

Air Quality Update

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AMENDMENT'S TO CARB'S GREENHOUSE GAS MANDATORY REPORTING REGULATION

On July 15th, 2011, the California Air Resources Board (CARB) held a public workshop to discuss further amendments to the Greenhouse Gas Mandatory Reporting Regulation (GHG MRR). The proposed amendments were posted on July 25th, 2011 and are available for comment through August 9th, 2011. These revisions further address outstanding issues from the December 16th, 2010 CARB Board Meeting where CARB approved the amendments to the GHG MRR. These proposed amendments will go to the CARB Board for their approval no later than the October 20th, 2011 Board Meeting.

The December 16th, 2010 amendments to the GHG MRR decrease the entity reporting threshold from 25,000 metric tons (MT) of CO₂ to 10,000 MT of carbon dioxide equivalent (CO₂e) and adds fuel suppliers (suppliers of transportation fuels, suppliers of natural gas, natural gas liquids, and liquefied petroleum gas) and suppliers of carbon dioxide. The changes expand the categories required to report emissions to coincide with the U.S EPA GHG MRR and eliminate the reporting requirements for fugitive methane emissions from livestock waste, landfills, and agricultural irrigation pumps. To limit reporting of transportation fuels to those resulting in emissions in California, the regulation would require reporting by fuel owners at terminal racks and

refineries, along with importers of petroleum products and biofuels.

The amended regulation also includes requirements for emissions reporting by facilities in the oil and gas exploration and production sector. The amended GHG MRR no longer requires power plants and cogeneration facilities emitting between 2,500 and 10,000 metric tons of CO₂e to submit a report. Some industrial sectors, such as cement, glass production, nitric acid production, and refineries, would also report their process emissions, which occur from chemical or other non-combustion activities. The CO₂ emissions from biomass-derived fuels would be counted toward reporting thresholds, but separately identified during reporting to facilitate their exclusion (in most cases) from a cap and trade compliance obligation. The December 2010 amendments are scheduled to go in effect in 2012 for reporting 2011 GHG emissions.

The July 15th, 2011 proposed amendments to the GHG MRR delay the reporting requirements for facilities emitting between 10,000 and 25,000 MT of CO₂e to June 1st, 2013 for reporting 2012 GHG emissions. In addition, the reporting requirements for the petroleum and natural gas were modified to harmonize with the U.S. EPA GHG Reporting Rule for the Oil and Natural Gas Systems (Subpart W). There were also changes to include language to specify which source categories in the U.S EPA GHG MRR are excluded from reporting under CARB GHG MRR (i.e., electronics manufacturing, coal mines, lead production, fluorinated gas production, etc.). The amendments also synchronize the

verification deadline to September 1st for all entities and align the verification requirements under CARB GHG MRR with the Cap-and-Trade Regulation. In addition, the record retention requirement was reduced from 10 years to 7 years; and language was added to reporting requirements for biomass fuels and to specify the accuracy requirements for fuel measurements.

Air Quality Tip

Take advantage of the SCAQMD's amnesty for unpermitted equipment which saves on fees & avoid fines!

Upcoming Training Offered by UCI or Yorke Engineering:

- South Coast Air Quality Permitting and Compliance Seminar: September 13th & 14th, 2011
<http://www.yorkeengr.com/classes.htm>
- UCI AB32 and US EPA GHG Reporting and Permitting: Fall 2011
<https://unex.uci.edu/courses>
(under Environmental Management)

Upcoming Due Dates:

- RECLAIM APEP 8/29
(Cycle 2)
- Title V – SAM 8/31
- Title V - Certification 8/29
(RECLAIM Cycle 2 only)
- SCAQMD Rule 1110.2 Quarterly report 10/15
- SB-14 (DTSC report) 9/1
- Title V – Application for Permit Renewal due 180 days prior to permit expiration.

All due dates listed are the statutory dates; sometimes dates are extended when they fall on weekend/holiday.

