

**AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO**

**DRAFT PROPOSED AMENDMENTS TO
RULE 69.2.1 – SMALL BOILERS, PROCESS HEATERS, STEAM GENERATORS,
AND LARGE WATER HEATERS,
DRAFT PROPOSED NEW RULE 69.2.2 – MEDIUM BOILERS, PROCESS HEATERS,
AND STEAM GENERATORS,
AND RELATED DRAFT PROPOSED AMENDMENTS TO
RULE 11 – EXEMPTIONS FROM RULE 10 PERMIT REQUIREMENTS AND
RULE 12 – REGISTRATION OF SPECIFIED EQUIPMENT**

WORKSHOP REPORT

The San Diego County Air Pollution Control District (District) held a public workshop on September 27, 2019, to discuss and receive input on the draft proposed amendments to Rule 69.2.1 – Small Boilers, Process Heaters, Steam Generators, and Large Water Heaters; draft proposed new Rule 69.2.2 – Medium Boilers, Process Heaters, and Steam Generators; and related draft proposed amendments to Rule 11 – Exemptions from Rule 10 Permit Requirements and Rule 12 – Registration of Specified Equipment. A meeting notice was mailed to each permit holder, applicant, registration holder, and chamber of commerce in the region, as well as the U.S. Environmental Protection Agency (EPA) and California Air Resources Board (CARB). Additionally, a meeting notice was posted on the District’s website and distributed to interested parties including through the County of San Diego’s electronic mail service.

The workshop was attended by 34 people. A summary of the comments and District responses are provided below:

RULE 69.2.1 COMMENTS

1. WORKSHOP COMMENT

While the rule is intended to apply to equipment manufacturers, the words “or installs” in proposed Section (a) – Applicability could unintentionally subject owners or operators of a boiler, process heater, steam generator, or water heater (unit) to the rule. The District should clarify the rule applicability to minimize potential confusion or compliance issues for the regulated community.

DISTRICT RESPONSE

The District disagrees. Pursuant to both existing Rule 69.2.1 and the proposed amendments, any person who installs a new unit, whether an owner, operator, or third party, must ensure that the equipment complies with the requirements of Rule 69.2.1.

2. WORKSHOP COMMENT

Does the proposed amended rule apply to the sale of a used boiler with heat input rating from 75,000 to 600,000 Btu/hour?

DISTRICT RESPONSE

Yes, a used boiler that is sold or offered for sale on or after January 1, 2021, would be considered a "new unit" as defined in proposed Subsection (c)(14) and therefore subject to the proposed amended rule.

3. WORKSHOP COMMENT

Is a boiler (with heat input rating from 75,000 to 600,000 Btu/hour) that is relocated from one stationary source to another considered an existing unit?

DISTRICT RESPONSE

The relocated unit would be considered an existing unit only if both stationary sources are under the same ownership. Proposed Subsection (c)(17) has been revised to clarify this.

4. WORKSHOP COMMENT

If ownership of an existing unit (with heat input rating from 75,000 to 600,000 Btu/hour) is transferred from one owner to another, would the equipment then be considered as a new unit?

DISTRICT RESPONSE

The unit would be considered as an existing unit only if the transfer of ownership occurs before January 1, 2021, otherwise it would be considered a new unit.

5. WORKSHOP COMMENT

Are existing units required to undergo emissions testing?

DISTRICT RESPONSE

No. Proposed Subsection (e)(1) has been revised to clarify that only a manufacturer of any *new* unit offered for sale in San Diego County is required to conduct emissions testing for each model unit to certify compliance with the requirements of the rule.

6. WORKSHOP COMMENT

What documentation must an owner or operator of an existing unit maintain to demonstrate that it is not subject to the rule?

DISTRICT RESPONSE

The proposed requirements for record keeping apply to manufacturers only. Proposed Section (g) – Record Keeping has been revised to clarify this.

7. CARB COMMENT

CARB has no official comments at this time.

8. EPA COMMENT

Proposed Subsection (b)(1)(iv) exempts from the rule units with a heat input rating from 75,000 Btu per hour to 400,000 Btu per hour that operate exclusively to heat residential swimming pools and hot tubs. However, there are residential pool and hot tub heaters commercially available that can comply with a NO_x limit of 55 parts per million by volume (ppmv). Therefore, proposed Subsection (b)(1)(iv) should be removed, and such equipment should be subject to a NO_x limit of 55 ppmv similar to other analogous air district rules.

DISTRICT RESPONSE

The District agrees. Proposed Subsection (b)(1)(iv) has been removed, and proposed Section (d) – Standards has been revised to include a NO_x emission limit of 55 ppmv for residential pool and hot tub heaters as suggested.

