

March 24, 2020

STATEMENT OF PROCEEDINGS

The Minutes of the

***AIR POLLUTION CONTROL BOARD
REGULAR MEETING***

**COUNTY OF SAN DIEGO
AIR POLLUTION CONTROL DISTRICT**

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO AIR POLLUTION CONTROL BOARD
REGULAR MEETING
MEETING AGENDA
TUESDAY, MARCH 24, 2020, 9:00 AM
BOARD OF SUPERVISORS NORTH CHAMBER
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

- A. REGULAR SESSION: Meeting was called to order at 9:00 a.m.

PRESENT: Members Greg Cox, Chairman; Jim Desmond, Vice-Chairman; Dianne Jacob; Kristin Gaspar; Nathan Fletcher; also, Andrew Potter, Clerk of the Board of Supervisors. (Please note, California Governor Gavin Newsom issued Executive Order N-29-20 on March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic. Pursuant to the Executive Order, and to maintain the orderly conduct of the meeting, all members of the Board of Supervisors attended the meeting via teleconference and participated in the meeting to the same extent as if they were present.)

- B. Public Communication: Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.
- C. Approval of the Statement of Proceedings/Minutes for the meeting of January 29, 2020.

ACTION:

ON MOTION of Member Jacob, seconded by Member Gaspar, the Air Pollution Control Board of the San Diego County Air Pollution Control District approved the Statement of Proceedings/Minutes for the meeting of January 29, 2020, on Consent.

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Agenda Items

- | Agenda # | Subject |
|-----------------|--|
| 1. | MEMORANDUM OF UNDERSTANDING WITH SANDAG TO ESTABLISH A SAN DIEGO REGIONAL ELECTRIC VEHICLE CHARGER INCENTIVE PROGRAM |
| 2. | NOTICED PUBLIC HEARING:
ADOPTION OF AMENDMENTS TO RULE 69.2.1 - SMALL BOILERS, PROCESS HEATERS, STEAM GENERATORS, AND LARGE WATER HEATERS |

3. NOTICED PUBLIC HEARING:
ADOPTION OF NEW RULE 69.2.2 - MEDIUM BOILERS, PROCESS
HEATERS, AND STEAM GENERATORS, AND RELATED
AMENDMENTS TO RULE 11 - EXEMPTIONS FROM RULE 10
PERMIT REQUIREMENTS AND RULE 12 - REGISTRATION OF
SPECIFIED EQUIPMENT
[FUNDING SOURCE: FEES PAID BY CUSTOMERS WITH
AFFECTED EQUIPMENT]
4. NOTICED PUBLIC HEARING:
ADOPTION OF AMENDMENTS TO RULE 69.4.1 - STATIONARY
RECIPROCATING INTERNAL COMBUSTION ENGINES, AND
REPEAL OF EXISTING RULE 69.4 - STATIONARY
RECIPROCATING INTERNAL COMBUSTION ENGINES -
REASONABLY AVAILABLE CONTROL TECHNOLOGY
5. PUBLIC COMMUNICATION

1. SUBJECT: MEMORANDUM OF UNDERSTANDING WITH SANDAG TO ESTABLISH A SAN DIEGO REGIONAL ELECTRIC VEHICLE CHARGER INCENTIVE PROGRAM (DISTRICTS: ALL)

OVERVIEW

Today's action would authorize the Air Pollution Control Officer to execute a Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) in order to pool agency resources and leverage State funding for the establishment of a single, unified incentive program for the purchase and installation of electric vehicle (EV) charging stations at publicly accessible sites throughout the region. EV adoption in the region is increasing and is expected to accelerate over the next several years in support of statewide and local air quality and climate goals. However, the widespread use of EVs in the region will require adequate charging infrastructure to power these vehicles. Today's proposal addresses this need and will help ensure that the region's charging infrastructure expands as the EV market grows.

