

Yolo-Solano Air Quality Management District
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PROPOSED REVISIONS TO RULE 2.21, ORGANIC LIQUID STORAGE AND TRANSFER

FINAL STAFF REPORT ADDENDUM

September 13, 2005

Prepared by:

Paul Hensleigh
phensleigh@ysaqmd.org

VII. PUBLIC COMMENTS AND STAFF RESPONSES

Following the public notice which was published on August 10, 2005, the District received comments from one member of the public on August 31, 2005.

District Staff will summarize the written public comments that were submitted and respond to each comment.

Comment 1. Mr. David Moralez states "I believe portions of the Final Staff Report dated August 10, 2005, do not contain adequate documentation for some of the proposed changes and therefore, I am requesting that my comments including the supporting documentation I have enclosed become part of the Final Staff Report adopted by your Board."

Response 1. Staff does not concur with Mr. Moralez's assertion that the final staff report does not contain adequate documentation for the proposed changes. As the final staff report was published August 10, 2005, Mr. Moralez's comments will not be added to that document. This document (final staff report addendum) will be provided to the Board to alert the Board of all comments received and staff's response. A scanned copy of the actual comments are provided in attachment A. The fifty-seven (57) pages of "supporting documentation" are not attached, however will be maintained for the record in the rule development file.

Comment 2. Mr. Moralez cited text out of the Air Resources Board (ARB) certification procedure and also from the District's 2002 staff report for previous modifications to Rule 2.21.

This comment appears to have two points:

- a) The ARB Certification Procedure 202 establishes a VOC limit and requires testing using TP-201.1 (*staff believes Mr. Moralez intended to cite TP-202.1*).
- b) Per the staff report from the last revision to this rule (dated June 20, 2002), the District previously established the following requirements:
 - i) Page 10, section 309.1 text - An emission limit of 0.84 lbs/1,000 gallons which is consistent with South Coast Rule 462.
 - ii) Page 10, section 309.2 text - Requires testing using a CARB certified test method consistent with South Coast Rule 462.
 - iii) Page 13, section 502.4 test - Requires emission testing using the same methods required to meet initial certification.

All three of these subpoints were described as meeting the definition of "every feasible measure".

Mr. Morales summarized by stating "As such, I request that the proposed amendment to Sections 309.1, 504.2 (*staff believes Mr. Morales intended to cite 502.4 as there is no Section 504.2*), and 607 be deleted, as there are a significant relaxation of the rule's existing requirements for bulk plants."

- Response 2. This comment is substantially similar to verbal comments provided at the July 13, 2005 Board meeting. These comments have already been responded to in the August 10, 2005 staff report, however the District will provide further clarification.

Specifically in response to the points:

- a) **The ARB Certification Procedure 202 establishes a VOC limit and requires testing using TP-201.1 (*staff believes Mr. Morales intended to cite TP-202.1*).**

Staff agrees that the Certification Procedure establishes a requirement of at least 90 % efficient vapor recovery systems in order to obtain initial certification (as a part of this rule making action, the District is proposing a more stringent standard of 95% control), however disagrees with the assertion that the ARB's certification procedures requires specific testing to be performed on an ongoing basis.

This certification procedure does have a "performance standard" section (4.1.1.1) that says that a vapor recovery system shall achieve a minimum efficiency of 90% to obtain certification by this procedure and a "performance specification" section (4.2.1.1) which states that a vapor recovery system shall have a maximum emission factor of 0.84 lbs/1,000 gallons (per note, equivalent to 90% control) to obtain certification by this procedure. The certification procedure section 4.2.1.2 states that compliance with the performance specification shall be determined per TP-202.1.

All three of the District's bulk plants have received initial certification and the testing was performed by the ARB. Per discussions with ARB staff (Roy Butz) in the Monitoring and Laboratory Division section of ARB, even for the initial certification, the ARB uses a modified volumetric efficiency test in lieu of the TP-202.1.

Nothing in the certification procedure establishes requirements for the facility to perform (nor the District to require) ongoing testing. Further, nothing in Test Procedure TP-202.1 establishes requirements for the facility to perform (nor the District to require) ongoing testing.

- b) **Per the staff report from the last revision to this rule (dated June 20, 2002), the District previously established the following requirements...**

Staff agrees that the intent of the 2002 rule revisions were to require 90% efficient vapor recovery systems and to require ongoing testing using the TP-202.1 method. At that time, staff believed this level of control and type of testing was consistent with other Districts and therefore appropriate as an “every feasible measure” requirement.

