

#### STATIONARY SOURCE COMMITTEE MEETING

**Committee Members** 

Mayor Pro Tem Ben J. Benoit, Chair Supervisor Sheila Kuehl, Vice Chair Senator Vanessa Delgado (Ret.) Board Member Veronica Padilla-Campos Vice Mayor Rex Richardson Supervisor Janice Rutherford

August 20, 2021 ♦ 10:30 a.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the South Coast AQMD Stationary Source Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

## INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT THE BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop https://scaqmd.zoom.us/j/94141492308

**Zoom Webinar ID:** 941 4149 2308 (applies to all)

Teleconference Dial In +1 669 900 6833 One tap mobile +16699006833,94141492308#

Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

#### PUBLIC COMMENT WILL STILL BE TAKEN

# **AGENDA**

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

### **CALL TO ORDER**

### **ROLL CALL**

# **INFORMATIONAL ITEMS (Items 1 through 3)**

1. Summary of Proposed Rule 118.1 and Proposed Amendments (15 mins) to Rule 1470

(No Motion Required)

Staff will provide a summary of Proposed Rule 118.1 which includes provisions for critical service facilities that operate emergency standby engines during a Public Safety Power Shutoff event and Proposed Amended Rule 1470 which provides an alternative testing and maintenance schedule for emergency standby engines at water and sewage facilities located in a high fire hazard severity zone.

(Written Material Attached)

2. RECLAIM Quarterly Report – 11<sup>th</sup> Update (No Motion Required)

Staff will provide an update on the transition of NOx RECLAIM facilities to a command and control regulatory program.

(Written Material Attached)

3. Status Report on Regulation XIII – New Source Review (10 mins) (No Motion Required)

This report presents the state and federal Final Determination of Equivalency for January 2019 through December 2019. This report provides information regarding the status of Regulation XIII – New Source Review (NSR) in meeting state and federal NSR requirements and shows that South Coast AQMD's NSR program is in final compliance with applicable state and federal requirements from January 2019 through December 2019.

(Written Material Attached)

# **WRITTEN REPORT (Item 4)**

4. Notice of Violation Penalty Summary (No Motion Required)

This report provides the total penalties settled in June of 2021 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous. (Written Material Attached)

Susan Nakamura Assistant Deputy Executive Officer

Michael Morris

Planning and Rules

Manager

(20 mins)

Jason Aspell
Deputy Executive
Officer

Bayron Gilchrist General Counsel

### **OTHER MATTERS**

### 5. Other Business

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

#### 6. Public Comment Period

At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

7. Next Meeting Date: Friday, September 17, 2021 at 10:30 a.m.

### **ADJOURNMENT**

### Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Catherine Rodriguez at (909) 396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to crodriguez@aqmd.gov.

# **Document Availability**

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Catherine Rodriguez at (909) 396-2735, or send the request to <a href="mailto:crodriguez@aqmd.gov">crodriguez@aqmd.gov</a>.

### INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

## <u>Instructions for Participating in a Virtual Meeting as an Attendee</u>

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

**Please note:** During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

### Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the "Raise Hand" button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

## **Directions for Video Zoom on a SMARTPHONE:**

- If you would like to make a public comment, please click on the "Raise Hand" button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

# **Directions for TELEPHONE line only:**

• If you would like to make public comment, please **dial \*9** on your keypad to signal that you would like to comment.



Proposed Rule 118.1 - Public Safety Provisions for Stationary Emergency Standby Engines

Proposed Amended Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

# **Stationary Source Committee**

August 20, 2021

# Background

- Over the past decade, California has experienced increased wildfires
- Since 2018, utilities have implemented Public Safety Power Shutoff (PSPS) events to proactively de-energize power lines during hazardous weather conditions to prevent potential wildfires
- During a PSPS event, critical service facilities may need to operate emergency standby engines to ensure continuation of public services
- During a PSPS event, emergency standby engines may exceed permit and rule requirements that limit annual operating hours



# Overview

#### **Proposed Rule 118.1 (PR 118.1)**

- Since diesel standby engines are exempt from NOx in-use emission limits, South Coast AQMD permits and rules limit the hours of operation to 200 hours per year
- PR 118.1 allows these engines located at critical service facilities to exclude operating hours associated with PSPS events, if the engine operates more than 200 hours per year due to a PSPS event

