

Agenda Item: 16-19 Request for Approval to Proceed to Hearing on Revisions to Volatile Organic Compound (VOC) Rules in 15A NCAC 02D .0902 (532)

Explanation:

The Environmental Management Commission (EMC) is requested to approve the rule revisions and regulatory impact analysis on amendments to the Volatile Organic Compound (VOC) Rule 15A NCAC 02D .0902 to narrow applicability of work practice standards in 15A NCAC 02D .0958.

Rule 15A NCAC 02D .0902 is proposed for amendment to narrow the applicability of 15A NCAC 02D .0958 from statewide to the maintenance area for the 1997 8-hour ozone standard to remove unnecessary burden associated with permitting and complying with the work practice standards in 02D .0958.

In North Carolina there is an abundance of biogenic volatile organic compound (VOC) emissions. As a result, VOCs' impact on the atmospheric chemistry for ozone formation in North Carolina is limited by the amount of available nitrogen oxides (NOx) emissions for the VOCs to react with. Thus, reducing VOCs has negligible impact on ozone formation in North Carolina.

Facilities in areas outside of the Charlotte maintenance area for the 1997 8-hour ozone standard that use VOCs as solvents, carriers, material processing media, industrial chemical reactants, or similar uses, or that mix, blend, or manufacture VOCs or emit VOCs as a product of chemical reactions would no longer be required by the state rule to implement the VOC work practice standards in 15A NCAC 02D .0958 nor to have those sources permitted if they would otherwise be exempt from permitting.

Provisions of the Clean Air Act require that the VOC requirements previously implemented in an ozone nonattainment area prior to redesignation of the area to attainment remain in place; however, facilities outside the maintenance area counties for the 1997 8-hour ozone standard would no longer be required to comply with the work practice standards in 02D .0958.

Some regulatory relief for facilities comes from not having to list those sources on the permit if no other rules would require them to be permitted. In addition these facilities would not have to conduct monthly visual inspections during normal operations, record results in a logbook, and provide a summary report of inspection observations semi-annually for the purposes of this rule. The time it takes to conduct these activities would be available for other work.

Since the rule has been in place, many facilities with such sources have also become subject to maximum achievable control technology (MACT) or Generally Available Control Technology (GACT) standards which often contain similar work practice requirements for these types of sources. In addition the work practices are essentially designed to minimize or keep VOC containing product evaporative losses down which can keep material costs down. Companies may continue the

practices given that there is some potential savings incentive associated with using less material.

The impact to state and local government is estimated to be minimal as no additional costs are imposed. There would be one less permit condition to include in a facility's permit and one less applicable requirement per subject source for which compliance must be determined. Overall, the aggregate impacts to affected parties are estimated to be nonsubstantial.

Recommendation: The Director recommends that the Commission approve proceeding to public hearing on the proposed amendment and regulatory impact analysis and that the Chairman appoint a hearing officer for this matter.