

EXHIBIT A
Grant Provisions

1. GRANT SUMMARY AND CONTACT INFORMATION

- 1.1. The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the following documents:
- a. *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-19 Appropriation* (Program Guidelines) dated May 21, 2019, and found in Exhibit F of this Grant Agreement; and
 - b. The most recent version of the Climate Investments' Cap-and-Trade Auction Proceeds' *Draft Funding Guidelines for Agencies that Administer California Climate Investments* (Funding Guidelines), found on the Cap-and-Trade Auction Proceeds Funding Guidelines for Administering Agencies website at <https://ww2.arb.ca.gov/resources/documents/ccli-funding-guidelines-administering-agencies> and incorporated by reference herein.
- 1.2. The Woodsmoke Reduction Program (Program) is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment-particularly in disadvantaged communities. The Program as implemented at the air pollution control district or the air quality management district (District) is referred to as the Project.
- 1.3. California Climate Investments (CCI) logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits. Grantee agrees to acknowledge the California Climate Investments program whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: 'This publication (or project) was supported by the "California Climate Investments" (CCI) program. Guidelines for the usage of the CCI logo can be found at <http://www.caclimateinvestments.ca.gov/logo-graphics-request>.



1.4. Grant Summary

Program Title: Woodsmoke Reduction Program 2018-2019

Grant Funding Amount: \$ 162,773.11

The Woodsmoke Reduction Program is a GGRF-funded program designed to replace high-polluting, uncertified wood stoves, wood inserts, and fireplaces used for primary home heating with cleaner burning, more efficient home heating devices. The 2018-2019 GGRF appropriation committed \$3,000,000 for this Program. The Program will be administered by CARB and implemented by the District in coordination with the California Air Pollution Control Officers Association (CAPCOA). The role of CAPCOA is to centralize and standardize Program implementation. This Program will further the goals of Assembly Bill 32 (Nunez, Chapter 488, Statutes of 2006) and related statutes (comprising Health and Safety Code Division 25.5) to reduce greenhouse gas emissions, as well as provide important co-benefits in reducing black carbon emissions and improving air quality.

Residents using uncertified wood stoves, wood inserts, or fireplaces as a primary home heating source in Districts awarded Program funds are eligible for incentives. The incentive amount will vary depending on the location of the residence and the household income, with households in disadvantaged or low income communities or low income households qualifying for higher incentives. The Program will include an outreach and educational component to ensure that households receiving incentives make informed decisions about how to burn and what to burn in order to maximize the efficiency of the device and minimize pollution.

1.5. Grant Parties and Contact Information

- a. This grant is from CARB to the Northern Sierra Air Quality Management District (hereinafter referred to as Grantee). The Grantee will perform the activities outlined in Section 4, Scope of Work, and Attachment I, Grantee Scope of Work.
- b. The CARB Program Liaison is Kasia Turkiewicz or other designee appointed by CARB. Correspondence regarding this Program shall be directed to:

Kasia Turkiewicz
California Air Resources Board
Air Quality Planning and Science Division
Post Office Box 2815
Sacramento, California 95812
Phone: (916) 445-6497
Email: kasia.turkiewicz@arb.ca.gov

- c. The Grantee Liaison is Gretchen Bennitt or other designee appointed by Grantee. Correspondence regarding this Program must be directed to:

Ms. Gretchen Bennitt
Air Pollution Control Officer
Northern Sierra Air Quality Management District
200 Litton Drive, Suite 320
Grass Valley, California 95945
Phone: (530) 274-9360
Email: gretchen@myairdistrict.com

- 1.6. Definitions for terms used in this Grant Agreement can be found in Section 16.

2. GOVERNING BOARD APPROVAL

- 2.1. Prior to the execution of this Grant Agreement, the Grantee is required to submit to CARB a resolution, minute order, or other approval of its governing board that authorizes the Grantee to enter into this Grant Agreement and that commits the Grantee to comply with the requirements of this Grant Agreement. Alternatively, the Grantee and CARB may execute this Grant Agreement before a Grantee has submitted this governing board resolution, minute order, or other approval to CARB; however, the Grantee may not perform work under this Grant Agreement, and no funding will be disbursed until the Grantee has submitted this governing board resolution, minute order, or other approval to CARB.

3. PROGRAM PERIOD

- 3.1. Performance of work or other expenses billable to CARB under this Grant may commence after full execution of this Grant Agreement by both parties and Grantee's submission to CARB of its governing board's resolution, minute order, or other approval, described in Section 2 of this Grant Agreement. Performance on this Grant ends once the Grantee has submitted a draft final report (Project Closeout) or if this Grant Agreement is terminated, whichever is earlier. If Grantee is selected for Project

Outcome Reporting, as described in Section 12.2.e, Grantee agrees to collect the data for a full tracking period of eighteen (18) months after the start of tracking. Project Outcome tracking and reporting may extend beyond Project Closeout.

- 3.2. Upon full expenditure of grant funds, the Grantee shall submit a Project Closeout report to the CARB Program Liaison (see Section 12.2.d of this Grant Agreement) after Program completion.
- 3.3. Funds that Grantee has not liquidated by June 30, 2022 must be returned to CARB within ninety (90) days, or by September 30, 2022. Expenditure of Project funds granted may not be reduced due to any loss incurred in an insured bank or investment account.
- 3.4. If additional funding becomes available, the CARB Executive Officer in his sole discretion retains the authority to amend this Grant to provide additional disbursement to the Grantee to complete tasks related to the Scope of Work for this Grant Agreement.

4. SCOPE OF WORK

This section defines the nature of the Program and respective duties and requirements of CARB, the Grantee, and CAPCOA in implementing this Grant Agreement.

- 4.1. The Program will provide incentives towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary space heating with the Program-eligible replacement devices listed in Table 1.
- 4.2. Prior to May 15, 2020 wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hour (g/hr), that are certified to either U.S. EPA "Step 1" or "Step 2" New Source Performance Standards (NSPS), qualify for the Program.¹ Starting on May 15, 2020 only wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hours, that are certified to U.S. EPA "Step 2" NSPS, will be eligible for the Program.² Device eligibility will be determined at the time of application review and approval. The non-wood burning devices listed in Table 1 are eligible for the duration of the Program.

¹ Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>

² The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

Table 1. Replacement devices eligible for the Program

Before May 15, 2020	On or after May 15, 2020
Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to either U.S. EPA "Step 1" or "Step 2" NSPS ³	Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to U.S. EPA "Step 2" NSPS ⁴
Natural gas stove or insert	
Propane stove or insert	
Electric stove or insert	
Ductless mini-split heat pump	

4.3. CARB is responsible for the following:

- a. Participating in meetings with Grantee to discuss Program refinements and guide the administration of the Program.
- b. Reviewing and, if appropriate, approving Project elements provided by Grantee.
- c. Reviewing and, if appropriate, approving all grant disbursement requests and distribution of funds to Grantee.
- d. Working with Grantee and CAPCOA to develop templates for data and report submittals at both Program and Project levels.
- e. Providing Project oversight in conjunction with Grantee and CAPCOA.
- f. Ensuring Grantee complies, and ensures Project compliance, with applicable requirements of the Program Guidelines, Funding Guidelines, and this Agreement.
- g. Reviewing data and reports submitted by Grantee.
- h. Submitting semi-annual reports to the California Climate Investment Reporting and Tracking System (CCIRTS).
- i. Reviewing a sufficient number of Projects (number determined by CARB Program Liaison) each year to ensure proper Program implementation as directed by both Program and Funding Guidelines.

³ Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

⁴ The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

4.4. Grantee is responsible for the following:

Developing and implementing Project tasks as described below and in Attachment I, Grantee Scope of Work. Minimum duties and requirements of Grantee include:

- a. Implementing the Project as outlined in the Program Guidelines.
- b. Participating in a Project kick-off meeting or conference call with CARB staff and CAPCOA before work begins. The purpose of the initial meeting will be to discuss the overall plan, Program schedule, Project reporting, and any issues that may need to be addressed.
- c. Participating in more frequent meetings that may be scheduled at the discretion of the CARB Program Liaison, CAPCOA, and the Grantee.
- d. Ensuring that all Project tasks are completed during the period of this grant.
- e. Apprising the CARB Program Liaison of any delays in implementing the scope of work below.
- f. Overseeing the Project budget and funds.
- g. Abiding by the insurance requirements in Section 10 of this Grant Agreement.
- h. Collecting and maintaining records in accordance with Section VI of the Program Guidelines as well as Section 7 of this Grant Agreement to comply with reporting and program review requirements.
- i. Ensuring that only licensed professionals will be used to perform services under this Grant Agreement. Professional installers could participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Exhibit B lists acceptable licenses for each type of installation.
- j. Coordinating with CAPCOA on the submission of required reports as specified in Section 12 of this Grant Agreement.
- k. Promoting the Program with the emphasis on disadvantaged and low-income communities and low-income households with the goal to distribute 75 percent of Project funds to these priority populations.

4.5. CAPCOA is responsible for the following:

- a. Serving as an intermediary between CARB and Grantee in Project implementation.
- b. Monitoring Grantee's progress in Project implementation and apprising CARB Program Liaison of any problems or delays.

- c. Communicating regularly with CARB and Grantee on Project implementation.
- d. Acting as a clearing house to facilitate the exchange of information, including Program-related forms, examples of advertisements, examples of reports and other related information, between Grantee and other Districts participating in the Program.
- e. Coordinating with Grantee on the submission of required reports consistent with Section 12.
- f. Submitting required reports to CARB consistent with Section 12.

5. FINANCIAL MATTERS AND GRANT DISBURSEMENTS

5.1. Budget

- a. The maximum amount of this Grant is **\$ 162,773.11**. Under no circumstance will CARB reimburse the Grantee for more than this amount. A written Grant Agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this Project is shown in Exhibit C. Grant Disbursement Requests for the total Grant amount must not exceed the amount shown in Exhibit C. Project implementation costs also must not exceed the amount shown in Exhibit C. All of the Project implementation funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- c. The total funding may be reallocated by CARB at CARB's sole discretion in the event that the Grantee requests less than the total funds allocated for the Project for all Project activities performed during the term of the Grant Agreement.

5.2. Advance Payment

Consistent with the Legislature's direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Grantee acknowledges that CARB is in the process of promulgating additional Advance Payment regulation. Grantee agrees that this Agreement may be reopened and modified to comply with those regulations once finalized, as appropriate.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments.

CARB may provide advance payments to Grantee of a grant program or project if CARB determines all of the following.

- a. The advance payments are necessary to meet the purposes of the grant project.
- b. The use of the advance funds is adequately regulated by grant or budgetary controls.
- c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.
- d. The Grantee is either a small air district or the Grantee meets all of the following criteria:
 - i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
 - ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the Grant Agreement.
 - iii. Submits a spending plan to CARB for review prior to receiving the advance payment. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs
 - iv. CARB shall consider the available fund balance when determining the amount of the advance payment.
 - v. Reports to CARB any material changes to the spending plan within thirty (30) days.
 - vi. Agrees to not provide advance payment to any other entity.
- e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. The Grantee shall provide a money transfer confirmation within forty-five (45) days upon the receipt of a notice from CARB.
- f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.
- g. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee's interim cash needs.
- h. The Grantee assumes legal and financial risk of the advance payment.

- i. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in Sections 4, 8, 9, and 17 or will be returned to CARB.
- j. Grantee shall report to CARB the value of any *unused balance* of the advance payment and interest earned and submit *quarterly fiscal* accounting reports consistent with Section 12 of this Grant Agreement.
- k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within ninety (90) days following the end date of this Grant Agreement term on June 30, 2022, or the reversion date of the appropriation, whichever comes first.

5.3. Grant Disbursement

All disbursements from the total Grant award will be made following CARB's review and approval of any Grant Disbursement Request Forms.

- a. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code Section 927, et. Seq.

6. SUSPENSION OF PAYMENT AND GRANT AGREEMENT TERMINATION

- 6.1. CARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the Grant Agreement has been terminated. If the Grantee chooses to continue work on the Project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the Grant Agreement. If CARB rescinds the suspension order and does not terminate the Grant Agreement, CARB at its sole discretion will reimburse the Grantee for any expenses incurred during the suspension that CARB deems reimbursable in accordance with the terms of the Grant Agreement.
- 6.2. CARB reserves the right to terminate this Grant Agreement upon thirty (30) days' written notice to the Grantee, if CARB determines that the Program has not progressed satisfactorily after conducting a Project review (Section 11.5 of this Grant Agreement) or if the Grantee has violated the grant agreement and the Grantee and CARB have been unable to agree on modifications to the Project. In case of early termination, the Grantee will submit a Progress Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section 12.
- 6.3. CARB reserves the right to immediately terminate this Grant Agreement in accordance with general grant provisions outlined in Section 15.

- 6.4. CARB or its designee may recoup funds that were received based upon misinformation or fraud, or for which a Grantee, District, or subcontractor is in significant or continual non-compliance with the terms of this grant or State law. CARB also reserves the right to prohibit any entity from participating in future projects, due to non-compliance with Program requirements. Examples of Program deficiencies include.
- a. Replacing a wood stove, wood insert, or fireplace not eligible for the Program;
 - b. Installing a device not eligible for the Program;
 - c. Issuing an Enhanced Incentive to an ineligible Applicant;
 - d. Failing to properly document each change-out;
 - e. Failing to properly dispose of the old stove;
 - f. Allowing an Applicant to install his/her replacement device; and
 - g. Failing to submit required reports.

7. PROJECT RECORDS

- 7.1. Grantee will develop and maintain accounting procedures as further described below. Project records include but are not limited to Grantee's financial and other records. All Project records must be retained by the Grantee for a period of three (3) years after the final Project funds liquidation date of June 30, 2022 and shall be stored in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection. All Project records are subject to program review and State audit pursuant to Section 13 of this Grant Agreement. Upon completion of the third (3rd) year of record retention, the Grantee shall take all reasonable steps to dispose, or arrange for the disposal, of records containing Personally Identifiable Information by (a) shredding, (b) erasing, or (c) otherwise modifying the personal information in those records to make it unreadable or undecipherable through any means.
- 7.2. Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee must:
- a. Establish an official file for the Project that will adequately document all significant actions relative to the Project.
 - b. Establish separate accounts that will adequately and accurately depict all amounts received and expended on the Project.
 - c. Establish an accounting system that will adequately depict final total costs of the Project, including both direct and indirect costs.
- 7.3. Other records include all deliverables required under Section 12 of this Grant Agreement and those specified in the Program Guidelines.

- 7.4. Grantee will ensure that applicants are made aware that information collected under the auspices of this Program, with the exception of confidential or personally identifiable information as noted in Section 15.23 of this Grant Agreement, may be made publically available to the extent allowed by federal, State, and local laws and regulations.

8. DOCUMENTATION OF USE OF PROJECT FUNDS

- 8.1. The Grantee must maintain documentation of all Project funds including the following:
- a. Application, including affidavit of primary source of heat;
 - b. Verification of old device eligibility;
 - c. Verification of new device eligibility;
 - d. Verification of income (if applicable);
 - e. Copy of final permit (City, County, or State);
 - f. Photographic evidence of change-out completion, including "before" and "after" photos showing the devices in relation to the room where they were/are installed;
 - g. Verification of destruction of uncertified stove (including recycling if available locally) or, where applicable, verification of rendering fireplace and chimney permanently inoperable;
 - h. Verification that the resident was trained on device operation and maintenance and, if applicable, following best practices in wood storage and wood burning for residential space heating; and
 - i. Invoices from installer and a verification of payment.

If selected for a Program Review, Grantee must make this documentation available to CARB staff. An abbreviated listing of completed change-outs and associated costs must be submitted to CARB with each quarterly Fiscal Report.

9. DOCUMENTATION OF USE OF PROJECT IMPLEMENTATION FUNDS

- 9.1. Project implementation funds may be used for implementing the tasks identified in the Scope of Work. The total cost of implementing the Project must not exceed the amount specified in Exhibit C, Budget Summary. All of the Project implementation funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- 9.2. Project implementation costs include cost of labor and expenses directly related to implementing the Project (direct cost) as well as costs not tied directly or solely to the Project (indirect costs also referred to as

administrative costs).

- a. Direct project implementation costs, directly related to implementing the Project, include the following:
 - i. The Grantee's personnel costs;
 - ii. Fringe benefit costs;
 - iii. Operating costs (including rent, supplies, and equipment);
 - iv. Travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)⁵;
 - v. Overhead;
 - vi. Consultant fees (if pre-approved by CARB); and
 - vii. Printing, records retention, and mailing costs.
- b. Indirect project implementation costs, not tied directly or solely to the Project, also referred to as administrative costs, include the following:
 - i. Distributed administration and general administrative services;
 - ii. Non-project related contracts or subscriptions;
 - iii. Rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the project; and
 - iv. Any other costs that are not directly and fully incurred to support the grant.

9.3. The Grantee must maintain documentation of all direct and indirect Project implementation costs, including the following:

- a. Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to Project administration.
- b. Administration funds for subcontractor(s) must be documented with copies of the contract and any applicable invoices.
- c. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices.
- d. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must be at the State travel

⁵ Under no circumstances should the Grantee exceed travel expenses and per diem rates set by CalHR.

and per diem amounts that are current as of the date costs are incurred by the Grantee; and

- e. If indirect costs are used to document administration funds for the Project, the Grantee must indicate how these costs are determined.
- 9.4. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three (3) years after the final Project funds liquidation date of June 30, 2022.
- 9.5. The above documentation must be provided to CARB in the Final Report.

10. INSURANCE REQUIREMENTS

10.1. General Provisions

- a. Coverage Term: Coverage needs to be in force for the complete term of the Project agreement. If insurance expires during the term of the Project agreement, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the Project agreement.
- b. Policy Cancellation or Termination and Notice of Non-Renewal: Installer/contractor is responsible to notify the State within five (5) business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event installer/contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the Project agreement upon the occurrence of such event, subject to the provisions of this Grant Agreement.
- c. Deductible: Installer/contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- d. Primary Clause: Any required insurance contained in the Project agreement shall be primary, and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating: All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the installer/contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- f. Endorsements: Any required endorsement must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

- g. Inadequate Insurance: Inadequate or lack of insurance does not negate the installer/contractor's obligations under the Agreement.
- h. Satisfying an SIR: All insurance required by this Grant Agreement or the Project agreements must allow the State to pay and/or act as the installer/contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the installer/contractor's agent in satisfying any SIR is at the State's discretion.
- i. Available Coverages/Limits: All coverage and limits available to the installer/contractor shall also be available and applicable to the State.
- j. Subcontractors/Manufacturers: In the case of installer/contractor's utilization of subcontractors/manufacturers to completed the contracted scope of work, installer/contractor shall include all subcontractors/manufacturers as insured's under installer/contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of installer/contractor.

10.2. Commercial General Liability

Installer/contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Project agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the installer/contractor's limit of liability. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

10.3. Automobile Liability

Installer/contractor shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

In the event that the installer/contractor does not have any commercially owned motor vehicles, a no-owned autos waiver must be completed and retained in District files. A sample waiver form is included in Exhibit E of this Grant Agreement.

10.4. Workers' Compensation and Employers' Liability

Contractor must furnish to the State a certificate of insurance to remain in effect at all times during the term of this Agreement. Contractor shall maintain statutory workers' compensation and employers' liability for all its

employees who will be engaged in the performance of the Agreement. Employers' liability limits of \$1,000,000 are required. The policy must include:

When work is performed on State owned or controlled property the Workers' Compensation policy shall contain a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided.

In the event that the installer/contractor does not have any employees, a worker's compensation statement of exemption form must be completed and retained in District files. An example exemption form is included in Exhibit E of this Grant Agreement.

11. PROGRAM MONITORING

- 11.1. Any changes to the Scope of Work or timeline for the Project requires the prior written approval of the CARB Program Liaison, and, depending on the scope and extent of the changes, may require a written Grant Agreement Amendment.
- 11.2. The Grantee must notify the CARB Program Liaison and Grant Coordinator immediately, in writing, if any circumstances arise (technical, economic, or otherwise), which might jeopardize completion of the Project, or if there is a change in key Project personnel.
- 11.3. The Grantee must coordinate with CAPCOA to provide information requested by the CARB Program Liaison that is needed to assess progress in completing tasks and meeting the objectives of the Project.
- 11.4. Any change in budget allocations, re-definition of deliverables, or extension of the Project schedule must be requested in writing to the CARB Program Liaison and approved by CARB, in its sole discretion. Such changes may require a written Grant Agreement Amendment.
- 11.5. CARB will review a sufficient number of Projects each year to ensure proper Program implementation. If Grantee is selected for Project review, CARB will contact Grantee Liaison at least thirty (30) days in advance. The Project review should include all books, papers, accounts, documents, photographs, and other records related to the Project for which Program funds were used. The Grantee will be expected to assign an employee familiar with the Project and accounting procedures to assist the CARB reviewer(s) and have the Project records, including cancelled warrants, readily available for inspection.

12. REPORTING

12.1. Data Flow

- a. The Grantee must coordinate with CAPCOA on the submittal of required Project and fiscal reports. If requested by CARB, Grantee will be responsible for submitting reports directly to CARB.

12.2. Project Reporting

- a. Project data are reported during each semi-annual reporting cycle. The reporting cycles cover December 1 through May 31 and June 1 through November 30. The reports are due to CARB on June 1 and December 1.
- b. Grantee shall submit an initial Project report called Awarded Report upon entering into a Project agreement with CARB. At this stage, Grantee must submit data with Project details and expected benefits. This report is submitted once during the first reporting cycle after signing the Agreement in a format agreed upon between the CARB Program Liaison and the Grantee.
- c. The Grantee shall submit Implementation Reports each reporting cycle. The Implementation Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and will contain information on each change-out completed during the reporting cycle.
- d. When the Project is complete, the Grantee shall submit a Project Closeout Report. The Project Closeout Report shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee. This report shall be submitted upon completion of the Project at the next reporting cycle.
- e. A subset of Projects (at least twenty-five (25) percent) will be selected by CARB for Project Outcome Reporting. If Grantee is selected for Project Outcome Reporting, Grantee shall submit a report in a format agreed upon between the CARB program Liaison and the Grantee. Project outcome tracking ends eighteen (18) months after the start of tracking. If selected, Grantee agrees to collect the data for a full tracking period, which may end after the Project Closeout.

12.3. Fiscal Reporting

- a. Following receipt of funds, Grantee will submit quarterly fiscal accounting reports (Fiscal Report) to CAPCOA detailing expenditure of funds by Grantee, including interest accrued on any Project funds received. The Fiscal Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and needs to include an itemized invoice of all expenditures incurred during the quarter.

13. OVERSIGHT AND ACCOUNTABILITY

The Grantee must comply with all oversight responsibilities identified herein.

- 13.1. CARB or its designee may recoup Project funds which were received based upon misinformation or fraud, or for which a Grantee or its subcontractor(s), or a participant in the Project is in significant or continual non-compliance with the terms of this Grant Agreement or state law.
- 13.2. CARB or its designee reserves the right to review the Project at any time during the duration of this Grant Agreement the Grantee's costs of performing the Grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.
- 13.3. The Grantee shall retain all records referred to above and provide them for examination and Project review or State audit for three (3) years after the final Project funds liquidation date of June 30, 2022.
- 13.4. The Grantee shall develop and maintain accounting procedures to track reservation and expenditures by grant award, fiscal year, and of all funding sources.
- 13.5. CAPCOA will serve in an oversight role to centralize and standardize Program implementation. Grantee shall coordinate with CAPCOA on the submission of required reports.

14. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

- 14.1. CARB has determined that the Project funded by this Grant Agreement is exempt from CEQA; Grantee should ensure that the Project is implemented consistent with the Grant Agreement to maintain CEQA exempt status.

15. GENERAL PROVISIONS

- 15.1. **Potential sub-grantee:** Nothing contained in this Grant Agreement or otherwise shall create any contractual relation between CARB and any sub-grantees, and no sub-grant shall relieve Grantee of its responsibilities and obligations under this Grant Agreement. Grantee agrees to be as fully responsible to CARB for the acts and omissions of its sub-grantees and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Grantee. Grantee's obligation to pay its sub-grantees is an independent obligation

from CARB's obligation to make payments to Grantee. As a result, CARB shall have no obligation to pay or to enforce the payment of any moneys to any sub-grantee. Grantee shall not sub-grant any services under this Grant Agreement without the prior approval in writing of CARB.

- 15.2. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
- 15.3. **Assignment:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of CARB, in writing.
- 15.4. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal, State, and local laws, rules, guidelines, regulations, and requirements.
- 15.5. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
- 15.6. **Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within thirty (30) days of when the issue is first raised with CARB staff in writing shall be subject to resolution by the CARB Executive Officer, or designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
- 15.7. **Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
- 15.8. **Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
- 15.9. **Force majeure:** Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly,

from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.

