

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

FINAL DRAFT STAFF REPORT

Amendments to Rule 4307 (Boilers, Steam Generators, and Process Heaters – 2.0 MMBtu/hr to 5.0 MMBtu/hr)

March 22, 2016

Prepared by: Jesse Madsen, Air Quality Specialist

Reviewed by: Anna Myers, Senior Air Quality Specialist
Chay Thao, Program Manager, Strategies and Incentives
Sheraz Gill, Director, Strategies and Incentives

BACKGROUND

After a thorough evaluation and public process the San Joaquin Valley Unified Air Pollution Control District (District) amended Rule 4307 (Boilers, Steam Generators, and Process Heaters – 2.0 MMBtu/hr to 5.0 MMBtu/hr) in 2011. Since adoption of these amendments, and upon further review, it has been determined that some clarification is necessary to more clearly align rule language with the intent of the 2011 rule amendments.

In 2011, the District amended Rule 4307 to incorporate tree nut pasteurizers into the rule as a separate type of unit. That amendment allowed existing tree nut pasteurizing operations to continue meeting strict Food and Drug Administration (FDA) almond treatment requirements while maintaining compliance with Rule 4307 requirements. At that time, only one tree nut pasteurizer was operating in the Valley using natural gas as a fuel. Because liquefied petroleum gas (LPG) fuel for tree nut pasteurizers was not a consideration during this amendment, LPG was inadvertently excluded from Rule 4307; however, it was not the District's intent to exclude the use of LPG in tree nut pasteurizers at that time.

One operation is now requesting that the rule also allow this same provision for LPG-fired tree nut pasteurizers, because they are located in areas where natural gas is not readily available. The cost of a natural gas infrastructure and connection to a distribution line can be extraordinarily high. Based on estimates from PG&E, the cost of a gas distribution extension installation starts at \$500 per foot of gas main and can increase based on site-specific field conditions such as open trenching vs. boring, permitting, and right of way. For a facility located several miles from natural gas distribution lines, the cost of a gas distribution extension installation can be several million dollars, making it cost-prohibitive.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

ANALYSES

Only a handful of new LPG-fired tree nut pasteurizers are anticipated in the San Joaquin Valley, and those subject to this rule would be no greater than 5.0 MMBtu/hr. Units greater than 5.0 MMBtu/hr are subject to District Rule 4306 (Boilers, Steam Generators, and Process Heaters – Phase 3) which requires, depending on burner configuration and size, a NO_x limit ranging from 0.036 lb-NO_x/MMBtu to as low as 0.011 lb-NO_x/MMBtu. The increase in emissions from using LPG instead of natural gas is expected to be negligible (approximately 80 pounds per year based on District source tests for natural gas and LPG-fired boilers less than 5 MMBtu/hr) and would not affect the Valley's attainment of PM_{2.5} or ozone standards.

The proposed amendment would not result in new or more stringent regulatory controls and would not affect air quality or emission limitations. No emission reductions or costs are associated with this proposed rule amendment. This proposed rule amendment does not require a socioeconomic impact analysis (CH&SC § 40728.5(a)), a rule consistency analysis (CH&SC § 40727.2), or a CEQA analysis (CEQA guidelines § 15060). Therefore, District Rule 4307 should be administratively clarified to allow the use of LPG in tree nut pasteurizers.

AMENDMENTS TO RULE 4307

This proposed amendment to Rule 4307 is to clarify in Section 5.1.2 that LPG is an acceptable fuel to be used by tree nut pasteurizers, as was originally intended by the San Joaquin Valley Air Pollution Control District (District) in the 2011 amendments to Rule 4307. The words "liquefied petroleum gas (LPG) or" would be added to Section 5.1.2 as follows.

5.1.2 Tree nut pasteurizers shall be fired exclusively on liquefied petroleum gas (LPG) or PUC quality natural gas.

RULE DEVELOPMENT PROCESS

The District will make the proposed amendments to Rule 4307 and the Draft Staff Report available for public review and comment 30 days prior to a public hearing of the Governing Board on April 21, 2016 to consider adoption of the proposed rule amendment.

CEQA

District staff concludes, based upon substantial evidence in the whole record before the District, that there is no possibility that the proposed amendment to Rule 4307 may cause any significant impacts on the environment. The District therefore finds that the project is exempt per the general rule that CEQA does not apply to projects where it can

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

Final Draft Staff Report: Rule 4307

March 22, 2016

be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (CCR §15061(b)(3)). Therefore pursuant to Section 15062 of the CEQA Guidelines, staff will file a Notice of Exemption upon Governing Board approval of amendments to Rule 4307.