9. EPA COMMENT

Proposed Subsection (b)(1)(vi) exempts from the rule dual-fueled units. This exemption is a rule approvability issue because there are commercially available natural gas and liquefied petroleum gas (LPG) dual-fueled units that can comply with a 20 ppmv NO_x limit, and natural gas and heating oil dual-fueled units that can comply with a 40 ppmv NO_x limit. Therefore, proposed Subsection (b)(1)(vi) should be removed.

DISTRICT RESPONSE

The District agrees. Proposed Subsection (b)(1)(vi) has been removed as suggested.

10. EPA COMMENT

Proposed Subsection (b)(1)(vii) exempts from the rule existing or relocated units. This exemption is redundant to the rule applicability and should be removed.

DISTRICT RESPONSE

The District agrees. Proposed Subsection (b)(1)(vii) has been removed as suggested.

11. EPA COMMENT

Proposed Subsection (b)(2) exempts, from proposed Sections (e) – Certification Statement and (f) – Labeling, new units with a heat input rating from 75,000 Btu per hour to less than 1,000,000 Btu per hour that operate primarily on non-Public Utility Commission quality natural gas or liquid fuel. This exemption is a rule approvability issue because it impacts the enforcement of proposed Sections (g) – Record Keeping and (h) – Test Methods for new units with a heat input rating from 75,000 Btu per hour to less than 1,000,000 Btu per hour. In addition, there are commercially available oil-fired units that can meet the NOx emission limits specified in proposed Section (d) – Standards and appear to meet the certification and labeling requirements of the rule. Therefore, proposed Subsection (b)(2) should be removed.

DISTRICT RESPONSE

The District agrees. Proposed Subsection (b)(2) has been removed as suggested.

12. EPA COMMENT

In proposed Subsection (e)(1)(iii), the name and address of the manufacturer should be included in the list of items required in the certification statement, in addition to the description of the model being certified, including burner type (or fuel-type), for rule approvability and consistency with other analogous air district rules.

DISTRICT RESPONSE

The District agrees. Proposed Subsection (e)(1)(iii) has been revised as suggested.

RULE 69.2.2 COMMENTS

13. WORKSHOP COMMENT

For consistency with the National Emission Standards for Hazardous Air Pollutants (NESHAP) Subpart DDDDD for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters, the following categories of boilers should be added to proposed Section (b) – Exemptions:

temporary portable boilers; rental boilers for supplemental steam; training boilers; and boilers or process heaters used specifically for research and development, including test steam boilers used to provide steam for testing the propulsion systems on military vessels.

DISTRICT RESPONSE

The District disagrees. NESHAP Subpart DDDDD regulates major sources of hazardous air pollutants. By contrast, proposed Rule 69.2.2 regulates oxides of nitrogen as a criteria pollutant and precursor to ozone pollution. The analogous boiler rules in other air districts do not provide the suggested exemptions.

14. WORKSHOP COMMENT

Are temporary units required to be registered with the District?

DISTRICT RESPONSE

Yes. Temporary units are subject to the requirements of the proposed rule, including obtaining a Certificate of Registration or Permit to Operate.

15. WORKSHOP COMMENT

If a unit is purchased before January 1, 2021, but installed after that date, is the equipment considered a new unit upon installation?

DISTRICT RESPONSE

Yes. Per the definition of “new unit” in proposed Subsection (c)(16), a unit installed on or after January 1, 2021, will be considered a new unit subject to the applicable requirements.

16. WORKSHOP COMMENT

For consistency, proposed Section (d) – Standards should include the tuning procedure specified in NESHAP Subpart DDDDD as an acceptable option.

DISTRICT RESPONSE

The District agrees. Proposed Subsections (d)(2) and (3) have been revised to reference the tuning procedure specified in NESHAP Subpart DDDDD, which is found in 40 CFR Part 63, Sections 63.7540(a)(10)(i) through (vi).

17. WORKSHOP COMMENT

Does proposed Section (e) – Monitoring Requirements apply to units fueled exclusively by natural gas, or to units fueled exclusively by liquid fuel?

DISTRICT RESPONSE

No. The monitoring requirements of proposed Section (e) apply only to new dual-fueled units capable of burning gaseous and liquid fuel.

18. WORKSHOP COMMENT

Proposed Section (e) – Monitoring Requirements refers to new units, but does not address existing units. It would be an additional expense for the owner or operator to install a fuel meter for an existing unit. Proposed Section (e) should be revised to ensure that the requirement to install a fuel meter does not apply to existing units.

DISTRICT RESPONSE

The suggested revision is unnecessary because proposed Section (e) applies only to an owner or operator of a new unit. Owners or operators of an existing unit are not subject to this proposed requirement.

