



# Air Pollution Control Board

## San Diego County Air Pollution Control District

### GOVERNING BODY

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Second District

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Third District

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Fifth District

### AGENDA ITEM

**DATE:** July 8, 2020

# AP03

**TO:** Air Pollution Control Board

### SUBJECT

**NOTICED PUBLIC HEARING - ADOPTION OF AMENDMENTS TO RULE 69.4.1 – STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES, AND REPEAL OF EXISTING RULE 69.4 - STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES – REASONABLY AVAILABLE CONTROL TECHNOLOGY (DISTRICTS: ALL)**

### OVERVIEW

This is a request for the Air Pollution Control Board (Board) to adopt proposed amendments to Rule 69.4.1 (Stationary Reciprocating Internal Combustion Engines) of the Air Pollution Control District (District). Rule 69.4.1 regulates air pollutant emissions from stationary engines, which are commonly used by facilities (such as office buildings, manufacturing plants, hospitals, and other facilities that use electricity) as primary or backup engines to power their operations. These emissions contribute to the formation of ozone in the air we breathe. When inhaled, ozone adversely impacts people's health. Symptoms can include chest pain, shortness of breath, worsening of bronchitis and asthma, and nausea.

Rule 69.4.1 was adopted on November 15, 2000 (AP4). Since then, the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) have adopted more stringent emission limitations for new stationary engines than are required by Rule 69.4.1, which is now out of date. With this, despite the outdated rule, the District has already implemented the more stringent State and federal emission limitations via the Permits to Operate that it issues for the affected engines, as is required by federal and State law.

If approved by the Board, the proposed amendments to Rule 69.4.1 will have two benefits. First, updating the rule will provide greater clarity for the entities subject to these already implemented federal and State requirements because the updated rule will accurately reflect them. Second, the District is required to have air quality attainment plans that demonstrate our progress toward meeting the federal National Ambient Air Quality Standards for ozone in a timely manner. Because the attainment plans are developed using air quality models that depend on how much air pollution is emitted into the air, it is important to account for all air pollutant emission reductions that occur as a result of the District's activities and because of the rules adopted by the Board. In this case, the District cannot currently use the emission reductions realized via its permitting actions and updating Rule 69.4.1 with the more stringent emissions requirements will enable the District to account for those

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emission reductions in the region's air quality attainment plans. Being able to include these currently unused emission reductions in the air quality attainment modeling will improve the modeling and the prognosis for attaining National Ambient Air Quality Standards for ozone.

The Board is also requested to repeal Rule 69.4 (Stationary Reciprocating Internal Combustion Engines – Reasonably Available Control Technology), which was last amended on July 30, 2003 (AP1). Rule 69.4 contains federal-only emissions standards that are now outdated. Proposed amended Rule 69.4.1, if adopted, incorporates the most current federal and State standards and improves upon and replaces Rule 69.4, which is no longer needed.

This proposal was developed with input from the EPA and CARB, and District staff conducted substantial outreach to affected facilities including conducting a public workshop. Workshop participants requested clarifications and were not opposed to the proposed rule amendments.

The proposed amendments to Rule 69.4.1 will take effect upon adoption. The amended rule will be submitted through CARB to the EPA for approval and to replace Rule 69.4 in the State Implementation Plan for attaining and maintaining the air quality standards.

## **RECOMMENDATION(S)**

### **AIR POLLUTION CONTROL OFFICER**

1. Find that the adoption of proposed amended Rule 69.4.1 - Stationary Reciprocating Internal Combustion Engines and repeal of existing Rule 69.4 - Stationary Reciprocating Internal Combustion Engines – Reasonably Available Control Technology are 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 69.4.1 – STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES, AND REPEALING RULE 69.4 – STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES-REASONABLY AVAILABLE CONTROL TECHNOLOGY, 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.

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### **BUSINESS IMPACT STATEMENT**

Adopting the proposed amendments to Rule 69.4.1 and repealing Rule 69.4 will not adversely impact the business community. The proposed rule amendments do not impose requirements beyond federal and State regulations that are already in effect, therefore the proposal will result in no additional costs to businesses.

The proposed emissions standards apply to new stationary engines only and do not require early replacement or modification of existing engines. The proposal increases regulatory certainty for businesses by enhancing consistency with existing federal and State requirements, improving clarity, and providing a single, local regulation identifying all applicable requirements.

### **ADVISORY BOARD STATEMENT**

The Air Pollution Control District Advisory Committee (Advisory Committed) considered the proposal to amend Rule 69.4.1 and repeal Rule 69.4 during its meeting on December 11, 2019. The Advisory Committee is comprised of a total of nine seats. Four of those seats are currently vacant. Of the five Advisory Committee members currently appointed, two attended the meeting and they both expressed support for the proposed amendments. Meeting materials, including the proposed amendments to Rule 69.4.1, were shared with all appointed Advisory Committee members in advance of the meeting. No concerns with the proposal were raised to the Air Pollution Control District by Advisory Committee members.

### **BACKGROUND**

The San Diego region does not meet the California and National Ambient Air Quality Standards for ozone, and therefore is classified as an ozone nonattainment area. Both federal and State laws require the San Diego County Air Pollution Control District (District) to adopt and implement rules to further control and reduce ozone-forming emissions including volatile organic compounds and oxides of nitrogen (NOx), which is the key pollutant that currently drives ozone pollution levels in the San Diego region.