Subsequent to the 2002 rule amendments, staff has determined that the appropriate level of control is actually more efficient (95% vs 90%), and that ongoing source testing using TP-202.1 is not a necessary test method.

- i) **Page 10, section 309.1 text - An emission limit of 0.84 lbs/1,000 gallons which is consistent with South Coast Rule 462.**

To be precise, the existing rule section 309 states that “the owner or operator of any bulk plant shall not transfer or permit to be transferred organic liquid (gasoline) into any transport vehicle unless such bulk plant is equipped with a CARB certified vapor recovery system”. The rule continues in subsection 309.1 to require that the VOC emissions to the atmosphere shall not exceed 0.84 pounds per 1,000 gallons, which as stated earlier corresponds to 90% control.

The District concurs that the previous rule established a limit of 0.84 lbs/1,000 gallons (equivalent to 90% control) which is consistent with South Coast Rule 462(d)(2)(B) which requires 90% control. The District is now proposing to increase stringency on this requirement to 95% control.

- ii) **Page 10, section 309.2 text - Requires testing using a CARB certified test method. This was cited as being consistent with South Coast Rule 462.**

This text from the 2002 staff report does not match the actual rule language as presented to and adopted by the Board in 2002. Section 309.2 of the rule requires that “all organic liquid transfer equipment shall be maintained leak free, gas tight, and in good working order.” Notwithstanding this error in the staff report, the requirement for ongoing testing using CARB method TP-202.1 is not appropriate, nor is it consistent with South Coast. South Coast Rule 462(e)(2) establishes requirements for bulk plants to obtain initial certification, but

not ongoing testing.

- iii) **Page 13, section 502.4 test - Requires emission testing using the same methods required to meet initial certification.**

Per discussions with ARB and review of other Districts' rules, the TP-202.1 is not a necessary test method for bulk plants. The ARB does not use TP-202.1 for initial certifications.

As the bulk plants also dispense gasoline directly to motor vehicles, they are all subject to Rule 2.22, which requires testing using test methods from TP-201, including Static Pressure Decay (TP-201.3B), Air to Liquid Ratio (TP-201.5), and Ten Gallon Per Minute Limitation Compliance Verification Procedure. All of the three bulk plants in our District are required to perform annual testing using test methods from TP-201.

In summary, the proposed changes still meet the "every feasible measure" requirement and are not a "significant relaxation of the rule's existing requirements for bulk plants". Staff is not recommending changes to the proposed rule.

- Comment 3. Mr. Moralez referenced the Permits to Operate (PTOs) for the bulk plants in the District and stated that "the missing requirement for annual source testing should be revised internally by District staff to meet the requirements of the existing rule. I shall send a separate request that District staff internally revise the permit to meet the requirements of the existing rule."
- Response 3. As stated previously, District staff believe that the appropriate testing requirements are being enforced on all bulk plants in our jurisdiction. As resources allow, the current PTOs for bulk plants will be updated at time of renewal following amendment of Rule 2.21.
- Comment 4. Mr. Moralez pointed out that there is a typographical error in the resolution 05-05. The last paragraph states "...as set forth in Exhibit 1 (Attachment B of the Staff Report)..." and it should state "...as set forth in Exhibit 1 (Attachment A of the Staff Report)..."
- Response 4. The resolution will be corrected prior to signature by the Board Chair.

ATTACHMENT A
WRITTEN COMMENTS RECEIVED

RECEIVED AUG 31 2005

August 31, 2005

Paul Hensleigh
Yolo-Solano Air Quality Management District
1947 Galilco Court, Suite 103
Davis CA, 95616

Re: Comments on Proposed Rule 2.21, Organic Liquid Storage and Transfer

Dear Mr. Hensleigh:

I am writing to provide you with comments about the proposed amendments to Rule 2.21, Organic Liquid Storage and Transfer, dated August 10, 2005, that are scheduled for consideration by your Board on September 14, 2005. I believe my comments have merit for the proposed amendments and look forward to your responses. In addition, I believe portions of the Final Staff Report dated August 10, 2005, do not contain adequate documentation for some of the proposed changes and, therefore, I am requesting that my comments including the supporting documentation I have enclosed become part of the Final Staff Report adopted by your Board.

