

VCAPCD Advisory Committee Meeting Notes – March 28, 2006 Amended 7/27/06 - CF

Chairman Kuhn convened the meeting at approximately 7:35 pm

I. Director's Report:

Mike Villegas welcomed Keith Moore to the Advisory Committee. He will represent District V along with Hector Irigoyen who was recently reappointed to the Committee. Mike reported on a recent VCAPCD Board action approving revisions to our NSR rules that do away with Community Bank tracking requirements. He also reported that \$2.2 MM in Carl Moyer funding was approved that will reduce 64 tons of NO_x, 7 tons of ROC, and 2 tons of PM₁₀ (diesel particulate).

II. Roll Call:

Present:

Scott Blough, Ron de la Pena, Stephan Garfield, Sara Head, Hector Irigoyen, Michael Kuhn, Hugh McTernan, Michael Moore, John Proctor, and Keith Moore, Duane Vander Pluym.

Absent:

Manuel Ceja (excused), Ron Dawson, Stan Greene (excused), Aaron Hanson, and Ryan Kinsella (excused)

VCAPCD Staff:

Mike Villegas, Christine White, Keith Duval and Don Price

IV. Minutes:

The minutes of the February 28, 2006, meeting were approved as drafted.

V. Chairman's Report

No report.

VI. Public Comment

Hugh Mc Ternan passed out a flyer from the Environmental Defense Center (EDC) on the proposed BHP LNG Port stating that the project will be the largest polluter in Ventura County. Hugh wanted to know if the project will be the largest source of air pollution in Ventura County. Christine White commented that while she did not have the most recent project emissions estimates because the project footprint has been getting smaller

over time due in part to commitments by BHP to use LNG powered tankers, supply and crew boats, she stated that there are several larger permitted sources in the County such as the two Reliant Energy power generation plants, Proctor and Gamble, and several of the larger oil fields. Mike Villegas gave a brief description of the project and stated that EPA is the lead agency for air permitting under the Deep Water Ports Act. This Act requires the EPA to use the air pollution control rules of the nearest adjacent State, or in this case, since it is California, the closest Air Pollution Control District. He explained that EPA has determined that our NSR rules do not apply to this project because they have concluded that the project location is more like the offshore areas of the County that have been designated as attainment for the federal 8-hour ozone standards. BHP, however, has made written commitments to EPA and the Coast Guard to install Best Available Control Technology (BACT) and mitigate emissions from the project. There will be a joint Coast Guard/State Lands public meeting on the draft EIR/EIS document on April 19, 2006. Mike also mentioned briefly that a LNG Port has also been proposed to be built on Platform Grace.

Ron de la Pena brought to the attention of the Committee members that there is a concern about plumes generated from hospital surgery rooms being emitted directly to the atmosphere. He stated that emissions can be generated from lasers that vaporize tissues and that they may be carcinogenic. He has heard that some hospital employees are concerned that nasal and sinus cancers are occurring as a result. Keith Duval stated that there is a State Agency that regulates activities that occur at hospitals and this should be brought up with them. Mike Villegas shared that there is now a State Airborne Toxic Control Measure (ATCM) that limits ethylene oxide sterilization emissions that used to be directly vented to the atmosphere.

Sara Head asked if it has been determined whether the Advisory Committee Members will be required to take an Ethics Training Course by 2007. Mike Villegas said he would check into that and get back to the Committee.

VII. Old Business

There was no old business.

