

COMPLIANCE ASSISTANCE BULLETIN

Originally Issued: **March 2014**

Amended: **November 2014**

**EXISTING ABOVEGROUND GASOLINE STORAGE TANK (AST)
REGULATORY ADVISORY**

The California Air Resources Board (CARB) has recently proposed an amendment to the 2008 AST Vapor Recovery Regulation that will exempt certain aboveground gasoline tanks (ASTs) from the Phase I Enhanced Vapor Recovery (EVR) upgrade requirement. New Phase I EVR upgrades require the installation of equipment found in either CARB Executive Order (EO) VR-401 or VR-402. The new Phase I EVR equipment is designed to reduce the emissions of gasoline vapors that are emitted during the transfer of gasoline from the cargo tanker to the AST. The purpose of this bulletin is to describe the proposed amendment and to explain how to comply. Please be advised that the information contained in this bulletin only applies to **existing** AST's located within the San Joaquin Valley Air District.

What are the proposed changes?

CARB has determined that in some situations the costs associated with upgrading existing ASTs to Phase I EVR has been higher than was originally anticipated, particularly for ASTs with low gasoline throughput. Therefore, CARB has proposed an amendment that will exempt existing ASTs from the Phase I EVR upgrade if the tank has an **annual throughput of 18,000 gallons or less**. In the CARB Regulatory Advisory included with this document, a **9 STEP PROCESS** is laid out describing conditions by which AST owners/operators may be exempt from complying with the Phase I EVR upgrade requirements. This exemption, however, is not final and must be approved by CARB's governing board, which will not be heard in the first half of 2015.

In response to the proposed exemption, and in advance of an official regulatory amendment, the San Joaquin Valley Air Pollution Control District (SJVAPCD) has chosen to follow the proposed recommendations in expectation that the exemption will be ratified by mid-2015 by CARB.

How can I comply?

- Facilities with **existing** ASTs with annual throughputs **greater than 18,000 gallons** are required to comply with Phase I EVR by July 1st, 2014. An Authority to Construct (ATC) application is required prior to performing any modifications.
- Facilities with **existing** ASTs with annual throughputs of **18,000 gallons or less** shall apply to modify the existing Permit to Operate to reflect an 18,000 gallon annual throughput limit to qualify for an exemption from the Phase I EVR upgrade. All existing Pre-EVR Phase I equipment must remain in place and be maintained in good operating condition.
- Facilities with **existing** ASTs with annual throughput limits of **18,000 gallons or less** listed on the existing Permit to Operate qualify for the exemption from the Phase I EVR upgrade. No Action is required. All existing Pre-EVR Phase I equipment must remain in place and be maintained in good operating condition.

What about Standing Loss Control (SLC) and Pre-EVR Phase I equipment?

This proposed exemption only applies to the Phase I EVR upgrade and not to Standing Loss Control (SLC) or Pre-EVR Phase I equipment. The requirements for SLC are still required on all non-ag tanks over 250 gallons and on all ag tanks over 550 gallons at permitted operations which are subject to Pre-EVR Phase I requirements. All Pre-EVR Phase I equipment must be maintained in good operating condition, and shall remain in place even if the AST qualifies for the Phase I EVR upgrade exemption.

Note: CARB has proposed EO G-70-216 to address existing AST's that are not compatible with new Phase I EVR upgrades.

For further information, please contact Michael Hamaguchi (Modesto), Rob Vinson (Fresno), Angela Frantz (Bakersfield) or a Small Business Assistance Representative at one of the offices below.

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4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400 ♦ FAX (209) 557-6475

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
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Southern Region Office
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(661) 392-5500 ♦ FAX (661) 392-5585

Regulatory Advisory

Originally Issued: February 28, 2014 Amended: November 18, 2014



Flexibility Provided to Owners and Operators of Aboveground Gasoline Storage Tanks (AST) Subject to 2008 AST Vapor Recovery Regulation

In the first half of 2015, the California Air Resources Board (ARB or Board) will consider amendments to Enhanced Vapor Recovery (EVR) requirements for aboveground storage tanks (ASTs) storing gasoline, with the goal of improving cost effectiveness of the regulation while preserving its air quality benefits. This advisory describes circumstances in which AST owners and operators may be able to avoid unnecessary expenses when it is not cost-effective to upgrade vapor recovery equipment on existing ASTs. **Owners/operators are encouraged to contact their local air district to determine applicable requirements for their AST, as current district rules may require the use of SLC, Phase I, and/or Phase II systems on ASTs.**

Background:

