District Rule 4702
(Internal Combustion Engines)

November 19, 2020
San Joaquin Valley Air Pollution Control District

webcast@valleyair.org
Valley’s Air Quality Challenges

• Valley’s challenges in meeting federal air quality standards unmatched due to unique geography, meteorology, and topography
• Valley designated as “Extreme” non-attainment of the 8-hour Ozone NAAQS; “Serious” non-attainment of federal standards for fine particulate matter (PM2.5)
• Combustion a significant source of NOx emissions, primary precursor to ozone and PM2.5 formation
  – Comprehensive strategy in 2018 PM2.5 Plan includes commitment to reduce emissions from mobile sources and a number of stationary source categories, including internal combustion engines
Rule 4702 Overview

- District Rule 4702 applies to internal combustion (IC) engines rated at 25 bhp or greater
  - Spark-ignited (SI) engines
  - Compression-ignited engines
- Engines in Valley used to power pumps, compressors, or electrical generators at public and private facilities
- Many permitted compression-ignited engines used as emergency engines to provide backup power
- Rule limits emissions of NOx, CO, VOCs, and SOx
Where do Internal Combustion Engines Operate?

• IC engines are used at the following facility types in the Valley:
  – Oil and gas production facilities
  – Petroleum refineries
  – Landfills and waste wastewater treatment plants
  – Water districts
  – Schools, universities
  – Electrical power generation facilities
  – Food processing operations
  – Agricultural operations

Image credit: EPA, 2013
Current Rule 4702 Requirements

• District Rule 4702 adopted August 2003, sixth generation rule
  – Rule limits emissions of NOx, CO, VOCs, and SOx
  – Past amendments established lower NOx limits for non-agricultural engines between 25-50 ppmv (rich-burn) and 65-75 ppmv (lean-burn)
  – 2011 amendment further strengthened rule by requiring NOx limits as low as 11 ppmv for non-agricultural spark-ignited engines
  – Rule achieved significant reductions in NOx and PM emissions from agricultural engines, with significant investment by agricultural operators – past amendments have established limits between 90 – 150 ppmv for ag engines

• Through Rule 4702, NOx emissions from IC engines already reduced significantly
  – Achieved 90-96% NOx emissions control for non-agricultural rich burn engines, 85-90% emissions control for non-agricultural lean burn engines
  – NOx emissions from agricultural engines reduced by 84%
## Non-Ag Engines in the San Joaquin Valley

<table>
<thead>
<tr>
<th>Engine Type</th>
<th>Total #</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rich Burn Spark Ignited Engines</strong></td>
<td></td>
</tr>
<tr>
<td>Waste Gas</td>
<td>0</td>
</tr>
<tr>
<td>Cyclic Loaded, Field Gas Fueled</td>
<td>7</td>
</tr>
<tr>
<td>Limited Use</td>
<td>20</td>
</tr>
<tr>
<td>Not Listed Above</td>
<td>202</td>
</tr>
<tr>
<td><strong>Lean Burn Spark Ignited Engines</strong></td>
<td></td>
</tr>
<tr>
<td>Two-Stroke, Gaseous Fueled, &gt;50 bhp and &lt;100 bhp</td>
<td>0</td>
</tr>
<tr>
<td>Limited Use</td>
<td>0</td>
</tr>
<tr>
<td>Gas Compression</td>
<td>38</td>
</tr>
<tr>
<td>Waste Gas</td>
<td>14</td>
</tr>
<tr>
<td>Not Listed Above</td>
<td>19</td>
</tr>
</tbody>
</table>
Ag Spark-Ignited Engines in the San Joaquin Valley

<table>
<thead>
<tr>
<th>Engine Type</th>
<th># of Permitted units</th>
<th># of PEER units</th>
<th>Total # of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rich Burn Spark Ignited</td>
<td>330</td>
<td>46</td>
<td>362</td>
</tr>
<tr>
<td>Lean Burn Spark Ignited</td>
<td>115</td>
<td>34</td>
<td>143</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>445</strong></td>
<td><strong>80</strong></td>
<td><strong>505</strong></td>
</tr>
</tbody>
</table>
NOx Emissions from Internal Combustion Engines in the Valley

All NOx Emissions in the Valley (Mobile, Stationary, & Area Sources)

