DISTRICTS: ALL)**

OVERVIEW

This is a request for the Air Pollution Control Board to adopt proposed amendments to Air Pollution Control District (District) Rule 11 - Exemptions from Rule 10 Permit Requirements. Rule 11 is an administrative rule that provides certain, low air pollution emitting equipment, operations and processes that have negligible or no effects on air quality with an exemption from the requirement to have a District permit to operate under Rule 10 (Permits Required).

The permit exemptions of District Rule 11 were last updated on May 11, 2016 (AP01), but since that time, District staff has identified two additional types of operations that emit negligible amounts of air pollutants and thus are now proposed for inclusion in Rule 11, where they would be exempt from District permit requirements. These are low-emitting solvent cleaning operations using solvent containing 25 grams or less of volatile organic compounds (VOC) per liter of solvent. Specifically, these are cold solvent degreasing, vapor degreasing and stripping operations that have negligible or zero VOC emissions (a precursor to ozone) and have essentially no effect on ozone concentrations in the region. This proposed exemption is in place in many other air districts and relieves affected businesses of the need to have an air district permit. If approved, this exemption would enable approximately 450 solvent cleaning permits to be retired (i.e. eliminated) because the equipment uses low VOC solvents and District permits to operate would no longer be required.

An additional exemption is proposed for low-emitting polyester resin operations emitting 150 pounds or less of VOC per year. This permit exemption is proposed for consistency with exemptions currently in place for small, low-emitting coating operations. Currently, no existing permitted polyester resin operation in the region would qualify for this proposed exemption.

Additional amendments to Rule 11 are also proposed in order to further update and clarify the rule requirements.

The proposed amendments to Rule 11 were developed in collaboration with the U.S. Environmental Protection Agency (EPA) and California Air Resources Board (CARB) and with

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input from local facilities and the public. If approved, the amended rule will be submitted to the EPA through CARB for approval as part of the State Implementation Plan for attaining and maintaining air quality standards in the San Diego region.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of the proposed amendments to Rule 11 is exempt from the provisions of the California Environmental Quality Act 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 AMENDMENTS TO RULE 11 – EXEMPTIONS FROM RULE 10 PERMIT REQUIREMENTS, OF REGULATION II OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT

FISCAL IMPACT

If all eligible 450 solvent cleaning permits were to be retired, there would be approximately \$40,000 in lost fee revenue in Fiscal Year 2019-20, which would be offset by cost savings from the elimination of permit processing and compliance inspections for that equipment. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

Adopting the proposed amendments to Rule 11 will not adversely impact the business community. If approved, the proposed amendments will add permit exemptions for two additional categories of sources under specified conditions and further clarify and update the rule requirements.

ADVISORY BOARD STATEMENT

The proposed amendments to Rule 11 were included on the agenda for the Air Pollution Control District Advisory Committee meeting on June 12, 2019. One member of the Advisory Committee was present at the meeting. Staff went over the proposed amendments and no concerns with the proposal were raised.

BACKGROUND

Air Pollution Control District (District) Rule 11 - Exemptions from Rule 10 Permit Requirements, is an administrative rule that has been in place for many decades and provides certain equipment, operations and processes that emit negligible amounts of air pollutants with an exemption from permitting under Rule 10 - Permits Required. Without such Rule 11 exemptions, some types of activities that have no impact on air quality would be required to have a permit to operate under District Rule 10 - Permits Required.

Rule 11 was last updated on May 11, 2016 (AP01) and since then District staff has identified two additional types of operations that emit negligible amounts of air pollution and thus are now proposed for inclusion in Rule 11. Specifically, the proposed amendments to Rule 11 add a permit exemption for certain solvent cleaning operations (cold solvent degreasing, vapor degreasing or

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stripping operations) using low-emitting solvent containing 25 grams or less of volatile organic compounds (VOC) per liter of solvent. Solvent cleaning is the process of using solvents to remove grease, fats, oils, wax, soil and other substances from various metal, glass or plastic items. The proposed exemption is currently in place in several air districts. Many local sources that would qualify for the proposed exemption use solvents that contain no VOC.

