



October 31, 2017

COMPLIANCE ADVISORY

ALLOWABLE USES OF PORTABLE INTERNAL COMBUSTION ENGINES AT BOATYARDS AND SHIPYARDS

The intent of this advisory is to provide clarification on proper uses of engines, rated 50 hp and greater, in accordance with San Diego Air Pollution Control District (District) rules applicable to portable and stationary emission units. You are receiving this advisory because your company may be affected.

Facilities that build and/or repair marine vessels (i.e., boatyards, shipyards, and naval installations) may utilize equipment powered by internal combustion (IC) engines (portable or stationary) for vessel building/repair activities. Examples include air compressors, hydro blasters and pressure washers used prior to welding or prior to marine coating operations. Some of these facilities have been utilizing contractors, who bring IC engines into the facilities to power air compressors or other equipment. These engines, which may be owned and operated, or rented and operated, by contractors and registered under the Statewide Portable Equipment Registration Program (PERP) or District's registration program, are utilized to conduct part or most of the facility's blasting operations. These operations may involve multiple contractors on a single project, or sequential operations by different contractors on different marine parts.

The IC engines that power the compressors, hydro blasters and/or pressure washing units at the marine vessel construction/repair facility support the facility's primary function. IC engines operated in this manner do not meet the definition of portable equipment and are not eligible for operation as portable equipment. Portable registrations issued by the District, PERP registrations, and portable Permits to Operate (PTOs) issued by the District, are not intended to replace routine operations conducted as part of a facility. This practice could potentially result in circumvention of portable registration and new source review (NSR) rules.

Specifically, District Rules 12.1(c)(12) and 20.1(c)(49)(i) provide that an emission unit is not portable if:

“The unit or its replacement is attached to a foundation or, if not attached, will reside at the same location for more than 12 consecutive months. Any portable emission unit such as a backup or standby unit that replaces a portable emission unit at a location and is intended to perform the same function as the unit being replaced will be included in calculating the consecutive time period. In that case the consecutive time of all units, including the time between the removal of the original unit and installation of the replacement unit(s), will be counted towards the consecutive time period, or...”

In order to address this issue, the District is implementing the following policy for stationary and portable IC engine permit and registration holders as outlined below. The policy is consistent with the PERP regulation. Additional guidance for allowable uses for PERP registered equipment can be found at: https://arb.ca.gov/portable/perp/capcoa_document_3-12-14.pdf.

1. Portable IC engine operation at Stationary Facilities

Portable IC engines, currently operating under portable registrations or portable PTOs, would need to operate under a PTO obtained by the facility or the contractor when powering equipment such as air compressors that support the primary activity of the facility (i.e., building and/or repairing marine vessels).

If the facility does not have a stationary Permit to Operate for the operations that are currently being conducted under portable registrations or PTOs, a permit application will be required by May 1, 2018.

Since the emissions from IC engines currently conducted under portable equipment registrations or under portable PTOs at a facility are existing emissions, the District will use the actual emissions from these operations to determine the pre-project potential to emit. The actual emissions will be calculated in accordance with Rule 20.1(d)(1)(i). After establishing this baseline, any emission increase will be subject to the applicable NSR requirements.

2. Portable permitted or registered IC engines

All active portable registrations and portable PTOs for IC engines are still valid. Registered or permitted portable IC engine operations can be conducted under their registration or permit anywhere except at a facility where the operation of a portable IC engine supports the primary activity of the facility (i.e. building or repairing vessels).

3. Enforcement of Permit Conditions

The District offers the following general guidance relating to liability for non-compliance with permit conditions and District, state or federal requirements. Enforcement actions may deviate from this guidance depending on the specific facts of the situation.

Contractors who violate any District rule requirement or other applicable requirement while operating under the facility's permit shall be cited for that violation. This includes failure to maintain records as required and failure to submit required records to the facility. Further, for the purpose of complying with the Portable ATCM, the fleet owner will be solely responsible for compliance, as applicable.

If an employee of the facility violates a facility permit requirement, any District rule or other applicable requirement, the facility shall be cited for that violation. If the facility instructs a contractor to conduct work contrary to permit/rule requirements or fails to stop non-

complying activities by the contractor once discovered or reported, both the contractor and facility may be cited for the violation(s). District Enforcement policy with regard to Title V facilities is unchanged. Contractor operations at Title V facilities are a part of the facility operations in accordance with the EPA stationary source definition in 40 CFR Part 70.2. Therefore, the facility operator must certify to the compliance status of such operations, including reporting contractor violations of federally-enforceable conditions as Title V deviations and including contractor violations of federally-enforceable conditions in Annual Compliance Certifications / Reports of Required Monitoring. Whenever District staff issue a Notice of Violation or Notice to Comply to a contractor, a copy will be given to the facility for their records.

Should you have any questions or wish to meet to discuss this issue, please contact John Annicchiarico at 858-586-2733.

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