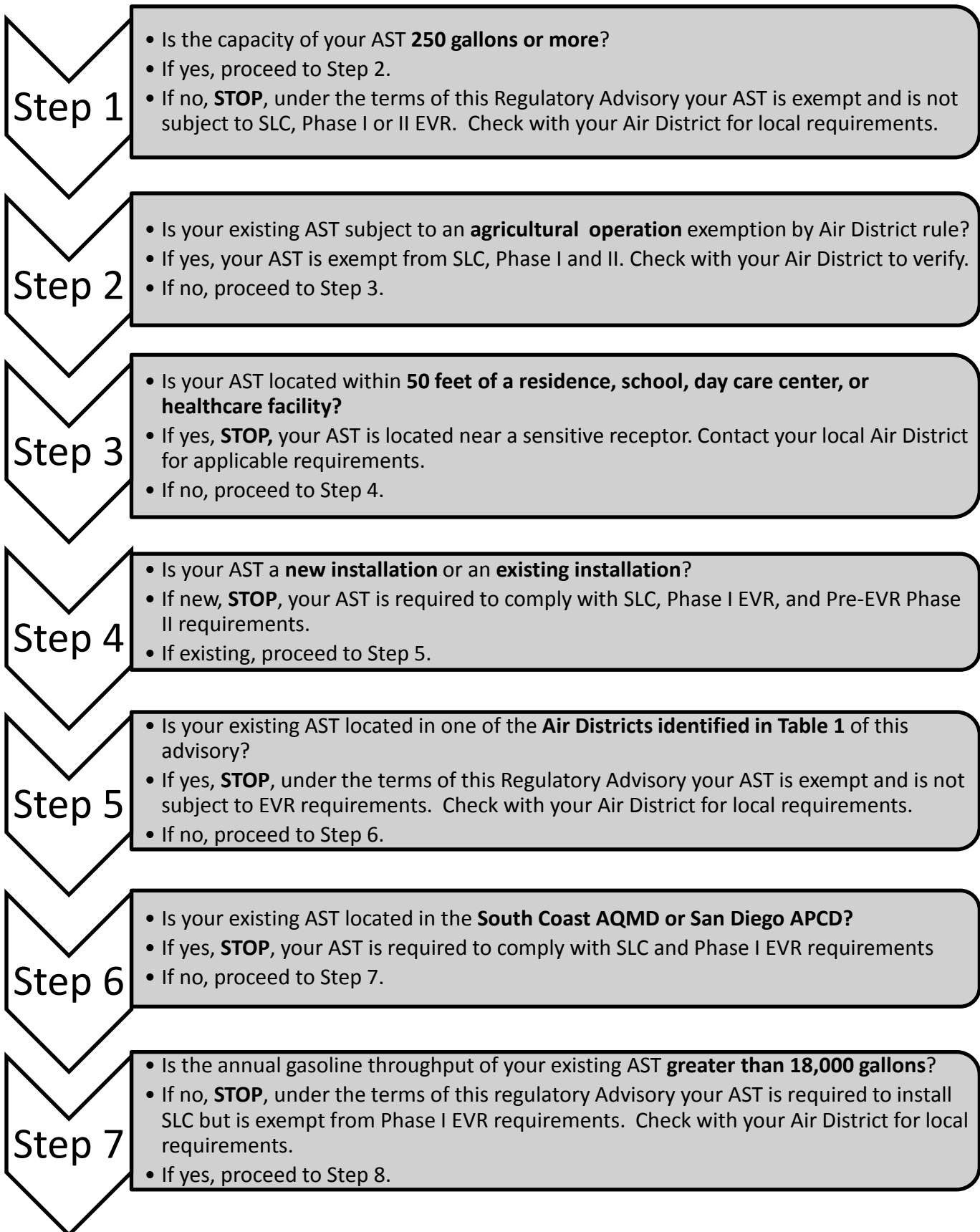
In 2008, the Board adopted statewide Enhanced Vapor Recovery (EVR) standards¹ to reduce air pollution from AST. Pursuant to provisions in Health and Safety Code section 41956.1 owners and operators of AST are required to install EVR equipment to reduce the emission of gasoline vapors caused by daily changes in ambient temperature and exposure to sunlight (Standing Loss Control, or SLC) as well as vapors that are emitted during the transfer of gasoline from the cargo tanker to the AST (Phase I) and then from the AST to the motor vehicle (Phase II). Under the statewide regulation, **new** AST have been required to have SLC equipment since April 1, 2009 and Phase I equipment since July 1, 2010. For **existing** AST located in state ozone non-attainment areas, SLC has been required since April 1, 2013 and Phase I equipment is required by July 1, 2014. Installation deadlines for Phase II equipment have not yet been established due to a lack of certified equipment.

Based on recent analysis, ARB has determined that in some situations the costs associated with implementation of Phase I equipment are higher than originally anticipated, particularly for AST with low gasoline throughput which are in many cases located in rural areas. To allow for more cost-effective implementation of AST EVR requirements, ARB staff will ask the Board to consider regulatory amendments that would exempt certain ASTs from compliance with SLC and Phase I requirements. In the interim, to ensure that owners/operators do not unnecessarily expend funds to upgrade ASTs that could ultimately be exempt under the amendments that ARB staff will be proposing, ARB will request the air districts to not enforce the July 1, 2014 compliance deadline for those AST owners/operators who may not be required to comply under the **9 STEP PROCESS** laid out in this Regulatory Advisory.

