

TO: APCD Community Advisory Council

FROM: Ron Tan, Planning and Technology Supervisor (961-8812)

DATE: July 11, 2007

SUBJECT: New Rule 1201 – Registration of Agricultural Diesel Engines

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## INTRODUCTION

New Rule 1201, Registration of Agricultural Diesel Engines is proposed to implement the recently adopted State Airborne Toxic Control Measures (ATCM) for stationary compression-ignition engines (California Code of Regulations §93115) and as revised in April 2007. As of June 27, 2007 the State Office of Administrative Law has yet to certify the April revision to this regulation, but is expected to by late September. APCD staff has proposed this registration rule prior to certification of the final state regulation because of the near-term regulatory deadlines in the ATCMs and state restrictions on the use of grant funds to aid compliance within one year of those deadlines.

The APCD is responsible under state law to enforce the stationary compression-ignition engine ATCM. The ATCM, which applies to engines rated at 50 horsepower and greater, contains significant requirements for both existing and new diesel engines used in agricultural processes, including a requirement that all stationary engines be registered with their local air district. This proposed Rule and the ATCMs do not apply to mobile equipment such as tractors and trucks; they primarily affect diesel powered water pumps.

Equipment registration is distinguished from permitting primarily by its exemption from the APCD permitting rules often referred to as New Source Review, and the associated greater effort and higher fee structure of the permitting program. Permitting most agricultural processes is not allowed by State Law unless the Air Pollution Control Board makes specific findings; a registration program is not subject to such findings. Such findings are not proposed in this rule.

The proposed rule has been developed jointly with Ventura County and San Luis Obispo County APCDs; together, the three districts make up the South Central Coast Air Basin. It has been drafted to allow engines that move between the districts to use a single registration valid in all three counties. This proposed rule does not add any new emission control requirements; it only requires registration to meet the requirements of the stationary compression-ignition engine.

## **RULE SUMMARY**

Effective August 16, 2007, new agricultural compression-ignition engines with a rated brake horsepower of 50 or greater would be required to register when they are purchased. These include both stationary and portable engines; the most common examples are water pumps.

All existing agricultural compression-ignition engines 50 horsepower and above would need to register by March 1, 2008 as required by the stationary compression-ignition engine ATCM.

The following agricultural compression-ignition engines would not require registration with the District:

- Engines rated below 50 hp.
- Agricultural Wind Machines
- Non-diesel engines (natural gas, propane, gasoline)
- Engines that power vehicles (tractors, trucks, etc)
- Portable engines registered with the State Air Resources Board

A fee of \$200 annually per engine is proposed in new Rule 213, Fees for Registration Programs, which will have its first hearing before the APCD Board of Directors on August 16, 2007 and its final hearing on October 18, 2007. The proposed fee is equivalent to the statewide portable engine registration and was developed jointly with San Luis Obispo APCD and Ventura APCD staff. The basis for the fee was estimated by calculating the tasks and level of effort required to implement the ATCM on an assumed population of 300 engines in Santa Barbara County. The tasks required to implement the ATCM include program development, program oversight, outreach, source identification, data entry, inspections, Air Toxic Hot Spots implementation and advertising. The level of effort for each of these tasks was estimated over a 5 year implementation schedule to account for the varying level of effort required for program start-up and longer-term implementation. Our cost/revenue analysis found that the 5-year annualized costs to implement the program will be approximately \$66,500 per year while the revenue will be \$60,000 per year – we will be recovering about 90 percent of the costs to implement the program. The annual level of effort is approximately one-third of a full time employee and the level of effort per engine registered in the program will be a little less than 2 hours per year. Since the APCD does not receive any additional funding for this program, all un-recovered costs will be spread among other discretionary revenue sources.

## **PUBLIC OUTREACH**

The APCD conducted an extensive outreach campaign. Over 950 notices were sent to individuals and agricultural companies on mailing lists provided by the Santa Barbara County Agricultural Commissioner. Staff has met with the County Agricultural Advisory Committee (March 8, 2007 and July 11, 2007), the County Farm Bureau (May 31, 2007 and July 10, 2007) and with the Growers-Shipper Vegetable Association of Santa Barbara and San Luis Obispo Counties (July 10, 2007). Additionally, a workshop which was publicly noticed in Santa Barbara, Lompoc and Santa Maria newspapers is scheduled to be held in Buellton on July 11, 2007, to coincide with the APCD Community Advisory Council meeting.

## **FINANCIAL ASSISTANCE**

APCD grant funding is available to offset the costs of engine replacements for early compliance. To qualify, the new engine must be installed at least one year prior to the date of applicability of the emission standard for the engine being replaced. It is important for agricultural engine operators to understand that they may have only a little over two years to apply for a grant and then order, receive and install the replacement engine if they wish to take advantage of this financial compliance assistance opportunity.

## **COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

To comply with the California Environmental Quality Act (CEQA), the APCD prepared a Notice of Exemption pursuant to CEQA Guidelines section 15307. The APCD analyzed the proposed Rule and found no potential for reasonably foreseeable environmental impacts from the method of compliance, i.e., submitting an application for annual registration of the subject diesel engines. The Rule is an action taken by a regulatory agency as authorized by state law to assure clean air and protect public health.

### Attachments:

1. Rule 1201
2. CEQA Notice of Exemption

ATTACHMENT 1

PROPOSED RULE 1201

REGISTRATION OF AGRICULTURAL DIESEL ENGINES

JULY 11, 2007

Santa Barbara County Air Pollution Control District

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

(805) 961-8800

**RULE 1201. REGISTRATION OF AGRICULTURAL DIESEL ENGINES. (Adopted [date of adoption])**

**A. Applicability**

Effective [date of adoption], this rule applies to diesel engines used in agricultural operations, specifically to stationary and portable diesel engines rated at 50 brake horsepower or greater.

