



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R09-OAR-2012-959; FRL-9941-14-Region 9]

Revisions to the California State Implementation Plan,
Sacramento Metropolitan Air Quality Management District

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing a partial approval and partial disapproval of revisions to the Sacramento Metropolitan (Metro) Air Quality Management District (SMAQMD or District) portion of the California State Implementation Plan (SIP). These revisions concern the District's demonstration regarding Reasonably Available Control Technology (RACT) requirements for the 1997 8-hour ozone National Ambient Air Quality Standard (NAAQS). We are proposing action on a local SIP revision under the Clean Air Act (CAA or the Act). We are taking comments on this proposal and plan to follow with a final action.

DATES: Any comments must arrive by [**Insert date 30 days after the date of publication in the Federal Register**].

ADDRESSES: Submit your comments, identified by Docket ID No.

EPA-R09-OAR-2012-959 at <http://www.regulations.gov>, or via email to Steckel.Andrew@epa.gov. For comments submitted at [Regulations.gov](http://www.regulations.gov), follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from [Regulations.gov](http://www.regulations.gov). For either manner of submission, the EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e. on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the **"FOR FURTHER INFORMATION CONTACT"** section. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <http://www2.epa.gov/dockets/commenting-epa-dockets>. **FOR FURTHER INFORMATION CONTACT:** Stanley Tong, EPA Region IX, (415) 947-4122, tong.stanley@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, “we,” “us” and “our” refer to the EPA.

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I. The State’s Submittal.

A. *What documents did the State submit?*

Table 1 lists the documents addressed by this proposal with the dates that they were adopted by the local air agency and submitted to the EPA by the California Air Resources Board (CARB).

Table 1 - Submitted Documents

Local Agency	Document	Adopted	Submitted
SMAQMD	Reasonably Available Control Technology (RACT) as Applicable to the 8-Hour Ozone Standard, dated October 26, 2006 ("2006 RACT SIP")	10/26/06	07/11/07
SMAQMD	Reasonably Available Control Technology (RACT) Update as Applicable to the 8-Hour Ozone Standard, dated October 23, 2008 ("Updated RACT SIP")	10/23/08	1/21/09

The 2006 RACT SIP and Updated RACT SIP became complete by operation of law under CAA section 110(k)(1)(B) on January 11, 2008 and July 21, 2009, respectively.

B. Are there other versions of these documents?

There are no previous versions of these documents in the SMAQMD portion of the California SIP.

C. What is the purpose of the RACT SIP submissions?

Volatile organic compounds (VOCs) and nitrogen oxides (NOx) help produce ground-level ozone and smog, which harm human health and the environment. Section 110(a) of the CAA requires States to submit regulations that control VOC and NOx emissions. Sections 182(b)(2) and (f) require that SIPs for ozone nonattainment areas classified as moderate or above implement RACT for any source covered by a Control Techniques Guidelines (CTG) document and any major stationary source of VOCs or NOx. The Sacramento Metro area is subject to this requirement as it is designated and classified as a severe ozone nonattainment area for the 1997 8-hour ozone NAAQS. 40 CFR 81.305; 69 FR 23858 at 23887 (April 30, 2004) (final rule designating and classifying Sacramento Metro area as serious nonattainment for the 1997 8-hour ozone NAAQS); 75 FR 24409 (May 5, 2010) (final rule reclassifying the Sacramento Metro area as severe-15 nonattainment for the 1997 8-hour ozone NAAQS). Therefore, the SMAQMD must, at a minimum, adopt RACT-level controls for all sources covered by a CTG document and for all major non-CTG sources of VOCs or NOx within the Sacramento Metro nonattainment area. Any stationary source that emits or has a potential to emit at least 25 tons per year (tpy) of VOCs or NOx is a major stationary source in a severe ozone nonattainment area (CAA

section 182(d) and (f)).

