

Stage II Vapor Recovery Update



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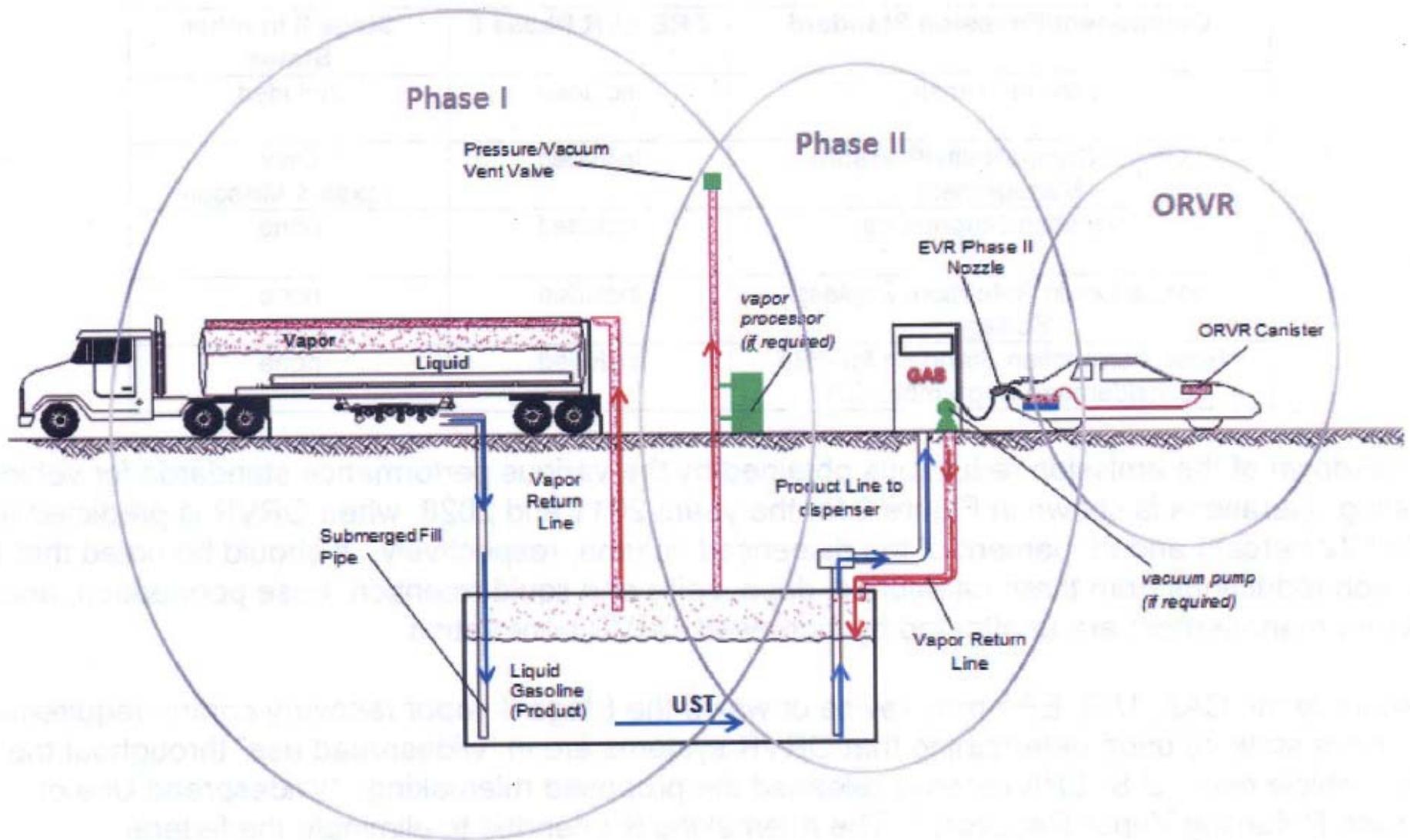
SEPTEMBER 5, 2013

Agenda



- **Background**
- **Update on SIP**
- **Overview of proposed statutory changes**
- **Decommissioning process**

Overview



Source: California Air Resources Board

Background



- EPA widespread use determination
- Stakeholder meeting November 30, 2012
- Response to workshop comments February 19, 2013
- On AZDWM website

Proposed Schedule



Action	Anticipated Date
Prepare and submit the SIP revision removing the Stage II program from the SIP	January to December 2013
Modify the applicable statute(s) requiring the use of Stage II vapor recovery equipment	January to September 2014
EPA Review/Approval of SIP	January 2014 to July 2015
Modify rules to reflect decommissioning of Stage II and requirements for remaining Stage I systems	January 2014 to July 2015
Decommission Stage II equipment	January 1, 2016 to December 31, 2017

