

SOCIOECONOMIC IMPACT ASSESSMENT

**PROPOSED AMENDED RULE 61.2 –
TRANSFER OF ORGANIC COMPOUNDS
INTO MOBILE TRANSPORT TANKS**

December 2020

Prepared by

**San Diego County Air Pollution Control District
10124 Old Grove Road
San Diego, CA 92131**

**SOCIOECONOMIC IMPACT ASSESSMENT
PROPOSED AMENDED RULE 61.2 –
TRANSFER OF ORGANIC COMPOUNDS INTO MOBILE TRANSPORT TANKS**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
I. INTRODUCTION	4
II. NECESSITY OF PROPOSED AMENDED RULE 61.2	4
III. SUMMARY OF PROPOSED AMENDED RULE 61.2	5
IV. TYPE OF INDUSTRIES AFFECTED BY THE PROPOSED AMENDED RULE	5
V. RANGE OF PROBABLE COSTS TO INDUSTRY INCLUDING SMALL BUSINESS	6
VI. EMISSION REDUCTION POTENTIAL AND COST-EFFECTIVENESS OF THE PROPOSED AMENDED RULE	6
VII. CONCLUSION	6

EXECUTIVE SUMMARY

The San Diego County Air Pollution Control District (District) is required by federal and State law to adopt and periodically update rules to control and reduce ozone-forming emissions from stationary sources in the San Diego region, which is an ozone nonattainment area. The District's proposed amended Rule 61.2 – Transfer of Organic Compounds into Mobile Transport Tanks is the result of these federal and State requirements.

Additionally, when adopting, amending, or repealing a rule that will significantly affect air quality or emissions limitations, the District is required by State law to assess the socioeconomic impacts. Proposed amended Rule 61.2 will affect emissions limitations by establishing more stringent emissions standards for the transfer of organic compounds (e.g., gasoline and diesel) into mobile transport tanks. Accordingly, this Socioeconomic Impact Assessment (SIA) has been prepared pursuant to State law.

Current Rule 61.2, last revised in 2000, controls volatile organic compound (VOC) emissions from the transfer of organic compounds into mobile transport tanks. The rule was adopted, and subsequently approved by the U.S. Environmental Protection Agency (EPA) into the State Implementation Plan (SIP).

In June 2020, the EPA issued a technical support document identifying deficiencies in Rule 61.2 that require correction to assure federal approval of the rule. Rule 61.2 is being proposed for amendment to address these deficiencies, which include lower applicability threshold for mobile transport tanks, increased vapor control efficiency, lower emission limit, and removal of a military exemption.

Overall, the proposed amended rule is expected to have no significant impact on employment, business creation, elimination or expansion, or business competitiveness in the San Diego region. Facilities involved in the transfer of organic compounds into mobile transport tanks currently comply with the proposed amendments.

Proposed amended Rule 61.2 will reduce VOC emissions by approximately 165 tons per year. Since facilities already comply with the proposed amendments, these emission reductions have already been realized and no additional costs will be incurred by facilities.

I. INTRODUCTION

California law requires air pollution control districts (with populations of 500,000 people or higher) to perform an SIA when adopting, amending, or repealing rules and regulations that will significantly affect air quality and emission limitations.

The Health and Safety Code Section 40728.5, subdivision (b), specifies the following elements to be included in the SIA:

1. The type of industry or business, including small business, affected by the rule or regulation.
2. The impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulation.
3. The range of probable costs to industry or business, including small business, of the rule or regulation.
4. The availability and cost-effectiveness of alternatives to the rule or regulation.
5. The emission reduction potential of the rule or regulation.
6. The necessity of adopting, amending, or repealing the rule or regulation in order to attain state and federal ambient air quality standards.

Pursuant to Health and Safety Code Section 40728.5(e), the analyses specified in 2. and 4. above are not required if the proposed rule is substantially similar to or required by a State or federal law, regulation, or formal guidance document, including federal Control Techniques Guidelines. The District is proposing an increase in volatile organic compound (VOC) controls and/or lowering of the emission factor that are considered Reasonably Available Control Technology (RACT) requirements. Therefore, based on the Health and Safety Code stipulation, this SIA does not address either the availability or cost-effectiveness of the alternatives to proposed amended Rule 61.2, or its impact on the employment and the economy of San Diego County.

II. NECESSITY OF PROPOSED AMENDED RULE 61.2

The San Diego County Air Basin does not attain the National and State Ambient Air Quality Standards for ozone. Both federal and State laws require the District to implement rules that control emissions of ozone precursors – VOCs and oxides of nitrogen. Similarly, the California Clean Air Act requires the District to adopt all feasible measures to control and reduce ozone precursor emissions from stationary sources.

