State of California
AIR RESOURCES BOARD

Resolution 00-9

March 23, 2000

Agenda Item No.: 00-3-2

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (the "Board") to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, section 39607(d) of the Health and Safety Code requires the Board to adopt test procedures to measure compliance with its nonvehicular, or stationary source, emission standards and those of the air pollution control and air quality management districts ("districts");

WHEREAS, sections 41950 and 41954 of the Health and Safety Code require the installation of vapor recovery systems for gasoline vapor control during gasoline marketing operations;

WHEREAS, section 41954 of the Health and Safety Code requires the Board to adopt procedures for determining the compliance of any system designed for the control of gasoline vapor emissions during gasoline marketing operations with performance standards established by the Board;

WHEREAS, recent field inspections conducted jointly by the Board's and districts' staffs indicate that many in-use vapor recovery systems are not operating effectively and the Board's and districts' staffs are working to implement short-term improvements to existing systems;

WHEREAS, these short-term improvements will not provide for all of the emission reductions attributable to the Enhanced Vapor Recovery proposal including emissions caused by interactions with on-board refueling vapor recovery (ORVR) systems on vehicles and pressure-related fugitives and will not make the improvements provided by the enhanced performance standards and specifications;

WHEREAS, the Settlement Agreement re: the 1994 Ozone State Implementation Plan (SIP), entered into in 1999 to settle *Coalition for Clean Air* v. *South Coast Air Quality Management District, et al.*; Case No. 97-6916 HLH (SHx), United States District Court for the Central District of California, commits the Board to achieving additional reactive organic gas emission reductions of five to ten tons in terms of 2010 South Coast Air Basin emissions from vapor recovery systems;

WHEREAS, a cooperative effort between the Board and the districts for certification of vapor recovery systems will further the goals of certification under section 41954 of the Health and Safety Code;

WHEREAS, the Board's staff has identified improvements for nine existing vapor recovery and test procedures; CP-201, D-200, TP-201.1, TP-201.1A, TP-201.2, TP-201.2A, TP-201.2B, TP-201.2C and TP-201.5;

WHEREAS, the Board's staff has proposed five new test procedures; TP-201.2D, TP-201.2E, TP-201.2F, TP-201.2H and TP-201.2O;

WHEREAS, the Board's staff has proposed repeal of one test procedure which is no longer in use, TP-201.3A;

WHEREAS, the Board's staff has proposed amendments to title 17, California Code of Regulations, sections 94010, 94011, 94148, 94149, 94151, 94154 and 94163, which incorporate by reference the identified revised, new and repealed vapor recovery procedures;

WHEREAS, the Board's staff has proposed amendments to title 17, California Code of Regulations, section 60030, which provides time periods for permit application review and processing;

WHEREAS, the Board's staff has proposed further amendment of test procedure TP-201.5, which was earlier proposed for amendment, considered and approved by the Board in June 1999, but which has not yet been adopted by the Executive Officer following the 15-day comment period;

WHEREAS, the proposed amendments and adoptions are reasonable and necessary to achieve and maintain ambient air quality standards;

WHEREAS, the California Environmental Quality Act and Board regulations require that no project which may have significant adverse environmental impacts be adopted as originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of Chapter 3.5 (commencing with section 11340), Part 1, Division 3, Title 2 of the Government Code;

WHEREAS, the Board has considered the preliminary impact of the proposed regulatory action on the economy of the state;

WHEREAS, acknowledging the concerns of businesses, particularly small businesses, that purchase and use vapor recovery systems certified to the standards set forth in Attachment B, and as may be further modified in response to public comment during the 15-day comment period, the Board intends that Board staff work with businesses to explore avenues for addressing increased costs and financing of these cost; and

WHEREAS, the Board finds that:

> Amendment and adoption of the provisions of title 17, California Code of Regulations, as set forth in Attachment A hereto, and the incorporation of the proposed amended vapor recovery certification and test procedures as set forth in Appendix B of the Staff Report: Initial Statement of Reasons, dated February 4, 2000, and as modified as set forth in Attachment B hereto, are necessary and appropriate to satisfy the requirements of sections 39601, 39607(d), 41950, and 41954 of the Health and Safety Code;
>
> The actions approved herein will have no significant adverse environmental impacts and the regulations are projected to have a positive air quality impact; and
>
> There is no alternative considered by the Board that would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves sections 60030, 94010, 94011, 94148, 94149, 94151, 94154 and 94163, title 17, California Code of Regulations, as set forth in Attachment A hereto.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to adopt sections 60030, 94010, 94011, 94148, 94149, 94151, 94154 and 94163, title 17, California Code of Regulations, after making the modified regulatory language available for public comment for a period of 15 days, as required by Government Code section 11346.8, provided that the Executive Officer shall consider such written comments regarding the modification as may be submitted during this period, shall make modifications as may be appropriate in light of the comments received or for consistency with the modifications in Attachment B, and shall present the regulations to the Board for further consideration if he determines that this is warranted.