Section IV.G. of the preamble to the EPA's final rule to implement the 1997 8-hour ozone NAAQS (70 FR 71612, November 29, 2005) discusses RACT requirements. It states in part that where a RACT SIP is required, States implementing the 8-hour standard generally must assure that RACT is met either through a certification that previously required RACT controls represent RACT for 8-hour implementation purposes or through a new RACT determination. The submitted documents provide SMAQMD's analyses of its compliance with the CAA section 182 RACT requirements for the 1997 8-hour ozone NAAQS. The EPA's technical support documents (TSDs) ("2006 RACT SIP TSD" and "RACT SIP Update TSD") have more information about the District's submissions and the EPA's evaluations thereof.

II. The EPA's Evaluation and Proposed Action.

A. How is the EPA evaluating the RACT SIP submissions?

SIP rules must be enforceable (see CAA section 110(a)(2)), must not interfere with applicable requirements concerning attainment and reasonable further progress or other CAA requirements (see CAA section 110(1)), and must not modify certain SIP control requirements in nonattainment areas without ensuring equivalent or greater emissions reductions (see CAA

section 193). Generally, SIP rules must require RACT for each category of sources covered by a CTG document as well as each major source of NO_x or VOCs in ozone nonattainment areas classified as moderate or above (see CAA section 182(b)(2)). The SMAQMD regulates a severe ozone nonattainment area (see 40 CFR 81.305), so the District's rules must implement RACT.

Guidance and policy documents that we use to evaluate enforceability and CAA section 182 RACT SIPs include the following:

1. "Final Rule to Implement the 8-Hour Ozone National Ambient Air Quality Standard - Phase 2" (70 FR 71612; November 29, 2005).
2. "State Implementation Plans, General Preamble for the Implementation of Title I of the Clean Air Act Amendments of 1990" (57 FR 13498; April 16, 1992).
3. Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations: Clarification to Appendix D of November 24, 1987 Federal Register, May 25, 1988, Revised January 11, 1990, U.S. EPA, Air Quality Management Division, Office of Air Quality Planning and Standards ("The Blue Book").

4. Guidance Document for Correcting Common VOC and Other Rule Deficiencies, August 21, 2001, U.S. EPA Region IX (the "Little Bluebook").

5. "State Implementation Plans; Nitrogen Oxides Supplement to the General Preamble for the Implementation of Title I of the Clean Air Act Amendments of 1990" (57 FR 55620, November 25, 1992) ("the NOx Supplement").

6. RACT SIPs, Letter dated March 9, 2006 from EPA Region IX (Andrew Steckel) to CARB (Kurt Karperos) describing Region IX's understanding of what constitutes a minimally acceptable RACT SIP.

7. Memorandum from William T. Harnett to Regional Air Division Directors, (May 18, 2006), "RACT Qs & As - Reasonably Available Control Technology (RACT) Questions and Answers".

8. RACT SIPs, Letter dated April 4, 2006 from EPA Region IX (Andrew Steckel) to CARB (Kurt Karperos) listing EPA's current CTGs, ACTs, and other documents which may help to establish RACT.

With respect to major stationary sources, because the Sacramento Metro nonattainment area was classified as "serious" nonattainment for the 1997 8-hour ozone NAAQS at the time that

California submitted the 2006 RACT SIP to the EPA, the EPA evaluated this submission in accordance with the 50 ton per year (tpy) threshold for "major stationary sources" of VOC or NOx emissions in serious ozone nonattainment areas. CAA section 182(c) and (f). The SMAQMD's Updated RACT SIP contains the District's RACT evaluation for additional major stationary sources based upon the 25 tpy major source threshold in severe ozone nonattainment areas (see CAA section 182(d) and (f)), which the EPA evaluated for compliance with the additional RACT requirements that became applicable following the EPA's reclassification of the Sacramento Metro area from "serious" to "severe" nonattainment for the 1997 8-hour ozone NAAQS. See 69 FR 23858 at 23887 (April 30, 2004) (final rule designating and classifying the Sacramento Metro area as serious nonattainment for the 1997 8-hour ozone NAAQS) and 75 FR 24409 (May 5, 2010) (final rule reclassifying the Sacramento Metro area as severe-15 nonattainment for the 1997 8-hour ozone NAAQS).