- Other NOx Sources: 3%
- IC Engines: 97%

NOx Emissions from Stationary Sources

- Other Stationary Sources: 78%
- IC Engines: 22%
Emission Reductions Needed

• Valley’s challenges in meeting federal air quality standards unmatched due to unique geography, meteorology, and topography
• Substantial reductions needed to achieve federal PM2.5 standards – need to go beyond already strict limits
• Commitment in 2018 PM2.5 Plan to further evaluate emissions reduction opportunities from variety of source categories, including IC engines
• District staff have conducted comprehensive review of requirements in other air districts, lowest emission limits being achieved in installations statewide, and costs and feasibility of most effective emission control technologies available
Public Process to Amend Rule 4702

• 2018 Plan for the 1997, 2006, and 2012 PM2.5 Standards
  – Adopted: November 15, 2018
• Public scoping meeting held December 5, 2019
• Public Workshop held on September 24, 2020
• Regular updates provided at Citizens Advisory Committee (CAC), Environmental Justice Advisory Group (EJAG), and District Governing Board meetings
• Ongoing opportunities for public input throughout rule development process
Available Ag Pump Replacement Incentive Program

- District operates robust incentive program to provide funding for replacement of older ag engines with Tier 4 engines or electric motors
- Total program funding of over $120,000,000
- Funding amounts based on dollar per horsepower from $90/hp - $150/hp (additional funding for line extension)
- Incentives have replaced over 7,100 engines, with over 3,000 replaced with electric motors (more info: http://www.valleyair.org/grants/agpump.htm)
- District will continue to provide incentives to transition engines to latest TIER or electric motors
Engine Add-On Control Technologies

• **3-Way Catalyst (NSCR)**
  Applicable for Rich-Burn Engines: oxidizes hydrocarbons and carbon monoxide, and reduces nitrogen oxides into water, nitrogen and carbon dioxide

• **SCR System**
  Applicable for Lean-Burn Engines: injects reagent though a catalyst to convert NOx in exhaust to nitrogen & water

Figure Credits (from top): Laurenzi, 2018; Tomorrow’s Technician, 2015
Available Control Options for IC Engines

• Lean-burn Spark-ignited engines
  – Replace with electric motor where electricity is available
  – Retrofit with SCR system
  – Replace with new rich burn engine with NSCR

• Rich-burn Spark-ignited engines
  – Replace with electric motor where electricity is available
  – Retrofit with 3-way catalyst
  – Replace with new well-controlled engine

• Cost-effectiveness varies greatly based on feasibility of retrofit vs. engine replacement
Cost Assessment of NOx Control Technology

• Sources for costs
  – Actual costs provided by facilities, engineering estimates, and control technology vendors & manufacturers
  – Various sources for the cost of electricity, fuel, and replacement parts
  – Cost factors from EPA's Office of Air Quality Planning and Standards

• Staff held numerous in person and virtual meetings with facilities, vendors, manufacturers, and other stakeholders
Engine Add-On Control Technologies

• Rich-Burn Engines
  – Costs and emissions range based on size of engine, age of engine, current controls, type of use
    • Total Capital Cost $9,800 - $95,000
    • Additional operating and maintenance costs for controls: nominal

• Lean-Burn Engines
  – Costs and emissions range based on size of engine, age of engine, current controls, type of use
    • Total Capital Cost $22,000 - $190,000
    • Additional operating and maintenance costs for controls: $2,916 - $102,213/yr
Cost-Effectiveness (CE) Analysis

• Cost-Effectiveness is cost (capital and annual) over emission reductions for the life of the equipment ($/ton)
• Two major cost elements
  – Capital Costs (Equipment, Infrastructure, Engineering, Installation, Tax, Freight)
  – Annual Costs (Operation & Maintenance)
• Emission reductions based on current emission levels (baseline) to proposed emission limit
Proposed Rule 4702 Requirements

• Lower NOx limits for various categories based on technological feasibility and cost-effectiveness
• Lower VOC limits to 90 ppmv for all categories
• Rule compliance schedule
  – Non-ag Rich-Burn Engines: December 31, 2023
  – Non-ag Lean-Burn Engines: December 31, 2023
  – Ag Rich-Burn Engines: December 31, 2023
  – Ag Lean-Burn Engines: December 31, 2029
• Removal of emissions fee compliance option for all engine categories
## Proposed NOx Limits and Cost Effectiveness (CE) for Non-AO Rich-Burn Spark-Ignited Engines

