

Reconsider Current Exemptions – Regulation 3&7

Description of the issue

This strategy to reduce ambient ozone levels within the non-attainment area (NAA) considers evaluating current Air Pollution Emission Notice (APEN) and permitting exemptions found in Colorado Air Quality Control Commission Regulations 3 and 7 for source categories that, based on current information, may emit enough to justify revising the exemption. The Air Pollution Control Division (APCD) will use information from the inventory and other reports submitted to the APCD to determine the highest emitters for this program. This option considers eliminating or modifying exemptions for sources located within the NAA and/or state.

This is not necessarily a reduction strategy, but will bolster the inventory, which is used to make informed decisions about reduction strategies.

Program Description

Currently, individual emission sources are exempt from APEN requirements in NAAs if they emit less than 1 ton of each non-attainment pollutant per year or less than 2 tons for pollutants for which the area is in attainment. Individual emission points are also exempt from APEN requirements if they emit less than 50 to 5,000 pounds of each non-criteria pollutant per year, depending upon the pollutant and other factors as described in Regulation 3 Part A, Appendix A, regardless of where the emission point is located. Exemption thresholds for Construction Permits and Operating Permits are higher (see Regulation 3, Part B, Section II.D.2 and Part C, Section II.E.3.).

Some exemptions are based on type of equipment or activity rather than specific emission rates. These exemptions are commonly referred to as categorical exemptions. Exemptions found in Regulation 3 that are currently being considered under this option include:

- Internal combustion engines on drill rigs (Part A, Section II.D.1.l and Part C, Section II.E.3.k)
- Petroleum industry flares less than 5 tons per year (tpy) emissions (Part A, Section II.D.1.m and Part C, Section II.E.3.m)
- Crude oil truck loading equipment (Part A, Section II.D.1.ee and Part C, Section II.E.3.ee)
- Oil/gas production wastewater tanks (Part A, Section II.D.1.uu, Part A, Section II.D.1.fff, Part C, Section II.E.3.uu, Part C, Section II.E.3.fff)
- Storage of butane, propane, LPG (Part A, Section II.D.1.zz and Part C, Section II.3.zz)
- Crude oil storage tanks (Part A, Section II.D.1.ddd and Part C, Section II.E.3.ddd)
- Oil and gas production activities including: well drilling, workovers and completions (Part A, Section II.D.1.lll, Part B, Section II.D.7, and Part C, Section III.D.8)
- Stationary Internal Combustion Engines meeting horsepower and hours of operation restrictions (Part A, Section II.D.1.sss, Part B, Section II.D.1.c, and Part C, Section II.E.3.xxx)
- Surface water storage impoundment (Part A, Section II.D.1.uuu and Part C, Section II.E.3.yyy)
- Emergency power generators (Part A, Section II.D.1.ttt and Part C, Section II.E.3.nnn)
- Venting of natural gas lines for safety purposes (If this exemption is removed, APENs would not be required until after an event occurs.) (Part A, Section II.D.1.zzz and Part C, Section II.E.3.dddd)
- Condensate tanks with production 730 BBL/year or less (Part A, Section II.D.1.eeee and Part C, Section II.E.3.gggg) (A separate strategy paper has been written to address this exemption)
- Fuel burning equipment (includes heater treaters, separators, and dehydrator reboilers) (Part A, Section II.D.1.k, Part B II.D.1.e, and Part C, Section II.E.3.k)
- Chemical Storage Tanks (Part A, Section II.D.1.aaaa)
- Gasoline stations and refueling outside of the 1 hour ozone non-attainment area (Part A, Section II.D.1.ccc.)

Air Quality, Health And Welfare Benefit

This is not necessarily a reduction strategy, but will bolster the inventory, which is used to make informed decisions about reduction strategies.

DRAFT STATIONARY SOURCE OZONE REDUCTION STRATEGY – ISSUE PAPER
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While health benefits are not quantified here, it is understood that reducing direct emissions of VOCs will reduce ozone and some air toxics. This will reduce the incidence of human health impacts caused by ozone, such as pulmonary, cardiovascular, respiratory, and nervous system disease. Because ozone damages crops, forests, and other natural plant life, all would benefit if emissions are reduced. This strategy may also reduce emissions of methane, which contributes to climate change.

Program Costs

Estimated cost for each previously exempt emission point would be the cost of filing APENs (\$119.96 each) and possibly the cost of applying for and receiving a permit.

Implementation and Administration

This strategy has the potential to significantly increase the number of regulated sources, and has reporting, permitting, and/or compliance assurance impacts to the APCD.