B. Do the RACT SIP submissions meet the evaluation criteria?

The 2006 RACT SIP and Updated RACT SIP provide the District's conclusion that the applicable SIP for the Sacramento Metro area satisfies CAA section 182 RACT requirements for the 1997 8-hour ozone NAAQS. This conclusion is based on the

District's analyses of SIP-approved requirements that apply to: (1) CTG source categories; (2) certain non-CTG source categories or emission units located at major stationary sources; and (3) all major stationary sources of VOC or NOx emissions. See 2006 RACT SIP Staff Report at Appendices A-D and Updated RACT SIP Staff Report at Appendices A-B. SMAQMD's 2006 RACT SIP Staff Report and Updated RACT SIP Staff Report include detailed analyses of its SIP rules including discussions of how those rules continue to implement RACT for the 1997 8-hour ozone NAAQS.

First, with respect to CTG source categories, Table 1 of the 2006 RACT SIP Staff Report and Table 1 of the Updated RACT SIP Staff Report lists all CTG source categories and match those CTG categories with corresponding District rules which implement RACT. SMAQMD also searched its database of permitted sources and telephone directories for potential sources belonging to those CTG categories for which the District did not have rules. Based on these evaluations, the District concluded that there were no CTG source categories for which the District had sources but no applicable RACT requirement. See 2006 RACT SIP Staff Report at 2 and Updated RACT SIP Staff Report at 3. Our review of CARB's emissions inventory database for potential CTG sources did not

uncover any CTG source categories missing from the District's analyses.

Where there are no existing sources covered by a particular CTG document, states may, in lieu of adopting RACT requirements for those sources, adopt negative declarations certifying that there are no such sources in the relevant nonattainment area. Table 2 below lists all of the source categories for which SMAQMD's 2006 RACT SIP and Updated RACT SIP provide negative declarations.

Table 2. SMAQMD Negative Declarations

CTG Source Category	CTG Document Title
Aerospace Coating	EPA-453/R-97-004 and 59 FR 29216 (6/06/94) - Control of Volatile Organic Compound Emissions from Coating Operations at Aerospace Manufacturing and Rework Operations
Automobile Coating	EPA-450/2-77-008 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks
Dry Cleaning (Petroleum Solvent)	EPA-450/3-82-009 - Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners
Graphic Arts (Rotogravure)	EPA-450/2-78-033 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume VIII: Graphic Arts - Rotogravure and Flexography
Large Appliance Coating	EPA-450/2-77-034 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume V: Surface Coating of Large Appliances EPA-453/R-07-004 - Control Techniques

CTG Source Category	CTG Document Title
	Guidelines for Large Appliance Coatings
Magnetic Wire Coating	EPA-450/2-77-033 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume IV: Surface Coating for Insulation of Magnetic Wire
Metal Coil Coating	EPA-450/2-77-008 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks
Natural Gas/Gasoline Processing	EPA-450/2-83-007 - Control of Volatile Organic Compound Equipment Leaks from Natural Gas/Gasoline Processing Plants
Paper and Fabric Coating	EPA-450/2-77-008 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks
Resin Manufacturing (High-Density Polyethylene, Polypropylene, and Polystyrene)	EPA-450/3-83-008 - Control of Volatile Organic Compound Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins
Refineries	EPA-450/2-77-025 - Control of Refinery Vacuum Producing Systems, Wastewater Separators and Process Unit Turnarounds EPA-450/2-78-036 - Control of Volatile Organic Compound Leaks from Petroleum Refinery Equipment
Rubber Tire Manufacturing	EPA-450/2-78-030 - Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires
Ship Coating	61 FR 44050 - Control Techniques Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating)
Wood Coating (Flat Wood Paneling)	EPA-450/2-78-032 - Control of Volatile Organic Emissions from Existing Stationary Sources, Volume VII: Factory Surface Coating of Flat Wood Paneling

CTG Source Category	CTG Document Title
	EPA-453/R06-004 - Control Techniques Guidelines for Flat Wood Paneling Coatings
Paper, Film and Foil	EPA-453/R-07-004 - Control Techniques Guidelines for Paper, Film, and Foil Coatings

Source: 2006 RACT SIP at 1-2 and Updated RACT SIP at 2-3.