Additionally, the proposed rule amendments will add a permit exemption for low-emitting polyester resin operations emitting 150 pounds or less of VOC per year. Polyester resin operations are typically part of the manufacturing processes for surfboards, boats, synthetic marble products, aerospace components and other products. The proposed exemption is consistent with exemptions currently in place in the District for small, low-emitting coating operations. Currently no existing permitted polyester resin operation in the region would qualify for this exemption.

Further, the proposed amendments to Rule 11 would add language to clarify that: (1) mobile, on-demand motor vehicle refueling operations are not exempt from permit requirements; (2) a permit exemption for certain surface preparation and wipe cleaning operations does not apply to cold solvent cleaning, vapor degreasing or stripping operations; (3) cannabis products are not defined as pharmaceutical products for purposes of Rule 11, therefore cannabis processing operations emitting more than two pounds of criteria air pollutants per day, or any amount of a toxic air contaminant that may pose a significant health risk, are not exempt from permit requirements; and (4) municipal wastewater pump stations with a throughput that averages less than one million gallons of wastewater per day are exempt from permit requirements.

If the proposed amendments to Rule 11 are adopted, approximately 450 existing solvent cleaning permits that are no longer required may be retired upon request by the permit holders. The District would incur an estimated \$40,000 loss in fee revenue in Fiscal Year 2019-20 should all 450 eligible permits be retired, which would be offset by cost savings from the elimination of permit processing and compliance inspections for that equipment.

Customer/Stakeholder Notification

District staff conducted a public workshop to solicit input on the proposed amendments to Rule 11 from affected parties. A workshop notice was posted on the District's website and sent to approximately 5,000 recipients including each air quality permit holder and chamber of commerce in the region, each member of the Air Pollution Control District Advisory Committee, subscribers to the County's email update service, the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB).

Approximately 45 people attended the workshop including industry representatives. No issues were raised and there was no opposition to the proposed actions. If the proposed amendments to Rule 11 are adopted, staff will conduct additional outreach, including distribution of an advisory notice to further inform potentially affected sources.

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

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limitations. Rule 11 is an administrative rule that specifies which sources are exempt from permit requirements. The proposed rule amendments would add permit exemptions for two types of sources that have negligible or no effects on air quality and would update and clarify other rule provisions. Adopting the proposal would not significantly affect air quality or emission limitations. Therefore, a socioeconomic impact assessment is not required and has not been prepared.

ENVIRONMENTAL STATEMENT

The California Environmental Quality Act (CEQA) requires environmental review of certain actions. District staff conducted a review of whether CEQA applies to the proposed amendments to Rule 11. Rule 11 is an administrative rule that specifies the types of sources that are exempt from permit requirements. The proposed rule amendments would add permit exemptions for two types of sources that have negligible or no effects on air quality and would update and clarify other rule provisions. If the proposal is adopted, and if existing permits for newly exempt equipment were retired, the affected units must continue to be operated in the same health-protective manner, generating negligible or no VOC emissions, in order to maintain their exemption. Otherwise, permits will be required pursuant to existing Rule 10 (Permits Required). Therefore, District staff has determined that adoption of the proposed amendments to Rule 11 is exempt from the provisions of CEQA 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 adverse effect on the environment.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed actions support the Sustainable Environments/Thriving Initiative in the County of San Diego’s 2019–2024 Strategic Plan with an objective to provide and promote services that increase the well-being of residents and increase consumer and business confidence. The proposed amendments to Rule 11 will help ensure that negligible sources of air pollutant emissions are not subject to permits and associated requirements and thus will increase business confidence while preserving the environment.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer



ROBERT J. KARD
Air Pollution Control Officer

ATTACHMENT(S)

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Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at www.sandiegocounty.gov/content/sdc/cob/bosa.html.

Attachment A – Resolution Adopting Amendments to Rule 11 – Exemptions from Rule 10 Permit Requirements, of Regulation II of the Rules and Regulations of the San Diego County Air Pollution Control District

Attachment B – Rule 11 Change Copy

Attachment C – Workshop Report

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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 11, 2016 (AP01), Amendment of Rule 11 and Related Amendment to Rule 66.1

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 CONCURRENCE(S): None

CONTACT PERSON(S):

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