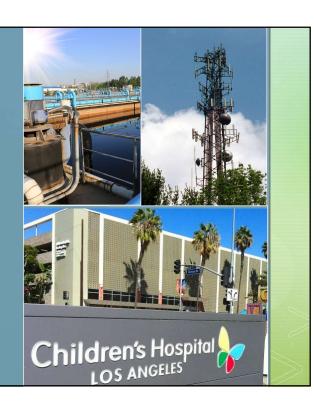
### Proposed Amended Rule 1470 (PAR 1470)

- Due to increased use of emergency engines, water and sewage facilities have requested an alternative maintenance and testing schedule to ensure engine reliability
- PAR 1470 provides an optional testing schedule for emergency standby engines in very high fire hazard severity zones

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# **Critical Service Facility**

- PR 118.1 defines critical service facility as:
  - Essential Public Services (Rule 1302);
  - Sewage treatment plants;
  - Natural gas delivery facilities;
  - Health facilities as defined in Section 1250 of the California Health and Safety Code, and
  - Facilities used exclusively for telecommunications including radio and cell towers



# Key PR 118.1 Provisions

# Engine Operating Hours

- Operators can exclude hours:
- · During a PSPS event;
- During repair activities that are associated with a PSPS event; and
- Up to three hours per each imminent shutoff notification<sup>1</sup> received regardless if power is shut off or not

# Notification Procedures

- Must notify Executive Officer 48 hours after exceeding the 200 hour limit and provide:
- Facility and engine information
- Hours the facility operated the engine during PSPS event

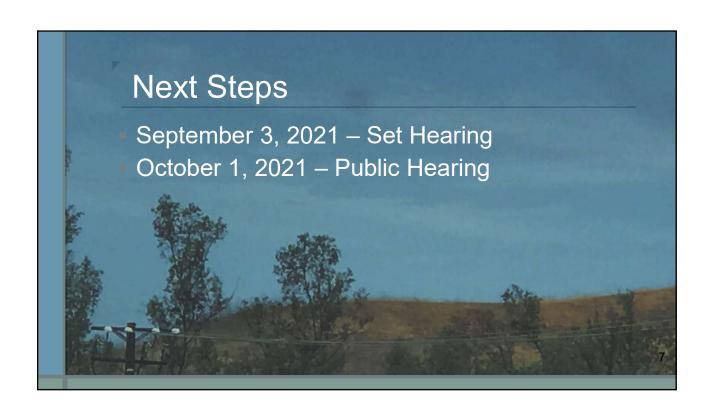
# Summary Report Requirements

- Facilities that exceed 200 hours due to a PSPS event must prepare a report with
  - Engine logs that identify PSPS and non-PSPS operating hours
- Supporting documentation<sup>2</sup> from the utility provider
- Report kept on site, no submittal required
- 1 Imminent shutoff notification is a notification provided by the utility distribution company regarding an anticipated power shut off due to a PSPS event
- <sup>2</sup> Supporting documentation includes notifications and other materials received from the utility distribution company

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# Key PAR 1470 Provisions

- Under Rule 1470 engines with a PM emission rate greater than 0.40 g/bhp-hr are limited to 20 hours per year for testing and maintenance
- PAR 1470 provides an alternative schedule of:
  - 20 hours averaged over a three-year rolling period; and
  - No individual calendar year above 30 hours
- The alternative schedule is only available to water or sewage facilities with engines located in a very high fire hazard severity zone excluding areas located in SB 535 disadvantaged community
- Permit modifications required to implement alternative schedule