VIII. New Business

Proposed New Rule 26.12, Federal Major Modifications

Don Price's presentation (PowerPoint Presentation attached) started with a review of the key elements of our New Source Review program; 1) BACT, 2) emissions offsets if the source is over 5 tons per year of NOx or ROC, and 3) public notice requirements. He stated that the proposed new rule will not change any of these requirements. He reviewed the background behind federal NSR Reform provisions that were published in the Federal Register on December 31, 2002. The deadline for states (and air districts) to adopt updated rules was January 2, 2006. EPA's stated purpose for NSR Reform is that the old NSR rules prevented plant upgrades leading to a lack of efficiency, and in some case

more air pollution. However, there are concerns voiced by many that after promulgation, fewer types of plant modifications nationwide will be considered federal major modifications and thus will not require BACT, offsets, or public notice. Several federal NSR Reform provisions have been vacated by various Federal Courts; 1) Clean Units, 2) Pollution Control Projects, and 3) Routine Maintenance, Repair, and Replacement. These are not going to be discussed further and are not included in our proposed District rule revisions.

In our proposed new Rule 26.12, the District defines a new term called “Federal Major Modification.” It also sets up a series of exclusion criterion, whereby if met, excludes a project from being a federal major modification. The first exclusion criteria involves a series of EPA emission increase calculations that can be used to determine if the modification will remain below 25 tons per year of ROC and NO_x (federal major source threshold). The second exclusion criteria is if a facility has a Plantwide Applicability Limit (PAL) in place and the emissions increase does not exceed the PAL emissions limits, then the modification is not a federal major modification. The PAL has to already be in place at the time of the modification.

If one of these exclusion criterion is met, then the facility can get out of two federal-only requirements; 1) Alternatives Analysis and 2) Statewide Compliance Certification. Don pointed out that ARB has received a petition from an environmental group claiming that SJVAPCD’s exclusion of Statewide Compliance Certification requirement is a relaxation under SB288, the “Protect California Act of 2003” that requires District NSR rules cannot be less stringent than what were in place on December 31, 2002.

At this point, Keith Moore asked for a clarification of what a Federal Major modification is in Ventura County. Sara Head answered that it would be 25 tons of NO_x or ROC and that an expansion of a power plant (a new turbine) would be a good example.

Michael Kuhn asked if there were any circumstances where a project would have less than a 25 ton per year increase using federal calculation methodology and more than a 25 ton per year increase using District calculation methodologies. Don Price answered yes, absolutely; this could happen due to the differences in emissions increase calculations. He went on to say, that the new rule would not change anything in our existing District NSR program requirements, including the way emission increases are calculated. All we are doing is adding the revised federal calculations that can be used to determine if a project meets the definition of a federal major modification. If it does not meet that definition, the facility can get out of doing two things: 1) Alternatives Analysis, and 2) Statewide Compliance Certification. Eliminating these requirements will not be a relaxation under SB 288 because under CEQA, larger projects already have to conduct an Alternatives Analysis and major facilities already have to comply with applicable California Clean Air Act and District rules and regulations. In addition, if a facility has a Title V (Part 70) permit they are required to certify annually that they are in compliance with all permit requirements. We really don’t think that anyone would go to all the trouble to use the proposed Rule 26.12 in Ventura County because there really is no advantage to be gained.

Don continued by adding that if we don't incorporate the federal NSR reform changes into our rules, EPA could initiate a SIP call which would result in increased offset threshold requirements and ultimately could result in the loss of Federal Highway funds. We have reviewed our proposed rule with EPA Region IX staff and they have given us preliminary conditional approval that our rule will be ok. The reasons they feel our rule is approvable is that federal law allows State and District's rule to be more stringent than federal rules. ARB is also ok with our rule at this time; however, they have put us on notice that we may have to remove the Statewide Compliance Certification exemption depending on their analysis of the SB 288 petition.

Sara Head made the comment that there is a built-in California-ism, in that California implies that NSR is for non-attainment new source review, but under the Federal Program NSR can be for attainment new source review otherwise known as Prevention of Significant Deterioration (PSD). She said that it appears to her that when we are talking about federal major modification we are talking about federal non-attainment pollutants, and not talking about PSD. She recommended that we think about clarifying this point in the staff report. Mike pointed out that we are not a PSD delegated District, so it's not really an issue for us. We have adopted federal PSD regulations by reference (Rule 26.10) and applicants need to work with EPA to obtain PSD permits.

