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Thomas J. Christofk, Air Pollution Control Officer

MEMORANDUM

TO: Board of Directors, Placer County Air Pollution Control District

FROM: Todd K. Nishikawa, Manager, Compliance and Enforcement

AGENDA DATE: August 10, 2006

SUBJECT: Adoption of Resolution #06-09, Approving the 2006 RACT SIP Update

Analysis Staff Report and Findings (Public Hearing/Action)

Action Requested:

- 1) Conduct a Public Hearing regarding the adoption of Resolution #06-09, approving the 2006 Reasonably Available Control Technology State Implementation Plan (RACT SIP) Update Analysis Report and the findings that there are 18 existing and already adopted VOC and NOx control measure that satisfy Reasonably Available Control Technology requirements, nine (9) of which have not been submitted to U.S. EPA; that a new PCAPCD rule for Metal Parts and Products must be adopted, and that Negative Declarations are appropriate for 29 RACT rule categories where Placer County has no existing major sources.
- 2) Adopt Resolution #06-09, approving the 2006 RACT SIP Update Analysis.

Background:

In letters dated March 9, 2006, and April 4, 2006, Andrew Steckel, United Sates Environmental Protection Agency (U.S. EPA) Office Rulemaking Chief advised the California Air Resources Board (CARB) of requirements to update RACT (Reasonably Available Control Technology) control measures adopted by local air pollution control districts and included in the California SIP (State Implementation Plan). The District last conducted a RACT SIP review in 1997. CARB forwarded the letters to affected air pollution control districts, including the Placer County Air Pollution Control District ("District" or "PCAPCD") for action. An updated analysis of RACT SIP requirements is required to be completed and submitted to U.S. EPA by September 15, 2006. Any new RACT SIP control measures that are identified in the analysis for Placer County must be adopted and implemented by January 1, 2009.

Reasonably Available Control Technology (RACT) is defined in the Code of Federal Regulations (CFR) 57 FR 55620, as "the lowest emission limitation that a unit is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility".

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Section 182(b)(2) of the FCAA requires districts which contain areas designated moderate and worse non-attainment for ozone in their boundaries to implement applicable VOC RACT rules for stationary sources. Section 182(f) of the FCAA requires districts that are subject to the VOC RACT requirements to also implement applicable NOx RACT rules for existing major stationary sources of NOx emissions. VOC and NOx are precursors compounds to the formation of ozone in troposphere.

The District is required to prepare a complete RACT SIP update package, covering Major Sources, non-Major Sources, and Major non-Control Techniques Guidelines Sources. A "Major Source" of VOCs or NOx in Placer County is defined as an emission source having a potential to emit of 25 tons of the pollutant per year.

U.S. EPA requires the District's submittal by September 15, 2006. In addition, the District is required to submit an 8-hour ozone demonstration plan by June, 2007. This submittal covers only the September 15, 2006 requirement.

Discussion:

The purpose of this study is to compare the control measures of existing District rules with current U.S. EPA standards. These standards are Control Techniques Guidelines (CTG) and Alternate Control Technique (ACT) Guidance. In addition, CARB's All Feasible Measures (AFM) was also included in the analysis by Staff, since a number of the rule categories do not have CTGs and or ACTs. The ultimate purpose of this process is to establish whether or not District rules have been adopted for each standard and where District rules have been adopted, whether each rule's standards meet the requirements contained in the current CTG, ACT and AFM control measures.

Summary of Findings: The following is a summary of the findings of the RACT SIP analysis that is reported in detail in the enclosed 2006 RACT SIP Update Analysis Staff Report.

Staff determined that all rules adopted by the District that correspond to RACT requirements already satisfy or exceed RACT standards. Fourteen District rules that satisfy RACT requirements have been submitted to U.S. EPA and incorporated into the SIP (see Table D-2 of the 2006 RACT SIP Update Analysis Staff Report).