# NOx RECLAIM Quarterly Update

STATIONARY SOURCE COMMITTEE AUGUST 20, 2021

# Update "At a Glance" (April to July 2021)



RECLAIM and New Source

4 Working Group Meetings



**Rule Development** 

- 9 Working Group Meetings
- 1 Public Workshop



Rule 1147.1 Adopted August 6, 2021

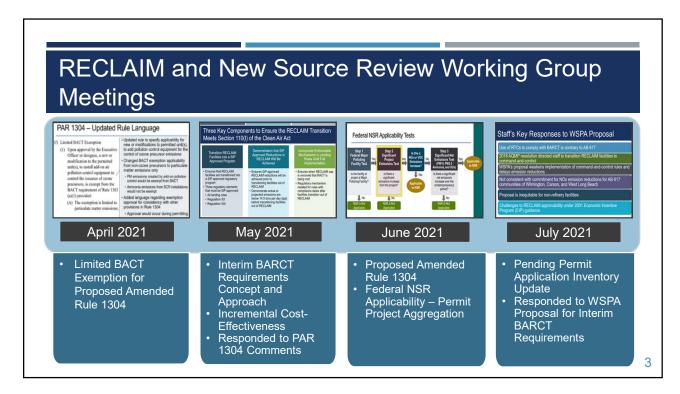


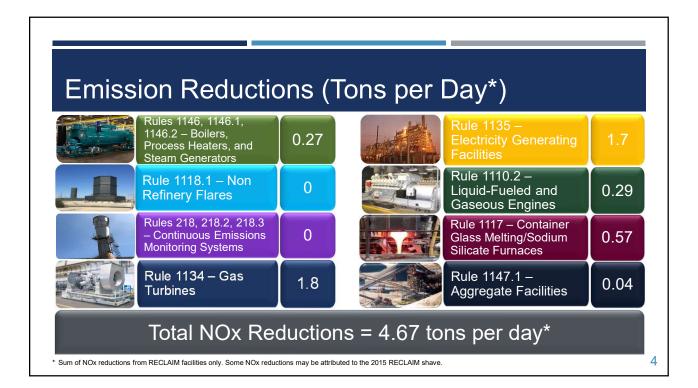
**Discussions with EPA** 

11 virtual meetings



Discussions with CARB17 virtual meetings





# Rules Under Development



PR 1109.1 – Refinery Equipment

Public Hearing: November 5, 2021



PR 1147.2 – Metal Melting and Heating Furnaces

Public Hearing: December 3, 2021



PAR 1147 – Miscellaneous Combustion Sources

Public Hearing: January 7, 2022



PR 1159.1 – Nitric Acid Processing Tanks

Public Hearing: Second Quarter 2022

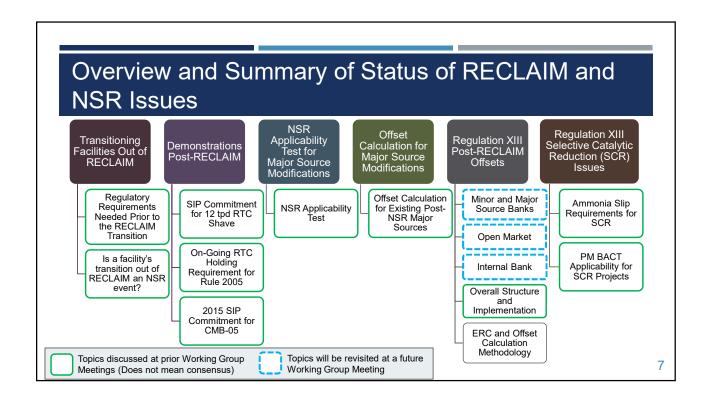


PAR 1153.1 – Commercial Food Ovens

Public Hearing: February 4, 2022

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#### Overview of RECLAIM Transition Adopted/ Adopt 14 Amend Amended Landing New **Rules 218,** Rules Source 218.2, Review 218.3 2021 2021 2022\* 9 Rules Adopted/ Adopted/ Amended March 5, 2021 Amend **EPA SIP** Amended **RECLAIM** Approval all **Transition RECLAIM** (Reg XX) Rules and **Facilities** Regs 2022\* 2024\* After EPA \* Previously 2021 **Approval** \*\* Previously 2022



# Discussions with U.S. EPA and CARB

- Worked with U.S. EPA and CARB to address RECLAIM transition issues
  - Federal NSR applicability and BACT requirements for copollutants associated with installations of Selective Catalytic Reduction (SCR) for refinery boilers and heaters
  - Discussed narrow BACT exemption for co-pollutant emissions for PR 1109.1 (Staff will discuss next month)
  - Interim BARCT requirements to transition from RECLAIM to command-and-control
- Continuing discussions for pending NSR issues
  - Minor Source Bank and Major Source Bank





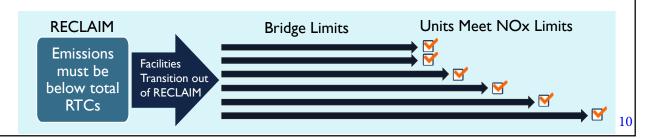
# Interim NOx Limits ("Bridge Limits")