Existing Rule 61.2 applies to the transfer of VOC into mobile transport tanks having a capacity of 550 gallons or greater at three types of facilities: bulk terminals, bulk plants, and intermediate refuelers. The rule is also applicable to transferring other liquid compounds into any mobile transport tank that previously contained gasoline. The rule requires the use of a vapor recovery control system that controls, by at least 90%, all such transfers. The rule also specifies an emission

limit of 0.29 pounds of non-methane organic compounds (NMOC) per 1,000 gallons of VOC loaded for facilities with an annual VOC throughput that exceeds 5,000,000 gallons per year.

In 2016, the District submitted the 2008 Eight-Hour Ozone RACT Demonstration for San Diego County, stating that Rule 61.2 met RACT. However, the U.S. Environmental Protection Agency (EPA) identified minor deficiencies in Rule 61.2 and requested that the deficiencies be addressed.

In June 2020, the EPA issued a technical support document for the District's Reasonably Available Control Technology (RACT) Demonstration for the SIP,¹ which identified deficiencies in Rule 61.2 that require correction to assure federal approval of the rule. Rule 61.2 is being proposed for amendment to align with the RACT requirements, which include lower applicability threshold for mobile transport tanks, increased vapor control efficiency, lower emission limit, and removal of a military exemption.

Adopting proposed amended Rule 61.2 will incorporate the updated RACT requirements; provide the District with the opportunity to further control VOC emissions from organic compound transfer operations into mobile transport tanks; result in VOC emission reductions; and address minor deficiencies identified by the EPA. This action will also result in the improvement in air quality in San Diego County and expedite the attainment of the National and State Ambient Air Quality Standards for ozone.

III. SUMMARY OF PROPOSED AMENDED RULE 61.2

In summary, proposed amended Rule 61.2 will:

- Lower the applicability of the rule to mobile transport tanks having a capacity of greater than 120 gallons.
- Remove a limited bottom loading exemption for transfers conducted by the military.
- Require vapor recovery equipment control of at least 95% certified by the California Air Resources Board (CARB).
- Lower the emissions limit to 0.08 pounds of NMOC per 1,000 gallons of VOC loaded.
- Update test methods section.

IV. TYPE OF INDUSTRIES AFFECTED BY THE PROPOSED AMENDED RULE

Proposed amendments to Rule 61.2 applies to the transfer of organic compounds (e.g., gasoline and diesel) into mobile transport tanks at bulk plants, bulk terminals and intermediate refuelers. There are approximately 34 facilities with organic compound transfer operations that are permitted with the District. The military sites have verified that they no longer need the exemption from bottom loading, which is consequently proposed for removal from the rule. The three facilities with annual VOC throughputs exceeding 5,000,000 gallons are currently equipped with vapor

¹ EPA's Technical Support Document, 2008 Eight-Hour RACT Demonstration for San Diego County, Final – December 2016, Docket number EPA-R09-OAR-2020-0136, June 2020.

processors on their operations with source test verified emission factors below the proposed 0.08 pounds NMOC per 1,000 gallons of VOC loaded.

V. RANGE OF PROBABLE COSTS TO INDUSTRY INCLUDING SMALL BUSINESS

The proposed amended rule is expected to have no significant impact on employment, business creation, elimination or expansion, or business competitiveness in the San Diego region. The proposal will not significantly affect existing bulk plants, bulk terminal and intermediate refueler operations because these facilities currently comply with the proposed amendments. Therefore, there are no costs to facilities associated with implementing the requirements of the proposed amended rule.

VI. EMISSION REDUCTION POTENTIAL AND COST-EFFECTIVENESS OF THE PROPOSED AMENDED RULE

The VOC emission reductions of proposed amended Rule 61.2 were determined using the emission factors listed in AP-42 – Compilation of Air Emission Factors, Chapter 5.2; the proposed emission factor of 0.08 pounds per 1,000 gallons of VOC loaded; and the annual VOC throughput obtained from the Permits to Operate, inspection reports, source test data, or information provided by the affected facilities. The overall emission reductions for the proposed amended rule are estimated to be 165 tons of VOC per year.

Since facilities currently comply with the proposed amendments, there are no costs associated with the reduction in VOC emissions.

VII. CONCLUSION

Overall, proposed amended Rule 61.2 is expected to have no significant impact on employment, business creation, elimination or expansion, or business competitiveness in the San Diego region. Businesses involved in the transfer of organic compounds into mobile transport tanks currently comply with the proposed amendments.

The proposed amended rule will provide air quality benefits by reducing emissions of VOCs that are precursors of ground level ozone, a major component of photochemical smog.