19. WORKSHOP COMMENT

Will registered or permitted units be included in a site’s annual inspection? If so, will a District inspector require access to physically inspect the unit?

DISTRICT RESPONSE

Yes, units with a Certificate of Registration or Permit to Operate will be included in a site’s annual inspection. The inspection will include a review of the site’s records to verify compliance with proposed Section (h) – Record Keeping Requirements. Typically, physical access to the unit will not be necessary.

20. WORKSHOP COMMENT

What will be the process and fees required to apply for a Certificate of Registration or a Permit to Operate for a boiler?

DISTRICT RESPONSE

Application forms will be available on the District’s website. Once a completed application and applicable fee are submitted to the District, the application will be evaluated for approval. Upon District approval, a Certificate of Registration or Permit to Operate, as applicable, will be issued.

Evaluating and processing a registration application will require less District labor and time than for a permit application, and thus will be less costly. The proposed fee to apply for a registration will be determined as part of the next proposed update of District Rule 40 – Permit and Other Fees, which is scheduled for spring 2020.

Based on preliminary information, the registration application fee is roughly estimated to be approximately \$1,000, in addition to an annual renewal fee that is roughly estimated to be approximately \$200. The actual proposed fee values will be included in future draft amendments to Rule 40, which will be distributed for public review and comment prior to consideration of adoption by the Board at a public hearing.

21. WORKSHOP COMMENT

What are the conditions that will be specified on a Certificate of Registration for a boiler?

DISTRICT RESPONSE

The conditions will include the requirements for annual tuning, record keeping, and may include other conditions referenced from other applicable District rules, such as Rule 51 – Nuisance.

22. WORKSHOP COMMENT

Is an owner or operator required to apply for a Certificate of Registration before the installation of a new boiler?

DISTRICT RESPONSE

Yes. Before a new unit is purchased or installed, an application for a Certificate of Registration or Permit to Operate shall be submitted and approved by the District.

23. WORKSHOP COMMENT

What is the timeframe for receiving a Certificate of Registration for a boiler after a complete application is submitted to the District?

DISTRICT RESPONSE

In most cases, the District anticipates issuing a Certificate of Registration on the same business day a completed application is submitted.

24. WORKSHOP COMMENT

Why would someone choose to apply for a Permit to Operate instead of a Certificate of Registration for a boiler?

DISTRICT RESPONSE

There may be a rare circumstance in which a unit that is not certified (by the manufacturer to meet the emissions standards) is needed to support a process or operation that requires a Permit to Operate. Proposed Subsection (b)(3) exempts from the certification requirement any unit that is used in conjunction with any equipment, product line, system, process line or process that is subject to permit requirements. In this case, an owner or operator of an uncertified unit is required to apply for a Permit to Operate because the unit is not eligible for a Certificate of Registration.

25. WORKSHOP COMMENT

Would an existing certified unit ever require a Permit to Operate instead of a Certificate of Registration?

DISTRICT RESPONSE

No, the District is not aware of any instance in which it would require a Permit to Operate in lieu of a Certificate of Registration for an existing certified unit.

26. WORKSHOP COMMENT

Will the District maintain a list of certified units on its website to help facilitate the registration process?

DISTRICT RESPONSE

Yes, a list of certified units will be maintained on the District website.

27. WORKSHOP COMMENT

What is the anticipated cost increase for a certified unit that meets the proposed requirements versus a conventional unit?

DISTRICT RESPONSE

The District estimates that the capital cost of a certified unit is 35% more than a conventional unit. Certified units tend to be more fuel efficient and the resulting savings in fuel costs will help to offset the increase in capital cost.

28. WORKSHOP COMMENT

Is the estimated emissions reduction based on the replacement of existing units?

DISTRICT RESPONSE

Yes. The District estimates an emissions reduction of 194 tons of NO_x per year upon full implementation of the rule when, through attrition, all existing units are eventually replaced at the end of their useful lives by new compliant equipment.

29. WORKSHOP COMMENT

The District should compare the additional resources that stationary sources would need to expend on new rules such as Rule 69.2.2 versus the environmental benefits that may be realized through implementation of the rule. Continuing to restrict emissions from stationary sources will have little effect on air quality considering that most of the NO_x and VOC emissions are currently emitted from mobile sources.

DISTRICT RESPONSE

San Diego County does not attain the current federal and State clean air standards for ozone pollution. Accordingly, the District is mandated by federal and State law to adopt all feasible measures to further control and reduce ozone-forming emissions from stationary sources in the region, including oxides of nitrogen (NO_x) from boilers, process heaters, and steam generators subject to proposed new Rule 69.2.2. Similar boiler rules are already in place throughout much of California.

