

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT
ADVISORY COMMITTEE MEETING
November 2, 2010
MINUTES

Chairman Vander Pluym convened the meeting at approximately 7:30 p.m.

I. Director's Report

Mike Villegas, APCO, stated that the U.S. EPA has delayed the announcement of the new national ambient air quality standard until the end of December. This is another two-month delay.

Mr. Villegas stated that Port of Hueneme staff was still waiting for the release of the Request for Proposals for shorepower type projects. The South Coast Air Quality Management District will administer these Proposition 1B grant funds for shorepower projects in our trade corridor.

Mr. Villegas added that the enhanced vapor recovery program had been implemented in Ventura County. APCD staff had worked closely with the regulated community to implement the program with minimal penalties for stations that missed the deadline. Mr. Villegas noted that the VST type of nozzle had experienced problems where gas could be sprayed when the pump was started prior to the nozzle being properly inserted into the vehicle refueling receptacle.

II. Call to Order

Chairman Vander Pluym called the meeting to order at approximately 7:35 p.m.

III. Roll Call

Present

Stephen Garfield

Todd Gernheuser

Sara Head

Michael Kuhn

Kim Lim

Marleen Luckman

Hugh McTernan

Keith Moore

Michael Moore

Ron Peterson

Duane Vander Pluym

Absent

Scott Blough (excused)
Cameron Williams (excused)
James Tovias (excused)

Steven Kane (excused)
Aaron Hanson
Greg Patterson (excused)

Staff

Mike Villegas
Kerby Zozula

Don Price

Public

Clement Alberts
Patrick Novak
Jim Templin
George Leppa
Paul Selleck

Pacific Operators Offshore
BMW of North America
PTI Technologies
Self
The Reserve @ Thousand Oaks

IV. Minutes

The minutes of the September 28, 2010, meeting were approved as drafted.

V. Committee Comment

Committee member McTernan requested that APCD staff work with General Services Agency staff to see if the air conditioning can be left on for the Committee meetings.

Committee member Garfield stated that the District should be more focused on reducing criteria pollutants than greenhouse gas (GHG) programs. Mr. Villegas stated that staff was working to implement a mandated GHG permitting program, and following Board direction.

VI. Public Comment

There was no public comment.

VII. New Business

A. Proposed Revisions to Regulate Greenhouse Gases with EPA's "Tailoring" Regulations - Rules 2, 23, 33, 33.1, 35, and 76

Mike Villegas, Air Pollution Control Officer, outlined how the U.S. EPA was proposing to regulate greenhouse gases (GHG) in response to the Supreme Courts' decision in Massachusetts vs. EPA. In response to the Supreme Court decision, EPA was required to make a finding on whether GHGs from new motor vehicles cause or contribute to air pollution, which may reasonably be anticipated to endanger public health or welfare. EPA made a finding that the current and projected atmospheric concentrations of GHGs

contribute to air pollution that may endanger public health or welfare. This meant GHGs were air pollutants under the federal Clean Air Act. Next it was determined that pursuant to EPA's interpretive memo an air pollutant becomes "subject to regulation" when it is subject to a control requirement in a regulation promulgated under the Clean Air Act.

On May 7, 2010, a joint rule was finalized by EPA and the National Highway Traffic Safety Administration that establishes new standards for light-duty vehicles that will reduce GHG emissions and improve fuel economy. This rule will apply to light-duty vehicles starting with model year 2012. The earliest date a model year 2012 vehicle can be introduced into commerce is January 2, 2011. Therefore, as of January 2, 2011, GHG are subject to regulation under the Prevention of Significant Deterioration and Title V permit programs.

Because the existing permitting thresholds for PSD and title V are set at levels appropriate for criteria pollutants and GHGs are emitted by most sources at levels orders of magnitude higher than these current thresholds, EPA is proposing to tailor the GHG thresholds. Mr. Villegas noted that staff was proposing to incorporate the EPA GHG permit thresholds in District permitting rules to ensure the vast majority of facilities are not subject to GHG permitting requirements.

Kerby Zozula, of District staff, stated that currently the District has 1,438 facilities on permit. Of those facilities, 26 are Title V sources. The purpose of this proposed rule action is to exempt the 1,412 facilities from the requirement to obtain a Title V permit based on their GHG emissions.

Committee member Lim asked about the impact of this new GHG program on the existing Title V facilities. Mr. Zozula replied the Title V facilities would only have to characterize their GHG emissions.

Committee member Garfield asked how GHGs were being defined as a problem. Mr. Villegas replied that EPA's Endangerment Finding stated that GHGs threaten public health and welfare, which means GHGs are air pollutants under the federal Clean Air Act.

Don Price, of APCD staff, gave an overview of the main points of staff's proposal. The main points were as follows:

Rule 2, Definitions: Revisions include adding GHGs to the definition of "Air Contaminant" and a new definition of "Greenhouse Gases." Also, "CO₂e" and "GHGs" are added to the list of abbreviations in Section B and a list of Global Warming Potentials (GWP) is added as Table 1.

Rule 23, Exemptions from Permit: Greenhouse gases are being added to the list of thresholds in Subsection J.16, which addresses the permitting requirements of agricultural operations. The implementation date (July 1, 2011) is the date that "Tailoring" rule requirements take effect for all Title V sources.