- 15.10. **Governing law and venue:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.
- 15.11. **Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee or any sub-grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.
- 15.12. **Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract, or sub-grantee's contract, for work on the Program or any project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- 15.13. **Independent contractor:** The Grantee, and its agents and employees, and sub-grantees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
- 15.14. **Nondiscrimination:** During the performance of this Grant Agreement, the Grantee, sub-grantees, and their contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and its third party entities shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter

5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement

- 15.15. **No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.
- 15.16. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- 15.17. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
- 15.18. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion of Projects funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement, within ten (10) days.
- 15.19. **Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.
- 15.20. **Waiver of rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.
- 15.21. **Availability of funds:** CARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
- 15.22. **Confidentiality:** No record that has been designated as confidential by CARB, or is the subject of a pending application of confidentiality, shall be

disclosed by the Grantee. Any confidential information or data submitted to CARB by the Grantee may be shared with other divisions within CARB.

- 15.23. **Personally identifiable information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information or data.
- 15.24. **Ownership:** All information or data received or generated by the Grantee under this agreement shall become the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval. This does not prohibit Grantee from promoting the Program. Grantee shall follow the guidelines acknowledging CCI funding and logo use outlined in Section 1.3.
- 15.25. **Audit:** Grantee agrees that CARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State to audit records and interview staff in any Grant related to performance of this Agreement.

16. DEFINITIONS

- 16.1. **AB 32:** Assembly Bill 32, Global Warming Solutions Act, Nuñez, Chapter 488, Statutes of 2006.
- 16.2. **Administrative Costs (Also Referred to as Indirect Project Implementation Costs):** A subset of project implementation costs, not tied directly or solely to the Project, such as distributed administration and general administrative services; non-project related contracts or subscriptions; rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the Project; or any other costs that are not directly and fully incurred to support the grant.
- 16.3. **Applicant:** Individual resident requesting replacement of older wood stove or device.

- 16.4. **Awarded Project Report:** The initial Project report with Project details and expected benefits submitted to CAPCOA during the first reporting cycle after signing this Agreement following the reporting requirements in Section 12 of this Grant Agreement.
- 16.5. **CAPCOA:** California Air Pollution Control Officers Association.
- 16.6. **CARB:** California Air Resources Board
- 16.7. **CCI:** California Climate Investments
- 16.8. **Change-out:** Replacement of individual wood stove (or other device).
- 16.9. **Direct Project Implementation Costs:** Costs of direct labor and expenses associated with implementing the Project. Examples include: outreach and education, application review and processing, processing payments, and data reporting.
- 16.10. **District(s):** Local air pollution control districts or air quality management districts.
- 16.11. **Enhanced Incentive:** A higher incentive given to low-income households and households located in disadvantaged or low-income communities.
- 16.12. **Funding Guidelines:** California Climate Investments' Cap-and-Trade Auction Proceeds' *Funding Guidelines for Agencies that Administer California Climate Investments* released on August 30, 2018.
- 16.13. **GGRF:** Greenhouse Gas Reduction Fund.
- 16.14. **Grantee:** Grant recipient.
- 16.15. **Implementation Costs:** Costs of implementing the Project including direct labor and expenses as well as any indirect expenses (also referred to as administrative expenses).
- 16.16. **Implementation Report:** An update on all incentives/upgrades that have been installed since the last reporting cycle for each change-out funded and overseen by Grantee. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.17. **Incentive:** The amount of funding given to an applicant to replace an uncertified wood stove, wood insert, or fireplace. The incentive amount will be determined by each District in coordination with CAPCOA but cannot exceed \$5,000.
- 16.18. **Indirect Project Implementation Costs:** Also defined as Administrative Costs.
- 16.19. **Installer:** A licensed professional contracted to remove the uncertified wood stove or insert and install the replacement device, possessing an appropriate active license, consistent with Exhibit B, issued by the California Contractors State License Board throughout the life of the contract, and have a minimum of three (3) years of experience of installing home heating devices to manufacturer specifications.

- 16.20. **Program:** Woodsmoke Reduction Program
- 16.21. **Program Guidelines:** CARB's May 21, 2019 *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-19 Appropriation*.
- 16.22. **Project:** Program implementation at the District level.
- 16.23. **Project Agreement:** The agreement entered into between the Grantee and any sub-grantee to implement the Program at the District level.
- 16.24. **Project Closeout:** The final report submitted by the Grantee to the CARB Program Liaison at the next reporting cycle after all funds have been expended or after the legal agreement between CARB and Grantee has ended.
- 16.25. **Project Outcome:** The report on outcomes of operational projects for at least twenty-five (25) percent of Projects. Project outcome tracking ends eighteen (18) months after the start of tracking. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.26. **Reporting Cycle:** Span of time used to report on Program progress. Program data are submitted semi-annually for the reporting cycles covering December 1 through May 31 (due to CARB June 1) and June 1 through November 30 (due to CARB December 1).
- 16.27. **Subcontractor:** District or Installer.
- 16.28. **Sub-grantee:** District or Installer or other entity that has entered into an agreement with Grantee or District(s) to perform services related to this Grant Agreement.

EXHIBIT A, Attachment I
Grantee Scope of Work

1. Grantee will provide incentives in Grantee's jurisdiction towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary residential heating with the Program-eligible replacement devices listed in Section 4 Table 1.
2. Grantee will ensure that incentives do not exceed the actual total change-out cost and are limited to a maximum of \$5,000 per property or household.
3. Grantee will promote the Program and help households understand the benefits of changing from an uncertified wood stove to a cleaner home heating device.
4. Grantee's goal should be to distribute seventy-five (75) percent of total funding to residents of disadvantaged and low-income communities and low-income households.
5. Grantee will keep records of each change-out, including the following:
 - a. Application including address, priority population designation and/or income verification (if applicable), affidavit of primary source of heat, and proof of eligible existing stove.
 - b. Verification of installation including proof of installer eligibility, proof of final inspections/permits, and proof of eligible replacement stove.
 - c. Verification of destruction of old stove and, if applicable, rendering the fireplace inoperable.
 - d. Verification of training.
 - e. Verification of payment and invoices from installers.
6. Grantee will provide a subset of this information, consistent with templates provided by CARB, to the CAPCOA coordinator for collection and preparation of Progress Reports to be submitted to CARB.
7. Grantee will ensure that change-out recipient is trained on proper wood storage and wood burning practices (if applicable) and device operation and maintenance.
8. Grantee will coordinate with CAPCOA on the preparation of required reports consistent with Section 12.

EXHIBIT B

Required License

Professional Installers may participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Acceptable license(s) for each type of installation are listed below.

License Class	Equipment Allowed to Install	Special Conditions
C61/D34	<ul style="list-style-type: none"> • Wood stove/insert • Pellet stove/insert • Electric, propane, or natural gas stove/insert 	As long as there are no modifications/alterations to the structure. Furthermore, a C61/D34 contractor cannot perform any masonry facing work associated with the stove/insert installation.
C20	<ul style="list-style-type: none"> • Wood stove/insert • Pellet stove/insert • Electric, propane, or natural gas stove/insert, • Heat pump 	
B	<ul style="list-style-type: none"> • Wood stove/insert • Pellet stove/insert, • Electric, propane, or natural gas stove/insert, • Heat pump 	A "B" contractor is allowed to install listed heating equipment if the installation was part of a larger project that included at least two unrelated trades. Framing and carpentry does not count towards the count of unrelated trades. Without performing additional trades or holding additional license, a B-contractor would be required to subcontract with an individual holding a C61/D34 or C20 License.

Exhibit C

Budget Summary

Category	Subcategory	Grant Amount
Project Funds		\$ 147,478.99
Project Implementation Funds*	Total	\$ 15,294.12
	Direct	\$ 7,647.06
	Indirect (Administrative Funds)	\$ 7,647.06
Total Grant Funds		\$ 162,773.11

* Project implementation costs must not exceed the Total amount shown in Exhibit C. All of the Project Implementation Funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C for Indirect (Administrative Funds).

Exhibit D

Project Schedule

Task	Milestone Description	Timeline
1	Execute Grant Agreement	No later than April 1, 2020
2	Transfer funds to Grantee	No later than June 30, 2020
3	Submit "Awarded" Reports to CARB	June 1, 2020 or December 1, 2020
4	Begin project installations	Upon receiving funds
5	Submit "Implemented" Reports	Each reporting cycle
6	Submit "Project Outcome" Reports for subset of projects, as requested by CARB Liaison	Each reporting cycle
7	Submit quarterly fiscal accounting reports	Each calendar quarter
8	Complete project installations	June 30, 2022
9	Submit "Closeout" report upon completion of the project at the next reporting cycle	No later than December 1, 2022
11	Submit final "Project Outcome" Reports for subset of projects, as requested by CARB Liaison	Up to 18 months after installations are complete

Exhibit E

Insurance Waiver Forms and Examples

Automobile Liability

Contractor's name and address on company stationary

Current Date

Department Name

Re: No Owned Autos

To Whom It May Concern:

Please know and mark your records to show that (contractor's name) does not own any automobiles.

Should (contractor's name) purchase an auto(s) during the term of its contract with (Department Name) it will obtain owned auto coverage and provide evidence to (Department Name).

Sincerely,

Name/Title of Owner, Member, Partner or Corporate Owner of the Contractor

Exhibit E: Insurance Waiver Forms and Examples (continued)

Workers' Compensation and Employers' Liability

Workers' Compensation Statement of Exemption

Contractor must submit this form to State of California, certifying under penalty of perjury that he or she does not employ anyone in a manner that is subject to the Workers' Compensation laws of California (see Business and Professions Code Section 7125).

DO NOT SUBMIT THIS FORM IF YOU HAVE EMPLOYEES

For exemption from workers' compensation, you must complete the requested information and sign form.

Please type or print neatly and legibly in black or dark blue ink.

SECTION 1 - REQUIRED INFORMATION

CONTRACTOR'S NAME	CONTRACT NUMBER	STATE DEPARTMENT	
MAILING ADDRESS <small>number/street or P.O. box</small>	<small>city</small>	<small>state</small>	<small>ZIP code</small>
STREET ADDRESS <small>number/street only - NO P.O. boxes</small>	<small>city</small>	<small>state</small>	<small>ZIP code</small>
PHONE NUMBER	CELL PHONE NUMBER	EMAIL ADDRESS	

SECTION 2 - REQUIRED CHECK BOX

YOU MUST CHECK ONLY ONE OF THE BOXES BELOW.

- I do not employ anyone in the manner subject to the workers' compensation laws of California.
- I am an out-of-state contractor, and I do not hire employees who reside in California. (You must provide a certificate of insurance from your workers' compensation insurance carrier).

SECTION 3 - REQUIRED SIGNATURE

I certify under penalty of perjury under the laws of the State of California that the information provided on this exemption statement is true and accurate. I understand that, upon employing anyone in a manner that is subject to the workers' compensation law of the State of California, the claim of exemption executed under this form will no longer be valid. I also understand that, as soon as I employ anyone subject to California's workers' compensation law, I must obtain a Certificate of Workers' Compensation Insurance, submit that certificate to State of California within 90 days of its effective date, and continuously maintain the coverage provided by the certificate in accordance with the law and as required by this contract. I further understand that failure to comply with this requirement is grounds for disciplinary action.

<small>Date</small>	<small>Signature of Contractor (Owner, Partner, or Officer)</small>	<small>Printed Name of Contractor (Owner, Partner, or Officer)</small>
---------------------	---	--

Exhibit F

**Woodsmoke Reduction Program
Program Guidelines Fiscal Year 2018-2019**

Woodsmoke Reduction Program - Program Guidelines Fiscal Year 2018-2019
Appropriation
May 21, 2019

Woodsmoke Reduction Program Program Guidelines

FISCAL YEAR 2018-2019 APPROPRIATION

May 21, 2019



This page intentionally left blank

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
I. Program Goals and Objectives	2
II. Stove Eligibility and Performance Standards	4
A. Existing Wood Stove	4
B. Replacement Device	5
III. Eligible Change-outs	6
IV. Eligible Cost	8
V. Eligibility	9
VI. Approval Process	10
VII. GHG Reductions	13
VIII. Outreach and Education	13
IX. Co-benefits.....	14
X. Key Dates and Deadlines.....	14
XI. Reporting and GHG Quantification.....	15
XII. Disbursement of Funds	16
XIII. Program Review.....	16

EXECUTIVE SUMMARY

The Woodsmoke Reduction Program is part of California Climate Investments (CCI), a statewide program that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment—particularly in disadvantaged communities. The cap-and-trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. CCI projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling and much more. Statute establishes investment minimums for disadvantaged and low-income communities and low-income households. For more information, visit [California Climate Investments](#).¹

Senate Bill 563² establishes the Woodsmoke Reduction Program (Program) to be administered by the California Air Resources Board (CARB) to promote the voluntary replacement of old wood-burning stoves with cleaner and more efficient alternatives. The bill also authorizes money from the Greenhouse Gas Reduction Fund (GGRF) to be allocated for incentives offered as part of the Program. The State Legislature committed \$5,000,000 in fiscal year 2016-2017³ and \$3,000,000 in fiscal year 2018-2019⁴ to CARB to incentivize replacement of old, uncertified wood-burning devices with cleaner options. The Program, administered by CARB, is being implemented by the California Air Pollution Control Officers Association (CAPCOA) in coordination with local air pollution control districts or air quality management districts (Districts). CAPCOA will determine how much funding will be available to each District participating in the Program. The Program implemented in each participating District is considered a Project while an individual woodstove replacement is called a change-out. CARB developed Program Guidelines (Guidelines) to help CAPCOA and Districts set up Projects that meet the State's statutory requirements and policy objectives for appropriations from GGRF. The first set of Guidelines, addressing the 2016-2017 appropriation, were published on September 9, 2017.⁵ The current Guidelines address the 2018-2019 appropriation. The Program is designed to help households replace an uncertified wood stove or wood insert, or a fireplace used as a primary source of heat with a cleaner burning and more efficient device. The replacement devices emit less greenhouse gases (GHG) and other air pollutants; they also are less likely to start fires than old stoves that may have been improperly installed. The Program will offer incentives towards the purchase and installation of the qualifying device. California residents using uncertified wood stoves or wood inserts, manufactured before July 1, 1988, or fireplaces as a primary heat source in Districts awarded Program funds

¹ <https://ww2.arb.ca.gov/our-work/programs/california-climate-investments>

² Lara, Chapter 671, Statutes of 2017.

³ Assembly Bill (AB) 1613, Committee on Budget, Chapter 370, Budget Act of 2016, Item 3900-101-3228, Section 10, Provision 4.

⁴ Senate Bill (SB) 856, Committee on Budget, Chapter 30, Budget Act of 2018, Item 3900-101-3228, Section 36, Provision 2.

⁵ https://www.arb.ca.gov/planning/sip/woodsmoke/reduction_program.htm.

are eligible for this Program. The incentive amount will vary depending on the location of the residence and the household income, with some households qualifying for full replacement cost. The Program will include an outreach and educational component to ensure that households make informed decisions about how to burn and what to burn in order to maximize the efficiency of the device and minimize pollution. This Program will further the goals of California Health and Safety Code Division 25.5,⁶ reduce GHG emissions, improve air quality, and protect the health, safety, and well-being of California residents.

These Program Guidelines apply to the Fiscal Year (FY) 2018-19 GGRF appropriations and will be updated in future years if the Program is reauthorized with additional funds. The replacement of existing wood burning devices with cleaner technologies provides an important opportunity to secure the co-benefit of reduced regional and near-source exposure to woodsmoke. Therefore, contingent on reauthorization and funds, future guidelines will continue to maximize GHG reductions and also prioritize particulate pollution reductions, while still addressing the need to provide applicants within low income communities or households funding for cleaner home heating options. This includes considering opportunities to include applicants from urban areas that exceed particulate matter air quality standards where wood burning may not be a primary heat source. Future guidelines can also consider administrative streamlining based on the experience gained through implementation.

I. PROGRAM GOALS AND OBJECTIVES

The Program furthers the goals of Health and Safety Code Division 25.5 and reduces GHG emissions by offering incentives toward the replacement of existing uncertified residential wood burning devices used for space heating with cleaner options. For the purpose of this Program, a stove refers to a permanently installed free-standing wood stove, pellet stove, natural gas stove, propane stove, or electric stove or one installed in a masonry fireplace cavity or other enclosure (commonly referred to as an insert). The Program will be funded through the appropriation of \$3,000,000 in the FY 2018-2019 from the Greenhouse Gas Reduction Fund.⁷ The Program, administered by CARB, will be implemented by CAPCOA in coordination with Districts. CAPCOA will determine how much funding will be available to each District participating in the Program. To be eligible for the Program, a homeowner or renter, for the purpose of this document referred to as an Applicant, must currently use an uncertified wood stove, wood insert, or fireplace as a primary heat source. The incentive amount will depend on where the property is located and Applicant's household income, with some households qualifying for full replacement cost. The Program will maximize benefits to households in disadvantaged or low-income communities and low-income households and has as a

⁶ Appropriations from the GGRF must further the purposes of Health and Safety Code Division 25.5, added and amended by AB 32 (Global Warming Solutions Act of 2006, Pavley and Nuñez, Chapter 488, Statutes of 2006), SB 32 (Pavley, Chapter 249, Statutes of 2016), AB 197 (E. Garcia, Chapter 250, Statutes of 2016), and AB 398 (E. Garcia, Chapter 135, Statutes of 2017).

⁷ Item 3900-101-3228 of the Budget Act of 2018, as amended by SB 856 (Committee on Budget, Chapter 30, Budget Act of 2018).

goal to distribute 75 percent of the total funding to these priority populations.⁸ Applicants residing in a census tract identified as a disadvantaged⁹ or low-income¹⁰ community can qualify for higher incentives. Applicants residing outside of a census tract identified as a disadvantaged or low-income community, who can demonstrate low-income eligibility based on household income, can also qualify for higher incentives.¹¹ All other Applicants are eligible for lower incentives. Benefits to disadvantaged and low-income communities and low-income households will be evaluated using criteria listed on the CCI Quantification, Benefits, and Reporting Materials website.¹² Projects are expected to meaningfully address an important community need by reducing exposure to local environmental contaminants, such as toxic air contaminants and criteria air pollutants.

The existing uncertified wood stove, wood insert, or fireplace must be replaced with a certified wood stove, pellet stove, natural gas stove, propane stove, electric stove, or ductless mini-split heat pump. The Program will achieve GHG emission reductions from the increased efficiency and reduced emissions of the newly installed devices. Older, uncertified wood stoves are often inefficient, high-polluting, and may pose a fire risk. United States Environmental Protection Agency (U.S. EPA) certified wood stoves burn more cleanly and efficiently, thereby reducing greenhouse gas and particulate matter emissions. Replacing an uncertified wood stove, wood insert, or fireplace with a qualified replacement home heating option will reduce the overall GHG emissions. Co-benefits include significant and long-term reductions in emissions of criteria pollutants and toxic air contaminants, along with reduced fire risk.

The replacement device must be installed by a professional, appropriately licensed stove installer (Installer) and meet local fire and building codes. A professionally installed device will improve the health, safety, and comfort of all residents. To ensure reductions in emissions are permanent, any stove removed through this Program must be rendered permanently inoperable and recycled, if recycling is available in the area. The Program will include outreach and educational components to both inform residents

⁸ Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency (CalEPA) per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550.

⁹ Disadvantaged community census tracts are identified by CalEPA per [SB 535](#) (De León, Chapter 830, Statutes of 2012), and available at <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>

¹⁰ Low-income communities are defined as census tracts with a median household income at or below 80 percent of the statewide median household income or with a median household income at or below the threshold designated as low-income by Department of Housing and Community Development's State Income Limits adopted pursuant to the Health and Safety Code Section 50093 ([AB 1550](#) (Gomez, Chapter 369, Statutes of 2016)). Maps of low-income communities are available at <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

¹¹ Low-income households are those with household incomes at or below 80 percent of the statewide median household income or with household incomes at or below the threshold designated as low-income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093. ([AB 1550](#) (Gomez, Chapter 369, Statutes of 2016)) Districts will be responsible for verifying household income eligibility.

¹² Available at: <https://ww2.arb.ca.gov/resources/documents/cci-quantification-benefits-and-reporting-materials>

about the benefits of switching to cleaner burning home heating devices and train them on the proper operation and maintenance to maximize the device efficiency and minimize pollutant emissions.

The Program implemented in each participating District will be considered a Project. The Project will comprise all of the change-outs, for which Program funds are being used, within the District's jurisdiction along with the administrative work required to implement them.

II. STOVE ELIGIBILITY AND PERFORMANCE STANDARDS

A. Existing Home Heating Devices

To be eligible for the Program, an Applicant must be currently relying on an operational uncertified wood stove or insert, or fireplace, as a primary source of heat in the residence.

An uncertified stove or insert is one that has not been certified by the U.S. EPA to comply with the performance and emission standards as defined in Title 40 Code of Federal Regulations, Part 60, Subpart AAA, February 28, 1988, or any subsequent revisions. In order to determine if the existing stove is uncertified, Applicant may do the following:

- Determine when the stove was installed. Stoves installed before July 1, 1988 do not comply with the particulate emission standards and therefore qualify for this Program.
- Check the stove model against the U.S. EPA current¹³ and historical¹⁴ list of certified wood heaters. If the stove's manufacturer and model is not on the current and historical lists, the stove is considered uncertified.
- Check the back of the stove for a certification label. Stoves which do not have any label describing particulate matter emission standards qualify for this Program. Wood stoves certified by the U.S. EPA to comply with any of the particulate emission standards are not eligible for replacement through this Program. These stoves will have a label, similar to that pictured in Figure 1, permanently affixed to them stating that the stove is certified to comply with the 1988, 1990, 2015, or 2020 U.S. EPA standards.

Applicants will determine the eligibility of their current wood stove. Applications will be reviewed by the District to determine if preliminary qualification requirements have been

¹³ Current list of U.S. EPA certified wood heaters: <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>

¹⁴ Historical list of U.S. EPA certified wood heaters: <https://www.epa.gov/compliance/historical-list-epa-certified-wood-heaters>

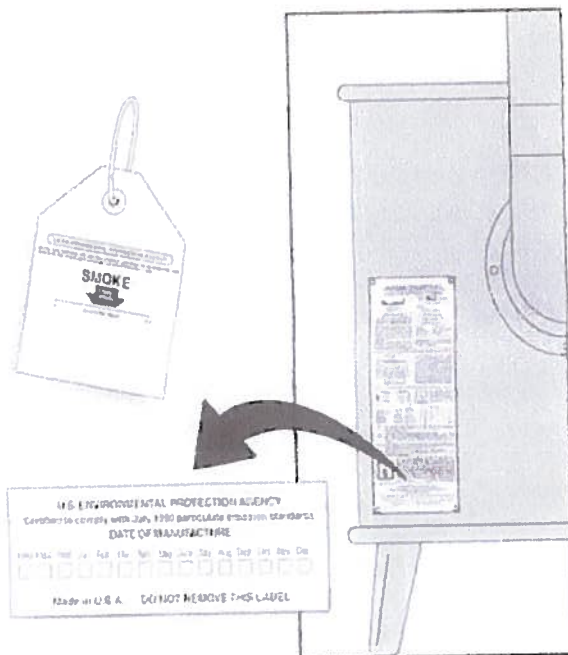
met. The stove's eligibility will be verified by the District or an Installer during an in-home estimate.

An Applicant using a fireplace as a primary source of heat could also qualify for this Program. Section III, Eligible Home Heating Replacements, includes more information on how to qualify for this type of change-out.

Only operational devices, currently installed in a residence, and used as a primary source of heat qualify for this Program. Applicants who remove the device prior to an in-home estimate will be disqualified.

Figure 1. U.S. EPA Stove Certification Label

EPA certification label circa 1988 to present



B. Replacement Device

The uncertified wood stove or insert, or fireplace, must be replaced by a cleaner-burning and more efficient alternative. Table 1 lists Program-eligible replacement devices. Prior to May 15, 2020, wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hour (g/hr), that are certified to either U.S. EPA "Step 1" or "Step 2" New Source Performance Standards (NSPS) qualify for the Program.¹⁵ Starting on May 15, 2020, only wood heating devices with particulate matter emission

¹⁵ Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>

rates not exceeding 2.0 grams/hours, that are certified to U.S. EPA "Step 2" NSPS, will be eligible for the Program.¹⁶ The non-wood burning devices listed in Table 1 are eligible for the duration of the Program.

Table 1. Replacement devices eligible for the Program

Before May 15, 2020	On or after May 15, 2020
Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to either U.S. EPA "Step 1" or "Step 2" NSPS ¹⁷	Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to U.S. EPA "Step 2" NSPS ¹⁸
Natural gas stove or insert	
Propane stove or insert	
Electric stove or insert	
Ductless mini-split heat pump	

The replacement device must be permanently installed by a professional, appropriately licensed Installer participating in this Program. A list of participating Installers will be established by CAPCOA or each participating District. Self-installation of heating devices will not be allowed under this Program. Portable home heating devices, not permanently affixed to the home structure, are not eligible replacement options. Any building permits or other required approvals shall be obtained per local or State ordinances and shall be the responsibility of the Installer or the Applicant. Districts will be responsible for verifying that each change-out is permitted and inspected in accordance with State or local ordinances before payment is issued to the Installer or the Applicant.