- Clean Air Act Section 110(I) prohibits the U.S. EPA from approving a revision to a SIP if the revision would interfere with any applicable requirement concerning attainment
- U.S. EPA has commented that as facilities transition out of RECLAIM, enforceable conditions are needed after the RECLAIM emissions cap is lifted and until equipment implements NOx limits in landing rules
- Industry representatives suggested retaining RECLAIM until all units met the final emission limit in the landing rule
- U.S. EPA preferred an approach that established interim NOx limits instead of retaining RECLAIM

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# Staff Proposal to Address Interim Limits

- Staff is proposing interim NOx limits for equipment that will apply:
  - After a facility transitions out of RECLAIM; and
  - Until the equipment meets the NOx BARCT requirement in the landing rule
- Interim limits reflect current NOx levels and are designed to "hold the line" until NOx limit is met



# Ongoing Efforts and Next Steps



Continue monthly RECLAIM Working Group and Regulation XIII NSR Working Group meetings



Continue rulemaking activities



Continue working with U.S. EPA, CARB, and stakeholders

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# New Source Review Status Report Overview Purpose

Demonstrate that South Coast AQMD's NSR program is in compliance with applicable state and federal NSR offset requirements as required by CARB, US EPA, and South Coast AQMD Rules 1310 and 1315





- South Coast AQMD has produced Annual NSR Status Reports back to 1990
- Around 2002 2004 EPA requested that South
   Coast AQMD adopt a rule to memorialize equivalency demonstrations
- South Coast AQMD adopted Rule 1315 Federal NSR Tracking System in 2006 / 2007 and adopted revisions in February 2011
- EPA approved Rule 1315 into the SIP and it became effective on June 25, 2012

# Rule 1315 - Federal NSR Tracking System

Rule 1315 established procedures to demonstrate equivalency with federal NSR offset requirements for sources exempt from offsets

- √ Tracks debits from and credits to South Coast AQMD's
  federal internal offset account for each pollutant
- ✓ Annual Preliminary Determination of Equivalency (PDE), Final Determination of Equivalency (FDE), and Projections
- ✓ Balances in South Coast AQMD's federal offset accounts must remain positive
- ✓ Cumulative Net Emission Increases must remain below Rule 1315(g) threshold



# **Federal NSR Offset Accounts**

Final Determination of Equivalency (FDE), CY 2019

DESCRIPTION	(Tons / Day)					
DESCRIPTION	VOC	NOx	SOx	PM10		
2018 Actual Ending Balance	110.49	23.92	4.29	16.31		
2019 Total Debits	-0.12	-0.08	0.00	0.00		
2019 Total Credits	2.85	0.47	0.08	0.56		
2019 Total Discount of Credits for Surplus Adjustment	0.00	-0.05	0.00	0.00		
2019 Actual Ending Balance	113.22	24.26	4.37	16.87		

# Projected Federal NSR Offset Accounts CY 2020

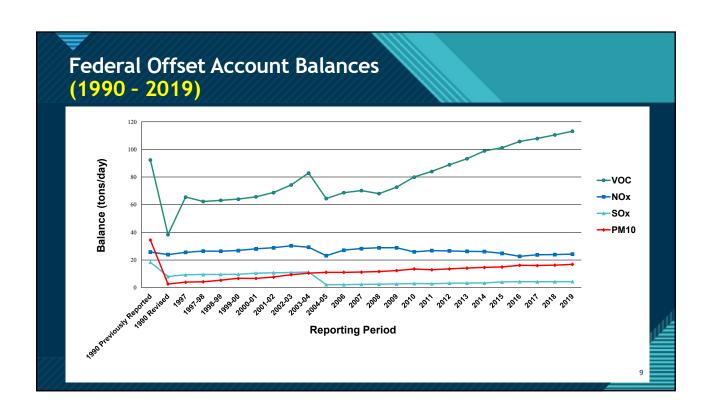
DESCRIPTION	(Tons / Day)					
DESCRIPTION	VOC	NOx	SOx	PM10		
2019 Actual Ending Balance	113.22	24.26	4.37	16.87		
CY 2020 Total Projected Debits	-0.42	-0.24	-0.06	-0.19		
CY 2020 Total Projected Credits	3.29	1.04	0.25	0.65		
CY 2020 Projected Ending Balance	116.09	25.06	4.56	17.33		

# Projected Federal NSR Offset Accounts CY 2021

DESCRIPTION	(Tons / Day)					
DESCRIPTION	VOC	NOx	SOx	PM10		
CY 2020 Projected Ending Balance	116.09	25.06	4.56	17.33		
CY 2021 Total Projected Debits	-0.42	-0.24	-0.06	-0.19		
CY 2021 Total Projected Credits	3.29	1.04	0.25	0.65		
CY 2021 Projected Ending Balance	118.96	25.86	4.75	17.79		