Subsequent to submitting its 2006 RACT SIP and Updated RACT SIP, SMAQMD submitted, and the EPA approved, negative declarations for the following CTG source categories: Coating Operations at Aerospace Manufacturing and Rework Operations (77 FR 23130, April 18, 2012), Fiberglass Boat Manufacturing Materials (77 FR 63743, October 17, 2012), and Automobile and Light-Duty Truck Assembly Coatings (77 FR 63743, October 17, 2012).

With the exception of the Pharmaceuticals Manufacturing CTG and the municipal landfill category, we are proposing to find that SMAQMD's 2006 RACT SIP and Updated RACT SIP, including the above negative declarations, largely demonstrate that the applicable SIP rules for the CTG source categories operating within the Sacramento Metro area satisfy RACT for the 1997 8-hour ozone NAAQS. We will discuss the deficiencies with Rule 455, Pharmaceuticals Manufacturing and the municipal landfill category, in the next section.

Our 2006 RACT SIP TSD provides a more detailed discussion

of the EPA's rationale, including an overview of the District's analyses which were made available for public comment during the District's rulemaking process, together with recommendations for rule improvements.

Second, with respect to certain non-CTG source categories located at facilities that are major stationary sources of VOC or NOx emissions, the 2006 RACT SIP Staff Report contains: (1) a summary of recommendations or requirements contained in applicable Alternative Control Technique (ACT) documents, federal and state RACT guidance documents, and/or regulations; (2) a summary of the applicable District rules; and (3) an evaluation of the District's rules in light of the applicable RACT guidance documents and/or regulations. See 2006 RACT SIP Staff Report at Appendix B. Based on these evaluations, SMAQMD concludes that non-CTG emission sources located within these VOC or NOx major stationary sources are generally covered by SIP-approved rules that satisfy RACT for the 1997 8-hour ozone NAAQS. We are proposing to find that the SMAQMD's 2006 RACT SIP and Updated RACT SIP submissions adequately demonstrate that the applicable SIP rules for these non-CTG sources located at major stationary sources satisfy RACT for the 1997 8-hour ozone NAAQS.

Our 2006 RACT SIP TSD provides a more detailed discussion

of the EPA's rationale for these proposals, including an overview of the District's analyses which were made available for public comment during the District's rulemaking process.

Finally, with respect to all other major stationary sources of VOC or NOx emissions, the 2006 RACT SIP and Updated RACT SIP identify the applicable SIP rules or SIP-approved permit provisions that the EPA has previously approved as satisfying RACT. Our review of CARB's emissions inventory database did not uncover any additional major stationary sources that were missed in the District's analyses. Based on the EPA's review of the District's evaluations, we propose to conclude that with the exception of the Pharmaceuticals Manufacturing rule and municipal waste landfill category, all of the identified SIP rules and permit conditions satisfy RACT for the 1997 8-hour ozone NAAQS.

C. What are the RACT deficiencies?

Rule 455, Pharmaceuticals Manufacturing, (amended 11/29/83 and 9/5/96) lacks test methods, recordkeeping, and monitoring requirements which are necessary to support enforcement of the rule. See CAA section 110(a). These are deficiencies listed in the EPA's "Blue Book" (Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations, May 25, 1988, revised

January 11, 1990) and should be corrected.