III. ELIGIBLE CHANGE-OUTS

Applicants interested in upgrading their uncertified wood stove or wood insert, or fireplace to a U.S. EPA certified wood stove or other cleaner, more efficient heating device qualify for this Program if they meet all of the requirements listed below:

¹⁶ The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>. U.S. EPA has requested comment on postponing the compliance deadline for retail of non-Step 2-compliant heaters and pellet stoves and inserts (83 Fed. Reg. 61,574 (Nov. 30, 2018)). Regardless of any postponement of the compliance deadline, the Woodsmoke Reduction Program will only offer incentives toward change-outs with Step 2-compliant devices after May 15, 2020.

¹⁷ Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

¹⁸ The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>. U.S. EPA has requested comment on postponing the compliance deadline for retail of non-Step 2-compliant heaters and pellet stoves and inserts (83 Fed. Reg. 61,574 (Nov. 30, 2018)). Regardless of any postponement of the compliance deadline, the Woodsmoke Reduction Program will only offer incentives toward change-outs with Step 2-compliant devices after May 15, 2020.

- Currently use wood as a primary fuel;
- Use an uncertified wood stove or wood insert, or a fireplace, currently operational, as a primary source of heat;
- Select a replacement device which meets stove eligibility in Section II;
- Plan to have the replacement device professionally installed by a participating Installer;
- Agree to receive training on proper wood storage and wood burning practices (if applicable) and device operation and maintenance; and
- Surrender their old wood stove or insert to the Installer who will render it permanently inoperable and recycle it, if recycling is available in the area.

This Program provides incentives for one replacement per household. Households that previously received Program incentives are not eligible. The replacement device must be a primary source of heat in the house. The Program is available for residences occupied by owners or long-term renters. In the case of rental properties, formal approval from both the property owner and the renter will be required as part of the approval process. In order to qualify for an incentive, the owner will have to agree to not raise the rent of the unit for a period of two years or evict the unit's residents because of increased value of the unit due solely to the newly installed home heating device. Retroactive rebates are not available under this program, so Applicants who remove the old device or purchase a new replacement device prior to being approved for this Program will be disqualified. The old, uncertified device must be rendered permanently inoperable and recycled, if recycling is available in the area, before payment can be issued to the Installer.

Burning wood in a fireplace is very inefficient for home heating purposes; fireplaces are therefore not typically used as a primary source of heat. In rare situations, when an Applicant uses a fireplace as a primary source of heat, the Applicant may qualify for the Program. If the existing fireplace is structurally sound, the Program may offer an incentive to be used towards purchase and installation of a fireplace insert utilizing wood, natural gas, propane, or electricity. However, if the fireplace is lacking structural integrity, the incentive could be used towards the purchase of an eligible free-standing home heating device. In this case, the fireplace and chimney must be rendered permanently inoperable to prevent use of the fireplace. Verification of inoperability would be the responsibility of the District.

Installers interested in participating in this Program must agree to the Program's terms and conditions by signing an agreement with CAPCOA or the District. Each District will establish their own requirements, but at a minimum, in order to participate in the Program, the Installer will be required to agree to the following:

- Abide by the terms and conditions of the Program;
- Unless verified by the District, verify that the old device and the replacement device qualify for the Program;

- Conduct professional installation of the qualified device in compliance with all applicable State, county, or city codes/ordinances;
- Provide residents with training on device operation and maintenance and, if applicable, for wood burning devices, best practices in wood storage and wood burning; and
- Render the old device inoperable and recycle it, if recycling is available in the area.

Only Installers who have a signed agreement with CAPCOA or the District will be eligible to participate in the Program. Installers will be responsible for ensuring that all installations are done in accordance with any applicable State, county, or city codes/ordinances, including obtaining any applicable permits and having the installation inspected. Agreements must include the components required by this document and should include key milestone dates and participant requirements for maintaining eligibility prior to Project completion.

IV. ELIGIBLE COST

Eligible change-outs costs include the cost of the new device including sales tax, installation including any parts, materials, permits, or labor required for the safe and legal installation of the new device, and removal and disposal of the old wood stove or insert. The Installer will be required to provide a base estimate for the installation of a basic model that will be safe, clean-burning, and efficient. Upgrades above the base estimate will be paid by the Applicant. The incentive structure will be determined by CAPCOA or each individual District but incentives can't exceed the actual total change-out cost and are limited to a maximum of \$5,000 per property or household. Districts will pay the Installer (voucher model) or Applicant (rebate model) the approved incentive amount. Any additional balance due will be paid by the Applicant.

Applicants who remove the high-polluting device or purchase a new device prior to being approved for this Program will be disqualified from obtaining compensatory funds. Wood stoves or inserts designed exclusively for aesthetic and decorative use are not eligible for this Program.

All eligible costs must be supported by appropriate documentation. Any cost that is not directly related to the change-out, including cost of remodeling work beyond what is required to complete the change-out, is not eligible for an incentive. Total costs may not exceed the \$5,000 maximum allowed. Costs incurred outside of the performance period, indirect/overhead costs, and cost of food or beverages (e.g., served during outreach events) are not eligible for reimbursement. Indirect/overhead costs are expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to work on the Program, functions such as personnel, business services, information technology, and salaries of supervisors. Examples of overhead costs include rent, utilities, and supplies.

The total cost of administering the Program (i.e., the total administrative costs incurred by both CAPCOA and Districts) cannot exceed \$300,000, which is 10 percent of the total 2018-2019 appropriation.

V. ELIGIBILITY

Households using uncertified wood stoves, wood inserts, or fireplaces as a primary heat source are eligible for an incentive towards replacing their old heating device with a cleaner option. The incentive amount will be determined by each District in coordination with CAPCOA, but may not exceed a maximum of \$5,000. The general structure of incentives must adhere to the following rules:

- Low-income households and households located in disadvantaged or low-income communities will be eligible to replace their heating device for little or no cost. They will qualify for a higher incentive (Enhanced Incentive). The maximum allowable Enhanced Incentive level is \$5,000;
- All other households, regardless of their income, will qualify for a smaller incentive (Standard Incentive) to be applied towards the purchase and installation of the new device. CAPCOA, in coordination with the District, will determine the maximum allowable Standard Incentive level, not to exceed \$5,000; and
- CAPCOA, in coordination with the District, will implement the Program with the goal of directing 75 percent of the funds for Enhanced Incentives to help low-income households and households in disadvantaged and low-income communities replace their old wood stoves for little or no cost. This goal could be accomplished in a variety of ways and Districts are encouraged to explore different options to assist in meeting this Program-wide goal. Examples of two possible scenarios could include:
 - Conducting a District-wide solicitation during which all applications would be collected and reviewed and priority would be given to those Applicants qualifying for Enhanced Incentives.
 - Implementing the Project in two phases. During the first phase, only applications from low-income households and households in disadvantaged and low-income communities would be accepted. During the second phase, the Project would be open to all Applicants.

Every Applicant using an uncertified wood stove or fireplace as a primary source of heat for their home qualifies for a Standard Incentive without any need for income verification. To qualify for the higher Enhanced Incentive, the Applicant must reside in a disadvantaged or a low-income community or demonstrate a household income not exceeding a low-income threshold specified below. Income verification will not be required for Applicants residing in disadvantaged or low-income communities.

Applicants residing outside of disadvantaged and low-income communities wishing to be considered for Enhanced Incentives are required to demonstrate that their household income does not exceed one of the following thresholds:

- 1) 80 percent of the Statewide Median Household Income (MHI);¹⁹ or
- 2) County-specific California Department of Housing and Community Development (HCD) low-income limits.²⁰

Districts will be responsible for verifying household income eligibility. Districts can qualify an Applicant based on the higher allowable maximum income (80 percent MHI or HCD low-income limits).

For purposes of the Woodsmoke Reduction Program, there are multiple methods to demonstrate household income eligibility. Applicants may demonstrate eligibility by presenting pay stubs or tax returns for each person living in the residence to District personnel for verification and, if qualifying using the HCD low-income limits, reporting the number of people in the household.

Eligibility may also be established through proof of participation in an existing federal or State low-income assistance program, several examples of which are listed below. In cases where an Applicant chooses to demonstrate eligibility through participation in an alternate low-income program, Districts will work with CARB staff to verify that the alternate program's income limits do not exceed Enhanced Incentive income limits for their area.

- U.S. Department of Agriculture Women, Infants and Children (WIC) Program;
- U.S. Department of Health and Human Services Low Income Energy Assistance Program (LIHEAP);
- California Alternate Rates for Energy (CARE) Program with a participating California utility company.

VI. APPROVAL PROCESS

In order to participate in the Program, Applicants will be required to complete an application. Applicants must agree to provide information to the District and allow the District and/or Installer to verify that information. Applicants must agree to receive training on proper wood storage and wood burning practices (if applicable) and device operation and maintenance. The District will be responsible for verifying the following:

¹⁹ U.S. Census Bureau, American Community Survey , 5-year Estimates available at: <https://www.census.gov/quickfacts/table/PST045215/06>

²⁰ California Department of Housing and Community Development Official State Income Limits available at: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

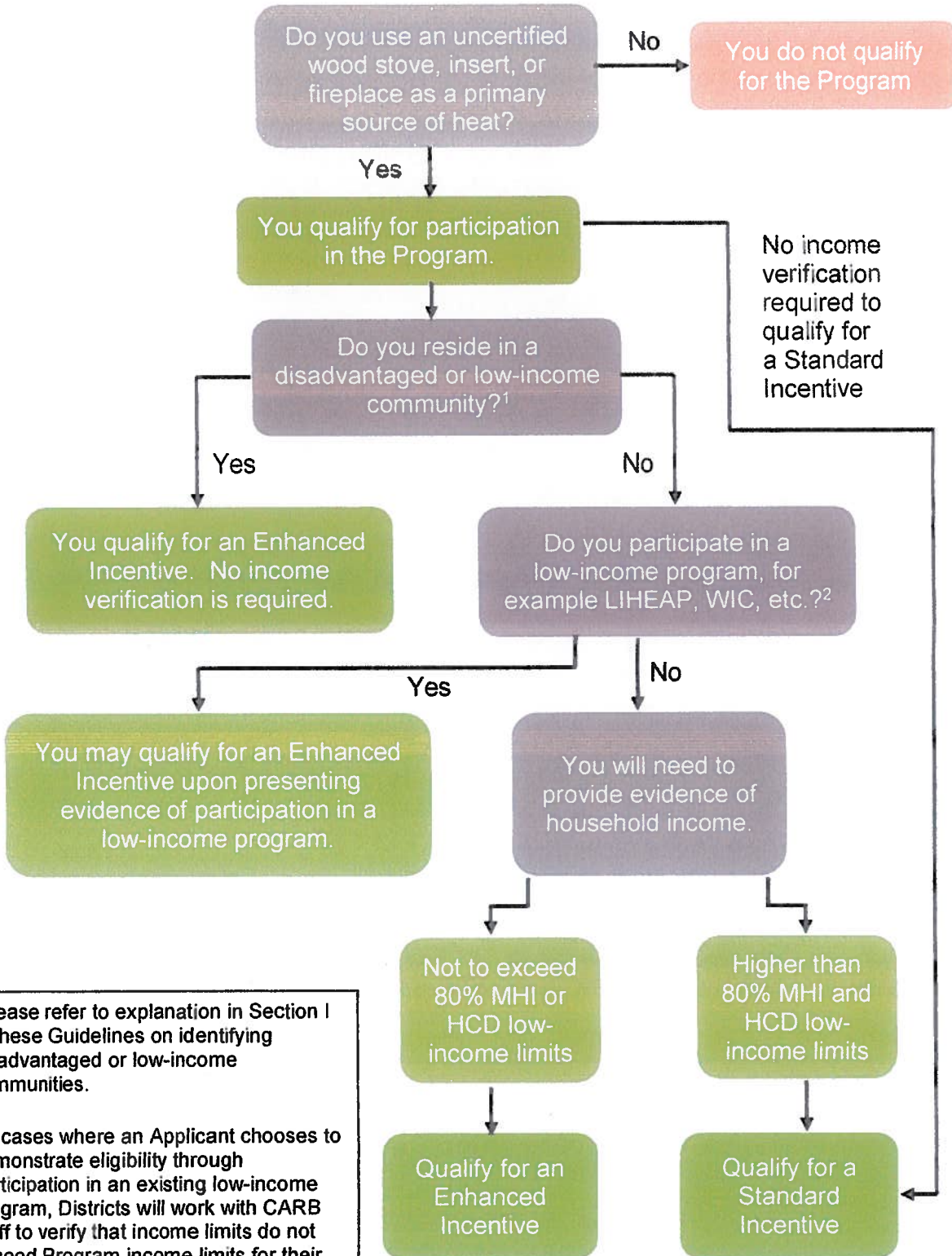
- Eligibility of the existing device - ensuring that the existing wood stove, wood insert, or fireplace²¹ is uncertified, operational, and used as a primary heat source in the house;
- Eligibility of the replacement stove – ensuring that the replacement device is eligible for the Program as described in Section II; and
- If applying for the Enhanced Incentive, eligibility as a resident of a disadvantaged or low-income community or a low-income household.

The application will be reviewed to determine if the preliminary qualification requirements have been met. Figure 2 illustrates the approval process and helps determine Program eligibility. The District will notify the Applicant whether the application was approved for participation in the Program. Districts must inform Applicants that applications will be treated in accordance with Public Records Act requirements and that certain information, subject to those requirements, may be publicly disclosed.

Once approved, the Applicant will schedule an in-home estimate with a participating Installer. The Installer will verify the stove's eligibility and present an estimate to the Applicant. The District will have the flexibility to run the Program as a voucher or a rebate model. If a Program follows a voucher model, qualified Applicants are issued vouchers that provide an instant discount of the cost of purchase, installation, and disposal of a qualifying device. If a Program follows a rebate model, qualified Applicants are issued rebates after they submit the required documents showing that they have purchased a qualifying device, had it installed by a participating Installer, and properly disposed of their old appliance. Districts must verify that the old device was deemed permanently inoperable and recycled, if recycling is available in the area, before issuing payment for the change-out. Districts choosing to follow a rebate model must ensure that low-income households and households in disadvantaged and low-income communities are able to participate. This may require offering vouchers in lieu of rebates or administering the Project with a combination of rebates and vouchers.

²¹ All fireplaces are considered uncertified heating devices.

Figure 2. Approval Process



¹Please refer to explanation in Section I of these Guidelines on identifying disadvantaged or low-income communities.

²In cases where an Applicant chooses to demonstrate eligibility through participation in an existing low-income program, Districts will work with CARB staff to verify that income limits do not exceed Program income limits for their area.

135

VII. GHG REDUCTIONS

Switching from an uncertified wood stove or a fireplace to a U.S. EPA certified wood stove reduces GHG emissions as certified stoves are cleaner burning and more energy efficient. Design features in newer wood stoves promote more complete combustion, reducing emissions of methane, a GHG pollutant.²² They also typically use a third less wood to produce the same amount of heat as an uncertified stove.²³ A one-third reduction in wood burning will further reduce GHG emissions by approximately the same amount. Switching from an uncertified wood stove to a natural gas, propane, or electric heater will typically reduce GHG emissions. In the absence of a mechanism to verify that the wood burned in an Applicant's primary heating device is waste material harvested pursuant to an approved timber management plan prepared in accordance with the Z'berg-Nejedly Forest Practice Act of 1973 or other locally or nationally approved plan and harvested for the purpose of forest fire fuel reduction or forest stand improvement, biogenic CO₂ is included in the calculation of GHG benefits for these devices.

VIII. OUTREACH AND EDUCATION

CAPCOA and the Districts will be responsible for promoting the Program and helping households understand the benefits of changing from an uncertified wood stove to a cleaner home heating device. Since the Program-wide goal is to distribute 75 percent of total funding to residents of disadvantaged and low-income communities and low-income households, the outreach should focus on reaching this segment of the population.

The Program requires an educational component to ensure that the new home heating devices, particularly wood stoves, are properly operated and maintained to maximize energy efficiency and achieve the lowest possible emission rates. With proper burning techniques and properly seasoned wood, the amount of wood used could be significantly reduced. While a new wood stove typically pollutes less than an old one, user operation is important for achieving estimated reductions. CAPCOA and the Districts will be required to ensure that each change-out is supplemented with a training component. This could be accomplished by having Installers train homeowners following the installation. Districts will be required to obtain verification of training.

²² Residential wood stove emissions are in AP 42, Fifth Edition, Volume I, Chapter 1, External Combustion Sources, Section 1.10, web link: <https://www3.epa.gov/ttn/chief/ap42/ch01/final/c01s10.pdf>

²³ U.S. EPA Burn Wise Publication, How to Implement a Wood-Burning Appliance Changeout Program, September 15, 2014; web link: <https://www.epa.gov/sites/production/files/2015-08/documents/howtoimplementawoodstovechangeout.pdf>

IX. CO-BENEFITS

In many communities throughout the State, uncertified wood stoves are a major source of air pollution. Replacing these highly polluting and inefficient stoves with cleaner home heating options can significantly reduce emissions of fine particulate (PM2.5), black carbon, and toxic air contaminants. These emission reductions will vary depending on the type of the replacement device, with the natural gas, propane, or electric devices offering the greatest reductions. Certified wood stoves or inserts have significantly lower emissions compared to uncertified stoves. These emission reductions, however, could diminish due to improper operation or lack of proper maintenance. Reductions in black carbon, PM2.5, and toxic air contaminants will reduce the impacts of climate change and improve indoor and outdoor air quality and visibility. In some parts of the State, the PM2.5 co-benefit reductions could have a significant impact on a region's ability to attain ambient air quality standards.

Reductions in PM2.5 pollution will have significant short- and long-term health benefits. Short-term exposures to PM2.5 can aggravate lung disease, causing asthma attacks and acute bronchitis, and may also increase susceptibility to respiratory infections. Long-term exposures have been associated with reduced lung function and the development of chronic bronchitis and even premature death.

Consumers should be able to save approximately 20 percent of their annual fuel cost through the use of professionally installed, certified, high efficiency wood stoves.²⁴ Many old stoves are improperly installed, posing significant safety concerns, including health impacts and potential fires. Professional installation required under this Program will ensure that newly installed stoves meet local fire and building codes. If a replacement device is installed in a residence that does not have functional smoke and carbon monoxide detectors, the Program may pay for purchasing and installing new detectors. The Program may support the local economy and job creation by increasing demand for, and installation of, certified wood stoves and other clean heating devices.

X. KEY DATES AND DEADLINES

CARB posted the Program Guidelines for public review and comments on December 5, 2018. The public comment period closed on December 21, 2018 and comments were reviewed and incorporated into the Program Guidelines where appropriate. As a next step, CARB will draft grant agreements with CAPCOA and/or individual Districts. These agreements must be signed and fully executed before funds can be released. If CAPCOA acts as an intermediary between CARB and the Districts, it will be required to enter into separate agreements with the Districts. These separate agreements must ensure compliance with these Program Guidelines and any agreement between CAPCOA and CARB. Any work done prior to a District grant agreement being fully signed and executed will be ineligible for funding. The deadline

²⁴ Based on the difference in efficiency between uncertified and certified stove:
<https://www3.epa.gov/ttn/Chief/ap42/ch01/final/c01s10.pdf>

for executing all grant agreements is June 30, 2020 and the deadline for submitting requests for payment to CARB is April 1, 2022.

XI. REPORTING AND GHG QUANTIFICATION

CCI Funding Guidelines set tracking and reporting requirements for agencies that administer GGRF programs, such as CARB. Each District participating in the Program will be responsible for recordkeeping and providing CAPCOA and/or CARB with information necessary to fulfill Program reporting requirements. CAPCOA will be responsible for compiling the reports and submitting them electronically to CARB. All reports must be consistent with the CCI Funding Guidelines,²⁵ quantification methodologies,²⁶ reporting guidance,²⁷ and the requirements established in these Program Guidelines. The Program implemented in each participating District will be considered a Project with most of the reporting done on a Project basis. The Project will be comprised of all change-outs for which Program funds are being used, within the District's jurisdiction, along with the administrative work required to implement them. Some reported Project information will be publicly available on the CARB website, including the amount of funding spent on change-outs that benefit disadvantaged communities, low-income communities, and low-income households.

In order to document and calculate reductions in GHG, black carbon, and PM2.5 emissions, and document other co-benefits and benefits to disadvantaged communities, low-income communities, and low-income households, CAPCOA and/or Districts will be responsible for collecting and maintaining the following information for each change-out:

- Tracking number for each change-out;
- Location of change-out;
- Incentive amount and, if applicable, verification that Applicant qualifies for an Enhanced Incentive based on the location of the property in a disadvantaged or low-income census tract or Applicant's household income;
- Documents proving the change-out benefits a disadvantaged community, low-income community, or low-income household and description of how the change-out meets respective community need(s);
- Type of wood burning device being replaced (stove, insert, or fireplace);
- Replacement device type and model;
- Quantity of wood burned annually before replacement;
- Replacement device emission rates and efficiency (if available);
- Installation date;
- Copy of final permit (City, County, or State);
- Photographic evidence of change-out completion, including "before" and "after" photos showing the devices in relation to the room where they were/are installed;

²⁵ <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-funding-guidelines.pdf>

²⁶ Available at www.arb.ca.gov/cci-quantification

²⁷ *ibid.*

- Verification of destruction of uncertified stove (including recycling if available locally) or, where applicable, verification of rendering fireplace and chimney permanently inoperable;
- Verification that the resident was trained on device operation and maintenance and, if applicable, following best practices in wood storage and wood burning for residential space heating;
- GGRF dollars spent; and
- Information on jobs and training opportunities created and whether employees are residents of disadvantaged or low-income communities or low-income households.

Documentation of each wood stove replacement must include all of the parameters above, which are necessary for quantifying the reductions. Record keeping and tracking will be retained by CAPCOA or the District for three years after the Project Closeout report is submitted.

Net GHG reductions from wood stove replacement will be calculated using the CARB approved GHG Quantification Methodology for Fiscal Year 2018-2019 available at the [Cap-and-Trade Auction Proceeds Quantification Materials](#) webpage.²⁸ CARB will also develop methodologies to quantify some additional Project co-benefits. CAPCOA will be responsible for performing calculations and reporting results to CARB as part of the reports outlined above.

XII. DISBURSEMENT OF FUNDS

Funds cannot be disbursed until there is a fully executed grant agreement between CARB and CAPCOA and/or the individual District. Only those actual and direct Program related costs incurred during the approved term of the grant agreement and as specified in the grant agreement budget will be eligible for payments.

Each District shall maintain an accounting system that accurately reflects fiscal transactions with the necessary controls and safeguards. The accounting system must retain itemized receipts and invoices for all Program funds for at least three years after final payment is made by CARB.

XIII. PROGRAM REVIEW

The State of California has the right to inspect all work and associated records at any time over the Project life. This right shall extend to any subcontracts, and CAPCOA and/or Districts shall include such access in all their contracts or subcontracts.

CARB shall review a sufficient number of Projects each year to ensure proper Program implementation. The District responsible for the Project selected for program review will

²⁸ <https://www.arb.ca.gov/cci-quantification>

be contacted at least 30 days in advance. The program review should include all books, papers, accounts, documents, photographs, and other records related to the Project for which Program funds were used. The District will be expected to assign an employee familiar with the Project and accounting procedures to assist the State reviewer and have the Project records, including cancelled warrants, readily available for inspection.

If the program review reveals that the District did not follow these Program Guidelines and/or the grant agreement, does not have proper documents to demonstrate following Program Guidelines and/or the grant agreement, or violated any State or federal law or policy, a corrective action plan will be put in place. The District will have three months to implement the corrective measures. A follow-up program review will be conducted to verify that the deficiencies are fully mitigated. If the corrective actions were not implemented or new problems were discovered during the follow-up program review, a second corrective action plan will be established. If the second follow-up program review is less than satisfactory, the grant agreement with that District will be terminated immediately and the District will be prohibited from receiving any future funding from this Program. The District may be required to fully or partially repay Program funds spent in violation of these Program Guidelines and/or the grant agreement.

The following are examples of Program deficiencies:

- Replacing a wood stove, wood insert, or fireplace not eligible for the Program;
- Installing a device not eligible for the Program;
- Issuing an Enhanced Incentive to an ineligible Applicant;
- Exceeding the maximum amount of \$5,000 for a single change-out;
- Failing to properly document each change-out;
- Failing to properly dispose of the old stove; and
- Allowing an Applicant to install his/her replacement device.

If deficiencies are identified during a program review, CARB will be responsible for communicating them to the District, giving the District an opportunity to respond, and, if necessary, assist in drafting a corrective action plan. Districts must make every effort, including requesting assistance from CARB, if necessary, to ensure that the deficiencies are fully mitigated.

From: Gretchen Bennett, Air Pollution Control Officer

Date: November 25, 2019

Agenda Item: V.A.

Agenda Description: Andrew Wheelers' Letter to the Chair of California Air Resources Board

Issues:

Attached is a September 24, 2019 letter from the EPA administrator to the CARB Chair incorrectly outlined that California had failed to meet requirements for State Implementation Plans and threatened to trigger sanctions against the state. The letter outlined four ozone nonattainment areas, one of which was western Nevada County.

Also attached is a June 20, 2019 letter from the EPA to CARB stating that the western Nevada County Ozone SIP is complete.