The Fiscal Year 2019-20 Operational Plan for the Air Pollution Control District (District) includes \$500,000 in incentive funding to increase the region's publicly accessible EV charging infrastructure. Similarly, SANDAG has committed up to \$30 million over the next 30 years for this same purpose. Additionally, SANDAG is developing its incentive program in collaboration with the California Energy Commission (CEC), which has committed \$15.8 million in incentive funding to expand charging infrastructure in this region. The CEC is currently working with a consultant to implement incentive programs in other areas of the State.

The proposed MOU calls for SANDAG to collaborate with the CEC and contract with the CEC's consultant to design and administer a single, regionwide incentive program that is jointly funded by the three agencies, to begin in fall 2020. By leveraging funding from SANDAG and the CEC and capitalizing on their programs, the District's investment in EV charging infrastructure will have a much larger regional impact. Further, a unified regional program will provide a single interface and a seamless experience for applicants, thus helping to ensure its success. Eligible applicants will include owners of publicly accessible parking locations throughout the region such as at public buildings, shopping centers, businesses, and multi-unit dwellings.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that the proposed action is exempt from provisions of the California Environmental Quality Act (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 effect on the environment, and pursuant to sections 15301, (existing facilities) and 15303 (small structures).
2. Authorize the Air Pollution Control Officer to approve and execute the Memorandum of Understanding (MOU) with the San Diego Association of Governments and any future amendments to the MOU, provided the terms and conditions are not materially impacted or altered.

FISCAL IMPACT

Through the proposed Memorandum of Understanding (MOU), the Air Pollution Control District would commit \$500,000 per fiscal year for program costs beginning in Fiscal Year 2019-20 through the termination of the MOU on December 31, 2022. Funds for Fiscal Year 2019-20 are included in the Fiscal Year 2019-20 Operational Plan for the Air Quality Improvement Trust Fund based on prior year available Air Quality Improvement Trust Fund fund balance. There will be no change in net General Fund cost and no additional staff years. If approved, future year's program funding will be included in future Operational Plans.

BUSINESS IMPACT STATEMENT

The proposed actions will support the local economy and help businesses in the San Diego region by providing new opportunities for additional charging infrastructure to be purchased and installed.

ACTION:

ON MOTION of Member Jacob, seconded by Member Gaspar, the Air Pollution Control Board of the San Diego County Air Pollution Control District took action as recommended, on Consent.

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

2. **SUBJECT: NOTICED PUBLIC HEARING:
ADOPTION OF AMENDMENTS TO RULE 69.2.1 - SMALL BOILERS,
PROCESS HEATERS, STEAM GENERATORS, AND LARGE WATER
HEATERS (DISTRICTS: ALL)**

OVERVIEW

This is a request for the Air Pollution Control Board (Board) to adopt proposed amendments to Rule 69.2.1 (Small Boilers, Process Heaters, Steam Generators, and Large Water Heaters). The rule was initially adopted on March 25, 2009 (AP1) and regulates air pollutant emissions from new small boilers, process heaters, and steam generators (units). These units are commonly used at commercial facilities such as restaurants, laundromats, and hotels, and their resulting emissions contribute to the formation of ozone in the air we breathe. When inhaled, ozone adversely impacts people's health. Symptoms can include chest pain, shortness of breath, worsening of bronchitis and asthma, and nausea.

The San Diego region does not meet the California and National 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 adopt and implement rules to further control and reduce ozone-forming emissions. Additionally, as technologies to control air pollutant emissions advance and lower limits on the allowable emissions become feasible, the District is required by federal and State law to update its rules accordingly, and the proposed amended rule is the result of these requirements.

Today's proposed rule amendments include lower, more health-protective, emission limits for new units. Additionally, the proposed amendments extend the rule's applicability to smaller-sized units that are currently not subject to the rule. These smaller-sized units are commonly used at facilities such as apartment buildings and dry cleaners. The proposed requirements are similar to existing requirements in other California air districts (such as the South Coast, San Joaquin, and Sacramento air districts) and compliant units are readily available.