REMINDER: RULE 1146&1146.1, JANUARY 1ST, 2012 DEADLINES

This is a reminder that Rule 1146.1 requires applicable natural gas fired boilers and heaters with input capacities between 2-5 MMBtu/hour to meet the new 9 ppm standard on or before January 1st, 2012 (excluding units located at schools, universities, atmospheric units, and thermal fluid heaters). Rule 1146 requires Group III units (units with heat input of 5-20 MMBtu/hour) to submit an Application for a Permit to Construct on or before January 1st, 2012. And, Group II units (those burning natural gas with a heat input 20-75 MMBtu/hour) must be in full compliance by January 1st, 2012.

SOUTH COAST AQMD RULE CHANGES ADOPTED

For full details on rule adoption changes below go to: <http://aqmd.gov/rules/recentrules.html>

- Rule 310.1: **Amnesty for Unpermitted Equipment and Small Business Discount for Control Equipment** - The adopted rule will exempt owners and operators of unpermitted equipment meeting certain conditions from civil and criminal penalties if the necessary permit applications and fees are voluntarily filed and paid during the amnesty period from July 1st through December 31st, 2011. The rule waives the 50% penalty for permit application fees for existing equipment operating without a permit.
- Rule 1113: **Architectural Coatings**: The amended rule aims to further reduce emissions from architectural coatings by limiting the allowable VOC content of previously unregulated colorants used to tint coatings at the point of sale; establishing VOC limits for certain

new coating categories; and reducing the allowable VOC content for several existing coating categories, among other revisions.

SOUTH COAST AQMD RULE CHANGES PROPOSED

For full details on proposed rule changes below go to:

<http://www.aqmd.gov/rules/proposed.html>

- Rule 1470: **Diesel-Fueled Internal Combustion and Other Compression Ignition Engines** – The proposed amendments would revise the limits for NOx and hydrocarbon (HC) emissions for new emergency diesel standby engines, eliminating the requirement to install after-treatment controls for NOx and HC. The proposed amendments would provide an extension for particulate matter (PM) emission requirements for emergency standby engines, but in many cases PM after-treatment (e.g., diesel particulate filters) will be required. Requirements for stationary diesel-fueled engines less than or equal to 50 bhp would be eliminated (leaving only CARB requirements). Also, an alternative compliance option would be offered to diesel engines used at research, development and educational facilities with district approval.
- Rule 1133.1 & Rule 1133.3: **Chipping and Grinding and Emission Reductions From Greenwaste Composting Operations** – Proposed Amended Rule 1133.1 is aimed at preventing

the inadvertent decomposition occurring during chipping and grinding activities, including stockpiling operations. The rule identifies specific procedures for stockpiling operations and the maintenance of operational records.

- Rule 1107: **Coating of Metal Parts and Products** – The proposed amendments aim to reduce VOC emissions from the coating of metal parts and products by establishing lower VOC limits for General, Prefabricated Architectural and Primer Coatings at industrial sites engaged in metal coating operations. Rule 1107 establishes general emission limits to reduce VOC's emitted during the preparation and coating of metal parts and products and during the drying phase.

SOUTH COAST AQMD PROPOSED ENERGY POLICY

As currently drafted, the Energy Policy is a set of policies proposed to promote zero and near-zero emission technologies by utilizing “ultra clean energy strategies”. Strategies include: diversification of electricity generation technologies, demand side management programs (i.e., energy conservation, energy efficiency and load-shifting measures), reduced reliance on energy-imports or central power plants, and promotion of electricity storage technologies, etc. through AQMD's planning, rule-making, advocacy, and CEQA activities. For more information, go to: <http://www.aqmd.gov/prdas/climate-change/EnergyPolicy.html>

Yorke Engineering, LLC specializes in environmental and air quality consulting for stationary and mobile sources including dispersion modeling, health risk assessments, permitting, emission inventories, air quality compliance systems, etc. Yorke Engineering has assisted over 200 customers including a wide variety of industrial facilities and government organizations throughout California.