Last, is the response from the California Air Resources Board's Chair, Mary Nichols to Andrew Wheeler, EPA Administrator discussing how the western Nevada County Ozone SIP has been deemed complete by EPA.

For further information, the September 24, 2019 letter from the EPA does not initiate highway sanctions for western Nevada County. After talking with EPA staff, they have no plans to initiate highway sanctions. If EPA would like to initiate highway sanctions, EPA must formally propose a disapproval of the SIP. This automatically opens a comment period (typically 30 days), but it could be a longer comment period if needed. EPA then must then make the decision to finalize the disapproval or not. If EPA finalizes a proposed disapproval, that would "set the clock" for 2 years before the actual sanction would apply. The 2 years is for the State and EPA to work out the inadequacies of the SIP.

Requested Action:

None, informational only

Attachments:

1. September 24, 2019 letter from Andrew Wheeler, Administrator of EPA to Mary Nichols, Chair of CARB
2. June 20, 2019 letter from EPA Region 9 Air Administrator Elizabeth Adams to Richard Corey, CARB Executive Director
3. October 9, 2019 letter from CARB's Chair Mary Nichols to EPA Administrator Andrew Wheeler

141



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

September 24, 2019

THE ADMINISTRATOR

Ms. Mary D. Nichols
Chair
California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, California 95812

Dear Ms. Nichols:

The U.S. Environmental Protection Agency and California Air Resources Board play a critical role in protecting public health through implementing National Ambient Air Quality Standards under the federal *Clean Air Act*. In particular, the state of California facilitates the submittal of State Implementation Plans from its 35 local air districts with *Clean Air Act* responsibilities.

A SIP is a collection of regulations and documents used by a state, territory or local air district to reduce air pollution in areas that do not meet NAAQS. Failure to carry out this SIP responsibility correctly, including submitting timely and approvable plans to assure attainment of the NAAQS, can put at risk the health and livelihood of millions of Americans. As part of our fundamental *Clean Air Act* responsibilities, I have recommitted the EPA to act quickly to approve or disapprove SIPs and to dramatically reduce the backlog of SIPs nationally.

Since the 1970s, California has failed to carry out its most basic tasks under the Clean Air Act. California has the worst air quality in the United States, with 82 nonattainment areas and 34 million people living in areas that do not meet National Ambient Air Quality Standards – more than twice as many people as any other state in the country. As evidenced by the EPA's recent work on interstate air pollution issues as well as analysis accompanying its rulemakings, California's chronic air quality problems are not the result of cross-state air pollution or this Administration's regulatory reform efforts.

In addition, the state of California represents a disproportionate share of the national list of backlogged SIPs, including roughly one-third of the EPA's overall SIP backlog. California's total portion of the SIP backlog is more than 130 SIPs, with many dating back decades. Most of these SIPs are inactive and appear to have fundamental issues related to approvability, state-requested holds, missing information or resources. For example, these SIPs include key ozone NAAQS attainment plans for the following areas:

- Coachella Valley for 1997 and 2008 ozone NAAQS

- Sacramento Metro for 2008 ozone NAAQS
- Western Nevada County for 2008 ozone NAAQS
- Ventura County for 1997 and 2008 ozone NAAQS

We recommend that California withdraw its backlogged and unapprovable SIPs and work with the EPA to develop complete, approvable SIPs. In the event California fails to withdraw them, the EPA will begin the disapproval process consistent with applicable statutory and regulatory requirements.

As you know, if the EPA disapproves a SIP, that triggers statutory clocks for:

- Highway funding sanctions, which could result in a prohibition on federal transportation projects and grants in certain parts of California;
- New Source Review permitting sanctions; and
- A deadline for the issuance of a Federal Implementation Plan.

We certainly want to avoid these statutory triggers, but our foremost concern must be ensuring clean air for all Americans. That is our goal.

To ensure that we are making progress on improving air quality in California, we request a response from CARB by October 10 indicating whether it intends to withdraw these SIPs.

Sincerely,



Andrew R. Wheeler



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

JUN 20 2019

Mr. Richard W. Corey
Executive Officer
California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, California 95812

Re: Completeness Determination for a California State Implementation Plan Revision
Concerning the Western Nevada Nonattainment Area Plan to Meet the 2008 8-Hour
Ozone National Ambient Air Quality Standards

Dear Mr. Corey:

On December 2, 2018, you submitted a revision to the California State Implementation Plan (SIP) containing the *Ozone Attainment Plan for Western Nevada County*, with Appendices A-H, dated October 22, 2018 (Western Nevada Ozone Plan). This submittal addresses Clean Air Act (CAA) attainment requirements for the 2008 8-hour ozone national ambient air quality standards in the Western Nevada nonattainment area. The plan addresses the applicable requirements for an emission statement program, and includes emission inventories, an attainment demonstration, a reasonable further progress (RFP) demonstration, contingency measures, and motor vehicle emissions budgets.

We have reviewed the Western Nevada Ozone Plan for completeness and we find that this submittal conforms to the completeness criteria in 40 CFR part 51, appendix V. Consequently, this submittal addresses the findings of failure to submit made by the EPA on December 11, 2017 (82 FR 58118) with respect to the following SIP elements: contingency measures for VOC and NO_x; emissions statement; ozone attainment demonstration; and RFP demonstration for VOC and NO_x for moderate nonattainment areas. The finding of completeness conveyed in this letter stops the related clocks for mandatory sanctions in the Western Nevada nonattainment area under section 179(a) of the CAA for the SIP elements listed above.

We note for reference that the December 11, 2017 findings of failure to submit also referenced two other SIP elements related to reasonably available control technology (RACT) requirements. The state submitted a SIP revision to address those requirements on June 7, 2018, and we found the submittal complete on November 29, 2018.

If you have any questions, please call me at (415) 972-3183 or have your staff contact Laura Lawrence at (415) 972-3407 or lawrence.laura@epa.gov.

Sincerely,



for Elizabeth J. Adams
Director, Air & Radiation Division

cc: Gretchen Bennitt, Air Pollution Control Officer
Northern Sierra Air Quality Management District

October 9, 2019

Andrew R. Wheeler, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator Wheeler:

As you requested, I am responding to your letter dated September 24, 2019. The California Air Resources Board (CARB) is happy to assist the U.S. Environmental Protection Agency (U.S. EPA) in clearing its State Implementation (SIP) backlog and, in particular, to withdraw SIPs for which U.S. EPA action is no longer needed. Indeed, as you may not have been aware in writing your letter, CARB has been helping U.S. EPA to resolve its administrative backlog for years. In 2014, U.S. EPA reached out to California asking for help with this backlog, and U.S. EPA, CARB, and local air districts agreed on a four-year plan to review, act on, or withdraw SIP submittals for each nonattainment area. Pursuant to this model collaborative process, U.S. EPA, CARB, and local air districts have worked together and cleared over 200 district rules and four attainment SIPs from U.S. EPA's backlog. CARB looks forward to continuing such productive cooperation with U.S. EPA, which is in the interests of U.S. EPA, CARB, the relevant stakeholders, and the public in general.

I am compelled, however, to point out that your letter contains many inaccuracies and misleading statements. Contrary to the letter's suggestion, California has been working diligently for decades to protect its residents from the harmful effects of smog, particles, toxics, and climate-warming pollution as required by the Clean Air Act. Moreover, the SIP backlog discussed in your letter consists of SIPs awaiting action by Regional U.S. EPA staff, and the multi-year delays in acting on California's SIPs are the result of staff shortages, competing administrative priorities, and a lack of clear guidelines emanating from headquarters bureaucracy. Happily, as detailed below, none of your agency's administrative delays have had any impact whatsoever on public health because California has moved ahead with implementation in the absence of U.S. EPA action. Under these circumstances, your sanctions threat is at best unfounded.

CARB was established years before U.S. EPA came into existence. Since then, CARB has led the nation in setting aggressive, effective, and cost-effective emissions standards for cars and trucks, with Congress repeatedly reaffirming its authority as an

innovator and driver of clean air technologies. To reduce emissions for light duty vehicles, California set a hydrocarbon tailpipe emission standard in 1966 and an oxides of nitrogen (NOx) emission tailpipe standard in 1971, ahead of U.S. EPA. Other regulations lowering emissions from light-duty vehicles that California has pioneered include the On-Board Diagnostic regulation beginning in 1988, the Low-Emission Vehicle and Zero-Emission Vehicle programs established in 1990, and the Reformulated Gasoline regulation beginning in 1992.

To reduce emissions from heavy-duty vehicles, California implemented the Clean Diesel Fuel program in 1992, and set low-NOx tailpipe emissions standards from heavy-duty diesel engines beginning in 1994. California anti-idling regulations lowered NOx emissions near schools and other populated destinations beginning in 1998. Solid waste collection vehicle and drayage truck rules, in 2008 and 2010 respectively, lowered emissions from specific occupational vehicles. In 2010, CARB adopted the groundbreaking Truck and Bus Regulation requiring all heavy-duty trucks to be equipped with a 2010 or newer engine by 2023. As Regional Administrator Mike Stoker recognized earlier this month, "Heavy-duty trucks can emit drastically higher levels of pollution when not equipped with required emissions controls. Transport companies must comply with California's rule to improve air quality and protect adjacent communities from breathing these toxic pollutants."¹ "The California Truck and Bus Regulation has been an essential part of the state's federally enforceable plan to attain cleaner air since 2012."²

Your letter incorrectly refers to 82 nonattainment areas in the state, apparently counting a single area repeatedly if it is not in attainment for multiple increasingly stringent standards and pollutants. For example, the letter counts the greater Los Angeles area as nonattainment for ozone four times and once more for fine particulate matter. It also included two tribal areas for which U.S. EPA—not California—is responsible under the Clean Air Act, and these two areas were counted six times. In fact, California has 20 nonattainment areas in total for ozone and fine particulate matter. We still have much work to do, but there is no point in making the task look harder than it already is.

The letter further suggested that most of the SIPs in U.S. EPA's backlog have fundamental approvability issues, state requested holds, missing information or resources. On the contrary, based on our preliminary review, for almost two-thirds of the SIPs U.S. EPA has the information it needs and we are awaiting U.S. EPA's action. Less than 20 items require additional action by CARB or local districts before U.S. EPA

¹ U.S. EPA settles with six companies over California trucking rules, Oct. 2, 2019. News Release, <https://www.epa.gov/newsreleases/us-epa-requires-trucking-companies-reduce-air-pollution-near-los-angeles-schools>.

² *Ibid.*

can act. That work is underway, but is hindered by the lack of clear and consistent U.S. EPA guidelines. For example, many of the SIPs were complete and approvable when submitted, but in 2016 while the SIPs sat with U.S. EPA a court directed U.S. EPA to change its requirements for contingency measures. Because U.S. EPA has yet to complete that task and provide clear directions on contingency measures, many SIPs that were approvable when submitted remain incomplete. Finally, we have also identified about two dozen SIPs that are candidates to withdraw.

The specific examples identified in your letter bear out this analysis. CARB already has asked that one of the six SIPs identified in the letter, the Ventura County SIP for the 1997 8-hour ozone national ambient air quality standards (NAAQS), be withdrawn. CARB made this request on September 16, 2019 and is awaiting U.S. EPA action to remove the SIP from its backlog. Two other SIPs are complete. In September 2019, at U.S. EPA's request, CARB submitted the air district's formal commitment to adopt required contingency measures for the Coachella Valley SIP for the 2008 8-hour ozone NAAQS, and U.S. EPA staff informed CARB that U.S. EPA now has all the information it needs to approve the SIP. Similarly, in August 2019, at U.S. EPA's request CARB provided technical clarifications and a contingency measure commitment for the Ventura County SIP for the 2008 8-hour ozone NAAQS.

The remaining three SIPs identified in your letter are all complete but for the contingency measures required by the 2016 court ruling. On July 24, 2017, one SIP, the Coachella Valley SIP for the 1997 8-hour ozone NAAQS, which was submitted in 2007, was approved except for the contingency element affected by the 2016 court ruling, which U.S. EPA did not take action on. The two remaining SIPs, the Sacramento Metro SIP for the 2008 8-hour NAAQs and the Western Nevada County SIP for the 2008 8-hour ozone NAAQS, were determined to be complete (on June 14, 2018 and June 2, 2019 respectively), and CARB is working with U.S. EPA and the local air districts to provide the contingency measure commitment letter, which is the only remaining element needed to facilitate approval and is expected to be ready in the first quarter of 2020.

Thus, far from showing any pending SIPs with fundamental defects, the examples cited in your letter confirm that CARB has been working with U.S. EPA to resolve its backlog, including the problems created by changes in the law that have occurred while SIPs await action by U.S. EPA.

California Takes Its Responsibility to Implement the Clean Air Act Seriously

In addition to mischaracterizing U.S. EPA's backlog, your letter accuses California of failing to carry out its duties under the Clean Air Act. That is simply false. Since the creation of CARB in 1967, our primary focus has been to reduce air pollution and protect the health of the citizens of California. California has endeavored to fulfill this

responsibility and continues to make significant progress lowering emissions from the largest source of these emissions: mobile sources. Despite an approximately 30 percent increase in the state's vehicle population and vehicle miles traveled since 1990, air quality in the state has dramatically improved:

- In 1990, the entire South Coast region exceeded the 80 parts per billion (ppb) 8-hour ozone standard. Today, we have slashed emissions by over half, ozone concentrations have declined 40 percent, and the number of days when pollution levels exceed the 80 ppb ozone standard has declined by more than 60 percent.
- In the San Joaquin Valley, the area with the most critical particulate matter pollution problem in the nation, PM2.5 levels have dropped by approximately 30 percent since 2001, and the entire region now meets the 65 micrograms per cubic meter 24-hour standard that was set in 1997.

This progress is in part the result of special authority given California under the Clean Air Act. Over 50 years ago, Congress granted California the authority to regulate most on-road mobile sources through a waiver from federal preemption based on the severity of California's air quality problems and the extent that emissions from these sources contribute to air pollution in the State. Congress also made clear that CARB and California air districts also have extensive authority over in-use regulations. (42 U.S.C. § 7543). Using this authority, CARB implemented the groundbreaking regulations that I mentioned earlier.

We continue that tradition today with the long-term goal of eliminating harmful motor vehicle emissions by transitioning light- and heavy-duty fleets in the State to zero-emission vehicles. Over the last decade, California has invested over \$5 billion, with nearly \$1 billion in additional appropriations, in programs like the Low Carbon Transportation and Carl Moyer Air Quality Standards Attainment Program, for replacing the dirtiest vehicles and deploying the cleanest technologies, including zero-emissions cars and trucks. CARB also just adopted regulations targeting specific fleets that will foster the growth in cleaner technology. These include the Innovative Clean Transit Regulation, adopted by CARB in 2018, which will reduce NOx in transit-dependent and disadvantaged communities, and the Zero-Emission Airport Shuttle Bus Regulations, which will increase the penetration of zero-emission heavy-duty technology.

And California is not stopping. In 2020, CARB will act on the Advanced Clean Trucks regulation, which will accelerate the transition of heavy-duty trucks that operate in urban centers with stop-and-go driving cycles to zero-emissions technology that will reduce near-source high emission exposure to harmful pollution and cut costs. Also in 2020, we will be considering a new lower NOx standard for trucks. Over the next

three years, California will be implementing the requirements of California Senate Bill 1, which will withhold the registration of polluting trucks. Finally, California Senate Bill 210 (Leyva), recently passed by the Legislature and signed by Governor Newsom, requires CARB to establish a first-of-its kind inspection and maintenance program for heavy-duty trucks.

In addition to the impressive work California has done to reduce mobile source emissions, we've also made great strides in reducing emissions from stationary sources. Many of our local air districts have the most stringent stationary source regulations in the country and have achieved substantial emission reductions while continuing California's robust economic growth. For example, in the South Coast Air Quality Management District, NOx emissions have fallen over 60 percent since 1990, at the same time that region experienced a 30 percent increase in population. However, while we continue to push for state-of-the art controls on stationary sources, the fact of the matter is that further reducing stationary source emissions will pay diminishing dividends absent action on the federal emission sources.

CARB is also pursuing strategies for regions facing especially severe air quality problems. We are considering a number of additional actions to provide the emissions reductions needed to meet the criteria pollutant standards in the South Coast and the San Joaquin Valley creating the most stringent emissions standards in the country, for instance:

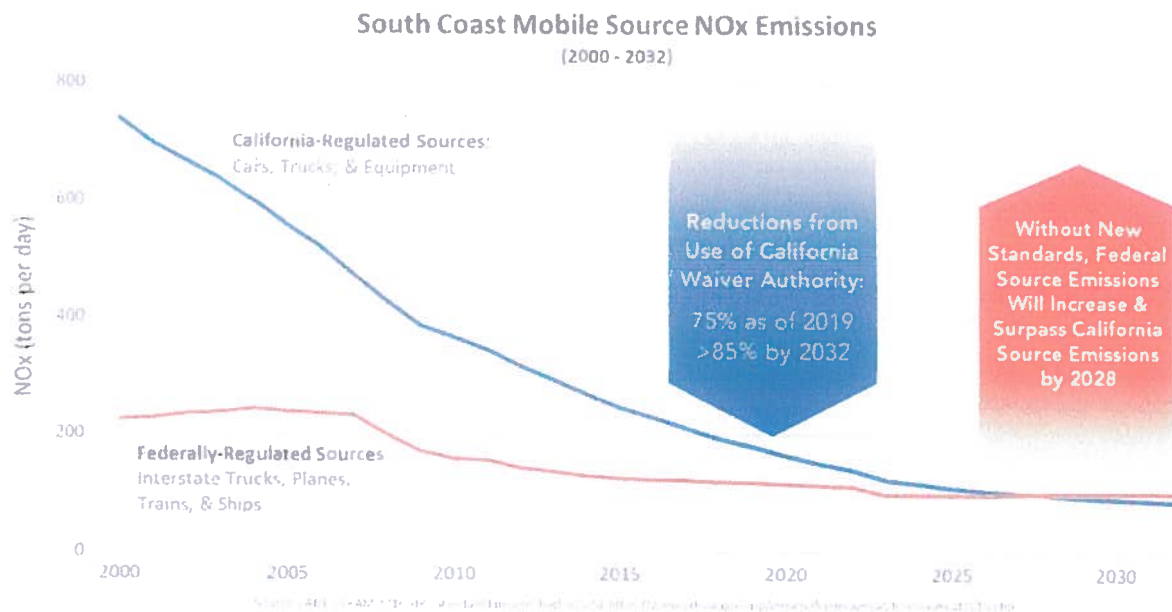
1. A Tier 5 Off-Road Diesel Engine Standard, including more stringent standards to reduce NOx and fine particulate emissions by up to 90 percent below the current Tier 4 standards, as well as potential requirements to offer for sale off-road vehicles with zero-emission technology.
2. A locomotive emissions reduction measure, requiring that Class 1 railroads set aside funds each year to purchase Tier 4 or cleaner locomotives to address in-use emission, idling, and maintenance activities.
3. Regional strategies to reduce vehicle miles traveled and NOx emissions.
4. An implementation framework to achieve co-benefits from the electrification of buildings as grid electricity in California transitions to 100 percent clean energy through incentives for early retirement or replacement and new installations of residential and commercial water heating, space heating, and air conditioning appliances with zero or near-zero emission technologies.
5. Integrating land and transportation strategies that through land conservation protect soil-based carbon while providing simultaneous reductions in emissions from transportation.

6. A State green contracting policy—building on Governor Newsom’s recent directive for State government to immediately redouble efforts to reduce greenhouse gas emissions and mitigate the impacts of climate change while building a sustainable, inclusive economy—requiring that contractors purchase the cleanest equipment available in order to be considered for these contracts and that State agencies purchase the cleanest vehicles and equipment that are available.

U.S. EPA Needs to Do Its Job and Protect Air Quality

As shown above, using its authority, including its waiver authority, California has been doing its part to protect air quality. Sadly, U.S. EPA has not done its part.

The stark difference is clearly seen in the figure below. Using our regulatory authority as preserved by Congress, we have reduced NOx emissions from mobile sources we can regulate by approximately 70 percent since 2000. This reduction is projected to grow to 85 percent by 2030. In contrast, due to weak action from U.S. EPA, pollution from sources over which it has been given substantial responsibility—including aircraft, locomotives, ocean-going vessels, and off-road equipment—has been increasing. If this trend continues, by 2030 pollution from these sources will be greater than that from California regulated sources and be responsible for nearly one third of emissions in the South Coast.



Pollution from Sources for Which U.S. EPA Has Responsibility Is Increasing

U.S. EPA recognized the need for federal action in 2019 when it approved California's 2016 State Strategy for the State Implementation Plan. That SIP outlined specific U.S. EPA actions that were necessary for the greater Los Angeles area to meet federal clean air standards for ozone and particle pollution. These included:

- A federal low-NOx engine standard, to provide 7 tons per day (tpd) of NOx reductions in 2031;
- More stringent locomotive standards achieving 2 tpd of NOx reductions in 2031;
- A Tier 4 Ocean-Going Vessel standard or equivalent for new marine engines on ocean-going vehicles and vessel efficiency requirements for the existing in-use fleet to achieve 38 tpd of NOx reductions; and
- Further deployment of cleaner technologies for aircraft achieving 13 tpd of NOx reductions in 2031.

In total, the U.S. EPA-approved SIP made clear that we need a total of 60 tons per day of NOx reductions in the South Coast alone from sources for which U.S. EPA has the primary responsibility.

CARB and the South Coast Air Quality Management District are using all the tools and authority at our disposal to achieve emissions reductions from these sources in the absence of U.S. EPA action. But U.S. EPA should not hide behind California's efforts and avoid taking action to protect the health of the people you were established to serve. Rather than mischaracterizing U.S. EPA's backlog as the result of California's purported failure to implement the Clean Air Act and threatening to withhold California's transportation funds, it is imperative that U.S. EPA move quickly to do its job and reduce pollution from the sources it has the responsibility to regulate. California is prepared to coordinate with you in all efforts to focus on real actions to reduce emissions and protect people exposed to unhealthful air.

U.S. EPA's Backlog is the Result of U.S. EPA Failing to Take Timely Action

The California SIP backlog is made up of a mix of attainment plans to provide the reductions needed to meet air quality standards, supported by the authority to implement those plans. CARB submits attainment plans and regulations to U.S. EPA for its review and approval. The Clean Air Act requires that U.S. EPA take action on these submittals within 18 months after it receives them. U.S. EPA's backlog of attainment plans, regulations, and rules has been building for decades. U.S. EPA's

backlog is the result of its own failure to take timely action and the circumstances surrounding each submittal, including:

- Submitted rules that U.S. EPA has given lower priority for review based on its limited resources (due, in part, to U.S. EPA staff cuts and hiring freezes);
- Submitted rules that received no action before being later updated by an air district, and so are out of date and no longer governing;
- Submitted SIP elements that U.S. EPA has since concluded are not needed in the SIP, but have taken a lower priority in response to more pressing issues;
- Rules or attainment plans where U.S. EPA has delayed taking action because there is concern over setting national precedent or where U.S. EPA has not yet decided how to address recent court actions that impact the decision.

The average amount of time the remaining SIPs have been awaiting U.S. EPA action is 8 years.

I must emphasize, however, that U.S. EPA's administrative failure has not impeded California's efforts to continue its march towards achieving clean air. Regardless of U.S. EPA's inaction on the SIP submittals, California has not waited to adopt and implement cleaner emissions standards and programs to protect the health of its residents while this process plays out. As evidence of our progress, since the beginning of 2017, California has submitted 14 attainment plans to attain the 75 ppb 8-hour ozone standard and PM2.5 standards, and the air districts have submitted 117 rules to implement those plans.

California Will Continue to Help U.S. EPA Clear its Backlog

We encourage you to work with your dedicated regional staff to streamline your internal procedures to work as efficiently and transparently as possible, so that staff and external parties know what is expected. Much of the delay that you have now acknowledged is a result of vague, confusing or nonexistent guidelines from headquarters. It is past time for U.S. EPA to take seriously the Clean Air Act directive to develop "cooperative" programs with the states to protect the nation's air, and promote "reasonable" federal and state actions, assisting local governments in partnership. (42 U.S.C. § 7401).

As shown above, CARB has been a good partner to U.S. EPA. California has fully met its obligations. In these circumstances—with a decades-long record of state cooperation and innovation on SIPs, steadily improving air quality, and a backlog problem solely of U.S. EPA's making—a threat of disapproval and imposition of

Mr. Andrew R. Wheeler
October 9, 2019
Page 9

sanctions constitutes an abuse of U.S. EPA authority. As you are doubtless aware, sanctions may be imposed only after extensive notice-and-comment processes and formal disapproval. Even then, the Clean Air Act and controlling U.S. EPA regulations generally direct that sanctions be imposed only after 18 months and if the state does not cure the issue. As a result, since U.S. EPA has not even proposed any such findings, sanctions would not apply until well after U.S. EPA's backlog could be cleared. Moreover, highway sanctions are a disfavored initial option in the rare cases where sanctions are appropriate at all. Far better would be for our agencies to continue to work together to resolve the issue as the sanctions would be wasteful and a direct hit to construction jobs.

