



# Air Pollution Control Board

## San Diego County Air Pollution Control District

### GOVERNING BODY

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First District

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Third District

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Fourth District

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Fifth District

### AGENDA ITEM

**DATE:** February 10, 2021

**AP02**

**TO:** Air Pollution Control Board

### SUBJECT

**NOTICED PUBLIC HEARING - ADOPTION OF AMENDMENTS TO RULE 61.2 –  
TRANSFER OF ORGANIC COMPOUNDS INTO MOBILE TRANSPORT TANKS  
(DISTRICTS: ALL)**

### OVERVIEW

The San Diego County Air Pollution Control District (District) is responsible, under federal and state law, for controlling and reducing air pollution from stationary (fixed) sources including power plants, industrial facilities, and gasoline storage, transfer and dispensing facilities. Accordingly, the District prepares, adopts, and enforces rules that set limits on the amount of air pollutants emitted from these types of sources and/or by requiring specific emission control technologies. The District submits its adopted rules to the California Air Resources Board (CARB) and to the U.S. Environmental Protection Agency (EPA) for review and approval as meeting state and federal requirements.

Today's request is for the Air Pollution Control Board (Board) to adopt proposed amendments to Rule 61.2 (Transfer of Organic Compounds into Mobile Transport Tanks). The rule, which was last updated on July 26, 2000 (AP02), requires the control and reduction of air pollutant emissions from the transfer of organic compounds such as gasoline or diesel fuel into mobile transport tanks. These operations are common at fuel storage and transfer facilities where fuels are stored in aboveground tanks, transferred into mobile transport tanks, and distributed throughout the region to gas stations or other facilities. During these fuel transfers, volatile organic vapors are displaced to the atmosphere and form ozone pollution in the air we breathe. When inhaled, ozone irritates our lungs and can trigger health problems such as chest pain, coughing and shortness of breath.

Since the rule was last updated, CARB has developed more stringent requirements for vapor recovery systems than are required by existing Rule 61.2, which is now out of date. With this, despite the outdated rule, the District has already implemented the more stringent CARB requirements via the Permits to Operate that it issues to affected facilities, as is required by federal and state law. Nevertheless, incorporating these more stringent requirements into the rule is necessary to obtain rule approval by the EPA in line with federal requirements.

In addition, in December 2020, the EPA indicated other updates to Rule 61.2 are necessary to maintain compliance with federal emission control requirements. Today's proposal, if adopted,

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provides the necessary rule updates and includes: a reduction in the minimum size of mobile transport tank that is subject to the rule; increased vapor control efficiency; a lower emission limit; and removal of a military exemption.

The proposed amendments were developed with input from the EPA, CARB, and the public. District staff conducted outreach to affected facilities and other stakeholders including conducting a public webinar. Webinar participants requested clarifications and were not opposed to the proposed rule amendments.

**RECOMMENDATION(S)  
AIR POLLUTION CONTROL OFFICER**

1. Find that the adoption of proposed amended Rule 61.2 – Transfer of Organic Compounds into Mobile Transport Tanks is categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to California Code of Regulations, Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the Resolution entitled: RESOLUTION ADOPTING AMENDMENTS TO RULE 61.2 – TRANSFER OF ORGANIC COMPOUNDS INTO MOBILE TRANSPORT TANKS, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

**FISCAL IMPACT**

There is no fiscal impact associated with the recommended actions. There will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT**

The proposed rule amendments do not impose requirements beyond state requirements that are already in effect, therefore the proposal will result in no additional costs to businesses.

The proposal increases regulatory certainty for businesses by enhancing consistency with existing state requirements and improving clarity.

**ADVISORY BOARD STATEMENT**

At its meeting on January 13, 2021, with a quorum present, the Air Pollution Control District Advisory Committee voted in support of staff's recommendations. No concerns with the proposal were raised to the District by Advisory Committee members.

**BACKGROUND**

The San Diego region does not meet the California and National Ambient Air Quality Standards for ozone pollution, and therefore is classified as an ozone nonattainment area. Both federal and state laws require the District to adopt and implement rules to further control and reduce ozone-

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forming emissions, specifically volatile organic compounds (VOC). Additionally, federal and state laws require the District to periodically update its rules to reflect advancements in air pollution control technology, and the proposed amended rule is the result of these requirements.

Existing Rule 61.2 applies to the transfer of VOC (e.g., gasoline) into mobile transport tanks having a capacity of 550 gallons or greater at fuel storage and transfer facilities where fuels are stored in aboveground tanks, transferred into mobile transport tanks, and distributed throughout the region to gas stations or private companies. The rule is also applicable to the transfer of other liquid compounds (e.g., diesel) into any mobile transport tank that previously contained gasoline or other VOC. The rule requires the use of a vapor recovery control system that controls, by at least 90%, all such transfers. The rule also specifies an emission limit that applies to large facilities with an annual fuel throughput that exceeds 5 million gallons.