BE IT FURTHER RESOLVED that the Board directs the Board's staff to work with the California Air Pollution Control Officers Association (CAPCOA) and the Western States Petroleum Association (WSPA) to establish by October 1, 2000, a plan for a pilot program for equipment-reliability tracking.

BE IT FURTHER RESOLVED that the Board directs the Board's staff to work with the districts and WSPA to facilitate by April 2002 the use on all installed systems of vapor recovery Phase I systems and equipment that meet the standards as revised in Attachment B or as may be further revised after public comment.

BE IT FURTHER RESOLVED that the Board directs the Board's staff to work with the districts and WSPA and the appropriate system and component manufacturer(s) to facilitate the certification and installation of nozzles that use a vapor-collection-enhancement device, such as a mini-boot, and to lower the system air-to-liquid ratio for installed vapor recovery systems that are currently certified under Executive Order G-70-150AD (Gilbarco VaporVac System).

BE IT FURTHER RESOLVED that the Board directs the Board's staff to conduct a technology review for those aspects of the certification standards, as set forth in Attachment B and as may be further modified in response to public comment during the 15-day comment period, that have future effective or operative dates, including in-station diagnostics, nozzle performance standards and ORVR compatibility. It is the intent of the Board that the review be comprehensive, thorough, and rigorous, and include an evaluation of all practical alternatives to, and means of meeting, the requirements of the enhanced vapor recovery (EVR) goals. The Board directs the Board's staff to hold one or more workshops in conjunction with the review, to complete the review no later than April 1, 2002, and to submit a final report to the Board for its consideration at a public meeting.

BE IT FURTHER RESOLVED that the Board directs the Board's staff, in cooperation with CAPCOA and WSPA, to develop a pilot program for in-station diagnostics systems to be installed in test stations in several major metropolitan areas for evaluation and monitoring. It is the intent of the Board that the pilot program provide a basis for assessing inspection testing frequency requirements and to provide information for the technology review in 2002.

BE IT FURTHER RESOLVED that the Board directs the Board's staff to develop a Memorandum of Agreement between the Board and CAPCOA regarding the certification of vapor recovery systems that furthers district participation, within reasonable review times as provided in section 60030, title 17, California Code of Regulations, in the certification of vapor recovery systems.

BE IT FURTHER RESOLVED that the Board directs that the amendment of test procedure TP-201.5, as approved by the Board in Resolution 99-23 on June 24, 1999, be set aside.

BE IT FURTHER RESOLVED that the Board directs the Board's staff to modify by reference existing active, and incorporate into future, executive orders that certify vapor recovery systems, a provision that authorizes continued use of installed vapor recovery equipment pursuant to Health and Safety Code section 41956.1; and to work with the

American Petroleum Institute to convene a meeting and establish communication with regulators from other states to discuss the performance standards and specifications as set forth in Attachment B and as may be further modified in response to public comment during the 15-day comment period.

I hereby certify that the above is a true and correct copy of Resolution 00-9, as adopted by the Air Resources Board.

Pat Hutchens

Pat Hutchens, Clerk of the Board

RECEIVED BY
Office of the Secretary

FEB 0 2 2001

RESOURCES AGENCY OF CALIFORNIA

Resolution 00-9

March 23, 2000

Identification of Attachments to the Resolution

Attachment A: Amendments to sections 60030, 94010, 94011, 94148, 94149, 94151, 94154 and 94163, title 17, California Code of Regulations, as noticed on February 4, 2000.

Attachment B: Modifications to Vapor Recovery Certification Procedure CP-201. [Modifications that conform the Definitions D-200 and Test Procedures TP-201.1, TP-201.1A, TP-201.2, TP-201.2A, TP-201.2B, TP-201.2C TP-201.2D, TP-201.2E, TP-201.2F, TP-201.2H, TP-201.2O and TP-201.5 with CP-201 will be made available during the 15-day comment period along with the modifications to CP-201.]