Overview of MAG 2013 SIP Revision to Remove Stage II Controls



- Clean Air Act Section 110(l) requires that the removal of Stage II controls cannot interfere with attainment of the ozone standard
- Beginning in 2018, Stage II controls no longer provide areawide emission reductions
- Removal of Stage II controls is proposed for new gasoline dispensing stations beginning in 2014 and for all stations beginning in 2016 (must be approved by EPA prior to implementation)
- Federal emissions standard for portable fuel containers (gas cans) used as an offset for Stage II benefits in years 2014-2017
- Total mobile source emissions still decline each year after 2013 despite removal of Stage II controls

Tentative Schedule for MAG 2013 SIP Revision to Remove Stage II Controls



- **September 20, 2013 – Draft revision available for public review**
- **October 21, 2013 – Public hearing**
- **October 24, 2013 – MAG Air Quality Technical Advisory Committee recommendation**
- **November 6, 2013 – MAG Management Committee recommendation**
- **December 4, 2013 – MAG Regional Council adoption of the revision**
- **December 6, 2013 – MAG submission of the revision to ADEQ and EPA**

Proposed Legislative Changes



- Legislation needed to remove Stage II
- Draft legislation for next session
- Remove Stage II requirements as approved by EPA, while preserving Stage I requirements

Installation



- **Current statute requires**
 - Installation of CARB-approved Stage I/II equipment; or
 - Equipment tested and approved by an independent third party
- **Proposed future revision:**
 - Remove references to Stage II
 - ✦ Effective 2014 or when approved by EPA for new stations
 - ✦ Stage I equipment – status quo
- **Savings for new stations- \$20,000 - \$55,000 per station**

Repair/Replacement Savings



- Remove references to Stage II equipment.
- Maintain CARB-certified equipment for Stage I.

Cost for Hanging Hardware Conventional vs Stage II (Per Nozzle)

Component	Conventional Cost (\$)	Stage II Cost (\$) Vapor Assist	Stage II Cost (\$) Balance	Stage II Cost (\$) Healy
Nozzles	50	190	140	380
Primary Hose	30	105	190	135
Whip Hose	12	55	60	90
Breakaway	65	110	110	125
Total	157	460	500	730

Price depends on equipment/contractor, does not include labor costs

Additional Savings



- Annual testing of Stage II equipment will no longer be required after decommissioning
 - ✦ Cut down on testing time and time site is shut down
 - ✦ Maintenance fees associated with vapor recovery failures

Other General Requirements



- Retain Stage I vapor recovery requirements in areas A and B
- Retain annual testing of Stage I vapor recovery in area A
- Require AZDWM to establish rules for capping and closing Stage II vapor recovery systems

Proposed Decommissioning Process



- To be developed during rulemaking
- Ample notice prior to decommissioning so stations can prepare and budget
- By station license number (BMF Number)
 - 50% during 2016, 50% during 2017
- During same month as annual test
- AZDWM to witness/inspect post testing
- Scheduled utilizing Vapor Recovery Scheduler that Registered Vapor Representatives (RSRs) already use

Proposed Decommissioning Process Cont...



- **Petroleum Equipment Institute Recommended Practice (PEI/RP300-09)**
 - Relieve pressure in tank ullage
 - Drain liquid collection points
 - Disconnect and drain vacuum motors / reprogram dispensers
 - Disconnect and seal below-grade vapor piping at dispenser
 - Disconnect and seal vapor piping at tank top
 - ✦ Only if can be done without excavation
 - Replace hanging hardware
 - Remove Stage II operating instructions from dispensers
 - Conduct testing to ensure Stage I is working properly
- **Checklist to be completed by RSR**

Comments Requested



- 41-2131(A) currently requires use of vapor recovery equipment certified by California Air Resources Board (CARB) as of March 31, 2001 ,or after that date.
 - Certified before March 31, 2001 = Pre-EVR equipment
 - Certified after March 31, 2001 = EVR equipment
- EVR equipment certified with higher vapor control

- Comments Requested:
 - ✦ Should new stations and stations with major modifications be required to install Stage I Enhanced Vapor Recovery Equipment?

CARB EVR Executive Orders



Number	Description
VR-101	Phil-Tite Phase I Vapor Recovery System
VR-102	OPW Phase I Vapor Recovery System
VR-103	EBW Phase I Vapor Recovery System
VR-104	CNI Manufacturing Phase I Vapor Recovery System
VR-105	EMCO Wheaton Retail Phase I Vapor Recovery System

Why Require Stage I EVR at New/Modified Sites?



- **Many, if not most, install Stage I EVR equipment**
- **Estimated cost difference between \$600-800 per tank**
- **If EVR is required in future as an ozone control, sites from 2014 to that time will already have equipment, preventing the need to break concrete for retrofits**

Conclusion



- **MAG is on schedule for SIP submittal by end of the year**
- **AZDWM is on schedule for statute revision next legislative session**
- **New sites – Stage II not required 2014 or after EPA approval, whichever later**
- **Existing sites – decommission 2016/2017**
- **Rule development to begin 2014**

Questions/Comment



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