In December 2020, the Environmental Protection Agency (EPA) identified deficiencies in Rule 61.2 based on more stringent requirements already in place by CARB and in certain other California air districts, and requested they be addressed. These include lowering the applicability of the rule to mobile transport tanks having a capacity of greater than 120 gallons; increasing the vapor control efficiency to 95%; lowering the emission limit that applies to large facilities; and removing a bottom loading exemption for transfers conducted by the military.

The proposed amendments align Rule 61.2 with the current, more stringent CARB requirements, and reduce VOC emissions by approximately 165 tons per year. The District has already implemented the more stringent requirements via the Permits to Operate that it issues to the affected facilities, as required by federal and state law. Therefore, these emission reductions have already been realized and no additional costs will be incurred by facilities. Nevertheless, incorporating the requirements in Rule 61.2 will enable the EPA to approve Rule 61.2 as meeting all federal requirements.

The proposed amendments to Rule 61.2 will become effective upon adoption by the Board. The amended rule would then be submitted to CARB and to the EPA for approval into the State Implementation Plan (SIP) for attaining and maintaining the national ambient air quality standards.

**Customer/Stakeholder Notification**

District staff conducted a public webinar to gather input on the proposed amended rule from affected parties. A webinar notice was posted on the District's website and sent to all 33 affected permit holders and to local chambers of commerce, members of the Air Pollution Control District Advisory Committee, subscribers to the County's email notification service, the EPA, and CARB.

The webinar was attended by 22 people, including affected industry representatives. District staff prepared responses to all comments and questions received, which were provided to the webinar participants in a Workshop Report (Attachment D). If the rule amendments are adopted, staff will conduct additional outreach including distributing an advisory notice to further inform potentially affected parties.

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### **SOCIOECONOMIC IMPACT ASSESSMENT**

State law requires the Air Pollution Control District to perform an assessment of the socioeconomic impacts when adopting, amending, or repealing a rule that will significantly affect air quality or emission limitations. Proposed amended Rule 61.2 will establish a more stringent emission limit and/or greater control efficiency for vapor control. A Socioeconomic Impact Assessment was prepared for proposed amended Rule 61.2 (Attachment E). Adoption of proposed amended Rule 61.2 is not expected to pose any financial impacts on the affected industry sectors in the San Diego region since facilities already comply with the proposed amendments via the District Permits to Operate.

### **ENVIRONMENTAL STATEMENT**

The California Environmental Quality Act (CEQA) requires an environmental review for certain actions. The District has conducted a review of whether CEQA applies to the adoption of the proposed amendments to Rule 61.2. The proposed rule amendments are required by federal and state law, which calls for adoption of every feasible control measure to accelerate progress toward achieving the ambient air quality standard for ozone. Proposed amended Rule 61.2 will protect the environment by promoting significant reductions in VOC emissions, but because affected facilities already comply with the proposed amendments, no changes in their operations will occur. Therefore, District staff determined that the adoption of the proposed amendments to Rule 61.2 are exempt from the provisions of CEQA pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, and pursuant to Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment.

### **LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed actions support the Sustainable Environments/Thriving Initiative in the County of San Diego's 2021-2026 Strategic Plan with an objective to enhance the quality of the environment by focusing on sustainability, pollution prevention and strategic planning. The proposed amendments to Rule 61.2 will reduce air pollutant emissions and improve air quality in the San Diego region.

Respectfully submitted,



SARAH E. AGHASSI  
Deputy Chief Administrative Officer



ROBERT C. REIDER  
Interim Air Pollution Control Officer

### **ATTACHMENT(S)**

Attachment A – Resolution Adopting Amendments to Rule 61.2 – Transfer of Organic Compounds into Mobile Transport Tanks, of Regulation IV of the Rules and Regulations of the San Diego County Air Pollution Control District

Attachment B – Comparative Analysis

Attachment C – Incremental Cost-Effectiveness Analysis

Attachment D – Workshop Report

Attachment E – Socioeconomic Impact Assessment

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Attachment F – Rule 61.2 – Transfer of Organic Compounds into Mobile Transport Tanks Change  
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**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:** ☐ Yes ☒ No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

☐ Yes ☒ No

**PREVIOUS RELEVANT BOARD ACTIONS:**

July 26, 2000 (AP02) Adoption of amended Rule 61.2 – Transfer of Organic Compounds into  
Mobile Transport Tanks

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION  
NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Air Pollution Control District

**OTHER CONCURRENCE(S):** None

**CONTACT PERSON(S):**

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