The District acknowledges that controlling and reducing emissions from sources under its authority, i.e., stationary sources, is only part of the solution. Mobile sources, which are under State and federal control, contribute the majority of air pollutant emissions in the region. Accordingly, the District continues to work with our State and federal partners to seek the maximum feasible reductions from mobile sources. Additionally, the District will continue to offer monetary incentives to increase the penetration of the cleanest technologies in the mobile source sector and achieve the emissions reductions needed.

30. CARB COMMENT

CARB has no official comments at this time.

31. EPA COMMENT

Proposed Subsections (d)(2) and (3) specify the tuning procedures for applicable units. However, the rule allows for District discretion in determining acceptable boiler tuning procedures, and is a rule approvability issue. Either remove this provision for District discretion, or provide within the rule the minimum criteria for what would constitute approvable tuning requirements.

DISTRICT RESPONSE

The District agrees. Proposed Subsections (d)(2) and (3) have been revised to remove “*or other tuning procedure approved by the Air Pollution Control Officer.*”

32. EPA COMMENT

Proposed Subsection (f)(3) references the Bay Area AQMD Regulation 9, Rule 7, certification program for boilers as an alternative option for certifying units offered for sale in San Diego County. However, the version of Bay Area’s rule including this certification program is not in the California State Implementation Plan (SIP), and would need to be submitted into the SIP or otherwise addressed since this is a rule approvability issue. Proposed Subsection (f)(3) should be removed, but the EPA is willing to work with the District to explore alternative methods of approvable certification for these units.

DISTRICT RESPONSE

The District agrees. Proposed Subsection (f)(3) has been removed as suggested. New proposed Subsection (f)(2) has been added to require the certification application to demonstrate that the unit model was tested in accordance with the test methods in proposed Section (i) – Test Methods. In addition, new proposed Subsection (f)(3) has been added to clarify that after completing the review of the application for certification and source test report, the Air Pollution Control Officer shall either approve the certification and include the subject model on the list of certified devices, or deny the certification.

33. EPA COMMENT

The records retention schedule specified in proposed Section (h) – Record Keeping Requirements should be extended to five years to improve enforceability.

DISTRICT RESPONSE

The District disagrees. The three-year records retention requirement is consistent with all other District prohibitory rules.

RULE 11 COMMENT

34. WORKSHOP COMMENT

There seems to be a conflict between Rule 11 – Exemptions from Rule 10 Permit Requirements, Rule 12 – Registration of Specified Equipment, and Rule 69.2.2 – Medium Boilers, Process Heaters, and Steam Generators. Rule 11 exempts from Permit to Operate requirements a unit with a heat input rating of 2 million Btu per hour or less fired exclusively with natural gas and/or liquefied petroleum gas. Rule 69.2.2 applies to units with a heat input rating greater than 2 million Btu per hour to less than 5 million Btu per hour.

Units rated at 2 million Btu per hour are unaddressed in Rule 11, which may lead to confusion and compliance issues. Proposed Subsection (d)(2)(iv)(B) in Rule 11 should be revised to “less than 2 million Btu per hour fired exclusively with natural gas and/or liquefied petroleum gas.”

DISTRICT RESPONSE

The District disagrees. Units with a heat input rating of 75,000 to 2 million (inclusive) Btu per hour are subject to Rule 69.2.1, which does not require a Certificate of Registration or a Permit to Operate for such units. This is consistent with proposed Subsection (d)(2)(iv)(B) in Rule 11 which exempts from Permit to Operate requirements units with a heat input rating of 2 million Btu per hour or less.

RULE 12 COMMENTS

35. WORKSHOP COMMENT

Proposed Subsection (e)(1)(i) requires a Certificate of Compliance to be submitted with a completed Registration application form. Is a Certificate of Compliance required for registering an existing unit subject to proposed Rule 69.2.2 – Medium Boilers, Process Heaters, and Steam Generators?

DISTRICT RESPONSE

No. A Certificate of Compliance would be required for new units only.

36. WORKSHOP COMMENT

What are the fees required to apply for a Certificate of Registration for a grain silo?

DISTRICT RESPONSE

Based on preliminary information, the registration application fee for a grain silo is roughly estimated to be approximately \$1,000, in addition to an annual renewal fee that is roughly estimated to be approximately \$200. Also see District Response to Workshop Comment No. 20.

37. WORKSHOP COMMENT

What are the conditions that will be specified on a Certificate of Registration for a grain silo?

DISTRICT RESPONSE

The conditions that will be specified on a Certificate of Registration for a grain silo will include the requirements specified in proposed Subsection (d)(7), and other conditions that mirror conditions specified in a Permit to Operate for a grain silo.

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