This proposal was developed with input from the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB), and District staff conducted substantial outreach to affected facilities including conducting a public workshop. Workshop participants requested clarifications and were not opposed to the proposed rule amendments.

Today's request is to approve a resolution adopting the amendments to Rule 69.2.1, which will become effective on January 1, 2021. The rule will then be submitted through CARB to the EPA for approval into the State Implementation Plan for attaining and maintaining the air quality standards.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of proposed amended Rule 69.2.1 - Small Boilers, Process Heaters, Steam Generators, and Large Water Heaters 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, 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 AMENDMENTS TO RULE 69.2.1 - SMALL BOILERS, PROCESS HEATERS, STEAM GENERATORS, AND LARGE WATER HEATERS, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

FISCAL IMPACT

There is no fiscal impact associated with the recommended actions. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

Adopting the proposed amendments to Rule 69.2.1 is not expected to pose significant impacts on affected industries in the San Diego region. The proposed emission limits are feasible, and compliant units are currently available due to similar requirements already in place in several California air districts. The proposed requirements apply to new units only and do not require early replacement or modification of existing equipment. While low-emitting units are more expensive than conventional ones, they are more energy efficient and are therefore cheaper to operate, with an estimated payback over the life of the equipment.

Equipment manufacturers will be required to certify their new units' compliance with the emission limits. However, the manufacturers already comply with this requirement in several other California air districts. The proposal increases regulatory certainty for the manufacturers by enhancing consistency with standards across the state.

ACTION:

This item was withdrawn.

3. **SUBJECT: NOTICED PUBLIC HEARING:
ADOPTION OF NEW RULE 69.2.2 - MEDIUM BOILERS, PROCESS
HEATERS, AND STEAM GENERATORS, AND RELATED
AMENDMENTS TO RULE 11 - EXEMPTIONS FROM RULE 10
PERMIT REQUIREMENTS AND RULE 12 - REGISTRATION OF
SPECIFIED EQUIPMENT (DISTRICTS: ALL)**

OVERVIEW

This is a request for the Air Pollution Control Board (Board) to adopt proposed new Rule 69.2.2 (Medium Boilers, Process Heaters, and Steam Generators) and related proposed amendments to Rule 11 (Exemptions from Rule 10 Permit Requirements) and Rule 12 (Registration of Specified Equipment) of the Air Pollution Control District (District). Proposed new Rule 69.2.2 will regulate air pollutant emissions from medium boilers, process heaters, and steam generators (units). These units are commonly used to provide hot water or steam at different types of facilities such as hospitals, college campuses, and military installations. These units are not currently regulated by the District and their resulting emissions contribute to the formation of ozone in the air we breathe. When inhaled, ozone adversely impacts people's health. Symptoms can include chest pain, shortness of breath, worsening of bronchitis and asthma, and nausea.

The need for the proposed new rule arises because the San Diego region does not meet the California and National Ambient Air Quality Standards for ozone. Consequently, both federal and State laws require the District to adopt and implement rules to further control and reduce ozone-forming emissions. Additionally, as technologies to control air pollutant emissions advance and lower limits on the allowable emissions become feasible, the District is required by federal and State laws to update its rules accordingly. The proposed new rule is the result of these requirements.

The proposed new rule establishes emission limits for new units in order to control and reduce their emissions and protect public health. Additionally, owners of new and existing units will be required to apply for either a permit or registration from the District and perform annual tune-ups to ensure the units are properly functioning and not generating excess emissions. The proposed requirements are similar to existing requirements in other California air districts (such as the Bay Area and Sacramento air districts), consequently compliant units are currently available.

The Board is also requested to adopt related proposed amendments to District Rule 11 (Exemptions from Rule 10 Permit Requirements) and Rule 12 (Registration of Specified Equipment). Rule 11 is an administrative rule that provides specified operations and processes with an exemption from the requirement to have a District permit. Rule 12 allows specified equipment owners with the option obtaining a registration, which is a streamlined, less costly alternative to the process of obtaining a permit. These proposed rule amendments are necessary for consistency with the permitting and registration provisions of proposed new Rule 69.2.2.