CARB remains committed to a partnership in resolving the backlog issue and is prepared to accelerate the process already in place with U.S. EPA staff and the local air districts. This includes devoting more CARB staff to the effort if needed. I have directed CARB staff to review carefully each of the SIPs remaining in U.S. EPA's backlog to determine whether withdrawing any individual submission is appropriate. Because these decisions are fact-specific, any such determinations will need to be made on a case-by-case basis going forward. CARB staff has provided the results of their preliminary review to U.S. EPA staff and is scheduling a meeting to review CARB's assessment and agree on a path to clear U.S. EPA's backlog quickly.

We look forward to working with your staff to develop rules to control sources under your authority, resolving U.S. EPA's backlog in our ongoing pursuit of clean air, and pursuing a cooperative relationship for achieving what must be our shared goal of clean air for all.

Sincerely,



Mary D. Nichols
Chair

cc: The Honorable Diane Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Richard W. Corey
Executive Officer

From: Gretchen Bennett, Air Pollution Control Officer

Date: November 25, 2019

Agenda Item: V.B

Agenda Description: EPA's proposed approval of Northern Sierra's RACT SIP for the 2008 ozone standard.

Issues:

Sam Longmire has worked to submit approvable portions of the western Nevada County SIP to EPA. In March 2018, Sam presented a Reasonably Available Control Technology (RACT) SIP revision to the Air District Board for approval. The notice references a Technical Support Document completed by EPA.

Requested Action:

None, informational only

Attachments:

1. November 4, 2019 Federal Register Notice/Proposed Rules Air Plan Approval; California; Northern Sierra Air Quality Management District; Reasonably Available Control Technology
2. September 2019 Technical Support Document for EPA's rulemaking for the California State Implementation Plan Northern Sierra Air Quality Management District Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Revision for Western Nevada County 8-Hour Ozone Nonattainment Area

155

B. Section 110(l) Demonstration

In this action, EPA is proposing to approve Ohio's request to approve updated rules related to the NO_x SIP Call into its SIP. Ohio EPA's submission includes a noninterference demonstration intended to show that its SIP revision is approvable under Section 110(l) of the CAA; such a demonstration is sometimes called an anti-backsliding demonstration. Section 110(l) provides that EPA cannot approve a SIP revision if the revision would interfere with any applicable requirement concerning attainment or reasonable further progress (RFP), or any other applicable requirement of the CAA. Additionally, section 110(l) makes clear that each SIP revision is subject to the requirements of section 110(l). As such, EPA will only approve a SIP revision that removes or modifies control measures in the SIP if the state has demonstrated that such removal or modification would not interfere with attainment and maintenance of the NAAQS, RFP, or any other applicable requirement of the CAA. EPA generally considers whether the SIP revision would worsen, preserve, or improve the status quo in air quality.

For the reasons explained below, we find that EPA's proposed action to update the provisions relating to the NO_x SIP Call satisfies the requirements of CAA section 110(l). As explained above, this action would not alter the NO_x SIP Call emission budgets that limit emissions in the state. The alternate monitoring requirements at OAC Chapter 3745-14 are permanent, enforceable and sufficient to determine whether Ohio's sources are in compliance with the control measures adopted to meet the NO_x SIP Call's emissions requirements. Given continued implementation of SIP requirements governing the unchanged amounts of allowable emissions, accompanied by replacement monitoring requirements sufficient to ensure compliance with the unchanged emissions requirements, this SIP revision is not expected to result in increases in emissions that could interfere with other statutory or regulatory requirements. Importantly, the substitute measure ensures compliance with the existing NO_x SIP Call budgets and thus will preserve the status quo in air quality. For these reasons, we conclude that the revisions will not interfere with attainment and maintenance of the NAAQS, RFP, or any other applicable requirement of the CAA.

For the reasons explained above, EPA is proposing to approve Ohio EPA's SIP

submission under section 110(l) of the CAA.

III. What action is EPA taking?

EPA is proposing to approve Ohio EPA's request to modify its SIP to include the revisions at OAC Chapter 3745-14.

IV. Incorporation by Reference

In this rule, EPA is proposing to include in a final EPA rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, EPA is proposing to incorporate by reference OAC rules 3745-14-01, 3745-14-04, and 3745-14-08, with a state-effective date of August 22, 2019. EPA has made, and will continue to make, these documents generally available through www.regulations.gov and at the EPA Region 5 Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

V. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- Is not an Executive Order 13771 (82 FR 9339, February 2, 2017) regulatory action because SIP approvals are exempted under Executive Order 12866;
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4);
- Does not have Federalism implications as specified in Executive

Order 13132 (64 FR 43255, August 10, 1999);

- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 *note*) because application of those requirements would be inconsistent with the CAA; and
- Does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides.

Dated: October 17, 2019.

Cathy Stepp,

Regional Administrator, Region 5.

[FR Doc. 2019-23704 Filed 11-1-19; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 52**

[EPA-R09-OAR-2019-0528; FRL-10001-68-Region 9]

Air Plan Approval; California; Northern Sierra Air Quality Management District; Reasonably Available Control Technology

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve a revision to the Northern Sierra Air Quality Management District (NSAQMD or "District") portion of the California

State Implementation Plan (SIP) under the Clean Air Act (CAA or "the Act"). This revision concerns the District's demonstration regarding reasonably available control technology (RACT) requirements for the 2008 8-hour ozone national ambient air quality standard (NAAQS or "standards") in the Western Nevada County ozone nonattainment area, which is under the jurisdiction of the NSAQMD. We are taking comments on this proposal and plan to follow with a final action.

DATES: Any comments must arrive by December 4, 2019.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R09-OAR-2019-0528 at <https://www.regulations.gov>. For comments submitted at [Regulations.gov](https://www.regulations.gov), follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from [Regulations.gov](https://www.regulations.gov). 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 <https://www.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT: Stanley Tong, EPA Region IX, 75 Hawthorne St., San Francisco, CA 94105. By phone: (415) 947-4122 or by email at tong.stanley@epa.gov.

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

Table of Contents

- I. The State's Submittal
 - A. What document did the State submit?
 - B. Are there other versions of this document?
 - C. What is the purpose of the submitted document?
- II. The EPA's Evaluation and Proposed Action
 - A. How is the EPA evaluating the submitted document?

- B. Does the document meet the evaluation criteria?
 - C. The EPA's Recommendations To Further Improve the RACT SIP
 - D. Public Comment and Proposed Action
- III. Statutory and Executive Order Reviews

I. The State's Submittal

A. What document did the State submit?

On March 26, 2018, the NSAQMD adopted the "Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Revision for Western Nevada County 8-Hour Ozone Nonattainment Area" ("2018 RACT SIP"), and on June 7, 2018, the California Air Resources Board (CARB) submitted it to the EPA for approval as a revision to the California SIP. On November 29, 2018, the EPA determined that the submittal for the NSAQMD's 2018 RACT SIP met the completeness criteria in 40 CFR part 51 Appendix V, which must be met before formal EPA review.

B. Are there other versions of this document?

There are no previous versions of this document in the NSAQMD portion of the California SIP for the 2008 8-hour ozone NAAQS.

C. What is the purpose of the submitted document?

Volatile organic compounds (VOCs) and oxides of nitrogen (NO_x) contribute to the production of ground-level ozone, smog, and particulate matter, which harm human health and the environment. Section 110(a) of the CAA requires states to submit regulations that control VOCs and NO_x emissions. CAA sections 182(b)(2) and (f) require that SIPs for areas designated nonattainment for the ozone NAAQS and classified as Moderate or above implement RACT for any source covered by a Control Techniques Guidelines (CTG) document and for any major source of VOCs or NO_x.

The NSAQMD is subject to this RACT SIP requirement, as the District regulates the Western Nevada County, California, ozone nonattainment area, which was classified as Moderate for the 2008 8-hour ozone NAAQS on May 4, 2016. See 81 FR 26697, 26713. Therefore, to satisfy sections 182(b)(2) and (f) of the Act, the NSAQMD 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 NO_x within the ozone nonattainment area that it regulates.

The EPA issued a final rule on August 23, 2019, in which it reclassified Western Nevada County as "Serious"

nonattainment for the 2008 ozone NAAQS. See 84 FR 44238, 44250. NSAQMD adopted its RACT SIP in 2018, when it was still classified as a Moderate ozone nonattainment area. However, in anticipation of the area being reclassified as a Serious nonattainment area for the 2008 ozone NAAQS, the NSAQMD's 2018 RACT SIP evaluated whether the District had any major VOC/NO_x sources emitting at least 50 tons per year (tpy), which is the major source threshold for ozone precursors for Serious ozone nonattainment areas.¹

Section III.D of the preamble to the EPA's final rule to implement the 2008 8-hour ozone NAAQS (80 FR 12264, March 6, 2015) discusses RACT requirements. It states in part that RACT SIPs must contain adopted RACT regulations, certifications where appropriate that existing provisions are RACT, and/or negative declarations that no sources in the nonattainment area are covered by a specific CTG. Id. at 12278. It also provides that states must submit appropriate supporting information for their RACT submissions as described in the EPA's implementation rule for the 1997 ozone NAAQS. See id. and 70 FR 71612, 71652 (November 29, 2005). The 2018 RACT SIP, including its negative declarations, provide the NSAQMD's analysis of its compliance with CAA section 182 RACT requirements for the 2008 8-hour ozone NAAQS.

The EPA's technical support document (TSD) for this action has more information about the District's 2018 RACT SIP submittal and the EPA's evaluation thereof.

II. The EPA's Evaluation and Proposed Action

A. How is the EPA evaluating the submitted document?

Generally, SIP rules must require RACT for each category of sources covered by a CTG document as well as each major source of VOCs or NO_x in ozone nonattainment areas classified as Moderate or above (see CAA sections 182(b)(2) and (f), and 40 CFR 51.1112(a) and (b)). The NSAQMD regulates an ozone nonattainment area classified as Serious for the 2008 8-hour NAAQS (40 CFR 81.305) so the District's rules must implement RACT. Because Western Nevada County was recently reclassified as Serious nonattainment for the 2008 8-hour ozone NAAQS, and because NSAQMD's 2018 RACT SIP provided an

¹ Any stationary source that emits or has the potential to emit at least 50 tpy of VOCs or NO_x is a major stationary source in a Serious ozone nonattainment area (CAA section 182(b)(2), (f), and 302(j)).

analysis of RACT that addresses the requirements for a Serious area as well as a Moderate area in anticipation of this reclassification, we evaluated the 2018 RACT SIP submittal to determine whether it met RACT requirements for a Serious ozone nonattainment area as well those for a Moderate ozone nonattainment area. Specifically, as part of our evaluation of the 2018 RACT SIP, we evaluated NSAQMD's 2018 RACT SIP using the 50 tpy threshold for major stationary sources of VOC or NO_x in Serious ozone nonattainment areas.

As part of their RACT submittals, States should also submit for SIP approval negative declarations for CTG source categories for which the States have not adopted CTG-based regulations because they have no sources above the CTG-recommended applicability threshold, regardless of whether such negative declarations were made for an earlier SIP.² To do so, the RACT submittals should provide reasonable assurance that no sources subject to the CTGs' requirements currently exist in the relevant ozone nonattainment area.

With respect to the NSAQMD, the District's analysis must demonstrate that each major source of VOCs or NO_x in the Western Nevada County ozone nonattainment area is covered by a RACT-level rule. In addition, for each CTG source category, the District must either demonstrate that a RACT-level rule is in place, or submit a negative declaration. Guidance and policy documents that we use to evaluate CAA section 182 RACT requirements include the following:

1. "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); 57 FR 18070 (April 28, 1992).
2. EPA Office of Air Quality Planning and Standards, "Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations," May 25, 1988 ("the Bluebook," revised January 11, 1990).
3. "State Implementation Plans; Nitrogen Oxides Supplement to the General Preamble; Clean Air Act Amendments of 1990 Implementation of Title I; Proposed Rule." ("the NO_x Supplement"), 57 FR 55620, (November 25, 1992).
4. Memorandum dated May 18, 2006, from William T. Harnett, Director, Air Quality Policy Division, to Regional Air Division Directors, Subject: "RACT Qs & As—Reasonably Available Control Technology (RACT): Questions and Answers."

² 57 FR 13498, 13512 (April 16, 1992).

5. "Final Rule to Implement the 8-hour Ozone National Ambient Air Quality Standard—Phase 2," 70 FR 71612 (November 29, 2005).

6. "Implementation of the 2008 National Ambient Air Quality Standards for Ozone: State Implementation Plan Requirements," 80 FR 12264 (March 6, 2015).

B. Does the document meet the evaluation criteria?

The NSAQMD's 2018 RACT SIP provides the District's demonstration that the applicable SIP for the Western Nevada County ozone nonattainment area, which is under the jurisdiction of the NSAQMD, satisfies CAA section 182 RACT requirements for the 2008 8-hour ozone NAAQS. The District's conclusion is based on its analysis of SIP-approved requirements that apply to the following: (1) Source categories for which a CTG has been issued, and (2) major non-CTG stationary sources of VOC or NO_x emissions.

With respect to CTG source categories, the NSAQMD determined that it only had sources subject to the CTGs covering gasoline service stations and vapor recovery operations, gasoline tank truck vapor tightness, and cutback asphalt. The District also stated that it no longer had sources subject to the miscellaneous metal coating CTG, but ". . . would like to keep the rule in the SIP for the 2008 standard in case a new source opens . . ." For each of these CTG source categories, the District's submittal provided an analysis to support the District's finding that a District rule previously approved by the EPA into the SIP as RACT for Western Nevada County remains RACT for the 2008 8-hour ozone NAAQS. Specifically, Section 5 of NSAQMD's 2018 RACT SIP provides a short discussion of the following District rules and why they continue to implement RACT: Rule 214, "Phase I Vapor Recovery Requirements;" Rule 215, "Phase II Vapor Recovery System Requirements;" Rule 227, "Cutback and Emulsified Asphalt Paving Materials;" and Rule 228, "Surface Coating of Metal Parts and Products." We reviewed NSAQMD's evaluation of its rules addressing the CTG source categories that are subject to RACT³ in Western

³ The NSAQMD rules and corresponding CTGs are as follows. District Rule 214, "Phase I Vapor Recovery Requirements", corresponds to the CTGs entitled "Design Criteria for Stage I Vapor Control Systems—Gasoline Service Stations" (EPA-450/R-75-102) and "Control of Volatile Organic Compound Leaks from Gasoline Tank Trucks and Vapor Collection Systems" (EPA-450/2-78-051). District Rule 227, "Cutback and Emulsified Asphalt Paving Materials," corresponds to the CTG entitled

Nevada County. We agree that the District's rules are generally consistent with the CTGs and recently adopted rules in other air districts, and therefore satisfy CAA RACT requirements for the 2008 8-hour ozone NAAQS. With respect to the CTG for Miscellaneous Metal and Plastic Parts Coating, the 2018 RACT SIP states that the District has no sources subject to Tables 3–6 of this CTG, and is adopting negative declarations for coatings covered by those tables. The 2018 RACT SIP also states that the only source in the Western Nevada County ozone nonattainment area that was subject to the CTG's Table 2 "Metal Parts and Products" has closed, but the District did not adopt a negative declaration for the category sources subject to Table 2, and stated its preference to leave the applicable rule—Rule 228—in the RACT SIP. We agree that Rule 228's VOC content limits are consistent with Table 2 of the CTG and the rule continues to meet RACT.

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. States may also use negative declarations to certify that there are no major non-CTG sources subject to RACT, where applicable. NSAQMD's 2018 RACT SIP contains a table listing the EPA's CTGs and annotates those CTGs for which the District is adopting a negative declaration, indicating that the District has no sources subject to the applicable CTG for the 2008 8-hour ozone NAAQS. These negative declarations are listed in Table 1 below. The District concludes that it has no sources subject to the relevant CTGs, based on a review of its permit files and emission inventory, as well as business listings and county planning records.

"Control of Volatile Organic Compounds from Use of Cutback Asphalt" (EPA-450/2-77-37). District Rule 228, "Surface Coating of Metal Parts and Products", corresponds to the source category in Table 2 of the CTG entitled "Control of Volatile Organic Emissions from Existing Stationary Sources, Volume VI: Surface Coating of Miscellaneous Metal Parts and Products, and Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings" (EPA-453/R-08-003). We note that while NSAQMD also reviewed Rule 215, "Phase II Vapor Recovery System Requirements," as meeting RACT, and the EPA has approved the rule as meeting RACT, the EPA has not published a CTG for vehicle refueling operations.

In addition, the 2018 RACT SIP states “there are no major sources (that emit or have the potential to emit 50 tons or more per year) of ozone precursors located in the nonattainment area. . . .”⁴ In another portion of its 2018 RACT SIP, NSAQMD states “[t]he largest stationary source of ozone precursors in the Western Nevada County ozone nonattainment area is

currently a gas station that emits under 2 tons of precursors per year.”⁵

We reviewed CARB’s emissions inventory for the NSAQMD and also performed a general internet search for potential sources subject to selected CTGs in Western Nevada County. Based on our review, we agree with the District’s negative declarations in its 2018 RACT SIP. We found that CARB’s emissions inventory for the years 2014–

2017 showed that the largest VOC and NO_x emitting stationary source in the Western Nevada County ozone nonattainment area emitted less than 2 tpy of VOC and NO_x. Our TSD has more information on our evaluation of the 2018 RACT SIP. Table 1 below summarizes the CTG categories for which NSAQMD has provided negative declarations.

TABLE 1—NSAQMD NEGATIVE DECLARATIONS

EPA document No.	Title
EPA-450/2-77-008	Surface Coating of Cans.
EPA-450/2-77-008	Surface Coating of Coils.
EPA-450/2-77-008	Surface Coating of Paper.
EPA-450/2-77-008	Surface Coating of Fabric.
EPA-450/2-77-008	Surface Coating of Automobiles and Light-Duty Trucks.
EPA-450/2-77-022	Solvent Metal Cleaning.
EPA-450/2-77-025	Refinery Vacuum Producing Systems, Wastewater Separators, and Process Unit Turnarounds.
EPA-450/2-77-026	Tank Truck Gasoline Loading Terminals.
EPA-450/2-77-032	Surface Coating of Metal Furniture.
EPA-450/2-77-033	Surface Coating of Insulation of Magnet Wire.
EPA-450/2-77-034	Surface Coating of Large Appliances.
EPA-450/2-77-035	Bulk Gasoline Plants.
EPA-450/2-77-036	Storage of Petroleum Liquids in Fixed-Roof Tanks.
EPA-450/2-78-029	Manufacture of Synthesized Pharmaceutical Products.
EPA-450/2-78-030	Manufacture of Pneumatic Rubber Tires.
EPA-450/2-78-032	Factory Surface Coating of Flat Wood Paneling.
EPA-450/2-78-033	Graphic Arts-Rotogravure and Flexography.
EPA-450/2-78-036	Leaks from Petroleum Refinery Equipment.
EPA-450/2-78-047	Petroleum Liquid Storage in External Floating Roof Tanks.
EPA-450/3-82-009	Large Petroleum Dry Cleaners.
EPA-450/3-83-006	Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment.
EPA-450/3-83-007	Leaks from Natural Gas/Gasoline Processing Plants.
EPA-450/3-83-008	Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins.
EPA-450/3-84-015	Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry.
EPA-450/4-91-031	Reactor Processes and Distillation Operations in Synthetic Organic Chemical Manufacturing Industry.
EPA-453/R-96-007	Wood Furniture Manufacturing Operations.
EPA-453/R-94-032; 61 FR 44050; 8/27/96.	ACT Surface Coating at Shipbuilding and Ship Repair Facilities Shipbuilding and Ship Repair Operations (Surface Coating).
EPA-453/R-97-004; 59 FR 29216; 6/06/94.	Aerospace MACT and Aerospace (CTG & MACT).
EPA-453/R-06-001	Industrial Cleaning Solvents.
EPA-453/R-06-002	Offset Lithographic Printing and Letterpress Printing.
EPA-453/R-06-003	Flexible Package Printing.
EPA-453/R-06-004	Flat Wood Paneling Coatings.
EPA 453/R-07-003	Paper, Film, and Foil Coatings.
EPA 453/R-07-004	Large Appliance Coatings.
EPA 453/R-07-005	Metal Furniture Coatings.
EPA 453/R-08-003	Miscellaneous Metal Parts and Plastic Parts Coatings, Tables 3–6.
EPA 453/R-08-004	Fiberglass Boat Manufacturing Materials.
EPA 453/R-08-005	Miscellaneous Industrial Adhesives.
EPA 453/R-08-006	Automobile and Light-Duty Truck Assembly Coatings.
EPA 452/B16-001	Oil and Natural Gas Industry.
—N/A—	Major non-CTG VOC sources.
—N/A—	Major non-CTG NO _x sources.

C. The EPA’s Recommendations To Further Improve the RACT SIP

Our TSD includes recommendations to improve the RACT SIP for the upcoming 2015 8-hour ozone NAAQS. These recommendations include, among other things, that the District consider amending Rule 214, “Phase 1 Vapor

Recovery”, to require recordkeeping for facilities that use the rule’s throughput exemption threshold, and that the District evaluate whether additional negative declarations can be adopted for the cutback/emulsified asphalt and miscellaneous metal and plastic parts CTGs.

D. Public Comment and Proposed Action

As authorized in section 110(k)(3) of the Act, the EPA proposes to fully approve the 2018 RACT SIP, including the negative declarations listed in Table 1, because it fulfills the RACT SIP requirements under CAA sections

⁴ 2018 RACT SIP, 1, 5, and 12.

⁵ *Id.* at 1.

182(b) and (f) and 40 CFR 51.1112(a) and (b) for the 2008 ozone NAAQS. We will accept comments from the public on this proposal until December 4, 2019. If we take final action to approve the submitted document, our final action will incorporate this document into the federally enforceable SIP.

III. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, if they meet the criteria of the Act. Accordingly, this proposed action merely proposes to approve state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- Is not an Executive Order 13771 (82 FR 9339, February 2, 2017) regulatory action because SIP approvals are exempted under Executive Order 12866;
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- Does not provide the EPA with the discretionary authority to address disproportionate human health or

environmental effects with practical, appropriate, and legally permissible methods under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, 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. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

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

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

Dated: October 21, 2019.

Deborah Jordan,

Acting Regional Administrator, Region IX.

[FR Doc. 2019-23828 Filed 11-1-19; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 721

[EPA-HQ-OPPT-2019-0494; FRL-10000-54]

RIN 2070-AB27

Significant New Use Rules on Certain Chemical Substances (19-4.F)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing significant new use rules (SNURs) under the Toxic Substances Control Act (TSCA) for 26 chemical substances which were the subject of premanufacture notices (PMNs). Five of these chemical substances are subject to Orders issued by EPA pursuant to TSCA, and the remaining 21 of these chemical substances received a "not likely to present an unreasonable risk" determination pursuant to TSCA. This action would require persons who intend to manufacture (defined by statute to include import) or process any of these 26 chemical substances for an activity that is proposed as a significant new use to notify EPA at least 90 days before commencing that activity. The required notification initiates EPA's evaluation of the use, under the conditions of use for that chemical substance, within the applicable review

period. Persons may not commence manufacture or processing for the significant new use until EPA has conducted a review of the notice, made an appropriate determination on the notice, and has taken such actions as are required by that determination.

DATES: Comments must be received on or before December 4, 2019.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA-HQ-OPPT-2019-0494, by one of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

- **Mail:** Document Control Office (7407M), Office of Pollution Prevention and Toxics (OPPT), Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460-0001.

- **Hand Delivery:** To make special arrangements for hand delivery or delivery of boxed information, please follow the instructions at <http://www.epa.gov/dockets/contacts.html>.

Additional instructions on commenting or visiting the docket, along with more information about dockets generally, is available at <http://www.epa.gov/dockets>.

FOR FURTHER INFORMATION CONTACT: For technical information contact: Kenneth Moss, Chemical Control Division (7405M), Office of Pollution Prevention and Toxics, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460-0001; telephone number: (202) 564-9232; email address: moss.kenneth@epa.gov.

For general information contact: The TSCA-Hotline, ABVI-Goodwill, 422 South Clinton Ave., Rochester, NY 14620; telephone number: (202) 554-1404; email address: TSCA-Hotline@epa.gov.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this action apply to me?

You may be potentially affected by this action if you manufacture, process, or use the chemical substances contained in this proposed rule. The following list of North American Industrial Classification System (NAICS) codes is not intended to be exhaustive, but rather provides a guide to help readers determine whether this document applies to them. Potentially affected entities may include:

- Manufacturers or processors of one or more subject chemical substances

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX AIR DIVISION**

Technical Support Document
for
EPA's Rulemaking
for the
California State Implementation Plan

Northern Sierra Air Quality Management District

Reasonably Available Control Technology (RACT)
State Implementation Plan (SIP) Revision
for
Western Nevada County
8-Hour Ozone Nonattainment Area

Prepared by: Stanley Tong

September 2019

RULE IDENTIFICATION

Agency	Northern Sierra Air Quality Management District (NSAQMD or "District")
SIP Approved Version	There is no previous SIP-approved NSAQMD RACT SIP for the 2008 8-hour ozone national ambient air quality standard (NAAQS) for Western Nevada County, but we previously approved the following document for the 1997 8-hour ozone NAAQS: "Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) for Western Nevada County 8-Hour Ozone Non-Attainment Area" ("2007 RACT SIP"), adopted June 25, 2007. Submitted - February 7, 2008. EPA Approved – April 13, 2015 (80 FR 19544).
Subject of this Technical Support Document	"Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Revision for Western Nevada County 8-Hour Ozone Nonattainment Area" ("2018 RACT SIP"), adopted March 26, 2018. Submitted – June 7, 2018.
Completeness Finding	Determination of Completeness letter: November 29, 2018.