1. Proposed Changes to Gasoline Bulk Plant Operations

Section 309.1 changes the vapor recovery system to a limit of at least 95% by weight; whereas the existing limit requires VOC emissions do not exceed 0.84 pounds per 1,000 gallons of organic liquid transferred.

The existing VOC limit is specified in Certification Procedure 202, Certification Procedure for Vapor Recovery Systems at Bulk Plants. Section 4.2.1, Emission Factor, specifies the following:

“ 4.2.1.1 Performance Specification.

A vapor recovery system shall have a maximum emission factor of 0.84 pounds per 1,000 gallons of gasoline transferred. As a performance specification for compliance testing, this standard shall be applied at facility operating conditions which are not altered for or by testing activities. The facility operating conditions established during testing for the certification criterion shall each be specified as performance specification subject subsequent compliance testing.”

“ 4.2.1.2 Test Procedures

Compliance with the performance specification for emission factor shall be determined per TP-201.1.”

Additionally, page 3 of the Final Staff Report dated June 20, 2002, states:

"The main revisions to Rule 2.21 will:

1.
2.
3.

Add annual emission testing requirements for bulk plants and terminals."

Page 10 of the Final Staff Report dated June 20, 2002, states:

"The revisions will add new requirements for bulk plants and include the following:

309.1 Limit VOC emission to 0.84 pounds per 1,000 gallons of organic liquid transferred. The provision is a new requirement and was added to establish a VOC emission for bulk plants that is different than the VOC emission limit specified for terminals. The provision is consistent with South Coast AQMD's Rule 462 and CARB requirements for gasoline marketing operations at bulk plants and meets the "every feasible measure" requirements.

309.2 Require annual emission testing of the vapor recovery and control system utilizing a CARB certified test method. The provisions were added to minimize VOC emissions through an ongoing emission testing program and are consistent with South Coast AQMD's Rule 462 and meets the "every feasible measure" requirements."

Page 13 of the Final Staff Report dated June 20, 2002, states:

"502.4 The revision will require that bulk plant be tested every 12 months for compliance with the VOC emission limit specified in the proposed rule. The revision will require that same test methods and procedures that are required by CARB to meet the state initial certification requirements for bulk plants. These new testing requirements are critical to ensuring ongoing compliance and minimizing VOC emissions from bulk plant loading operations. The cost is approximately \$3,000 per facility for an outside contracting company to perform the tests. The provisions meet the "every feasible measure" requirements for bulk plants.

As such, I request that the proposed amendment to Sections 309.1, 504.2 and 607 be deleted, as there are a significant relaxation of the rule's existing requirements for bulk plants.

2. Public Information Request for Bulk Plants

As you know, I have requested the Emissions Evaluation, ATC and PTO for the bulk plants operated by Ramos Oil Company and for the Inter-State Oil Company bulk plant.

P-14-02(a3): Condition No. 9 states "VOC emission to the atmosphere shall not exceed 0.84 lbs per 1,000 gallons of gasoline transferred from the bulk storage tanks into any transport vessel, as determined by the annual source test. [District Rule 2.21, §309.1]."

P-18-81(a1): The requirement listed above is incorrectly missing for this permit to operate. I shall send a separate request that District staff internally revise the permit to meet the requirements of the existing rule.

P-4-83(a1): Condition No. 24 states "A person shall not transfer or permit to be transferred organic liquid into any transport vessel unless the VOC emissions to the atmosphere do not exceed 0.84 pounds per 1,000 gallons of organic liquid transferred. [District Rule 2.21, §309.1]." However, the text requiring "as determined by the annual source test." is incorrectly missing.

The missing requirement for annual source testing should be revised internally by District staff to meet the requirements of the existing rule. I shall send a separate request that District staff internally revise the permit to meet the requirements of the existing rule.

3. Resolution No. 05-05

Change last paragraph of Resolution No. 05-05 to read:

§1. The Board of Directors hereby amends District Rule 2.21, Organic Liquid Storage and Transfer, as set forth in Exhibit I (Attachment ~~AB~~ of the Staff Report),

Thank you for your time and consideration. If you have any questions about this matter, please call me at (530) 297-7908.

Sincerely,



David Morales
206 2nd Street
Davis, CA 95616

Enclosures

Final Staff Report - Rule 2.21, Organic Liquid Storage and Transfer dated June 20, 2002

P-14-02(a3)

P-18-81(a1)

P-4-83(a1)

Hand delivery August 31, 2005