SMAQMD Comments on CTR Regulation 15-day modifications
February 27, 2019

OVERALL COMMENTS ON REGULATION

1. **Impact on source resources –**
    - As written, the draft regulation will have a very significant impact on our permitted facilities. While the phase-in schedule will reduce earlier reporting requirements for some facilities, eventually *most* permitted facilities will be required to report their emissions.
    - The regulation will impose additional work and costs for sources to track and report, especially for smaller sources. Larger sources have environmental staff, but smaller operations do not have dedicated staff to handle these new tracking and reporting activities.
    - Sources will be required to cover the cost of extra fees to pay for state and local district management of the new emission reporting requirements. This would be in addition to regular permit fees and Air Toxics "Hot Spots" fees (already being collected for the districts and the State).
2. **Impact on district resources –**
    - Additional workload to implement the regulation will be significant. Districts will be required to educate and assist many of the sources on how to track and report their emissions in addition to other data verification and analysis requirements. This new workload will require new full time employees with an estimated cost of $2 million in the first year of the program to upwards of $3 million by the final phase in year 3.
    - CARB has indicated they will be proposing language (possibly separately) to collect fees at an appropriate level to fund District work. The additional cost will be significant and the fees will need to be sufficient to cover the imposed new workload or the district will not have capacity to absorb the additional work.
3. **Duplication of Efforts and Inefficiencies –**
    - There is overlap and duplication of efforts with the AB2588 (Hot Spots Program). This creates an unnecessary burden on permitted facilities, local air districts and CARB. There needs to be a recognition of this overlap and a process whereby facilities report emissions only under one of the two programs. If reported under AB617, the data can then be used to meet the AB2588 reporting portion of the requirements, and if reporting under AB2588, the reporting portion of the requirements should satisfy AB617 reporting requirements.
    - There will likely be a lot of confusion for sources that are already reporting under both AB2588 (Hot Spots Program) and criteria pollutant emissions inventory, and now would also be subject to AB 617 emission reporting requirements. This will take significant work and education to help sources properly and accurately track and report their

emissions without adequate justification as to the necessity of having three separate reporting programs.

- The Hot Spots program is being revised. There should be more consideration of how to effectively update this program to have a more streamlined approach of collecting and analyzing emission data to make it more efficient, simple and meaningful.

4. **Significant Changes –** The proposed changes do not qualify as 15-day changes. Specifically, Section 93401(a)(4) increases the number of affected sources by more than 90%. This is a drastic deviation from the original language and therefore cannot quality as "sufficiently related to the original text ", which is part of the criteria specified for 15-day changes under Government Code Section 11346.8(c). These changes need to follow the regular process for rule adoption, including proper notification, workshops, transparency with the affected businesses, and a full hearing before the CARB Board takes action.
5. **Phase-in Schedule –** requiring 2019 data to be reported in 2020 is not feasible. Permitted facilities that do not already report their emissions will not be able to provide an accurate emissions estimate. This will require education and training by districts and is a process that should not begin until the regulation is finalized. At earliest, the first phase-in date should not be until 2021 for 2020 data.

SPECIFIC COMMENTS

1. In Table A-3, in the natural gas combustion category for prisons, colleges/universities, etc… the SIC 2032 is listed twice.
2. In Table A-3, what is the significance of the three natural gas combustion categories (1. commercial cooking and charbroiling, 2. prisons, colleges/universities and manufacturer of soups and soaps, and 3. apartment buildings) and how were the reporting thresholds set. Assuming a 15% annual capacity factor, the 10 MMSCF/yr threshold equates to approximately 7.5 MMBTU/hr of total firing capacity which can be found at many other industries that employ natural gas combustion
3. In Table A-3, the natural gas combustion category for apartment buildings are typically unpermitted at our District.
4. In table A-3, Facilities engaged in scrap and waste wholesale handling and recycling, auto dismantling are typically unpermitted at our District.
5. In table A-3, Diesel engines – Most diesel engines do not have a fuel meter as this is very difficult to do and requires a measurement of fuel into the engine and a measurement of fuel back to the tank. We recommend an "hours" option for all engines, including non-Tier 4 engines. Maybe a bhp*hrs threshold?
6. The change of ownership provisions requires, at the time of reporting, the new owner to report usage/emissions from the previous owner to complete a calendar years' worth of data. With that said, the gasoline dispensing facility industry probably undergoes the most change of ownerships in a year and they are in the Phase I reporting schedule. Though the regulation requires the previous owner to give the new owner the necessary reporting data, due to this category being in Phase I and many of these transactions are between unsophisticated sources, I believe it will be problematic to get the info from the previous owner months later when the new source is confronted with the reporting requirements.
7. §93401(a)(4)(C) – There does not seem to be a correlation between activity level, emissions level and/or actual health risk. There needs to be a process for removing facilities with very small emissions. For example, a facility in the Personal Leather Goods (SCI 3172, NAICS #339910), would be subject to reporting requirements if it occasionally polished a chromed buckle. This would create an unnecessary burden on the facilities, districts and CARB. We recommend using a de minimis health risk value or prioritization score as a mechanism for removing insignificant sources.
8. §93401(c)(2)(A) – This section allows a "Hot Spots" high priority facility to cease reporting as long as it is not a GHG facility, it is not a PTE ≥250 ton/year facility located in a nonattainment district, does not have actual emissions greater than 4 tons/year (100 tons/year for CO), it is not listed in Appendix A, and the latest HRA indicates a risk below the district's public notification thresholds. However, to be in the AB2588 program, a facility must have criteria emissions over 10 tons/year (which is above the 4 ton/year exclusion in §93401(c)(2)(A)) or be in Appendix E of the Hot Spots regulation, which is similar to Appendix A of this regulation. Therefore, this section would only temporarily exempt a facility and then it would be pulled right back in

pursuant to §93401(a)(4)(A) or §93401(a)(4)(C). Not really sure what the intent of this section is.

9. §93401(c)(2)(A)2 – This section suggests a process for ceasing reporting requirements based on HRA results. We concur with the thought. We would recommend a process similar to the AB2588 process where a facility gets a prioritization score (i.e. a conservative screening health risk evaluation) and if the prioritization score is low (i.e. less than 10) then the facility may cease reporting without having to go through the expensive and resource-intensive process of doing a full blown health risk assessment.
   Also, a facility that, during the latest permit evaluation process, shows a facility-wide health risk below the levels specified in §93401(c)(2)(A)2 based on potential to emit, should not be required to report.
10. §93401(c)(3)(A) – It is going to be extremely difficult to enforce this section for facilities that shut down as we typically no longer have a valid address, phone number, or email address. We recommend this section be limited to active facilities and not be applicable to facilities that no longer exist. Maybe this can be addressed under §93401(c)(3)(C).