Sara Head asked if we have many facilities with PALs in place. Mike answered that he thought we might have two – Proctor and Gamble and Imation.

Chairman Kuhn asked for a motion. Stephan Garfield made a motion that the committee recommend that the VCAPCD Board adopt Rule 26.12. Michael Moore seconded the motion. The Committee voted 11 to 0 in favor of the motion.

Proposed Amendments to Rule 74.30, Wood Products Coatings

Don Price made a presentation on proposed amendments to Rule 74.30. The rule was last revised in September 1996. The State required districts to periodically look at their rules to make sure they are employing "All Feasible Measures" to reduce ozone precursors, in the case of this rule, Reactive Organic Compounds (ROC). When we reviewed what other district rules require we found that SCAQMD's Rule 1171 requires lower limits for solvents used for surface preparation, repair and maintenance cleaning, and cleaning of application equipment. Our rule revisions proposes to reduce ROC limits on solvents used in these categories from 200 g/l to 25 g/l. We are also proposing to revise the definition of High Volume Low Pressure Spray (HVL) equipment so that we are consistent with what SCAQMD and other districts in the State require. We are adding a section to state what test methods are used to determine if spray equipment meets the definition of HVL to help our inspectors in the field. In addition, language is proposed that clarifies that this rule does not apply when wood products are painted at the site of permanent installation. The District's Architectural Coatings Rule would apply in this

case. The rule changes will go into effect 90 days after adoption to give facilities time to come into compliance. The rule changes have been determined to be cost effective. Alternative products are available that cost from \$702 to \$6,564 per ton of ROC reduced. The District maintains a Best Available Control Technology (BACT) cost effectiveness guideline of \$18,000 per ton of ROC reduced. This cost increase is well below the District's cost effectiveness threshold. Alternative products are readily available in the marketplace. Don reviewed some background as to why we are considering keeping the current rule exemption for musical instrument manufacturers. Information has been provided by several facilities showing that they cannot obtain compliant products that meet their manufacturing specifications. The District is currently reviewing the information to verify the claims. The estimated ROC reduction that will occur as a result of the proposed rule amendments is .83 tons.

Mr. Michael Moore asked if there have been problems as a result of SCAQMD eliminating the exemption for wooden musical instrument manufacturers in their jurisdiction. In other words, if they have done it why can't we do it? Don answered that he had some information that the smaller manufacturers may not be complying with the rule requirements while a large manufacturing facility called Fender Classic Guitars has installed emission controls in order to meet the rule requirements. Don reiterated that we are in the process of reviewing the data provided by our local instrument manufacturers to verify that there are no compliant products available for purchase.

Mr. Keith Moore asked a series of questions about the amount of ROC reduced from the changes proposed in the rule and commented on how small the reduction actually is – less than a ton. Mike Villegas commented that this is typical with rule amendments the District makes today, that we have done almost everything we can to regulate stationary source emissions and now we have to rely on other agencies to do their part to reduce emissions from the sources we don't have the authority to regulate.

Mr. Keith Moore asked why acetone is not considered an ROC? Mike answered that's because it is not reactive – it does not combine well in the atmosphere with nitrogen oxide to form smog or ozone. It's in the non-reactive category.

Mr. Keith Moore asked why we are not reducing the thresholds for wood refinishing products listed in the rule. Don answered that he found information late in the rule making process that indicates that we might be able to reduce the levels in the current rule, but we need to do more research. This will be looked at in the next rule review period.

Chairman Kuhn asked for a motion. John Proctor made a motion that the Committee recommend that the VCAPCD Board adopt the proposed rule amendments. Hugh McTernan seconded the motion. The Committee voted 11 to 0 in favor of the motion.

IX. Adjournment

The meeting was adjourned at approximately 9:30 pm.

Notes prepared by: Christine White