Rule 69.4, which was last amended on July 30, 2003 (AP1), was subsequently approved by the U.S. Environmental Protection Agency (EPA) as part of the San Diego County portion of the State Implementation Plan for attaining and maintaining the air quality standards. The rule contains federal-only standards that reduce NOx emissions from stationary engines with a brake horsepower (bhp) rating of 50 or more that are located at major stationary sources (facilities emitting 50 or more tons per year of NOx) such as large power plants, manufacturing facilities, and landfills.

Rule 69.4.1, which was adopted on November 15, 2000 (AP4), also applies to stationary engines with a bhp rating of 50 or greater. However, this rule contains more health-protective State requirements for lower air pollutant emissions from stationary engines located at both major and non-major sources.

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Following the adoption of these District rules, two federal regulations (applicable to new stationary engines throughout the nation) were enacted in 2006 and 2008, and then amended by the EPA eight times between 2011 and 2016. Similarly, a State regulation (applicable to new stationary engines throughout California) was enacted in 2003 and then amended by CARB three times between 2006 and 2011. These federal and State requirements are currently in effect and further limit the allowable air pollutant emissions from new stationary engines in the region; local sources must comply regardless of whether these requirements are incorporated in Rule 69.4.1, and thus the emission reductions are already occurring. Nevertheless, incorporating the requirements in Rule 69.4.1 will enable the District to take credit for these emission reductions in the region's air quality attainment plans, which it cannot do until Rule 69.4.1 incorporates the more stringent emission limitations. Additionally, the proposed amended rule will increase regulatory certainty for businesses by enhancing consistency with existing federal and State requirements, improving clarity, and providing a single, local regulation identifying all applicable requirements. Furthermore, the new lower-emitting units are more fuel-efficient and by consuming less fuel they emit less greenhouse gases (such as carbon dioxide) and therefore help support the region's climate goals.

An estimated 3,300 existing stationary engines are currently in place at facilities throughout the region. When these engines are replaced at the end of their useful lives, the new replacement engines will be subject to the more stringent emission limits. The proposed amended Rule 69.4.1 will reduce NO<sub>x</sub> emissions from affected equipment by approximately 55% (292 tons per year) once all existing units are ultimately replaced with new, lower-emitting units. This reduction in ozone-forming emissions will have the same air quality benefit in the region as permanently removing 285,000 cars from our roads.

The proposed amendments to Rule 69.4.1 will take effect upon adoption. The rule will be submitted through CARB to the EPA for approval and to replace Rule 69.4 in the State Implementation Plan for attaining and maintaining the air quality standards. Existing Rule 69.4 will be automatically repealed at that time, as it is outdated and no longer needed.

#### **Customer/Stakeholder Notification**

District staff conducted a public workshop to gather input on the proposed amended rule from affected parties. A workshop notice was posted on the District's website and sent to approximately 5,000 recipients including each air quality permit holder and chamber of commerce in the region, members of the Air Pollution Control District Advisory Committee, subscribers to the County's email notification service, the EPA and the California Air Resources Board.

The workshop was attended by 23 people, including industry representatives. District staff prepared responses to all comments and questions received, which were provided to the workshop participants in a workshop report (Attachment D). If the rule amendments are adopted, staff will conduct additional outreach including the distribution of an advisory notice to further inform potentially affected parties.

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### **SOCIOECONOMIC IMPACT ASSESSMENT**

State law requires the 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. A Socioeconomic Impact Assessment was prepared for proposed amended Rule 69.4.1 (Attachment E). The proposed rule amendments do not impose requirements beyond federal and State regulations that are already in effect, therefore the proposal will result in no additional costs to businesses. Adoption of proposed amended Rule 69.4.1 is not expected to pose significant impacts on the affected industry sectors in San Diego county.

### **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 69.4.1 and the repeal of existing Rule 69.4. The proposed rule amendments incorporate new federal and State standards that are already in effect, and that are designed to protect air quality and public health. Therefore, District staff determined that the adoption of the proposed amendments to Rule 69.4.1 and the repeal of Rule 69.4 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 2020-2025 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 69.4.1 will reduce air pollutant emissions and improve air quality in San Diego County.

Respectfully submitted,



SARAH E. AGHASSI  
Deputy Chief Administrative Officer



ROBERT REIDER  
Interim Director/Air Pollution Control Officer

### **ATTACHMENT(S)**

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*Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at [www.sandiegocounty.gov/content/sdc/cob/bosa.html](http://www.sandiegocounty.gov/content/sdc/cob/bosa.html).*

Attachment A – Resolution Adopting Amendments to Rule 69.4.1 – Stationary Reciprocating Internal Combustion Engines, and Repealing Rule 69.4 – Stationary Reciprocating Internal Combustion Engines-Reasonably Available Control Technology, 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

Attachment F – Rule 69.4.1 – Stationary Reciprocating Internal Combustion Engines Change Copy

Attachment G – Existing Rule 69.4 – Stationary Reciprocating Internal Combustion Engines-Reasonably Available Control Technology to be Repealed

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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 30, 2003 (AP1), Adoption of Amended Rule 69.4 - Stationary Reciprocating Internal Combustion Engines - Reasonably Available Control Technology; November 15, 2000 (AP4), Adoption of new Rule 69.4.1 - Stationary Reciprocating Internal Combustion Engines – Best Available Retrofit Control Technology

**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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