# Federal Cumulative Net Emission Increase February 4, 2011 - December 31, 2019

DESCRIPTION	(Tons / Day)					
DESCRIPTION	VOC	NOx	SOx	PM10		
2018 Cumulative Net Emission Increase	-21.39	-3.34	-0.75	-0.73		
2019 Increases in Potential to Emit	1.92 0.58		0.10	0.38		
2019 Decreases in Potential to Emit	-3.56	-0.59	-0.10	-0.70		
2019 Cumulative Net Emission Increase	-23.03	-3.35	-0.75	-1.05		
Rule 1315(g) Table B Threshold	11.39	0.84	0.27	1.67		



# **State NSR Offset Accounts**

Final Determination of Equivalency (FDE), CY 2019

DESCRIPTION	(Tons / Day)					
DESCRIPTION	VOC	NOx	SOx	PM10		
2019 Actual Starting Balance	85.26	35.39	9.06	22.16		
2019 Actual Total Debits	-1.54	-0.465	-0.03	0.00		
2019 Actual Total Credits	2.85	0.473	0.08	0.56		
2019 Actual Ending Balance	86.57	35.40	9.11	22.72		

# **Conclusions**

- The final analysis for CY 2019 shows South Coast AQMD's NSR program continued to be at least equivalent to the federal NSR offset requirements
- For CYs 2020 and 2021 it is also projected that South Coast AQMD's NSR program will continue to be equivalent to the federal NSR offset requirements
- The Cumulative Net Emission Increases for CY 2019 remained below the thresholds identified in Table B of Rule 1315(g)(4)
- Next Preliminary Determination of Equivalency for CY 2020 will be presented to the Board in February 2022

# SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT General Counsel's Office

# Settlement Penalty Report (06/01/2021 - 06/30/2021)

## **Total Penalties**

Civil Settlement: \$701,850.00 MSPAP Settlement: \$24,365.00

**Total Cash Settlements:** \$726,215.00

**Fiscal Year through 06/30/2021 Cash Total:** \$5,045,203.78

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	<b>Total Settlement</b>
Civil						
152173	A&A PLATING COMPANY	203	06/25/2021	JL	P67418	\$10,700.00
181202	CAPITAL READY MIX, INC.	201, 203	06/25/2021	WW	P67601, P69651	\$10,000.00
143738	DCOR LLC	463, 1173, 2004(f)(1)	06/25/2021	VT	P67902, P67932, P67933	\$15,000.00
183346	DO BUILDER & DESIGN INC	1403	06/18/2021	SH	P63086	\$5,000.00
178565	GEM MOBILE TREATMENT SERVICES, INC	203(b)	06/08/2021	DH	P68556	\$5,000.00
186806	HOLLY DEVELOPEMNT INC	1403	06/09/2021	DH	P66701	\$1,200.00
187273	HOON KIM	1403	06/02/2021	DH	P66462	\$3,000.00
142219	MK SERVICE STATION, IBRAHIM MEKHAIL DBA	203(b)	06/09/2021	VT	P67663	\$1,000.00
188145	MONTANA EQUITIES, LLC	1403, 40 CFR 61.145	06/18/2021	DH	P66296, P66300	\$3,500.00
105903	PRIME WHEEL	2004(f)(1), 2005, 3002(c)(1)	06/08/2021	DH	P57894	\$2,000.00
161300	SAPA EXTRUDER, INC	2004	06/29/2021	WW	P67157	\$1,000.00
131681	SOUTH GATE ENGINEERING LLC	203(b), 1107(c)(2)	06/29/2021	JL	P65399	\$15,500.00
187979	STERN PROPERTY MANAGEMENT	1403, 40 CFR 61.145	06/29/2021	DH	P66299	\$1,700.00
181667	TORRANCE REFINING COMPANY LLC	3002(c)(1)	06/17/2021	DH	P65611	\$625,000.00
140519	Z & R OIL COMPANY	201, 203(a)	06/02/2021	WW	P68160	\$2,250.00
Tatal Oise	il Cattlemente: \$704 950 00					+ ,