Rule Amendments Requiring Submission: The analysis (shown in Table D-3 of the 2006 RACT SIP Update Analysis Staff Report) found that the amendments to nine (9) previously adopted District rules need to be submitted to U.S. EPA as revisions to the SIP:

- 206 Incinerator Burning
- 212 Storage of Organic Liquids
- Transfer of Gasoline into Tank Trucks, Trailers and Railroad Tank Cars at Loading Facilities

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- 216 Organic Solvent Cleaning and Degreasing Operations
- 218 Architectural Coatings
- 235 Adhesives
- Wood Products Coating Operations
- 238 Factory Coating of Flatwood Paneling
- 239 Graphic Arts Operations

New Rules Requiring Submission: The analysis (shown in Table D-4 of the 2006 RACT SIP Update Analysis Staff Report) found that nine (9) adopted District rules that had not previously been submitted by the District need to be submitted as revisions to the SIP.

- 231 Industrial, Institutional and Commercial Boilers, Steam Generators and Process Heaters
- 232 Biomass Suspension Boilers
- 234 Automotive Refinishing Operations
- 237 Municipal Landfills
- 240 Surface Preparation and Cleanup
- 241 Boilers at Plastic Laminating Manufacturing Facilities
- 242 Stationary Internal Combustion Engines
- 243 Polyester Resin Operations
- 246 Natural Gas-Fired Water Heaters

New Rule Adoption and Submission: The analysis found that one (1) new rule incorporating RACT requirements needs to be adopted. The Staff analysis identified one CTG source category (see Table D-1 of the 2006 RACT SIP Update Analysis Staff Report) for which non-Major Stationary Sources exist in the non-attainment area and for which no District rule meeting RACT has been adopted. A new Prohibitory Rule for VOCs from the coating of Metal Parts and Products must be adopted and submitted for RACT SIP approval no later than January 1, 2009.

No Major Sources To Regulate: The analysis (shown in Table C of the <u>2006 RACT SIP Update Analysis Staff Report</u>) found that negative declarations- made in 1997 stating that there are no existing Major Stationary Sources to regulate in seven (7) VOC RACT source categories and five (5) NOx RACT source categories, must be reaffirmed. In addition, the analysis found that there are an additional seventeen (17) VOC RACT source categories for which no Major Stationary VOC Sources currently exist in Placer County and for which new negative declarations may be made. The Staff analysis (of Table B of the <u>2006 RACT SIP Update Analysis Staff Report</u>) also found that there are no Major non-CTG Sources for which RACT measures have not been adopted.

The basis for these summarized findings is provided in the enclosed <u>2006 RACT SIP Update</u> <u>Analysis Staff Report</u>.

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Fiscal Impact:

There is no direct fiscal impact from this analysis. The finding that a new Prohibitory Rule for the coating of Metal Parts and Products must be adopted means that metal coaters may incur increased costs from compliance with measures that are included in the new rule. However, the VOC limits will be no lower than those implemented elsewhere (e.g., a rule already adopted in surrounding districts such as Sacramento), and therefore the fiscal impact on industry is expected to be minimal.

Public Outreach:

The Board Hearing to consider the adoption of above resolution was noticed in the Auburn Journal on July 9, 2006 and in the Roseville Press-Tribune on July 8, 2006. The purpose of the Board Public Hearing is to consider public comments regarding the 2006 RACT SIP Update Analysis Report. No other public meetings were held. No public comments were submitted.

Recommendation:

That the District Board, in a public hearing, adopt Resolution #06-09, thereby approving the 2006 Reasonably Available Control Technology State Implementation Plan (RACT SIP) Update Analysis Staff Report and the findings made therein, and direct staff to complete the specified rule adoption and rule submissions to revise the State Implementation Plan..

Attachment(s): 1) Resolution #06-09: Approval of the 2006 RACT SIP Update Analysis Staff
Report and Report Findings

Enclosure(s): 2006 RACT SIP Update Analysis Staff Report

ATTACHMENT #1

SUBJECT:

Resolution #06-09:

Approval of the 2006 RACT SIP Update Analysis Staff Report and Report Findings

ENCLOSURE

2006 RACT SIP Update Analysis Staff Report