BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)	
)	
GASOLINE VOLATILITY)	R12-2
STANDARDS AND MOTOR)	(Rule
VEHICLE REFINISHING:)	
PROPOSED AMENDMENTS TO)	
35 ILL. ADM. CODE PARTS)	
211, 215, 218 AND 219)	

R12-24 (Rulemaking - Air)

NOTICE

TO: John Therriault, Assistant Clerk Illinois Pollution Control Board James R. Thompson Center 100 West Randolph, Suite 11-500 Chicago, Illinois 60601 Matthew Dunn, Chief Division of Environmental Enforcement Office of the Attorney General James R. Thompson Center 69 West Washington, Suite 1800 Chicago, Illinois 60602

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Kathleen Crowley Hearing Officer Illinois Pollution Control Board 100 W. Randolph St., Suite 11-500 Chicago, Illinois 60601

PLEASE TAKE NOTICE that I have today filed with the Office of the Pollution Control Board the <u>TESTIMONY OF MICHAEL D. ROGERS</u> of the Illinois Environmental Protection Agency, a copy of which is herewith served upon you.

Respectfully submitted,

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

By: <u>/s/_Kent E. Mohr Jr.</u>

Kent E. Mohr Jr. Assistant Counsel Division of Legal Counsel

DATED: July 30, 2012

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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IN THE MATTER OF: GASOLINE VOLATILITY STANDARDS AND MOTOR VEHICLE REFINISHING: PROPOSED AMENDMENTS TO 35 ILL. ADM. CODE PARTS 211, 215, 218 AND 219

R12-24 (Rulemaking - Air)

TESTIMONY OF MICHAEL D. ROGERS

My name is Mike Rogers and I am an Environmental Specialist in the Illinois Environmental Protection Agency's ("Illinois EPA") Bureau of Air. I was the principal author of the Technical Support Document ("TSD") for this proposal.

The Illinois EPA is proposing to repeal the State of Illinois Gasoline Volatility Standards at 35 Ill. Adm. Code Section 215.585 for the ozone attainment area, 218.585 for the Chicago ozone nonattainment area ("NAA"), and 219.585 for the Metro-East St. Louis ozone NAA. The State gasoline volatility regulations have essentially been superseded by federal gasoline and reformulated gasoline ("RFG") regulations contained in Sections 211(h) and 211(k), respectively, of the Clean Air Act ("CAA") Amendments of 1990. The Illinois EPA is proposing to repeal the State regulations in order to delete duplicative and conflicting requirements and to relieve the administrative burden associated with the development of waivers and regulatory relief during periods of fuel supply shortages. The Illinois EPA is also proposing clean-up amendments to 35 Ill. Adm. Code Parts 211, 215, 218 and 219 to update references and to be consistent with the proposed repeal of the State gasoline volatility standards.

In addition to repealing the State gasoline volatility standards, the Illinois EPA is proposing to revise certain requirements of the State Motor Vehicle Refinishing regulations at 35 Ill. Adm.

Code Parts 218 and 219, Subpart HH. The Illinois EPA proposes to allow the use of paint applicator equipment that has been demonstrated to be equivalent to the currently-required high volume low pressure ("HVLP") equipment. This flexibility will allow motor vehicle refinishing operations to utilize equipment that may be less costly and more efficient in applying coatings and result in reduced coating usage and lower operating costs. The Illinois EPA is also proposing to repeal the State Motor Vehicle Refinishing registration requirement as registration is currently required under federal regulations affecting such operations.

The proposed revisions to both regulations are not considered to be controversial and, in fact, are supported by the affected industries. The proposed revisions will repeal redundant or outdated regulations and offer the business owner flexibility in meeting current requirements. Such flexibility could result in a reduction in business operating costs as well as a decrease in emissions. Feedback from outreach conducted by the Illinois Department of Commerce and Economic Opportunity Small Business Environmental Assistance Program ("SBEAP") and the Illinois EPA has indicated widespread support for the proposed revisions. The Illinois EPA also consulted with representatives of the United States Environmental Protection Agency ("USEPA") during the development of the proposed revisions and they have no concerns regarding the proposed revisions.

I will now proceed with a discussion of the proposed rule revisions.

The State of Illinois enacted limits to the summertime volatility of gasoline through regulations at 35 Ill. Adm. Code Section 215.585 for the Illinois ozone attainment area, 218.585 for the Chicago ozone NAA, and 219.585 for the Metro-East St. Louis ozone NAA. These regulations have since been replaced or essentially superseded by federal regulations adopted pursuant to

Sections 211(c), (later Sections 211(h)) and 211(k) of the CAA. For this reason, and to relieve an administrative burden in times of regional fuel shortage, the Illinois EPA is proposing that the State regulations be repealed. Following is a discussion of each of the current regulations and the associated federal regulation.