Total Civil Settlements: \$701,850.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	<b>Total Settlement</b>
MSPAP						
110547	AMERIMAX BUILDING PRODUCTS, INC	203(b)	06/24/2021	GC	P69751	\$800.00
165878	AVALON ARCO & SN MART	461	06/16/2021	GC	P68434	\$300.00
140512	BLS LIMOUSINE SERVICE OF LOS ANGELES INC	203(b)	06/16/2021	GC	P66837	\$850.00
145319	BUENA PARK OIL, FARZAN GHADOOSHAHY DBA	461, H&S 41960.2	06/16/2021	GC	P69008	\$500.00
9928	BUENA PARK SCH DIST	461	06/16/2021	GC	P65878	\$300.00
118775	CALTRANS - CENTURY REG MAINT FAC	461(e)(2)	06/16/2021	GC	P65070	\$900.00
188878	CHARLIE'S PRODUCE	201, 203	06/16/2021	GC	P67563	\$6,500.00
142356	CHEVRON FOODMART	461, H&S 41960.2	06/16/2021	GC	P69007	\$630.00
141261	CITY OF HUNTINGTON BEACH/LIFEGUARD HDQTR	203(b)	06/16/2021	GC	P68559	\$400.00
181408	CONTAINER MANAGEMENT GROUP, LLC	203(a)	06/16/2021	GC	P63786	\$640.00
112331	FAMILY OIL COMPANY	461(c)(3)(Q)	06/22/2021	GC	P67698	\$150.00
181291	HONG KONG DENIM DESIGN ONC	1146.2	06/22/2021	GC	P69501	\$510.00
189323	JW CONGREGATION SUPPORT INC	1403	06/22/2021	GC	P69401	\$650.00
146857	KAM'S AUTOMOTIVE INC	203(b), 461(e)(1)	06/22/2021	GC	P68851	\$935.00
159286	KP ROY ENTERPRISES	461, H&S 41960.2	06/22/2021	GC	P68451	\$1,600.00
78483	LA MIRADA GOLF COURSE/AMERICAN GOLF CORP	461(c)(3)(Q)	06/22/2021	TCF	P65882, P71538	\$500.00
99567	MID WEST CLEANERS	1421	06/22/2021	TCF	P69304	\$250.00
155032	NAZM GROUP INC	461(c)(3)(Q)	06/22/2021	TCF	P69611	\$500.00
190573	OSH CONSTRUCTION	403	06/22/2021	TCF	P70261	\$1,000.00
177678	P & P AUTOBODY	1151(d)(1)	06/24/2021	TCF	P63970	\$500.00
182098	RENEW AUTO COLLISION REPAIR, INC	203(b)	06/24/2021	TCF	P63879	\$500.00
188299	SAHIKA CORP, SUDHIR SOOD	201	06/24/2021	TCF	P70208	\$800.00
164420	SANTA MONICA SHELL	461	06/24/2021	TCF	P67248	\$300.00
157770	SHOKER TRADING CORP, TRIPLE S AUTOMOTIVE	461	06/24/2021	TCF	P68148	\$250.00
190200	SO CAL HOME BUILDERS INC	1403	06/24/2021	TCF	P68802	\$2,400.00
62472	SOUTHEAST CONCRETE PROD	461	06/24/2021	TCF	P66563, P71500	\$500.00
36264	WALNUT VALLEY UNI SCH DIST	461(e)(2)	06/24/2021	TCF	P68367	\$800.00
126188	WESTERN PUMP, INC	461	06/24/2021	TCF	P69601	\$400.00
Total MS	PAP Settlements: \$24 365 00					

Total MSPAP Settlements: \$24,365.00

# SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR JUNE 2021 PENALTY REPORT

#### **REGULATION II - PERMITS**

Rule 201 Permit to Construct Rule 203 Permit to Operate

#### **REGULATION IV - PROHIBITIONS**

Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities

Rule 461 Gasoline Transfer and Dispensing

Rule 463 Storage of Organic Liquids

#### **REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1107 Coating of Metal Parts and Products

Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers
Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Rule 1173 Fugitive Emissions of Volatile Organic Compounds

#### **REGULATION XIV - TOXICS**

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations

# **REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004 RECLAIM Program Requirements
Rule 2005 New Source Review for RECLAIM

#### **REGULATION XXX - TITLE V PERMITS**

Rule 3002 Requirements for Title V Permits

#### CALIFORNIA HEALTH AND SAFETY CODE

41960.2 Gasoline Vapor Recovery

#### **CODE OF FEDERAL REGULATIONS**

40 CFR 61.145 Standard for Demolition and Renovation