This proposal was developed with input from the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB), and District staff conducted substantial outreach to affected facilities including conducting a public workshop. Workshop participants requested clarifications and were not opposed to the proposed new rule requirements of Rule 69.2.2 or to the proposed amendments of Rules 11 and 12.

Today's request is to adopt proposed new Rule 69.2.2 and related amendments to Rules 11 and 12. If adopted, new Rule 69.2.2 will become effective on January 1, 2021, providing time for affected manufacturers and distributors to transition to the new requirements. The new rule will be submitted through CARB to the EPA for approval into the State Implementation Plan for attaining and maintaining the air quality standards.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of proposed new Rule 69.2.2 - Medium Boilers, Process Heaters, and Steam Generators, and proposed amendments to Rule 11 - Exemptions from Rule 10 Permit Requirements and Rule 12 - Registration of Specified Equipment 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, 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 69.2.2 – MEDIUM BOILERS, PROCESS HEATERS, AND STEAM GENERATORS, AND RELATED AMENDMENTS TO RULE 11 - EXEMPTIONS FROM RULE 10 PERMIT REQUIREMENTS AND RULE 12 - REGISTRATION OF SPECIFIED EQUIPMENT, OF REGULATIONS II AND IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2019-20 Operational Plan in the Air Pollution Control District. If approved, this request is expected to result in additional costs and revenues of \$633,000 for initial permit applications and annual registration renewals. The funding source is fees paid by customers with affected equipment. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

Adopting proposed new Rule 69.2.2 and the related proposed amendments to Rules 11 and 12 is not expected to pose significant impacts on affected industries in the San Diego region. The proposed emission limits are feasible and compliant units are currently available due to similar requirements already in place in several California air districts. The proposed emission limits apply to new units only and do not require early replacement or modification of existing units. While low-emitting units are more expensive than conventional ones, they are more energy efficient and are therefore cheaper to operate, with an estimated payback over the life of the equipment.

Equipment manufacturers will be required to certify their new units' compliance with the emission limits. However, the manufacturers already comply with this requirement in several other California air districts. The proposal increases regulatory certainty for the manufacturers by enhancing consistency with standards across the state. Additionally, owners of new and existing units will be required to apply for either a District permit or registration and perform annual tune-ups.

ACTION:

This item was withdrawn.

4. **SUBJECT: NOTICED PUBLIC HEARING:
ADOPTION OF AMENDMENTS TO RULE 69.4.1 - STATIONARY
RECIPROCATING INTERNAL COMBUSTION ENGINES, AND
REPEAL OF EXISTING RULE 69.4 - STATIONARY
RECIPROCATING INTERNAL COMBUSTION
ENGINES - REASONABLY AVAILABLE CONTROL TECHNOLOGY
(DISTRICTS: ALL)**

OVERVIEW

This is a request for the Air Pollution Control Board (Board) to adopt proposed amendments to Rule 69.4.1 (Stationary Reciprocating Internal Combustion Engines) of the Air Pollution Control District (District). Rule 69.4.1 regulates air pollutant emissions from stationary engines, which are commonly used by facilities (such as office buildings, manufacturing plants, hospitals, and other facilities that use electricity) as primary or backup engines to power their operations. These emissions contribute to the formation of ozone in the air we breathe. When inhaled, ozone adversely impacts people's health. Symptoms can include chest pain, shortness of breath, worsening of bronchitis and asthma, and nausea.

Rule 69.4.1 was adopted on November 15, 2000 (AP4). Since then, the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) have adopted more stringent emission limitations for new stationary engines than are required by Rule 69.4.1, which is now out of date. With this, despite the outdated rule, the District has already implemented the more stringent State and federal emission limitations via the Permits to Operate that it issues for the affected engines, as is required by federal and State law.