The Kiefer landfill is a major source of VOCs located within the Sacramento Metro area. SMAQMD Rule 485, Municipal Landfill Gas, exempts landfills covered under the NSPS, 40 CFR Part 60 Subpart WWW, including Kiefer Landfill. Although the District has been delegated authority to implement and enforce the NSPS, as well as the relevant NESHAP (40 CFR Part 63 Subpart AAAA), those requirements have not been incorporated into the SIP. The District should amend the rule or submit relevant portions of the facility's permit for SIP approval.

D. EPA recommendations to further improve the RACT SIP.

Our TSDs for the 2006 RACT SIP and Updated RACT SIP provide additional recommendations for future rule improvements.

E. Proposed action and public comment.

For the reasons discussed above and explained more fully in our 2006 RACT SIP TSD and Updated RACT SIP TSD, the EPA proposes to partially approve and partially disapprove SMAQMD's 2006 RACT SIP and Updated RACT SIP. Under CAA section 110(k)(3), we propose to approve the 2006 RACT SIP and Updated RACT SIP, with the exception of Rule 455, Pharmaceutical Manufacturing and the municipal waste landfill category, as satisfying the RACT requirements of CAA section 182(b)(2) and (f).

Also under CAA section 110(k)(3), we propose to disapprove those elements of the 2006 RACT SIP and Updated RACT SIP that pertain to Rule 455 and the municipal waste landfill category, which the EPA has determined do not meet all of the applicable CAA requirements. We will not finalize this partial disapproval, however, if we fully approve revisions to Rule 455 and the municipal waste landfill category as satisfying RACT before finalizing action on the 2006 RACT SIP and Updated RACT SIP.

The EPA is committed to working with CARB and the District to resolve the Rule 455 and municipal waste landfill RACT deficiencies identified in this proposed action.

If finalized, this partial disapproval would trigger the 2-year clock for the federal implementation plan (FIP) requirement under section 110(c).

In addition, final disapproval would trigger sanctions under CAA section 179 and 40 CFR 52.31 unless the EPA approves subsequent SIP revisions that correct the RACT SIP deficiencies within 18 months of the effective date of the final action.

We will accept comments from the public on the proposed partial approval and partial disapproval for the next 30 days.

III. Statutory and Executive Order Reviews.

Additional information about these statutes and Executive

Orders can be found at <http://www2.epa.gov/laws-regulations/laws-and-executive-orders>.

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA because this action does not impose additional requirements beyond those imposed by state law.

C. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action will not impose any requirements on small entities beyond those imposed by state law.

D. Unfunded Mandates Reform Act (UMRA)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531-1538, and does not significantly or uniquely affect small governments. This action does not impose additional requirements beyond those imposed by

state law. Accordingly, no additional costs to State, local, or tribal governments, or to the private sector, will result from this action.

E. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

F. Executive Order 13175: Coordination with Indian Tribal Governments

This action does not have tribal implications, as specified in Executive Order 13175, because the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian tribe has demonstrated that a tribe has jurisdiction, and will not impose substantial direct costs on tribal governments or preempt tribal law. Thus, Executive Order 13175 does not apply to this action.

G. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or

safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2-202 of the Executive Order. This action is not subject to Executive Order 13045 because it does not impose additional requirements beyond those imposed by state law.

H. Executive Order 13211: Actions that Significantly Affect Energy Supply, Distribution, or Use

This action is not subject to Executive Order 13211, because it is not a significant regulatory action under Executive Order 12866.

I. National Technology Transfer and Advancement Act (NTTAA)

Section 12(d) of the NTTAA directs the EPA to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. The EPA believes that this action is not subject to the requirements of section 12(d) of the NTTAA because application of those requirements would be inconsistent with the CAA.

J. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Population

The EPA lacks the discretionary authority to address environmental justice in this rulemaking.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control,
Incorporation by reference, Intergovernmental relations,
Nitrogen dioxide, Ozone, Reporting and recordkeeping
requirements, Volatile organic compounds.

AUTHORITY: 42 U.S.C. 7401 *et seq.*

Dated: December 11, 2015.

Jared Blumenfeld,
Regional Administrator,
Region IX.

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