<table>
<thead>
<tr>
<th>Non-AO Rich Burn Spark Ignited Engines</th>
<th>Affected Units</th>
<th>Permitted Above Proposed Limit</th>
<th>Current Rule 4702 NOx Limit ppmv</th>
<th>Proposed Rule 4702 NOx Limit ppmv</th>
<th>Current VOC Limit (ppmv)</th>
<th>Proposed VOC Limit (ppmv)</th>
<th>CE per ton NOx</th>
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</thead>
<tbody>
<tr>
<td>Waste Gas</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>11</td>
<td>250</td>
<td>90</td>
<td>-</td>
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<tr>
<td>Cyclic Loaded, Field Gas Fueled</td>
<td>7</td>
<td>7</td>
<td>50</td>
<td>11</td>
<td>250</td>
<td>90</td>
<td>-</td>
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<tr>
<td>Limited Use</td>
<td>20</td>
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<td>25</td>
<td>11</td>
<td>250</td>
<td>90</td>
<td>$6,675</td>
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<td>202</td>
<td>-</td>
<td>11</td>
<td>11</td>
<td>250</td>
<td>90</td>
<td>-</td>
</tr>
<tr>
<td>Non-AO Lean Burn Spark Ignited Engines</td>
<td>Affected Units</td>
<td>Permitted Above Proposed Limit</td>
<td>Current NOx Limit (ppmv)</td>
<td>Proposed NOx Limit (ppmv)</td>
<td>Current VOC Limit (ppmv)</td>
<td>Proposed VOC Limit (ppmv)</td>
<td>CE per ton NOx</td>
</tr>
<tr>
<td>--------------------------------------</td>
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<td>--------------------------</td>
<td>---------------------------</td>
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<td>---------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Two-Stroke, Gaseous Fueled, &gt;50 bhp and &lt;100 bhp</td>
<td>0</td>
<td>0</td>
<td>75</td>
<td>11</td>
<td>750</td>
<td>90</td>
<td>-</td>
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<tr>
<td>Limited Use</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>11</td>
<td>750</td>
<td>90</td>
<td>-</td>
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<tr>
<td>Gas Compression</td>
<td>38</td>
<td>33</td>
<td>65</td>
<td>40</td>
<td>750</td>
<td>90</td>
<td>$4,117-$7,081</td>
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<tr>
<td>Waste Gas</td>
<td>14</td>
<td>10</td>
<td>65</td>
<td>40</td>
<td>750</td>
<td>90</td>
<td>$2,656-$14,766</td>
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<tr>
<td>Not Listed Above</td>
<td>19</td>
<td>-</td>
<td>11</td>
<td>11</td>
<td>750</td>
<td>90</td>
<td>-</td>
</tr>
</tbody>
</table>
## Proposed NOx Limits and CE for AO Spark-Ignited Engines

<table>
<thead>
<tr>
<th>AO Engines</th>
<th>Total #</th>
<th>Current NOx Limit (ppmv)</th>
<th>Proposed NOx Limit (ppmv)</th>
<th>Current VOC Limit (ppmv)</th>
<th>Proposed VOC Limit (ppmv)</th>
<th>CE per ton NOx</th>
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</thead>
<tbody>
<tr>
<td>Rich Burn Spark Ignited</td>
<td>362</td>
<td>90</td>
<td>11</td>
<td>250</td>
<td>90</td>
<td>$2,500 - $37,930*</td>
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<tr>
<td>Lean Burn Spark Ignited</td>
<td>143</td>
<td>150</td>
<td>35</td>
<td>750</td>
<td>90</td>
<td>$9,400 - $20,390</td>
</tr>
</tbody>
</table>

*Highest costs based on installation of new rich-burn engine with NSCR, rather than retrofit
Estimated NOx Emission Reductions

• NOx Emission Reductions from Rule 4702 in 2023
  – 0.56 tons per day
• NOx Emission Reductions from Rule 4702 in 2029
  – 0.15 tons per day
• Total Estimated NOx Emission Reductions
  – 0.71 tons per day
Rule Process and Socioeconomic Impact Analysis

• Socioeconomic Impact Analysis underway to support feasibility analysis
  – Characterization of the Valley’s economic climate
  – Evaluation of economic impacts
  – Socioeconomic Impact Analysis report
  – Presentation to Governing Board

• Timeline:
  – Analysis and Outreach: November 2020
  – Post Draft Rule: December 2020
  – Governing Board Hearing: January 2021
Next Steps: Public Engagement Process for Rule 4702 Amendment

Public Workshop(s) → Publication of proposed rule package to the District web → Public comment period → Governing Board Public Hearing

Public Participation and Comment Invited throughout Process
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