

Regulatory Advisory

February 28, 2014



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

In November 2014, 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:

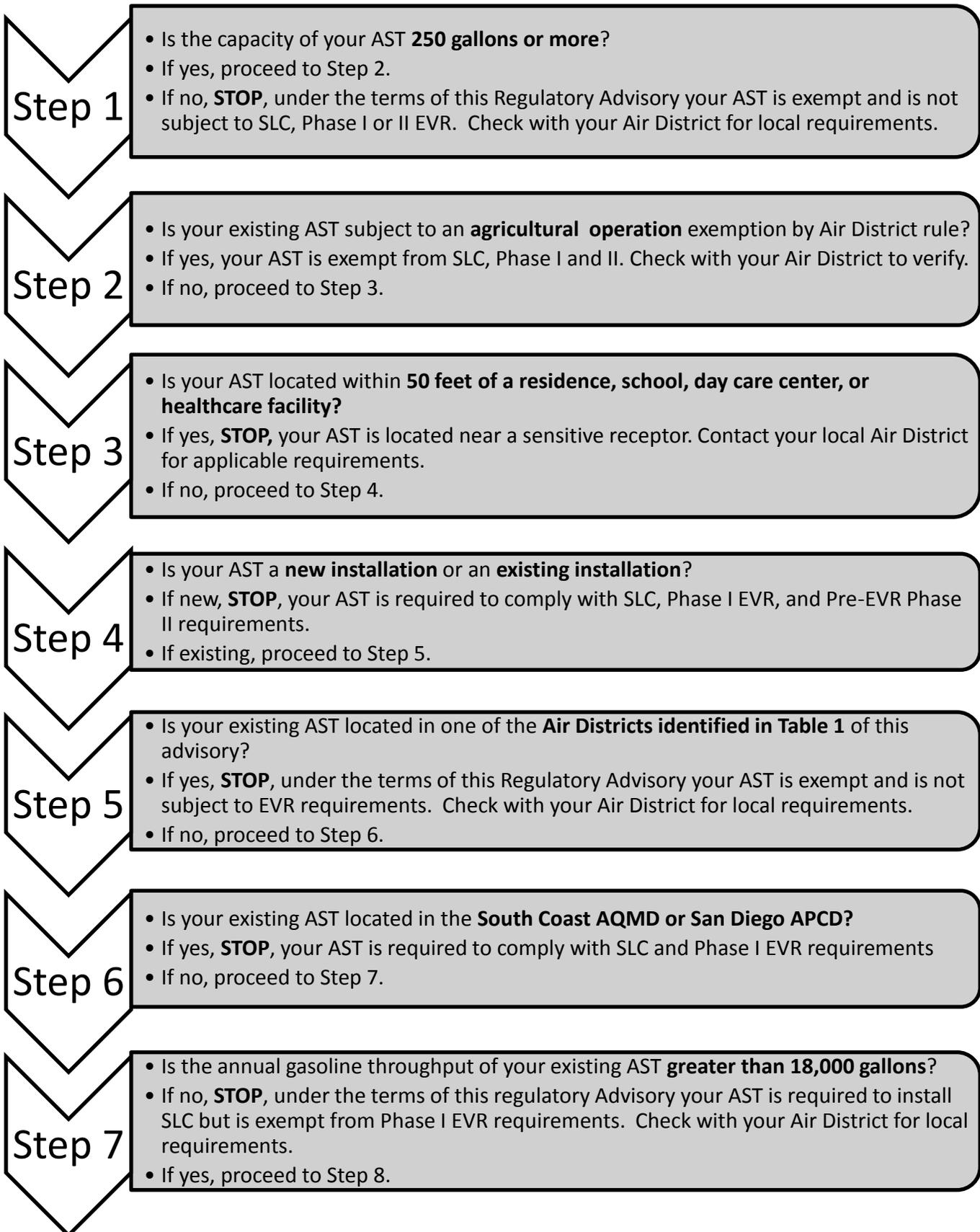
In 2008, the Board adopted statewide Enhanced Vapor Recovery (EVR) standards¹ to reduce air pollution from AST. Pursuant to provisions in Health and Safety Code section 41956.1 owners and operators of AST are required to install EVR equipment to reduce the emission of gasoline vapors caused by daily 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 at a public hearing scheduled for November 2014 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 at the Board's regularly scheduled November 2014 meeting, 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)

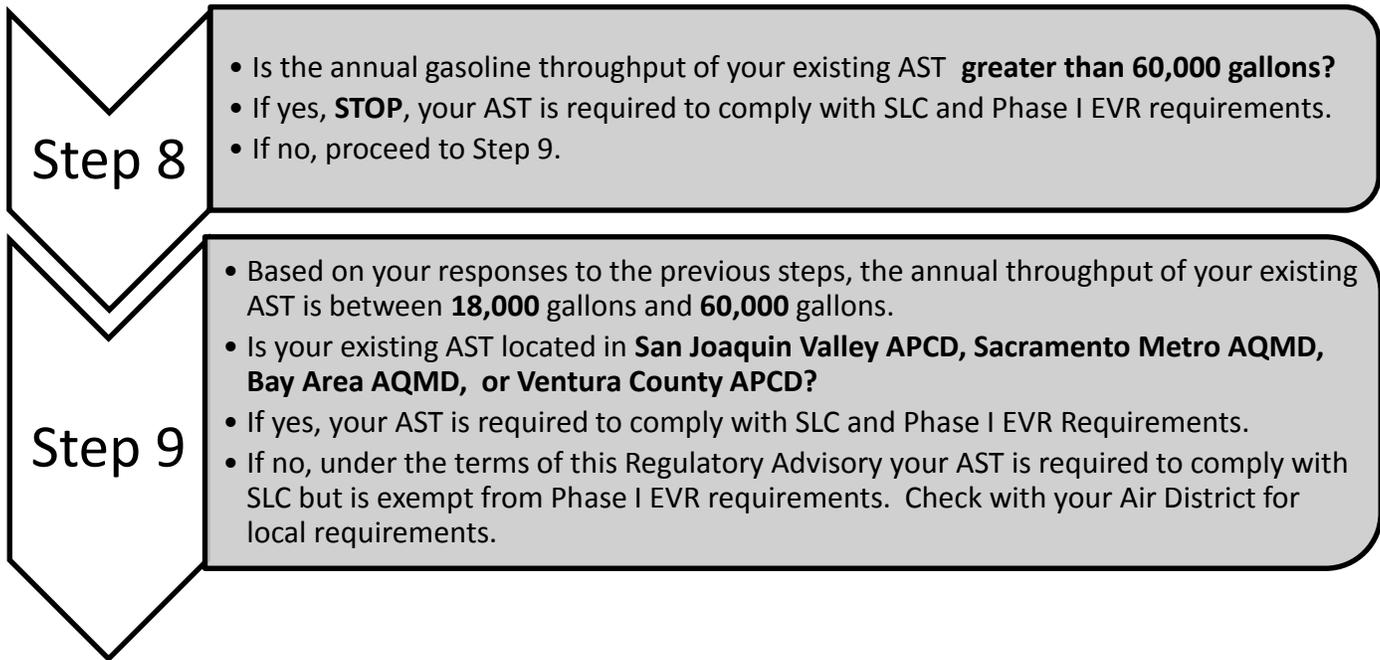


Table 1: Air Districts Which Are Exempted from EVR Requirements for AST:

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/EVRDistrictContacts2012.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>