If approved by the Board, the proposed amendments to Rule 69.4.1 will have two benefits. First, updating the rule will provide greater clarity for the entities subject to these already implemented federal and State requirements because the updated rule will accurately reflect them. Second, the District is required to have air quality attainment plans that demonstrate

our progress toward meeting the federal National Ambient Air Quality Standards for ozone in a timely manner. Because the attainment plans are developed using air quality models that depend on how much air pollution is emitted into the air, it is important to account for all air pollutant emission reductions that occur as a result of the District's activities and because of the rules adopted by the Board. In this case, the District cannot currently use the emission reductions realized via its permitting actions and updating Rule 69.4.1 with the more stringent emissions requirements will enable the District to account for those emission reductions in the region's air quality attainment plans. Being able to include these currently unused emission reductions in the air quality attainment modeling will improve the modeling and the prognosis for attaining National Ambient Air Quality Standards for ozone.

The Board is also requested to repeal Rule 69.4 (Stationary Reciprocating Internal Combustion Engines - Reasonably Available Control Technology), which was last amended on July 30, 2003 (AP1). Rule 69.4 contains federal-only emissions standards that are now outdated. Proposed amended Rule 69.4.1, if adopted, incorporates the most current federal and State standards and improves upon and replaces Rule 69.4, which is no longer needed.

This proposal was developed with input from the EPA and CARB, and District staff conducted substantial outreach to affected facilities including conducting a public workshop. Workshop participants requested clarifications and were not opposed to the proposed rule amendments.

The proposed amendments to Rule 69.4.1 will take effect upon adoption. The amended rule will be submitted through CARB to the EPA for approval and to replace Rule 69.4 in the State Implementation Plan for attaining and maintaining the air quality standards.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of proposed amended Rule 69.4.1 - Stationary Reciprocating Internal Combustion Engines and repeal of existing Rule 69.4 - Stationary Reciprocating Internal Combustion Engines - Reasonably Available Control Technology 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 AMENDMENTS TO RULE 69.4.1 - STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES, AND REPEALING RULE 69.4 - STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES-REASONABLY AVAILABLE CONTROL TECHNOLOGY, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

FISCAL IMPACT

There is no fiscal impact associated with the recommended actions. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

Adopting the proposed amendments to Rule 69.4.1 and repealing Rule 69.4 will not adversely impact the business community. The proposed rule amendments do not impose requirements beyond federal and State regulations that are already in effect, therefore the proposal will result in no additional costs to businesses.

The proposed emissions standards apply to new stationary engines only and do not require early replacement or modification of existing engines. The proposal increases regulatory certainty for businesses by enhancing consistency with existing federal and State requirements, improving clarity, and providing a single, local regulation identifying all applicable requirements.

ACTION:

This item was withdrawn.

5. SUBJECT: PUBLIC COMMUNICATION (DISTRICTS: ALL)**OVERVIEW**

Due to the COVID-19 emergency, public comments on non-agenda items were received electronically and included in the record.

Daniel Beeman submitted a comment regarding the usage of bicycles for transportation.

ACTION:

Heard, Referred to the Chief Administrative Officer.

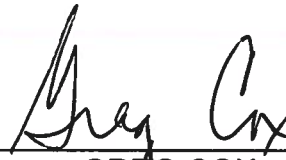
There being no further business, the Air Pollution Control Board of the San Diego County Air Pollution Control District adjourned at 12:11 p.m.

ANDREW POTTER
Air Pollution Control Board
San Diego County Air Pollution Control District

Notes: Caro

NOTE: This Statement of Proceedings sets forth all actions taken by the San Diego County Air Pollution Control Board on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.

Approved by the Members of the Board, on Tuesday, April 21, 2020.

A handwritten signature in black ink, appearing to read "Greg Cox", written over a horizontal line.

GREG COX
Chairman

Attest:

A handwritten signature in blue ink, appearing to read "Andrew Potter", written over a horizontal line.

ANDREW POTTER
Clerk of the Board

03/24/2020 AIR POLLUTION CONTROL BOARD