1. BACKGROUND –

This technical support document (TSD) relates to the Clean Air Act (CAA or the ACT) requirement for certain sources of air pollution to implement controls that are determined to be reasonable, also called Reasonably Available Control Technology or RACT. These requirements are found in title I, part D, subpart 2 of the Act and the U.S. Environmental Protection Agency’s (EPA) implementing regulations addressing the State Implementation Plan (SIP) requirements for RACT for the 2008 ozone NAAQS at title 40 of the Code of Federal Regulations (CFR) part 51, subpart Aa, section [51.1112](#). This TSD will focus on the EPA’s evaluation of whether the “Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Revision for Western Nevada County 8-Hour Ozone Nonattainment Area” adopted by the NSAQMD on March 26, 2018 and submitted to the EPA by the California Air Resources Board on June 7, 2018 (“2018 RACT SIP”) meets CAA Section 182 RACT requirements.

CAA Section 182 requires that, for areas that are designated nonattainment for the ozone NAAQS and classified as a Moderate Area or above, States adopt RACT. CAA Section 182 specifies that RACT is required for volatile organic compound (VOC) sources covered by a control techniques guidelines (CTG)

document and for all major stationary sources of VOC or oxides of nitrogen (NO_x). States are required to submit a SIP revision providing for the implementation of RACT in such areas to the EPA for approval into their SIPs.

Section III.D of the preamble to the EPA's final rule to implement the 2008 8-hour ozone NAAQS (80 FR 12264, March 6, 2015) discusses RACT requirements. It states in part that RACT SIPs must contain adopted RACT regulations, certifications where appropriate that existing provisions are RACT, and/or negative declarations that no sources in the nonattainment area are covered by a specific CTG. Id. at 12278. It also provides that states must submit appropriate supporting information for their RACT submissions as described in the EPA's implementation rule for the 1997 ozone NAAQS. See id. and 70 FR 71612, 71652 (November 29, 2005).

The NSAQMD encompasses the California counties of Plumas, Sierra and Nevada. Western Nevada County (population approximately 78,000) is predominantly rural, with two small cities (Grass Valley and Nevada City).¹ In 2012, Western Nevada County was initially classified as Marginal nonattainment for the 2008 8-hour ozone NAAQS.² In 2016, Western Nevada County was reclassified to Moderate ozone nonattainment for the 2008 8-hour ozone NAAQS.³ In 2019, Western Nevada County was reclassified again, to Serious nonattainment, for the 2008 ozone NAAQS, effective September 23, 2019.⁴ As a result of the area's reclassification to Moderate, then Serious, nonattainment for the 2008 ozone NAAQS, stationary sources in the Western Nevada County ozone nonattainment area are subject to RACT, and the District was required to submit a SIP revision to address RACT requirements for the 2008 ozone NAAQS.

The 2018 RACT SIP, including its negative declarations, provide NSAQMD's analysis of its compliance with CAA section 182 RACT requirements for the 2008 8-hour ozone NAAQS. At the time of the NSAQMD's adoption of the 2018 RACT SIP and its subsequent submittal by CARB to the EPA, the Western Nevada County ozone nonattainment area was classified as Moderate for the 2008 ozone NAAQS. However, in anticipation of the area's being bumped up to a Serious nonattainment classification, the NSAQMD's 2018 RACT SIP evaluated whether the District had any major VOC/NO_x sources emitting at least 50 tons per year (tpy), which is the major source threshold for ozone precursors for Serious ozone nonattainment areas. The NSAQMD's 2018 RACT SIP noted that "[t]he largest stationary source of ozone precursors in the Western Nevada County ozone nonattainment area is currently a gas station that emits under 2 tons of precursors per year."⁵

¹ NSAQMD 2018 RACT SIP pg 11 of 192, retrieved August 27, 2019, from <http://myairdistrict.com/wp-content/uploads/2018/03/Board-packet-March-26-2018.pdf>.

² 77 FR 30088, 30103 (May 21, 2012).

³ 81 FR 26697, 26699 (May 4, 2016).

⁴ Final rule published August 23, 2019 (84 FR 44238, 44250), "Determinations of Attainment by the Attainment Date, Extensions of the Attainment Date, and Reclassification of Several Areas Classified as Moderate for the 2008 Ozone National Ambient Air Quality Standards," retrieved August 27, 2019, from <https://www.govinfo.gov/content/pkg/FR-2019-08-23/pdf/2019-17796.pdf>.

⁵ 2018 RACT SIP, 1.

Shortly after the submittal to the EPA of the *2018 RACT SIP*, on October 22, 2018, NSAQMD adopted the "Ozone Attainment Plan, Western Nevada County, State Implementation Plan for the 2008 Primary Federal 8-Hour Ozone Standard of .075 ppm" ("*2018 Ozone Attainment Plan*"). This SIP revision was submitted to the EPA by CARB on December 2, 2018 for approval into the California SIP. The *2018 Ozone Attainment Plan* stated that the NSAQMD was requesting to bump up to a Serious nonattainment classification for the 2008 8-hour ozone NAAQS, and that it had structured the SIP revision to meet the CAA's Serious level requirements. *2018 Ozone Attainment Plan* at 6, 9, 20. The *2018 Ozone Attainment Plan* noted that CAA sections 172(c)(1) and (c)(2) require the District to demonstrate that it has adopted all reasonably available control measures necessary to attain the 2008 8-hour Ozone NAAQS as expeditiously as practicable ("RACM"). *Id.* at 42. It stated that the District's stationary source NO_x and VOC prohibitory rules had been addressed in the District's RACT SIP, noting that RACT is the minimum required level of RACM and applies to specific categories of stationary sources to which CTGs apply. *Id.* It also noted that the 2018 RACT SIP implements all applicable CTGs published by EPA through 2016. *Id.*

Because Western Nevada County is now classified as Serious nonattainment for the 2008 8-hour ozone NAAQS, and because NSAQMD's *2018 RACT SIP* provided an analysis of RACT that addresses the requirements for a Serious area as well as a Moderate area in anticipation of this bump-up, we evaluated the *2018 RACT SIP* submittal to determine whether it met RACT requirements for a Serious ozone nonattainment area as well those for a Moderate ozone nonattainment area. Specifically, we evaluated NSAQMD's *2018 RACT SIP* using the 50 tpy threshold for major stationary sources in Serious ozone nonattainment areas, including conducting a query of CARB's emissions inventory web site for stationary sources in Nevada County to determine if the District had any stationary sources emitting at least 50 tpy of VOC or NO_x.

2. SUBMITTAL SUMMARY –

As noted above, the District adopted its RACT SIP demonstration for the 2008 8-hour ozone NAAQS on March 26, 2018, and CARB submitted it to the EPA on June 7, 2018. The submittal acknowledged that the Western Nevada County ozone nonattainment area had an ozone nonattainment classification for the 2008 8-hour ozone NAAQS of Moderate, effective June 2016, and noted that the area would soon bump up again to a Serious ozone nonattainment classification. The submittal also stated that "...there are no major sources (that emit or have the potential to emit 50 tons or more per year) of ozone precursors located in the nonattainment area."⁶ The 50 tpy of VOC or NO_x major source threshold cutoff used by NSAQMD corresponds to the threshold for a Serious ozone nonattainment area. CAA section 182(b)(2), (f) and 302(j).

The NSAQMD's *2018 RACT SIP* analysis included the following elements:

- A short description of the counties and populations under the District's jurisdiction.

⁶ *Id.*

- A discussion of CAA RACT requirements, a summary of the District's efforts to demonstrate its stationary sources implemented RACT for the 1997 ozone NAAQS, and the steps taken to demonstrate RACT continues to be implemented for the 2008 8-hour ozone NAAQS.
- An applicability review of selected CTG documents where the District may have sources subject to the CTGs.
- Review of rules previously determined to meet current RACT requirements.
- Negative declaration determinations for the remainder of the CTGs.

3. EVALUATION CRITERIA –

The EPA evaluated the following elements of NSAQMD's *2018 RACT SIP*:

1. RACT applicability determination for selected CTGs.
2. Determination concerning whether rules previously determined to meet RACT for the 1997 8-hour ozone NAAQS meet current RACT for the 2008 8-hour ozone NAAQS.
3. Negative declarations for all other CTGs and major VOC and NO_x stationary sources.

The following documents were used to support our review of the *2018 RACT SIP* and adopted rules:

- "Final Rule to Implement the 8-Hour Ozone National Ambient Air Quality Standard – Phase 2" ([70 FR 71612](#); November 29, 2005).
- "Implementation of the 2008 National Ambient Air Quality Standards for Ozone: State Implementation Plan Requirements" ([80 FR 12264](#); March 6, 2015).
- "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).
- "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 NO_x Supplement").
- Memorandum dated May 18, 2006, from William T. Harnett, Director, Air Quality Policy Division, to Regional Air Division Directors, Subject: "RACT Qs & As – Reasonably Available Control Technology (RACT): Questions and Answers."
- EPA's CTGs and Alternative Control Techniques (ACTs): <https://www.epa.gov/ozone-pollution/control-techniques-guidelines-and-alternative-control-techniques-documents-reducing>
- NSAQMD, CARB, and EPA Region IX databases of NSAQMD rules
 NSAQMD: <http://myairdistrict.com/index.php/rules/>
 CARB: <https://ww3.arb.ca.gov/drdb/insi/cur.htm>
 EPA: <https://www.epa.gov/sips-ca/epa-approved-northern-sierra-air-district-regulations-california-sip>

3.1 RACT applicability determination for selected CTGs.

NSAQMD's 2018 RACT SIP states that for the 2008 ozone standard, it reviewed its permit files, performed an internet search, and consulted with knowledgeable District personnel and concluded that the negative declarations it adopted for the 1997 ozone NAAQS continue to be valid and applicable.⁷ This analysis is discussed below in Section 3.4.

The District also concluded that negative declarations should also be adopted for the following CTGs because either there were no sources in the Western Nevada County ozone nonattainment area subject to these CTG categories or all of the sources were below the CTGs' applicability thresholds.

EPA 453/B16-001 Oil and Natural Gas Industry

EPA-450/2-77-035 Bulk Gasoline Plants

EPA-450/2-77-036 Storage of Petroleum Liquids in Fixed-Roof Tanks

Below are excerpts from NSAQMD's 2018 RACT SIP that discuss the District's review of whether it has stationary sources subject to these CTGs, and the EPA's evaluation of NSAQMD's submittal.

3.1.1 EPA 453/B16-001 Oil and Natural Gas Industry

NSAQMD's 2018 RACT SIP states that "[t]here are no oil or natural gas production or processing facilities in the western Nevada County ozone nonattainment area. There also are no pre-distribution processes involving storage tanks or vessels in the area. All oil and natural gas industry activity in the nonattainment area is part of the distribution process." The District further states that all of the nonattainment area's piped natural gas is supplied by the Pacific Gas and Electric Company (PG&E) and that there are no natural gas processing plants, well sites, oil wells, pipelines, and no place where rail tank cars are loaded or unloaded, and no ports in the ozone nonattainment area.⁸

The District further clarified that all of the natural gas is part of the distribution process and verified this information through emails with PG&E.

3.1.1.1 The EPA's evaluation

On September 21, 2018, CARB released its staff report for the proposed submission of California's state-wide greenhouse gas emission standards for crude oil and natural gas facilities ("*CARB Staff Report*"). The *CARB Staff Report* provides a comparison of the State-wide rule to the EPA's 2016 CTG for the Oil and Natural Gas Industry. The *CARB Staff Report* states that of the air districts with nonattainment areas, only six have oil and gas operations subject to the EPA's CTG. Northern Sierra AQMD is not one of the six air districts listed by CARB as having sources covered by the 2016 Oil and Gas CTG.⁹

⁷ Id. at 2.

⁸ Id.

⁹ CARB, "Staff Report: Proposed Submission of California's Greenhouse Gas Emission Standards For Crude Oil And Natural Gas Facilities into the California State Implementation Plan," September 21, 2018 ("*CARB Staff Report*"), retrieved August 27, 2019, from <https://ww2.arb.ca.gov/sites/default/files/2018-09/O%26G%20CTG%20-%20Staff%20Report.pdf>, 1.

We also reviewed California's Department of Oil and Gas Well Finder, CARB's pollution mapping tool, and California Natural Gas Pipelines internet sites and did not find indications of oil or gas wells in Nevada County.¹⁰ We therefore agree that there do not appear to be any sources subject to the EPA's 2016 Oil and Natural Gas Industry CTG in the Western Nevada County ozone nonattainment area.

3.1.2 EPA-450/2-77-035 Bulk Gasoline Plants

NSAQMD's 2018 RACT SIP states:

The CTG (Control of Volatile Organic Emissions from Bulk Gasoline Plants, EPA-450/2-77-035, December 1977) was addressed in the negative declaration submitted to EPA on 2/7/08, by stating that rules 219 and 220 were determined by CARB to meet RACT, but the negative declaration appears to never have been either approved or disapproved by EPA. This is probably because rules 219 and 220 are not in the SIP. Nonetheless, the NSAQMD reviewed its records and learned that the throughput reported by the only source of this type in the nonattainment area is below the CTG's applicability cutoff of 4,000 gallons per day.[] Thus, the CTG does not apply and the NSAQMD is proposing to adopt a negative declaration.¹¹

3.1.2.1 The EPA's evaluation

We reviewed our historical files and conducted an internet search for bulk gasoline fueling plants in the Western Nevada County ozone nonattainment area and identified the following three potential bulk gasoline plants.

Hunt and Sons Inc – 720 S. Auburn St., Grass Valley, CA 95945
Hunt and Sons Inc – 335 Railroad Ave., Grass Valley, CA 95945
Robinson Bulk Fuels & Oil – 133 Lower Grass Valley Road, Nevada City 95959

Based on information provided by the NSAQMD, the facility at 335 Railroad Ave. was torn down and has not been rebuilt. Data previously provided by one of the bulk gasoline plants to the NSAQMD indicated that 2012, 2013, and 2014 throughput¹² was well below the applicable CTG's 4,000 gallons per day

¹⁰ California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) Well Finder. Retrieved August 27, 2018, from <https://maps.conservation.ca.gov/doggr/wellfinder/#openModal/-120.70916/39.29074/10>. CARB Pollution Mapping Tool. Retrieved August 27, 2019, from https://ww3.arb.ca.gov/ei/tools/pollution_map/#. California Natural Gas Pipelines. Retrieved August 27, 2019, from https://ww2.energy.ca.gov/maps/infrastructure/Natural_Gas_Pipelines.pdf.

¹¹ 2018 RACT SIP, 3. The 2018 RACT SIP referenced EPA - NSAQMD phone call notes dated June 26, 2015 indicating the 2014 throughput for this source was 803,500 gallons (~2200 gallons/day), which is below the CTG's applicability threshold of 15,000 liters (4,000 gallons) averaged daily on a 30-day rolling average. See id. at 3, n.2.

¹² Phone conversation on June 26, 2013, between Joe Fish (NSAQMD), Stanley Tong (EPA), and Merrin Wright (CARB)

(gpd) exemption threshold¹³ for each of the years. We requested updated throughput data for the two remaining bulk gasoline plants, and determined, based on data from 2015–2017 at one plant, and data from 2016–2018 at the other plant, that both bulk gasoline plants continue to be well below the CTG’s applicability threshold.¹⁴ We therefore agree with NSAQMD’s negative declaration for the bulk gasoline plant CTG.

With regards to Rules 219 and 220, the EPA searched its files and reviewed CARB’s rules log database and agree that these rules are not in the SIP. We believe these two rules have not been submitted for SIP approval based on CARB’s February 7, 2008 submittal of NSAQMD’s RACT SIP for the 1997 8-hour ozone NAAQS, which states “...The supplemental documentation includes rules to implement RACT but are included as background information only. The rules will be formally submitted for incorporation into the SIP under separate cover.” However, Rules 219 and 220 are not a required RACT submittal because NSAQMD has provided data showing it has no bulk gasoline plants exceeding the CTG’s 4,000-gallon applicability threshold.

3.1.3 EPA-450/2-77-036 Storage of Petroleum Liquids in Fixed-Roof Tanks

NSAQMD’s 2018 RACT SIP states:

In preparation for this submittal, the NSAQMD reviewed EPA-450/2077-036 [sic] Control of Volatile Organic Emissions from Storage of Petroleum Liquids in Fixed-Roof Tanks, December 1977 [] stationary source permits and records for non-permitted sources that have any relation to the petroleum product market and determined that there are no fixed roof petroleum liquid (having a true vapor pressure > 10.5 kPa) storage tanks exceeding 40,000 gallons [. . .] [T]he CTG applicability cut-off volume is 150,000 liters, which equals 39,625.8 gallons, so 40,000 gallons is the volume commonly used in rulemaking and applicability analyses. The NSAQMD believes it is aware of all petroleum handling facilities in its jurisdiction. Thus, the CTG does not apply and the NSAQMD is proposing to adopt a negative declaration.¹⁵

3.1.3.1 The EPA’s evaluation

Subject: “Northern Sierra Bulk Plant.”

¹³ EPA Office of Air Quality Planning and Standards, “Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations,” May 25, 1988 (“the Bluebook,” revised January 11, 1990), 2-18 and Table 1 item 2; and Letter dated March 22, 1979, from Walter C. Barber, Director, Office of Air Quality Planning and Standards, to Steven D. Jellinek, Chairman, Toxic Substances Priorities Committee, Subject: Regulation of Regulation of Solvent Metal Cleaning Emissions under the Clean Air Act, retrieved August 27, 2019, from https://www3.epa.gov/ttn/naaqs/aqmguide/collection/Doc_0066_VOC150322791.pdf.

¹⁴ Email dated August 22, 2019, from Joe Fish (NSAQMD) to Stanley Tong (EPA), Subject: “Fwd: Annual Gasoline Throughput at Bulk Plant in Nevada City,” and email dated August 28, 2019, from Joe Fish (NSAQMD) to Stanley Tong (EPA), Subject: “Hunt & Sons Grass Valley Bulk plant throughput data.”

¹⁵ 2018 RACT SIP, 3. The 2018 RACT SIP notes that this CTG is available at https://www3.epa.gov/airquality/ctg_act/197712_voc_epa450_2-77-036_fixed_roof_tanks.pdf. Id. at 3, n. 3.

The CTG entitled "Control of Volatile Organic Emissions from Storage of Petroleum Liquids in Fixed-Roof Tanks" (EPA-450/2-77-036) applies to fixed roof storage tanks with capacities greater than 150,000 liters (approximately 39,626 gallons) with a true vapor pressure greater than 10.5 kilopascal (approximately 1.5 pounds per square inch (psi)). Underground tanks at retail gasoline stations generally range from 4,000 to 20,000 gallon capacities,¹⁶ which are below the 40,000-gallon applicability threshold for this CTG.

The District confirmed in a 2019 email to the EPA that neither of the operating bulk gasoline plants listed in section 3.1.2 above has petroleum storage tanks with a 40,000 gallon or greater capacity, and that the largest tanks these facilities have are 12,000-gallon capacity.¹⁷ We also reviewed CARB's emissions inventory database for facilities that may use petroleum storage tanks equal to or greater than 40,000 gallons and did not find any facilities. We therefore agree that NSAQMD's negative declaration for this CTG is appropriate.

3.2 NSAQMD Review of Previously Adopted RACT Rules

3.2.1 Rule 214, "Phase 1 Vapor Recovery"

NSAQMD's 2018 RACT SIP states that Rule 214:

- was amended on 4/25/2011 and approved into the SIP on 1/7/2013 (78 FR 898) as meeting RACT, and the District is not aware of other reasonably available technology capable of reducing emissions from this source category. Based on the NSAQMD's research, the requirements are comparable to most other nonattainment areas, differing mainly in details rather than key limits and exemptions. For example, Placer County, as part of the Sacramento Severe Nonattainment Area, has a similar rule (Rule 213, amended 2/21/13) but does not include the pump-out of storage tanks into mobile fuelers - only transfer into storage tanks. Ventura County APCD's similar Phase 1 rule (Rule 70, amended April 2009) also does not apply to gasoline transfer into mobile fuelers, whereas NSAQMD's rule does.¹⁸

3.2.1.1 The EPA's evaluation

As stated in NSAQMD's 2018 RACT SIP, the EPA approved Rule 214, "Phase I Vapor Recovery Requirements," into the SIP on 1/7/2013 (78 FR 898), finding that the rule met the applicable CTG as

¹⁶ Eastern Research Group, Inc, "Stage I And Stage II Gasoline Dispensing Emissions Inventory Final," Prepared for: Texas Commission on Environmental Quality Air Quality Division" August 31, 2008, 9, retrieved August 27, 2019 from https://www.tceq.texas.gov/assets/public/implementation/air/am/contracts/reports/ei/5820784003FY0807-20080831-ergi-gasline_dispensing_ei.pdf.

¹⁷ Email dated August 22, 2019, from Joe Fish (NSAQMD) to Stanley Tong (EPA), Subject: "Re: Annual Throughput data for 5. Auburn St. Bulk Plant."

¹⁸ 2018 RACT SIP, 3.

well as meeting RACT. The CTG that applies to this source category is entitled “Design Criteria for Stage I Vapor Control Systems – Gasoline Service Stations” (EPA-450/R-75-102).

The EPA’s *Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations* (also known as “The Bluebook”) indicates that the CTG exempts service stations with gasoline throughputs of less than 10,000 gallons per month (120,000 gallons per year).¹⁹ Based on communications with the California Energy Commission, there do not appear to be any retail automobile gasoline stations in the Western Nevada County ozone nonattainment area with throughputs of less than 10,000 gallons per month. Therefore, the CTG would apply to all retail automobile gas stations in the area.

In determining that Rule 214 meets the CTG (i.e., EPA-450/R-75-102), we reviewed Rule 214 and compared its requirements to analogous rules, e.g., Sacramento Metropolitan AQMD Rule 448, “Gasoline Transfer into Stationary Storage Containers” (amended 2/26/09), Placer County APCD Rule 213, “Gasoline Transfer into Stationary Storage Containers” (amended 2/21/13), and South Coast AQMD Rule 461, “Gasoline Transfer and Dispensing” (amended 4/6/12). We conclude that Northern Sierra Rule 214 is generally consistent with analogous rules in these other air districts and continues to implement current RACT.

NSAQMD’s 2018 RACT SIP’s Summary Table of All CTGs²⁰ also lists Rule 214 as implementing the CTG entitled “Control of Volatile Organic Compound Leaks from Gasoline Tank Trucks and Vapor Collection Systems” (EPA-450/2-78-051). This CTG applies to gasoline tank trucks equipped with vapor recovery and requires that the gasoline tank trucks be vapor tight. Rule 214 Part 4.3.D, “Delivery Vessels”, prohibits persons from operating gasoline delivery vessels unless the delivery vessels have been certified to CARB Certification Procedure CP-204 entitled “Certification Procedure for Vapor Recovery Systems of Cargo Tanks.” CARB’s certification procedure evaluates gasoline delivery vessels for vapor tightness. We agree that Rule 214 together with CARB’s certification procedure implements this CTG.

Recommendations

The following recommendations are provided to improve the RACT SIP; however, they are not approvability issues. For completeness, we are also including below recommendations we made previously in our action approving Rule 214:

1. Rule 214, section 4.2.B exempts gasoline service stations from the rule’s requirements if throughput is less than 10,000 gallons per month for each month of the operation within a calendar year. We

¹⁹ EPA Office of Air Quality Planning and Standards, “Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations,” EPA OAQPS, May 25, 1988 (“the Bluebook,” revised January 11, 1990), page 2-21, and Table 1 item 3, retrieved August 28, 2019, from https://archive.epa.gov/ttn/ozone/web/pdf/voc_bluebook.pdf. Memorandum dated August 17, 1979, from Richard G. Rhoads, Director, Director Control Programs Development Division, to Director, Air & Hazardous Materials Division, Regions I-X, “Evaluation of 10,000 gals/month Throughput Exemptions for Petroleum Marketing Operations,” retrieved August 28, 2019, from https://www3.epa.gov/ttn/naaqs/aqmguide/collection/Doc_0081_VOC110817791.pdf.