Anticipated Regulatory Changes:

Please be advised that while ARB staff anticipates proposing amendments similar to this Regulatory Advisory, the changes will not be finalized until adopted by the Board. As such, the final scope and applicability of the amendments may change as ARB staff assesses the emission, risk, and economic impacts and conducts public workshops at various locations throughout the State. In the event that the final adopted amendments differ from those identified above, AST owners/operators will be provided additional time to come into compliance with the regulation. The compliance timeline will be specified in the adopted amendments.

¹ Title 17, California Code of Regulations, Section 94016



(9 STEP PROCESS Continued on Next Page)

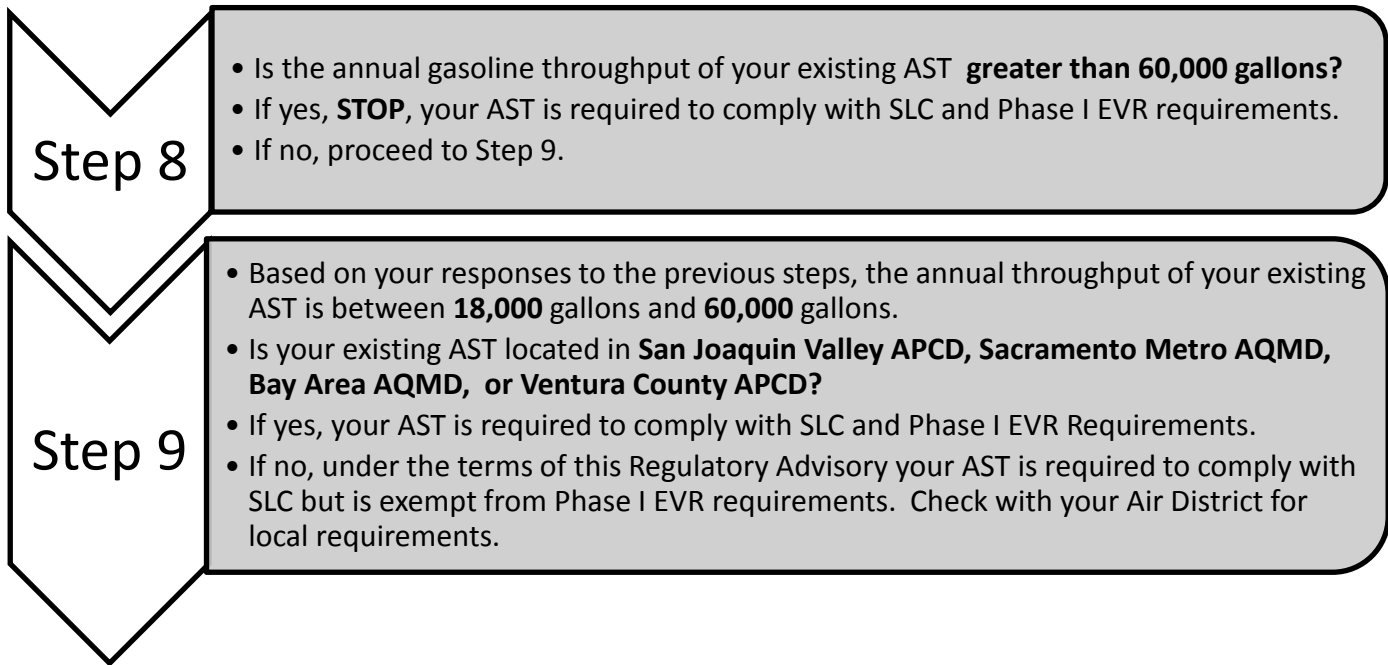


Table 1: Air Districts Which Are Exempted from EVR Requirements for AST:

| Air District ² | | |
|---------------------------|----------------------|-----------------------------|
| Amador County APCD | Colusa County APCD | Glenn County APCD |
| Great Basin Unified APCD | Lake County AQMD | Lassen County APCD |
| Mendocino County AQMD | Modoc County APCD | Monterey Bay Unified APCD |
| North Coast Unified AQMD | Northern Sierra AQMD | Northern Sonoma County APCD |
| Shasta County APCD | Siskiyou County APCD | |
| Tehama County APCD | Tuolumne County APCD | |

Contact Information:

For further information about AST vapor recovery requirements, sensitive receptors, exemptions for agricultural operations, and how to calculate annual throughput, please contact your local Air District. Air District contact information is available at <http://www.arb.ca.gov/vapor/EVR%20District%20Contacts%202012.pdf>.

For further information about ARB's Enhanced Vapor Recovery program for aboveground gasoline storage tanks, please visit <http://www.arb.ca.gov/vapor/vapor.htm> or call (916) 327-0900.

² A map of California's air districts is available at <http://www.arb.ca.gov/capcoa/dismap.htm>