



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Request for Comments

November 20, 2023

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER / APCO
SUBJECT: **Request for Comments – Draft Amendments to Regulation 8: Organic Compounds, Rule 18: Equipment Leaks**

The staff of the Bay Area Air Quality Management District (Air District) is requesting comments on draft amendments to Regulation 8: Organic Compounds, Rule 18: Equipment Leaks (Rule 8-18).

BACKGROUND

The Air District is developing amendments to Rule 8-18 to address emissions of Total Organic Compounds (TOC) from refineries, chemical plants, bulk terminals and bulk plants, and other facilities that store, transport, and use organic liquids. Administrative amendments were made to Rule 8-18 as part of a larger effort to revise the refinery definition in several Air District rules in November 2021. Rule 8-18 was last substantively amended in December 2015 to address equipment at these facilities that services heavy liquids (liquid with an initial boiling point greater than 302 °F). However, due to questions regarding emissions reductions and cost-effectiveness related to including components in heavy liquid service in monitoring requirements, Resolution No. 2015-12 directed staff to examine these issues further and recommend modifying this rule if appropriate. In addition, the Air District was sued in January 2016 by three petroleum refineries challenging the 2015 Amendments to Rule 8-18, which resulted in a settlement agreement between the Air District and the petroleum refineries issued in March 2017. To determine appropriate emission factors for heavy liquid component leaks, a Heavy Liquids Study was conducted and finalized in April 2022. Using the findings from this study, the Air District is currently proceeding with rule amendments to limit emissions associated with a subset of equipment that services heavy liquids. These rule amendments include the provisions agreed upon in the settlement agreement.

California Assembly Bill (AB) 617 requires each air district that is in nonattainment for one or more air pollutants to adopt an expedited schedule for implementation of Best Available Retrofit Control Technology (BARCT) by the earliest feasible date, but not later than December 31, 2023. In 2018, the Air District adopted the Expedited BARCT Implementation Schedule, which identified potential rule development projects to evaluate and implement BARCT at industrial sector facilities subject to California Greenhouse Gas Cap-and-Trade Requirements. Due to the uncertainty surrounding the emissions reductions from the 2015 amendments, emissions from equipment leaks were identified as a potential source of substantial reductions and included on the Expedited BARCT Implementation Schedule.

DRAFT AMENDMENTS

Air District staff evaluated fugitive emissions associated with equipment in heavy liquid service utilizing the emission data from the Heavy Liquids Study. The emissions reductions and compliance costs associated with equipment in heavy liquid service were calculated at various initial boiling points. Based on this analysis, a subset of components in heavy liquid service was added to the Leak Detection and Repair (LDAR) program.

Draft amendments to Rule 8-18 include:

- Subjecting a subset of components in heavy liquid service to LDAR program requirements
- Making total organic compound component leak standards more stringent
- Adding operating requirements and standards for selected components
- Enhancing inspection procedures and reporting requirements
- Adding new definitions for clarity and completeness and other administrative updates and clarifications

The Air District is publishing the full mark-up text of draft amendments for Rule 8-18 and a Preliminary Staff Report. The Air District intends to analyze and review potential socioeconomic impacts and include further information in the final proposal package. Potential environmental impacts related to projects under the AB 617 Expedited BARCT Implementation Schedule, including amendments to Rule 8-18, were previously analyzed in an Environmental Impact Report (EIR) certified by the Air District Board of Directors in December 2018. The Air District will review the conclusions drawn in this previous EIR and evaluate the potential environmental impacts resulting from amendments to Rule 8-18 through completion of an Initial Study which will be published for public comment. Should substantial evidence of potential significant adverse impacts be found as part of the Initial Study, the Air District may conduct a scoping meeting in anticipation of preparation of an EIR. If the Initial Study finds that there is no substantial evidence suggesting that amending Rule 8-18 will have any significant adverse environmental impacts, then the Air District will prepare a Negative Declaration under the California Environmental Quality Act (CEQA) for consideration by the Board of Directors.

INFORMATION AND COMMENTS

Staff requests comments and questions about the draft amendments to Rule 8-18 and Preliminary Staff Report. Following this Request for Comments and closing of the public comment period, staff will assess the need for changes to the rule amendments. Staff may consider soliciting further input or may proceed to a public hearing before the Air District's Board of Directors.

For copies of the draft amendments to Rule 8-18 and Preliminary Staff Report, please visit our website at www.baaqmd.gov/ruledev or submit a request to Rule Development at (415) 749-4653 or ruledevelopment@baaqmd.gov. Interested parties are invited to submit questions or comments on the draft rule amendments and Preliminary Staff Report to Rule Development at ruledevelopment@baaqmd.gov. The deadline to submit comments on these materials is Wednesday, December 20, 2023, at 5:00 p.m.