²⁰ 2018 RACT SIP, 9.

recommend Rule 214 be amended to require facilities using this exemption to maintain records of all gasoline delivered to the site for at least 5 years.²¹

2. Rule 214, Section 5.1 A., "Testing Procedures", should be updated to allow newer versions of test methods to be used (e.g., ASTM D2879-97 (2007) "Test Method for Vapor Pressure-Temperature Relationship and Initial Decomposition Temperature of Liquids by Isoteniscope," and ASTM D323-06 "Test Method for Vapor Pressure of Petroleum Products (Reid Method)," similar to Sacramento Metropolitan Air Quality Management District Rule 448 section 501.1.²²

3. The TSD for our 2013 approval of Rule 214 (amended 4/25/11) included the following recommendations for improvement the next time Rule 214 is amended:

Rule 214 Phase I Vapor Recovery Requirements:

- To stay consistent with CARB's Certification Procedure for Vapor Recovery Systems at Gasoline Dispensing Facilities (CP 201) section 3.1, we recommend the District revise section 4.3C.ii and iii to increase the vapor recovery efficiency from 95% to 98%.
- We recommend adopting the rule provisions currently applied to the federal ozone nonattainment area for the attainment areas within the District as well. This would further reduce emissions that may help the nonattainment area, and provide greater fairness and consistency throughout the District and the State.
- We recommend requiring sources to train at least one employee to be familiar with Phase I equipment inspection and maintenance. See, for example, Antelope Valley AQMD Regulation 4, Rule 461, Section C(4)(a)(iv).

Technical Support Document for the EPA's Direct Final Rulemaking for the California State Implementation Plan- Northern Sierra Air Quality Management District, Rule 214, Phase I Vapor Recovery Requirements, July 2012, at 3, retrieved September 25, 2019, from <https://www.regulations.gov/contentStreamer?documentId=EPA-R09-OAR-2012-0587-0016&contentType=pdf>.

3.2.2 Rule 215, "Phase II Vapor Recovery System Requirements"

NSAQMD's 2018 RACT SIP states that Rule 215:

²¹ Another rule regulating gas station emissions, District Rule 213, was approved into the SIP (62 FR 48480, Sept. 16, 1997) and requires stationary gasoline storage tanks greater than 250 gallons to have submerged fill. Following SIP approval, Rule 213 was amended, on March 26, 2007, to require tanks greater than 250 gallons to be equipped with a CARB certified Phase 1 Vapor recovery system and to use that system during all gasoline transfers. While Rule 213 is not required in order for the District to meet RACT, we encourage the District to further amend and submit an updated version of the rule for SIP approval, as we believe that certain provisions such as recordkeeping and inspection requirements should be added to strengthen the rule if the District decides to submit it for SIP approval.

²² Sacramento Metropolitan AQMD, Rule 448, "Gasoline Transfer Into Stationary Storage Containers" (2/26/09), retrieved August 28, 2019, from <http://www.airquality.org/ProgramCoordination/Documents/rule448.pdf>.

was last amended 2/22/10 and approved into the SIP for the 1997 standard 7/26/11 (76 FR 44493). This 14-page rule contains many specific requirements and is difficult to compare with similar rules from other areas, which often combine requirements for Phase 1, Phase 2 and bulk gasoline facilities into a single rule. Using Ventura County APCD again for comparison, Ventura's similar rule (Rule 70, amended April 2009, which covers both Phase 1 and Phase 2 gasoline vapor recovery) was last amended earlier than NSAQMD's. They both require 95% control efficiency and defect-free, CARB-certified components. Ventura's rule exempts privately owned storage containers fueling a fleet with 95% ORVR equipped vehicles, whereas NSAQMD's rule only exempts non-retail facilities fueling a fleet with 100% ORVR-equipped vehicles, making NSAQMD's rule more stringent in this respect.²³

3.2.2.1 The EPA's evaluation

The EPA has not issued a CTG for refueling of motor vehicles, and, based on a review of CARB's emissions inventory for 2017,²⁴ there are no gasoline stations that are major stationary sources in Western Nevada County. Therefore, Rule 215 is not currently required for the RACT SIP. Nonetheless, on July 26, 2011, at the request of the District, the EPA approved Rule 215 into the SIP, finding that it satisfied RACT requirements. The information provided in the *2018 RACT SIP* shows that the rule also implements RACT for the 2008 8-hour ozone NAAQS.

Recommendations

The following recommendations are provided to improve the SIP and are not approvability issues. The TSD for our 2011 approval of Rule 215 (amended 2/22/10) included the following recommendations for the next time this rule is amended:

Rule 215 Phase II Vapor Recovery System Requirements

- We recommend adopting the rule provisions currently applied to the federal ozone nonattainment area for the attainment areas within the District as well.
- We recommend requiring sources to train at least one employee to be familiar with Phase II equipment inspection and maintenance. See, for example, Antelope Valley AQMD Regulation 4, Rule 461, Section C(4)(a)(iv).

²³ *2018 RACT SIP*, 3.

²⁴ CARB's 2017 emissions inventory for all of Nevada County shows the largest VOC stationary source emitted 1 tpy. We note that even a very large gasoline refueling station would be unlikely to be a major source of VOCs in the Western Nevada County ozone nonattainment area. For example, the largest emitting Costco® gasoline station in California, which is located in Chula Vista, emitted 14.5 tpy of VOCs in 2017, which would be well below the major source threshold if that gasoline station were operating in the Western Nevada County ozone nonattainment area. As noted elsewhere in this document, for a Serious ozone nonattainment area -- Western Nevada County's current classification for the 2008 8-hour ozone standard -- the CAA's major source threshold for VOCs is 50 tpy.

Technical Support Document for EPA's Final Rulemaking for the California State Implementation Plan-Northern Sierra Air Quality Management District, Rule 215, Phase II Vapor Recovery System Requirements, November 12, 2010, at 3, retrieved September 25, 2019, from <https://www.regulations.gov/contentStreamer?documentId=EPA-R09-OAR-2011-0042-0006&contentType=pdf>.

3.2.3 Rule 227, "Cutback Asphalt"

NSAQMD's 2018 RACT SIP states that Rule 227:

was approved into the SIP for the 1997 standard 10/30/09. The NSAQMD compared its rule with Ventura's Serious classification Cutback Asphalt rule (74.4, amended July 1983) and found that Ventura's [rule] is less stringent. Ventura's [rule] has an exemption for penetrating prime coat applications and doesn't include recordkeeping requirements. In addition, the rule that the NSAQMD modeled its rule after is still considered RACT for the Sacramento Severe Nonattainment Area. The District is not aware of other reasonably available technological or operational controls likely to significantly reduce emissions from this source category for the 2008 ozone standard.²⁵

3.2.3.1 The EPA's evaluation

The CTG entitled "Control of Volatile Organic Emissions from Use of Cutback Asphalt" (EPA-450/2-77-37) discusses the control of VOCs from paving asphalts that are liquified with petroleum distillate. The control technique discussed in the CTG involves the substitution of an emulsifying agent and water for the petroleum distillate to achieve VOC emission reductions.

The EPA's model VOC RACT rule²⁶ defines cutback asphalt as an asphalt cement that has been liquefied by blending with petroleum solvents. The asphalt solidifies to form a hard surface when the solvents evaporate. Emulsified asphalt is an emulsion of asphalt cement and water that contains a small amount of emulsifying agent. The model rule generally prohibits the manufacture, mixing, storage, use or application of cutback asphalt during the ozone season except under certain conditions which include the approval of the Administrator. The model rule also prohibits the manufacturing, mixing, storage, or use of emulsified asphalt that contains any VOCs during the ozone season.

We reviewed the VOC emission limits in Rule 227 against the emission limits in analogous rules promulgated by other air districts such as Sacramento Metropolitan Rule AQMD Rule 453, "Cutback And Emulsified Asphalt Paving Material," (8/31/82), Placer County APCD Rule 217, "Cutback And Emulsified

²⁵ Id., 4.

²⁶ EPA Office of Air Quality Planning and Standards, "Model Volatile Organic Compound Rules for Reasonably Available Control Technology," June 1992, at 197, https://archive.epa.gov/ttn/ozone/web/pdf/voc_modelrules.pdf.

Asphalt Paving Materials" (10/19/93), and South Coast AQMD Rule 1108, "Cutback Asphalt" (2/1/85), and Rule 1108.1, "Emulsified Asphalt" (11/4/83), and conclude that Rule 227 has the same limits as the other districts' rules and implements current RACT. In 2008, the South Coast AQMD completed a detailed technology assessment for cutback asphalt²⁷ and evaluated whether VOC emissions from cutback asphalt could be further limited during the ozone season by limiting its use to the fall and winter months when ozone formation is lowest or by replacing cutback asphalt completely with a surrogate water-based emulsion technology. South Coast AQMD included in its review an evaluation of rules adopted by other states, and concluded that SCAQMD Rule 1108 in tandem with Rule 1108.1 remain highly effective and did not recommend any changes to its rules for cutback asphalt. The EPA accepted the SCAQMD's evaluation.

We note that asphalt used for paving operations is composed of compacted aggregate and an asphalt binder. To be used for paving operations, the asphalt binder must be liquified using petroleum distillates (cutback asphalt) or with water and emulsifying agents (emulsified asphalt). The asphalt binder can also be liquified by heating to above 300 °F (hot mix asphalt)²⁸ or, alternatively, by using a newer, different, technology that allows a lower manufacturing temperature (30 – 70 °F lower) called warm mix asphalt.^{29, 30} Based on information compiled by Imperial County Air Pollution Control District and copied in Table 1 below, hot mix asphalt has a significantly lower emissions factor than cutback or emulsified asphalt.³¹

Table 1 – Asphalt VOC Emission Factors (EF)

Description	VOC EF (lb/ton)	Source
Cutback Asphalts	268.3	Sonoma Technology, Inc (2003)
Road Oils	70.4	Sonoma Technology, Inc (2003)
Hot Mix Asphalt	0.002	KVB (1978)
Emulsified Asphalt	17.9	Sonoma Technology, Inc (2003)

We note that today, roadway paving is generally performed using hot mix asphalt and that use of warm mix asphalt as an alternative to hot mix asphalt is expanding in some areas of the United States. The EPA has not revised its cutback asphalt CTG beyond limiting usage of cutback and emulsified asphalts,

²⁷ South Coast Air Quality Management District, "Technical Assessment for Rule 1108 – Cutback Asphalt," June 2008.

²⁸ EPA AP-42: "Fifth Edition Compilation of Air Emissions Factors, Volume 1: Stationary Point and Area Sources," Chapter 4.5 Asphalt Paving Operations, retrieved 10/1/2019 from <https://www3.epa.gov/ttn/chief/ap42/ch04/final/c4s05.pdf>.

²⁹ US Department of Transportation, Federal Highway Administration, "Warm Mix Asphalt FAQs," retrieved 10/1/2019 from <https://www.fhwa.dot.gov/innovation/everydaycounts/edc-1/wma-faqs.cfm>.

³⁰ Wolf Paving, "Understanding The Differences Between Hot Mix Asphalt And Warm Mix Asphalt, Nov 20, 2014," retrieved 10/1/2019 from <https://www.wolfpaving.com/blog/understanding-the-differences-between-hot-mix-asphalt-and-warm-mix-asphalt>.

³¹ Imperial County Air Pollution Control District, "2012 Area Source Emissions Inventory Methodology 540 – Asphalt Paving," retrieved 10/1/2019 from <https://www.fhwa.dot.gov/construction/reviews/revhma01.pdf>.

and the CTG does not mention hot or warm mix asphalts. Additional emission reductions may be possible if warm mix asphalt can be substituted for hot mix asphalt. However, based on a 2016 San Joaquin Valley Unified Air Pollution Control District report on its experiences with a warm mix asphalt pilot project, it appears that each asphalt paving operation will likely need to be evaluated on a case-by-case bases until paving contractors gain more experience with it.³²

Recommendations

The following recommendations are provided to improve the SIP and are not approvability issues. Our approval of NSAQMD's RACT SIP for the 1997 8-hour NAAQS included the following recommendations for the District to consider:³³

Rule 227 Cutback and Emulsified Asphalt Paving Materials —

- We recommend adopting the rule provisions currently applied to the federal ozone nonattainment area for the attainment areas within the District as well.
- The District may also want to consider the use of warm mix asphalt as appropriate.

For future RACT SIPs, the District may want to evaluate adopting a negative declaration for the cutback asphalt CTG if it can demonstrate that total cutback asphalt emissions in the ozone nonattainment area are less than 50 tpy,³⁴ the major source threshold for the District's current ozone nonattainment classification.

3.2.4 Rule 228, "Miscellaneous Metal and Plastic Parts Coating"

NSAQMD's 2018 RACT SIP states that Rule 228:

was amended 4/25/11 and approved into the SIP for the 1997 standard 8/9/12. EPA has not taken action on the NSAQMD's September 27, 2011 negative declaration submittal for the plastic parts and heavier duty vehicle coatings portions of the CTG. Specifically, the District has no facilities that perform coating operations covered under the Miscellaneous Metal and Plastic

³² San Joaquin Valley Unified Air Pollution Control District, "Further Study Warm Mix Asphalt," March 31, 2016, retrieved 10/1/2019 from https://www.valleyair.org/Air_Quality_Plans/Docs/WMA-FurtherStudy.pdf. Also, the Federal Highway Administration has posted guidelines for hot mix asphalt, but not for warm mix asphalt: "FHWA Hot Mix Asphalt Pavement Guidelines," retrieved 10/1/2019 from <https://www.fhwa.dot.gov/construction/reviews/revhma01.pdf>,

³³ EPA Region IX, EPA's Evaluation of Northern Sierra Air Quality Management District, 2007 Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) For Western Nevada County 1997 8-Hour Ozone Nonattainment Area, November 2014.

³⁴ The memorandum dated October 11, 1978 from G.T. Helms, Office of Air Quality Planning and Standards, U.S. EPA to EPA Regions I-X, Subject: "Questions and Answers on 1979 SIP Revisions," states that the CTG limitations for cutback asphalt can be avoided in rural areas if it can be demonstrated that the total emissions from the use of cutback asphalt in the entire area does not exceed 100 tpy. This exemption threshold shall be lowered based on the major source threshold for the District's current ozone nonattainment classification. Retrieved August 28, 2019, from https://www3.epa.gov/ttn/naaqs/aqmguide/collection/Doc_0032_VOC481011781.pdf.

Parts CTG (EPA-453/R-08-003) Table 3 Plastic Parts and Products, Table 4 Automotive/Transportation and Business Machine Plastic Parts, or Table 6 Motor Vehicle Materials that equal or exceed the CTG's applicability threshold of 15 lbs./day actual emissions, or an equivalent level of 2.7 tons per 12-month rolling period, before consideration of controls. In addition, the District has no sources subject to this CTG under Table 5 Pleasure Craft Surface Coating operations. The NSAQMD still has no sources subject to the Tables 3 – 6 categories of the CTG for the 2008 NAAQS. For the metal parts coating portions, the only source in the nonattainment area that was originally subject (Serra Corporation on Bitney Springs Road) has closed. Nonetheless, the NSAQMD would like to keep the rule in the SIP for the 2008 standard in case a new source opens, as it is a fairly common source type in general.³⁵

3.2.4.1 The EPA's evaluation

The EPA's 2008 CTG entitled "Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings" (EPA-453/R-08-003) (MMPP) applies "at a facility where the total actual VOC emissions from all miscellaneous metal product and plastic parts surface coating operations, including related cleaning activities, at that facility are equal to or exceed 6.8 kg/day (15 lb/day), or an equivalent level of 2.7 tons per 12-month rolling period, before consideration of controls."³⁶ We reviewed CARB's emissions inventory data for the years 2008 – 2017, and found that the two highest VOC emissions sources in the Western Nevada County ozone nonattainment area in this period emitted approximately 1.7 tpy, from 2008 – 2013 (Serra Corporation and Furniture by Thurston). We also note that consistent with NSAQMD's statement above that Serra Corporation has closed, we found that Serra Corporation has not appeared on CARB's emissions inventory database since 2012. Furniture by Thurston is also listed on CARB's emissions inventory website as emitting zero tpy since 2014.³⁷ While CARB's 2017 emissions inventory shows Teichert Aggregate, in Truckee, California, emitting 1 – 2 tpy of VOC, this facility is outside of the ozone nonattainment area and therefore would not be subject to RACT. Also, CARB's

³⁵ 2018 RACT SIP, 4. The 2018 RACT SIP states that NSAQMD adopted and submitted on July 20, 2010, a negative declaration for plastic parts and new heavier duty vehicles coating, but that the EPA had not taken action on it. Our investigation confirms NSAQMD's statement; due to an apparent oversight by the EPA, these negative declarations were missed when we acted to approve Rule 228 into the SIP. [See 77 FR 47536, August 9, 2012]. (2018 RACT SIP, 12).

³⁶ EPA-453/R-08-003, Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings, 3, retrieved August 28, 2019, from https://www3.epa.gov/airquality/ctg_act/200809_voc_epa453_r-08-003_misc_metal_plasticparts_coating.pdf.

³⁷ Natividad, Ivan. "Serra Corporation to close Nevada City manufacturing operations." *The Union* [Grass Valley], April 17, 2014, retrieved August 28, 2019, from <https://www.theunion.com/news/business/serra-corporation-to-close-nevada-city-manufacturing-operations/>; Natividad, Ivan. "Thurston Manufacturing to redistribute Grass Valley assets." *The Union* [Grass Valley], December 24, 2014, retrieved August 28, 2019, from <https://www.theunion.com/news/local-news/thurston-manufacturing-to-redistribute-grass-valley-assets/>; CARB emission inventory site for Nevada County, retrieved August 28, 2019, from https://www.arb.ca.gov/app/emsinv/facinfo/faccrit.php?grp=1&dbyr=2017&all_fac=&sort=ROGHi&co_ =29&ab_ =&facid_ =&dis_ =&city_ =&fsic_ =&fname_ =&fzip_ =&chapis_ only=&CERR=&dd=. The question of which CTG Furniture by Thurston may be subject to (Wood Furniture, Metal Furniture, or Miscellaneous Metal and Plastic Parts Coatings) is moot, since its emissions are below each of these CTGs' applicability thresholds.

emissions inventory database lists the Standard Industrial Classification (SIC) code for Teichert Aggregate as "1442", Construction Sand and Gravel. Based on its SIC code, we believe it is not likely to be subject to the MMPP CTG.

In sum, we agree with the District's negative declarations for the source categories in Tables 3-6 of the MMPP CTG. Our evaluation also indicates that there are presently no sources in Western Nevada County that would meet or exceed the applicability threshold for the source category in Table 2 of the MMPP CTG. We therefore conclude that Rule 228 is not required for RACT at this time, and thus we believe that the District could elect to adopt a negative declaration for the entire 2008 MMPP CTG.

Nonetheless, since the District did not adopt a negative declaration for Table 2 of the MMPP CTG, we reviewed Rule 228, which is specific to Table 2 sources. We find that Rule 228 limits are generally consistent with or more stringent than the 2008 MMPP CTG, and that Rule 228 therefore implements RACT for the Table 2 source categories. Specifically, Rule 228's VOC limits for electric-insulating varnish (340 g/L or 2.8 lb/gal) and high performance architectural (420 g/L or 3.5 lb/gal) coatings are more stringent than the MMPP CTG's recommended limits (420 g/L and 740 g/L respectively).³⁸

Recommendations

The following recommendations are provided to improve the SIP and are not approvability issues. The TSD for our 2012 approval of Rule 228 (amended 4/25/11) included the following recommendations for improvement the next time Rule 228 is amended:³⁹

Rule 228 Surface Coating of Metal Parts and Products —

- Section 1.1 stipulates that this rule only regulates those portions of the District that are in nonattainment for any federal ambient air quality standard for ozone. We recommend that this rule regulate all sources of VOCs in metal coating operations in the District for equity in the District and to obtain additional VOC emissions reductions that may help the nonattainment areas.
- We recommend removing Section 1.2.6 and establishing VOC content limits for strippers such as contained in SCAQMD Rule 1107, Section (c)(3).
- The air dried VOC limits for Prefab Architectural Multi-Component and Prefab Architectural One-Component categories listed in Section 3.1 are consistent with the CTG values. However, SCAQMD's Rule 1107 has lower values for these categories,

³⁸ The EPA initially proposed 3.5 lb/gal for high performance architectural coatings, but revised it to 6.2 lb/gal after a commenter stated that "there are no liquid high performance architectural coatings available today that can meet this limit." [73 FR 58481](#), 58685 (October 7, 2008). However, we were unable to find information that the EPA considered more stringent RACT limits for electric-insulating varnish. The MMPP recommends only work practices and not VOC limits for electric-insulating and thermal-conducting coatings. MMPP CTG, 30.

³⁹ EPA Region IX, "Technical Support Document for EPA's Direct Final Rulemaking for the California State Implementation Plan Northern Sierra Air Quality Management District, Rule 228, Surface Coating of Metal Parts and Products, December 2011, retrieved September 30, 2019, from <https://www.regulations.gov/contentStreamer?documentId=EPA-R09-OAR-2012-O332-0006&contentType=pdf>.

effective July 1, 2007. Please consider adopting these lower limits.

- The capture efficiency and control efficiency minimum of 90% required in Section 3.2.2 seems to be consistent with the overall efficiency of 90% suggested by the CTG. However, please consider clarifying the criteria in Section 3.2.2 to, “in lieu of complying with VOC content limits specified in Subsection 3.1 or the emission rate limitation in 3.2.1, air pollution control equipment with an overall efficiency of 90% may be used...” Overall efficiency is defined as the product of capture efficiency and control efficiency.
- The work practices in Section 3.4 basically exempt the application of the work practices at facilities using control equipment as defined in Section 3.3.2, The CTG recommends that the work practices be applied to all controls affording a 90% overall efficiency. We suggest applying the work practices for solvent cleaning to those facilities that opt for the add-on control methods defined in Section 3.2.2.
- Please consider the following minor changes:
 - Change “does” to “do” in Section 1.2.1: “. . .VOC emissions (excluding exempt compounds) from all coatings do not exceed 2.7 tons...”
 - For consistency, add definitions in Section 2.0 for Airless Spray and Air-assisted Airless Spray which are listed in Section 3.3.
 - For clarity, provide the correct titles of ASTM E169 which is entitled “Standard Practices for General Techniques of [Ultraviolet-Visible Quantitative Analysis].”⁴⁰

3.3 RACT determination for major stationary sources

As discussed above, RACT is required in all ozone nonattainment areas classified as Moderate or above for source categories covered by an EPA CTG document (“CTG sources”) and for all sources that are not covered by a CTG document but which are “major sources”, i.e., for NSAQMD, “non-CTG sources” that emit or have the potential to emit at least 50 tpy of NO_x or VOC for a Serious ozone nonattainment area (or 100 tpy of NO_x or VOCs for a Moderate ozone nonattainment area).

3.3.1 NSAQMD action

NSAQMD’s 2018 RACT SIP states that “there are no major sources (that emit or have the potential to emit 50 tons or more per year) of ozone precursors located in the nonattainment area. The NSAQMD is therefore also adopting negative declarations that it has no major NO_x or VOC sources in the ozone nonattainment area.”⁴¹ NSAQMD’s 2018 RACT SIP also states that “[t]he largest stationary source of ozone precursors in the Western Nevada County ozone nonattainment area is currently a gas station that emits under 2 tons of precursors per year.”⁴²

3.3.2 The EPA’s evaluation

⁴⁰ We note our TSD approving Rule 228 listed the wrong title for ASTM E169. This is the correct title.

⁴¹ 2018 RACT SIP, 1, 5, and 12.

⁴² 2018 RACT SIP, 1.

As discussed above, the NSAQMD's 2018 RACT SIP evaluated whether the District had any major VOC/NO_x sources emitting at least 50 tpy, and we evaluated it to determine whether it met the requirements for a Serious ozone nonattainment area as well as a Moderate ozone nonattainment area. We reviewed CARB's emissions inventory database for Nevada County for the years 2007 – 2017 and found there were no NO_x or VOC stationary sources in the Western Nevada County ozone nonattainment area that approached the 50 tpy or 100 tpy thresholds for ozone nonattainment areas classified as Serious or Moderate, respectively. The highest NO_x emissions sources during this period emitted 2.8 tpy (Vulcan Materials in 2007), and 3.8 tpy VOC (Furniture by Thurston in 2007). We also reviewed Nevada County's list of major employers⁴³ and concluded that it did not have stationary source facilities that were generally expected to emit or have the potential to emit at least 50 tpy. We agree with the NSAQMD's statement that it has no major sources of VOC or NO_x in the Western Nevada County ozone nonattainment area.

3.4 Negative Declarations

The preamble to the EPA's final rule to implement the 2008 ozone NAAQS states that "...RACT SIPs must contain adopted RACT regulations, certification where appropriate that existing provisions are RACT, [] and/or negative declarations that there are no sources in the nonattainment area covered by a specific CTG source category."⁴⁴ In lieu of adopting RACT rules, Districts may adopt negative declarations for CTG source categories if there are no sources in the District's ozone nonattainment area covered by the CTG. A negative declaration is not required for ACTs or other non-CTG source categories.

3.4.1 NSAQMD action

Section 6.0 of the NSAQMD's 2018 RACT SIP states that "to the best of its knowledge and following a publicly noticed public hearing, []the District has no sources in the Western Nevada County Ozone Nonattainment Area subject to the CTGs listed as negative declarations in the following table. The District further declares that all negative declarations listed are current, adequate and applicable for the 2008 Ozone NAAQS."