**B. Exemptions**

The provisions of this rule shall not apply to the following equipment:

1. Agricultural wind machines.
2. Motor vehicles, as defined in the California Vehicle Code, Division 1, section 415.
3. Engines registered in the State Portable Equipment Registration Program that are not used as a stationary agricultural diesel engine.

**C. Definitions**

See Rule 102 for definitions not limited to this rule. For the purposes of this rule, the following definitions shall apply:

1. **“Agricultural operations”** means the growing and harvesting of crops or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural operations do not include activities involving the processing or distribution of crops or fowl.
2. **“Agricultural wind machine”** means a stationary diesel engine-powered fan used exclusively in agricultural operations to provide protection to crops during cold weather by mixing warmer atmospheric air with the colder air surrounding a crop.
3. **“Date of initial installation”** means the date on which an applicable engine is placed into service at a location in order to be operated for the first time since delivery from the manufacturer, distributor, or other source.
4. **“Diesel engine”** means a compression ignition engine fueled by five (5) percent or more of either diesel fuel, California Air Resources Board diesel fuel, or jet fuel.
5. **“Owner or operator”** means an individual, trust, firm, joint stock company, business concern, partnership, limited liability company, association, or corporation including, but not limited to, a government corporation.
6. **“Rated brake horsepower”** means the published rated brake horsepower from any one of the following sources:
  - a. the manufacturer's sales and service literature;
  - b. the nameplate of the engine; or
  - c. if applicable, as shown in the application for certification of the engine.

For an engine installed on or after *[date of adoption]*, the source must reflect the engine's configuration on the date of initial installation. For other engines, the source must reflect the engine's configuration as of *[date of adoption]*.

7. **“Seasonal Agricultural Operation”** means an agricultural operation that remains in a single location for two years or more and that operates at that single location at least three months each year.
8. **“Stationary agricultural diesel engine”** means a diesel engine used in agricultural operations that can perform its operation at one location, or remains in one location. An engine is stationary if any of the following are true:
  - a. The engine is attached to a foundation, or if not so attached, resides at the same agricultural operation for more than 12 consecutive months. A backup, standby or replacement engine, that replaces an engine at an agricultural operation and is intended to perform the same or similar function as the engine being replaced, shall be included in calculating the consecutive time period. The cumulative time of all engines, including the time between the removal of the original engine and installation of the replacement engine, shall counted toward the consecutive time determination; or
  - b. The engine is not attached to a foundation but is located at a seasonal agricultural operation for less than 12 consecutive months. The engine or its replacement must operate during the full annual operating period of the seasonal operation; or
  - c. The engine is moved from one location to another in an attempt to circumvent the 12 month residence time requirement in Section C.9.a above. The period during which the engine is maintained at a storage facility shall be excluded from the time determination.
  - d. The engine is, or is designed to be carried or moved and serves the same primary function at a single agricultural operation as defined by the definition of “Installation” or “Building, Structure or Facility” found in Rule 102.

#### **D. Requirements**

1. The owner or operator of an applicable engine shall register the engine by March 1, 2008. For those engines installed after *[date of adoption]* the owner or operator of an applicable engine shall register the engine within 90 days of initial installation. Engines initially installed between January 1, 2005 and *[date adoption]* shall register within 90 days of *[date of adoption]* or within 90 days of the effective date of the State Airborne Toxic Control Measure for Stationary Compression Ignition Engines set forth in section 93115, Title 17, CCR and as amended on April 10, 2007, whichever is earlier.
2. To register an engine, an owner or operator shall submit a completed registration form, any additional information requested by the Air Pollution Control Officer, and the applicable fee specified in Rule 213.
3. The owner or operator of an applicable engine shall notify the District in writing no later than 14 days after any change of owner or operator, any change in location, or the installation or commencement of an emissions control strategy.
4. The owner or operator of an applicable engine shall pay the applicable fee specified in Rule 213 upon application and annually thereafter. Until March 1, 2008, the initial yearly registration fee

shall cover the time period from application to March 1, 2009. Annual registration fees thereafter shall cover the period from March 1<sup>st</sup> to the last day of February in the following year.

**E. Registration Renewal**

Registration shall be renewed annually by paying the applicable fee found in Rule 213 and by updating the registration information that has changed since the last renewal. The registration shall be considered invalid if the renewal fees are not received prior to March 1<sup>st</sup> of each applicable year and if the registration holder has been given a 30-day notice of delinquent fees.

**F. South Central Coast Air Basin Reciprocity**

An engine registered with the San Luis Obispo or Ventura County Air Pollution Control Districts will be considered registered with the Santa Barbara County Air Pollution Control District (SBCAPCD) if the following conditions are met:

1. The District where the engine is registered has equivalent registration requirements as SBCAPCD.
2. The registration fee at the District where the engine is registered is within 15% of the SBCAPCD fee.
3. The District where the engine is registered also allows engines registered in SBCAPCD to be considered registered in their District.

Registrations for engines operating under the exception for “Remotely-located Agricultural Engines” as defined in Section 93115 of the California Health and Safety Code are not valid for use at multiple locations unless written approval is obtained from the Air Pollution Control Officer in the county where the engine is proposed to be relocated; this includes relocation within the county where the engine is registered.

ATTACHMENT 2  
CEQA NOTICE OF EXEMPTION  
PROPOSED RULE 1201  
REGISTRATION OF DIESEL AGRICULTURAL ENGINES

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