Rule 33, Part 70 Permits, General: In Section B, Applicability, GHGs are added to the requirement to obtain a Part 70 permit. Note that, since GHGs are now regulated pollutants, they are included under both the 100 ton per year mass emission threshold in the first sentence and the 100,000 tons per year CO₂e (mass X GWP) threshold in the (new) second sentence.

Rule 33.1, Part 70 Permits, Definitions: A new definition of "CO₂ Equivalent (CO₂e)" is proposed. Three definitions in Rule 33.1 are proposed for revision; "Federally-Enforceable Requirement," "Insignificant Activity," and "Regulated Air Pollutant." These revisions either specify or allow the regulation of greenhouse gases.

Rule 35, Elective Emission Limits: The proposed revision adds "greenhouse gas air pollutants" to the list of information required for an elective emission limit request.

Rule 76, Federally Enforceable Limits on Potential to Emit: Rule 76 enables permit holders to electively limit their emissions in a federally enforceable manner. Because various sections of the rule address different percentages of the "major source" thresholds, varying thresholds for greenhouse gas emissions are being added to the rule.

Proposed Revisions – Other Issues

Rule 2, Definitions: To clarify certain permitting situations, definitions of "Portable" and "Stationary" are proposed. The definition of "Equipment" is being modified for clarity. The existing definition of "Motor Vehicle," which includes a reference to California Motor Vehicle Code, will be replaced with a specific definition based on the Vehicle Code definition. A definition of PM_{2.5} is also proposed to supplement the existing definition of PM₁₀.

Rule 23, Exemptions from Permit: The exemption from permit for safety flares in Subsection A.4 is proposed for deletion. Enforcement is difficult and it is possible that safety flares are frequently used for other purposes. On July 1, 2011, all safety flares will require a permit to operate.

Section D - Vehicles, Engines. In Subsection D.7.c, portable emergency engine generators connected for future electrical service will no longer be considered portable and will require a Permit to Operate. Portable equipment brought in during an emergency will continue to be exempt from permit.

Section F - Organic Compound Emissions. The permit exemption threshold for polyester resin operations is 20 gallons a month. To allow boatyards to make an occasional large repair, the exemption will be changed to 240 gallons over a 12 month rolling total. The change will increase flexibility, but not annual ROC emissions.

Section J – Miscellaneous. In Subsection J.16, the paragraph on large confined animal facilities is being amended to specify that only major sources and major modifications are

affected. In addition, a definition of "large confined animal facility" is being added to eliminate a reference to the California Code of Regulations.

Rule 33.1, Part 70 Permits, Definitions: A reference to 40 CFR Part 63, a National Emissions Standards for Hazardous Air Pollutants regulation, is being added to the definition of "Title I Modification."

Rule 76, Federally Enforceable Limits on Potential to Emit: Rule 76, Subsection A.4.a.1), is proposed for clarification. The exemption will state that a source is exempt from Rule 76 if the owner or operator submits an application for either a Part 70 permit or a federally-enforceable permit limits to avoid the need for a Part 70 application at least 30 days prior to any emission exceedance.

In Subsection B.2, and again in definition of "Actual Emissions" in Subsection G.2, a specific hierarchy of calculation methods is being established. U.S. EPA will be the primary source of applicable methods, followed by California ARB methods and methods approved by the District.

Committee member Garfield asked if the District could deny a permit of a facility that exceeds the amount of GHGs on their permit. Mr. Zozula replied no.

Chairman Vander Pluym asked if there was any language in the rule package that would restrict a facility's GHG emissions. Mr. Zozula replied not in this rule package.

Committee member Michael Moore asked what would happen if the District did not adopt this rule action. Committee member Keith Moore added that some states are refusing to adopt the tailoring rule. Mr. Villegas replied the District and some facilities would incur potential legal liability, and EPA may issue a SIP call to force us to take action. Mr. Villegas added that the main goal of this rule action was to keep smaller sources out of the Title V program.

Committee member Keith Moore asked what would happen if Congress delays or rolls back the tailoring rule. Mr. Villegas stated staff would suspend implementation of the program and return to the Board to repeal the rule action. Staff will consult with our legal counsel on this issue.

Committee member Luckman stated she felt the rule action could have the positive result of increasing awareness of fuel use at facilities.

Committee member Michael Moore stated he was unsure of the proposed CEQA exemption for the rule action. It seemed that this rule action was the first phase of a larger project. Mr. Villegas stated staff would review this with legal counsel.

Committee member Lim expressed his concerns with the potential socioeconomic costs of any GHG emission reduction program. He added that mobile sources would also need to be addressed.

The Committee and staff discussed a practical timeframe for a delay on this rule action.

It was moved (Garfield) and seconded (Keith Moore) to recommend a four month delay for this rule action. Staff was to return to the Committee with the rule action in February. The motion failed on a vote of 5 yes and 6 no.

It was moved (Head) and seconded (Luckman) to recommend adoption of amended Rules 2, 23, 33, 33,1, 35, and 76, as proposed by staff. The motion passed with a vote of 8 yes and 3 no.

VIII. Adjournment

The meeting was adjourned at approximately 9:35 p.m.

Prepared by:

Mike Villegas
Air Pollution Control District Staff