3.4.2 The EPA's evaluation

We reviewed the District's table of CTGs and negative declarations. Based on our review of CARB's emissions inventory database, we agree there do not appear to be any stationary sources in the Western Nevada County ozone nonattainment area that are subject to those CTGs that NSAQMD annotated as "Negative Declaration for 2008 NAAQS" on pages 6-12 of its 2018 RACT SIP. Therefore, RACT is not required for the source categories corresponding to these CTGs.

⁴³ Major Employers of Nevada County, https://grassvalleychamber.com/wp-content/uploads/2014/08/GGVCC_RelocationPacket_MajorEmployers.pdf

⁴⁴ 80 FR 12264, 12278; March 6, 2015.

4. SUMMARY and RECOMMENDATION

Table 2 below provides our summary listing of the CTGs and whether NSAQMD has rules or negative declarations addressing each CTG.⁴⁵ Based on our evaluation of the NSAQMD 2018 RACT SIP, as discussed in detail above, we recommend approval of the NSAQMD 2018 RACT SIP as demonstrating that sources in the Western Nevada County ozone nonattainment area are subject to rules that implement RACT, satisfying this requirement under CAA Sections 182(b) and (f) for its current classification as Serious nonattainment area, as well as its previous classification as a Moderate nonattainment area.

Table 2: CTGs and NSAQMD Rules / Negative Declarations

	CTG	Title	Rule # claimed as RACT	Neg Dec submitted ⁴⁶	New Rule submitted	Not addressed
1	EPA-450/R-75-102	Design Criteria for Stage I Vapor Control – Gasoline Service Stations	214 78 FR 897			
2	EPA-450/2-77-008	Surface Coating of Cans		X		
3	EPA-450/2-77-008	Surface Coating of Coils		X		
4	EPA-450/2-77-008	Surface Coating of Paper		X		
5	EPA-450/2-77-008	Surface Coating of Fabric		X		
6	EPA-450/2-77-008	Surface Coating of Automobiles and Light-Duty Trucks		X		
7	EPA-450/2-77-022	Solvent Metal Cleaning		X		
8	EPA-450/2-77-025	Refinery Vacuum Producing Systems, Wastewater Separators, and Process Unit Turnarounds		X		
9	EPA-450/2-77-026	Tank Truck Gasoline Loading Terminals		X		
10	EPA-450/2-77-032	Surface Coating of Metal Furniture		X		
11	EPA-450/2-77-033	Surface Coating of Insulation of Magnet Wire		X		
12	EPA-450/2-77-034	Surface Coating of Large Appliances		X		

⁴⁵ Although the 2018 RACT SIP states that the EPA approved NSAQMD Rule 215, “Phase II Vapor Recovery System Requirements,” into the SIP, and we have determined that it continues to meet RACT for the 2008 8-hour ozone NAAQS, we are not including Rule 215 in Table 2 because the EPA has not issued a CTG for this source category, vehicle refueling operations.

⁴⁶ 2018 RACT SIP Table on pages 6-12.

	CTG	Title	Rule # claimed as RACT	Neg Dec submitted ⁴⁶	New Rule submitted	Not addressed
13	EPA-450/2-77-035	Bulk Gasoline Plants		X		
14	EPA-450/2-77-036	Storage of Petroleum Liquids in Fixed-Roof Tanks		X		
15	EPA-450/2-77-037	Cutback Asphalt	227 74 FR 56120			
16	EPA-450/2-78-015	Surface Coating of Miscellaneous Metal Parts and Products	228 77 FR 47536			
17	EPA-450/2-78-029	Manufacture of Synthesized Pharmaceutical Products		X		
18	EPA-450/2-78-030	Manufacture of Pneumatic Rubber Tires		X		
19	EPA-450/2-78-032	Factory Surface Coating of Flat Wood Paneling		X		
20	EPA-450/2-78-033	Graphic Arts-Rotogravure and Flexography		X		
21	EPA-450/2-78-036	Leaks from Petroleum Refinery Equipment		X		
22	EPA-450/2-78-047	Petroleum Liquid Storage in External Floating Roof Tanks		X		
23	EPA-450/2-78-051	Leaks from Gasoline Tank Trucks and Vapor Collection Systems	214 78 FR 897			
24	EPA-450/3-82-009	Large Petroleum Dry Cleaners		X		
25	EPA-450/3-83-006	Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment		X		
26	EPA-450/3-83-007	Leaks from Natural Gas/Gasoline Processing Plants		X		
27	EPA-450/3-83-008	Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins		X		
28	EPA-450/3-84-015	Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry		X		
29	EPA-450/4-91-031	Reactor Processes and Distillation Operations in Synthetic Organic Chemical Manufacturing Industry		X		
30	EPA-453/R-96-007	Wood Furniture Manufacturing Operations		X		
31	EPA-453/R-94-032 61 FR 44050; 8/27/96	ACT Surface Coating at Shipbuilding and Ship Repair Facilities Shipbuilding and Ship Repair Operations (Surface Coating)		X		
32	EPA-453/R-97-004 59 FR 29216; 6/06/94	Aerospace MACT and Aerospace (CTG & MACT)		X		

	CTG	Title	Rule # claimed as RACT	Neg Dec submitted ⁴⁶	New Rule submitted	Not addressed
33	EPA-453/R-06-001	Industrial Cleaning Solvents		X		
34	EPA-453/R-06-002	Offset Lithographic Printing and Letterpress Printing		X		
35	EPA-453/R-06-003	Flexible Package Printing		X		
36	EPA-453/R-06-004	Flat Wood Paneling Coatings		X		
37	EPA 453/R-07-003	Paper, Film, and Foil Coatings		X		
38	EPA 453/R-07-004	Large Appliance Coatings		X		
39	EPA 453/R-07-005	Metal Furniture Coatings		X		
40	EPA 453/R-08-003	Miscellaneous Metal Parts Coatings Table 2 – Metal Parts and Products	228 77 FR 47536			
41	EPA 453/R-08-003	Miscellaneous Metal Parts Coatings Table 3 – Plastic Parts and Products		X		
42	EPA 453/R-08-003	Miscellaneous Metal Parts Coatings Table 4 – Automotive/Transportation and Business Machine Plastic Parts		X		
43	EPA 453/R-08-003	Miscellaneous Metal Parts Coatings Table 5 – Pleasure Craft Surface Coating		X		
44	EPA 453/R-08-003	Miscellaneous Metal Parts Coatings Table 6 – Motor Vehicle Materials		X		
45	EPA 453/R-08-004	Fiberglass Boat Manufacturing Materials		X		
46	EPA 453/R-08-005	Miscellaneous Industrial Adhesives		X		
47	EPA 453/R-08-006	Automobile and Light-Duty Truck Assembly Coatings		X		
48	EPA 453/B16-001	Oil and Natural Gas Industry		X		

RACT for Major Non-CTG VOC/NOx Sources

Category	Rule(s) # claimed as RACT	Neg Dec submitted	New Rule(s) submitted	Not addressed
Major non-CTG VOC sources		X		
Major non-CTG NOx sources		X		

5.0 REFERENCES

1. EPA Office of Air Quality Planning and Standards, "Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations," May 25, 1988 ("the Bluebook," revised January 11, 1990). https://archive.epa.gov/ttn/ozone/web/pdf/voc_bluebook.pdf.
2. EPA Region IX, "Guidance Document for Correcting Common VOC & Other Rule Deficiencies," August 21, 2001 ("the Little Bluebook").
3. NSAQMD Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Revision for Western Nevada County 8-Hour Ozone Nonattainment Area, March 26, 2018. <https://ww3.arb.ca.gov/planning/sip/planarea/wnc/2018ractsip.pdf>.
4. Memorandum dated October 11, 1978 from G.T. Helms, Office of Air Quality Planning and Standards, U.S. EPA to EPA Regions I-X, Subject: "Questions and Answers on 1979 SIP Revisions," states the CTG limitations for cutback asphalt can be avoided in rural areas if it can be demonstrated that the total emissions from the use of cutback asphalt in the entire area does not exceed 100 tpy. https://www3.epa.gov/ttn/naaqs/aqmguid/collection/Doc_0032_VOC481011781.pdf.
5. Memorandum dated May 18, 2006, from William T. Harnett, Director, Air Quality Policy Division, to Regional Air Division Directors, Subject: "RACT Qs & As – Reasonably Available Control Technology (RACT): Questions and Answers." https://www.epa.gov/sites/production/files/2016-08/documents/ract_and_nsps_1dec1988.pdf.
6. CARB, "Staff Report: Proposed Submission of California's Greenhouse Gas Emission Standards For Crude Oil And Natural Gas Facilities Into the California State Implementation Plan," September 21, 2018, ("CARB Staff Report") retrieved August 27, 2019, from <https://ww2.arb.ca.gov/sites/default/files/2018-09/O%26G%20CTG%20-%20Staff%20Report.pdf>.
7. California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) Well Finder. <https://maps.conservation.ca.gov/doggr/wellfinder/#openModal/-120.70916/39.29074/10>.
8. CARB Pollution Mapping Tool. https://ww3.arb.ca.gov/ei/tools/pollution_map/#.
9. California Natural Gas Pipelines. Retrieved August 27, 2019, from https://ww2.energy.ca.gov/maps/infrastructure/Natural_Gas_Pipelines.pdf.
10. Letter dated March 22, 1979, from Walter C. Barber, Director, Office of Air Quality Planning and Standards, to Steven D. Jellinek, Chairman, Toxic Substances Priorities Committee, Subject: Regulation of Solvent Metal Cleaning Emissions under the Clean Air Act, retrieved August 27, 2019, from https://www3.epa.gov/ttn/naaqs/aqmguid/collection/Doc_0066_VOC150322791.pdf.
11. Eastern Research Group, Inc, "Stage I And Stage II Gasoline Dispensing Emissions Inventory Final," Prepared for: Texas Commission on Environmental Quality Air Quality Division" August 31, 2008, 9, retrieved August 27, 2019 from

[https://www.tceq.texas.gov/assets/public/implementation/air/am/contracts/reports/ei/5820784003FY0807-20080831-ergi-gasline despensing ei.pdf](https://www.tceq.texas.gov/assets/public/implementation/air/am/contracts/reports/ei/5820784003FY0807-20080831-ergi-gasline_despensing_ei.pdf).

12. Memorandum dated August 17, 1979, from Richard G. Rhoads, Director, Director Control Programs Development Division, to Director, Air & Hazardous Materials Division, Regions I-X, "Evaluation of 10,000 gals/month Throughput Exemptions for Petroleum Marketing Operations," retrieved August 28, 2019, from https://www3.epa.gov/ttn/naags/aqmguide/collection/Doc_0081_VOC110817791.pdf.
13. Sacramento Metropolitan AQMD, Rule 448 Gasoline Transfer Into Stationary Storage Containers (2/26/09), retrieved August 28, 2019, from <http://www.airquality.org/ProgramCoordination/Documents/rule448.pdf>.
14. EPA-453/R-08-003, Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings, 3, retrieved August 28, 2019, from https://www3.epa.gov/airquality/ctg_act/200809_voc_epa453_r-08-003_misc_metal_plasticparts_coating.pdf.
15. Natividad, Ivan, "Serra Corporation to close Nevada City manufacturing operations." *The Union* [Grass Valley], April 17, 2014, retrieved August 28, 2019, from <https://www.theunion.com/news/business/serra-corporation-to-close-nevada-city-manufacturing-operations/>.
16. Natividad, Ivan, "Thurston Manufacturing to redistribute Grass Valley assets." *The Union* [Grass Valley], December 24, 2014, retrieved August 28, 2019, from <https://www.theunion.com/news/local-news/thurston-manufacturing-to-redistribute-grass-valley-assets/>.
17. CARB emission inventory site for Nevada County, retrieved August 28, 2019, from https://www.arb.ca.gov/app/emsinv/facinfo/faccrit.php?grp=1&dbyr=2017&all_fac=&sort=ROGHi&co_ =29&ab_ =&facid_ =&dis_ =&city_ =&fsic_ =&fname_ =&zip_ =&chapis_only=&CERR=&dd=.
18. Major Employers of Nevada County, https://grassvalleychamber.com/wp-content/uploads/2014/08/GGVCC_RelocationPacket_MajorEmployers.pdf.
19. EPA Office of Air Quality Planning and Standards, "Model Volatile Organic Compound Rules for Reasonably Available Control Technology," June 1992, https://archive.epa.gov/ttn/ozone/web/pdf/voc_modelrules.pdf.
20. South Coast Air Quality Management District, "Technical Assessment for Rule 1108 – Cutback Asphalt," June 2008.
21. EPA Region IX, "EPA's Evaluation of Northern Sierra Air Quality Management District, 2007 Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) For Western Nevada County 1997 8-Hour Ozone Nonattainment Area," November 2014.
22. EPA Region IX, "Technical Support Document for EPA's Direct Final Rulemaking for the California State Implementation Plan Northern Sierra Air Quality Management District, Rule 228, Surface Coating of Metal Parts and Products," December 2011, retrieved September 30, 2019 from <https://www.regulations.gov/contentStreamer?documentId=EPA-R09-OAR-2012-0332-0006&contentType=pdf>.
23. EPA AP-42: "Fifth Edition Compilation of Air Emissions Factors, Volume 1: Stationary Point and Area Sources," Chapter 4.5 Asphalt Paving Operations, retrieved 10/1/2019 from

- <https://www3.epa.gov/ttn/chief/ap42/ch04/final/c4s05.pdf>.
24. US Department of Transportation, Federal Highway Administration, "Warm Mix Asphalt FAQs," retrieved 10/1/2019 from <https://www.fhwa.dot.gov/innovation/everydaycounts/edc-1/wma-faqs.cfm>.
 25. Wolf Paving, "Understanding The Differences Between Hot Mix Asphalt And Warm Mix Asphalt, Nov 20, 2014," retrieved 10/1/2019 from <https://www.wolfpaving.com/blog/understanding-the-differences-between-hot-mix-asphalt-and-warm-mix-asphalt>.
 26. Imperial County Air Pollution Control District, "2012 Area Source Emissions Inventory Methodology 540 – Asphalt Paving," retrieved 10/1/2019 from <https://ww3.arb.ca.gov/ei/areasrc/districtmeth/imperial/impasphpav.pdf>
 27. San Joaquin Valley Unified Air Pollution Control District, "Further Study Warm Mix Asphalt," March 31, 2016, retrieved 10/1/2019 from https://www.valleyair.org/Air_Quality_Plans/Docs/WMA-FurtherStudy.pdf.
 28. FHWA Hot Mix Asphalt Pavement Guidelines," retrieved 10/1/2019 from <https://www.fhwa.dot.gov/construction/reviews/revhma01.pdf>.

From: Gretchen Bennett, Air Pollution Control Officer

Date: November 25, 2019

Agenda Item: V.C

Agenda Description: Air District Information for Emergency Generators

Issues:

The Air District received inquiries from the public and media concerning generator usage. David Nichols put together an informational flyer for both residents and businesses outlining

Requested Action:

None, informational only

Attachments:

1. Northern Sierra Air Quality Management District's informational flyer for Emergency Generators for residents and businesses.

186

EMERGENCY GENERATORS FOR RESIDENTS AND BUSINESSES

All generators, regardless of fuel type, emit toxic gases in their exhaust. Always operate any combustion source in a well-ventilated environment. Follow ALL of the manufacturer's safety precautions.

Do I need a permit from the Air District to operate my generator?

If your generator is powered by gasoline, propane or natural gas, then the answer is NO. If your generator is 50 horsepower or more and powered by a diesel engine, then the answer is YES

What if I have a diesel engine less than 50 horsepower running my generator?

Then you do NOT need an Air Pollution permit for your generator

What if the diesel engine running my generator is 50 horsepower or greater?

Then you MUST obtain an Air Pollution permit from the Northern Sierra Air Quality Management District. Please contact the Air District for the permit application.

What are some tips for using my backup generator?

Never allow generator exhaust to collect in any enclosed space.

Be a good neighbor. Consider the effects of noise and exhaust during the placement of your generator.

Your generator does not always need to run continuously to maintain your refrigerant needs. Giving your generator a break every few hours will save on fuel and noise and extend the life of your generator.

If you are being inundated with smoke from a wildfire while using your generator, we recommend powering a HEPA air purifier to provide a clean air room for your family.



From: Gretchen Bennitt, Air Pollution Control Officer

Date: November 25, 2019

Agenda Item: V.D

Agenda Description: CARB Sponsored Truck Event in early 2020

Issues:

At the Board's request Ms Bennitt contacted the CARB to request a presentation about CARB's Truck and Bus regulation in the District. CARB offered to put together a comprehensive, CARB sponsored One-Stop Truck Event after January 1, 2020.

One-Stop Truck Events include compliance assistance and information on clean technology options for owners and operators to stay in compliance.

Attendees will experience:

- One-on-One Regulatory Assistance
- Financial Incentive & Loan Program Assistance
- Enforcement Inspection Demonstration
- Truck and Bus & Off-Road Regulation Overview Breakout Session
- New Technology Options for Compliance Breakout Session
- Funding Options for On-Road Trucks Breakout Session
- Industry Vendors & Local Agency Booths
- Clean Vehicle/Technology Displays

CARB will provide all of the notification to registered truck owners in the Air District.

In the meantime, if any of your agency staff are contacted by any concerned truck owners, please refer them to our offices. Air District staff is prepared to talk to them and will be informing interested truck owners about the upcoming workshop and contact information.

Requested Action:

None, informational only

Attachments:

1. none

188

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennett, Air Pollution Control Officer

Date: November 25, 2019

Agenda Item: V.E

Agenda Description: Status on Portola PM2.5 Nonattainment Area

Issues:

Staff will be available to answer questions and update on latest developments at the meeting.

Requested Action: None, informational only

Attachment: none

189

Fall BurnWise Workshop

WHEN: Saturday, November 23rd, 2019 2:00PM to 4:00PM

WHERE: Portola Veterans Hall
Children Welcome

Free Food * Free Gifts * Free Fun

Admission is FREE and the first 20 people to sign in will receive a bag full of goodies.

KEEP YOUR HOME SAFE THIS WINTER

- Am I at risk of a flue fire?
- How do I know if my wood is dry enough to burn in my wood stove?
- What is the best way to store my wood or pellets?
- I have an EPA certified wood stove; why do I still see smoke coming out the chimney?
- Do I have appropriate clearance around my home to keep it safe from fire?

COME FIND OUT!

- How to prevent a flue fire
- Wood storage options
- How to determine if your wood is optimal to burn
- The importance of regular chimney sweeps
- How to burn safely in a wood or pellet stove
- The Clear the Air; Check Before You Light program and device registration
- Greater Portola Wood Stove Change Out Program
- Talk to the Portola Firewise committee about protecting homes from wildfire



FIREWISE USA
RESIDENTS REDUCING WILDFIRE RISKS

BECOME PART OF THE SOLUTION! Share your ideas and expertise with your community.

The Portola Jr/Sr High construction class has been busy building wood sheds! Check out their handiwork & enter a free drawing for one of four wood sheds completed by the students. Includes delivery!



GREATER PORTOLA WOOD STOVE CHANGE-OUT PROGRAM

Sponsored by the NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT (530) 832-0102 and the Eastern Plumas Rural Fire Department



To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: November 25, 2019

Agenda Item: V.F

Agenda Description: Green Waste Disposal

Issues:

On October 30, 2019 Julie Ruiz emailed impressive photos of the residential green waste pile in Chester. This pile can be burned per the executive order that was issued for this site once a year per an executive order that was issued by CARB on October 1995.

Requested Action: None, informational only

Attachments:

1. Photos of Chester Residential Green Waste Burn Pile
2. Chester Landfill Executive Order relating to the open burning of nonindustrial wood waste at designated sites
3. Current CARB list of nonindustrial woodwaste burning sites with approval

191



192





194

State of California
AIR RESOURCES BOARD

Executive Order G-95-095

Relating to the Open Burning of Nonindustrial Wood Waste
at Designated Sites

WHEREAS, Section 41800 of the Health and Safety Code prohibits the use of open outdoor fires for the purpose of disposal or burning of petroleum wastes, demolition debris, tires, tar, trees, wood waste, or other combustible or flammable solid or liquid waste, or for metal salvage or burning of motor vehicle bodies;

WHEREAS, Section 41804.5 of the Health and Safety Code allows the Air Resources Board to authorize, subject to the limitations in Section 41803, the use of open outdoor fires by a city or county at a designated site to dispose of nonindustrial wood waste at disposal sites located above 1,500 feet elevation mean sea level anywhere in the State, or any elevation in the area designated as the North Coast Air Basin by the State Board pursuant to Section 39606, provided that the burning shall occur only on permissive agricultural burn days;

WHEREAS, Section 41803 states that no authorization, however, under Section 41804.5 shall be granted after such date as the Air Resources Board may determine, based upon a finding, that an alternative method of disposal has been developed which is technologically and economically feasible;

WHEREAS, the Northern Sierra Air Quality Management District has submitted an application to the Air Resources Board for approval to burn nonindustrial wood waste at a designated site;

WHEREAS, the staff of the Air Resources Board has reviewed the application and found that the District has supplied all information required by the State Board and that the submitted proposal is in compliance with State law;

WHEREAS, such fires will not prevent the attainment or maintenance of ambient air quality standards if confined to the period when such standards are not expected to be exceeded; and

WHEREAS, the ambient air quality standards are not expected to be exceeded under the conditions set forth in this Order.

NOW, THEREFORE, BE IT ORDERED that Executive Order G-535 is superseded by this order.

IT IS FURTHER ORDERED, that, subject to the following conditions, the Executive Officer hereby approves the Northern Sierra Air Quality Management District's application to burn nonindustrial wood waste at the following designated site: Chester Landfill.

1. Burning is to be done only on permissive burn days.

2. A maximum of 2 burns will be allowed each fiscal year, and they shall be between November 1 and April 15.
3. The burning shall not create a nuisance.
4. Permits to burn must be obtained from the local fire protection agency and from the Northern Sierra Air Quality Management District.
5. Prior to and during each burn, inspections shall be made by the Northern Sierra Air Quality Management District at the site to assure that only nonindustrial wood waste is burned, the pile is relatively free of soil, and the material is stacked in such a way so as to enhance burning and promote a hot fire.
6. This Executive Order shall terminate upon a determination by the Air Resources Board that an alternative method of disposal has been developed which is technologically and economically feasible.

Executed this 17TH day of OCTOBER 1995 at Sacramento, California.



James J. Morgester, Chief
Compliance Division



[About](#) [Our Work](#) [Resources](#) [Business Assistance](#) [Rulemaking](#) [News](#)

Nonindustrial Woodwaste Burning - Current Sites with Approval

This page last reviewed May 29, 2014

Below is a list of the sites that currently have an approval for open outdoor fires to dispose of nonindustrial wood waste at designated disposal sites on permissive burn days. Selecting the Executive Order number should provide you with a copy of that Order with all of its required conditions. If you have any questions on an Executive Order, please contact [Kathryn Gugeler](#) at (916) 322-0221.

Permits to conduct a burn must be obtained from the local air pollution control district and the local fire protection agency having jurisdiction prior to beginning the burn. If the local air pollution control district in which the burn site is located has a Web site, clicking on the District name should take you to the site for District contact information. If it does not, please use our [California Air District Resource Directory](#) to find contact information for the District.

Local Air Pollution Control District	Burn Site	Executive Order Number (Select for Conditions on Burning)
Calaveras County APCD	Redhill Dump	G-137
Lassen County APCD	Westwood Refuse Disposal Facility	L-6
Modoc County APCD	Adin Disposal Site	L-1
	Alturas Disposal Site	L-1
	Canby Disposal Site	L-1
	Cedarville Disposal Site	L-1
	Davis Creek Disposal Site	L-1

197

	Eagleville Disposal Site	L-1
	Fort Bidwell Disposal Site	L-1
	Lake City Disposal Site	L-1
	Lookout Disposal Site	L-1
	Willow Ranch Disposal Site	L-1
North Coast Unified AQMD	Carlotta Container Site	L-7
	Crescent City Landfill	L-8
	Orick Container Site	L-7
Northern Sierra AQMD	Alleghany Transfer Site	L-4-A
	Calpine	L-4
	Chester Landfill	G-95-095
	Loyalton	L-4
	Ramshorn Transfer Site	L-4-A
	Sierra City Transfer Site	L-4-A
Placer County APCD	North Tahoe Sanitary Landfill	L-5
	Foresthill Landfill	L-9
Shasta County AQMD	Fall River Mills	L-2-A
	Shingletown	L-2-A
	Round Mountain	L-2-A
Siskiyou County APCD	Happy Camp Landfill	G-790

198

	McCloud Landfill	G-790
	Tule Lake Landfill	G-790
	Yreka Landfill	G-790
Tuolumne County APCD	Groveland Landfill	G-13-085

CONTACT US



Phone: 916.445.4420 | www.arb.ca.gov
1001 J Street, Sacramento, CA 95814
P.O. Box 2815, Sacramento, CA 95812

California Governor
Gavin Newsom

Secretary for Environmental Protection
Jared Blumenfeld

Chair, California Air Resources Board
Mary D. Nichols

California Air Resources Board
1001 J Street, Sacramento, CA 95814
916.445.4420
www.arb.ca.gov

The California Air Resources Board is one of six boards, departments, and offices under the California Environmental Protection Agency.

Copyright © 2019 State of California

199