The 215.585 State gasoline volatility regulation for the ozone attainment area applied only to the year 1991 and limited the Reid vapor pressure ("RVP") of gasoline sold, offered for sale, dispensed, supplied, offered for supply or transported for use in Illinois between June 1 and September 15 to 9.0 pounds per square inch ("psi"). Ethanol blends containing 9 to 10 percent ethanol by volume were allowed to have an RVP up to 10.0 psi. As described in the Statement of Reasons, pursuant to Section 211(c) of the CAA, the USEPA adopted gasoline volatility standards which set maximum RVP limits for gasoline sold during the May 1 to September 15 to 9.0 psi. These regulations also allowed an additional 1.0 psi for ethanol blends containing 9 to 10 volume percent ethanol. As the Section 215.585 State gasoline volatility regulation was only in force in 1991, and the standards adopted therein are identical to the national RVP standards which apply in the State gasoline volatility standard and is proposing that it be repealed.

Regarding the Chicago NAA, the State gasoline volatility standards affecting the Chicago ozone NAA are found at 35 Ill Adm. Code 218.585. The Chicago ozone NAA includes Cook, DuPage, Kane, Lake, McHenry and Will Counties and Aux Sable and Goose Lake Townships in Grundy County and Oswego Township in Kendall County. This regulation limits the RVP of gasoline sold, offered for sale, dispensed, supplied, offered for supply or transported for use in the Chicago ozone NAA during the May 1 through September 15 control period to 9.0 psi. A 1.0 psi

allowance is granted for 9 to 10 volume percent ethanol blends.

Section 211(k) of the CAA requires the use of reformulated gasoline ("RFG") in the nine ozone NAAs having a 1990 population in excess of 250,000 and having the highest ozone design value during the period 1987 through 1989. The Chicago NAA met this criteria and the use of RFG was required beginning in 1995. As described in the Statement of Reasons, Phase II of the RFG program went into effect in 2000 and requires a 27.4% (averaging) reduction in summertime (May 1 through September 15) VOC emissions from RFG in VOC control region 2 (northern areas), which includes Chicago. Compliance with the RFG standards is measured by inputting specific gasoline characteristic parameters into the "complex model." The fuel parameters include RVP, oxygen, sulfur, aromatics, olefins, benzene, and the percent of fuel evaporated at 200 and 300 degrees Fahrenheit (E200 and E300, respectively.) The model evaluates the emissions from the RFG blend compared to the 27.4% reduction baseline. Although the RVP of the fuel is an important characteristic in determining the emissions from the fuel blend, the RFG standards do not establish a maximum volatility. Rather a refiner or blender can vary the specific parameters as long as the resultant blend meets the complex model overall emission reduction specification. In general though, the RVP for northern summertime RFG blends is in the range of 6.7 to 7.2 psi, well below the maximum limits established in 218.585. Therefore, the more stringent RFG requirements surpass the State Chicago NAA gasoline volatility regulations and render them obsolete, yet they remain in effect and compliance is still required.

The existence of the Chicago NAA gasoline volatility standards also become an obstacle in times of fuel shortages. In the event of a regional fuel shortage, Section 211(c)(4)(C) of the CAA, as amended in 2005, allows the USEPA, with the concurrence of the Department of Energy, to temporarily waive fuel requirements in order that other fuel can be brought into the area and

sold. The USEPA has issued two such emergency fuel waivers since 2005, one due to the impact of Hurricane Katrina, and a second due to damage caused by a severe storm to a Metro-East St. Louis area refinery. In these instances, the USEPA granted a short-term waiver from the RFG regulations, but due to the existence of the State Chicago NAA gasoline volatility standards, the State had to issue a provisional variance to the regulation in order for the USEPA waiver to achieve its intended effect. Repealing the existing Chicago NAA gasoline volatility standards, which are less stringent than the RFG standards, would result in no loss of emissions reduction benefits, and in times of regional fuel shortage, would eliminate the RVP State Implementation Plan ("SIP") waiver and provisional variance processes, allowing other fuel to be marketed in the affected region in a more efficient manner.

The State gasoline volatility regulation affecting the Metro-East St. Louis ozone NAA is found at 35 Ill Adm. Code 219.585. The Metro-East St. Louis ozone NAA includes Madison, Monroe, St. Clair and Jersey County. This regulation, in effect since 1994, limits the RVP of gasoline sold, offered for sale, dispensed, supplied, offered for supply or transported for use in the Metro-East St. Louis ozone NAA during the May 1 through September 15 control period to 7.2 psi. A 1.0 psi allowance is granted for 9 to 10 volume percent ethanol blends.

In addition to the areas required to market RFG as defined in the CAA, State Governors can petition the USEPA for the inclusion of other NAAs in the RFG program. Accordingly, the State of Illinois "opted-in" to the RFG program for the Metro-East St. Louis ozone NAA in July 2006 with the program becoming effective in July 2007. The required use of VOC control region 1 RFG would achieve additional emissions reductions beyond the Metro-East St. Louis ozone NAA 7.2 psi RVP limit and would harmonize the fuel requirements across the region as Missouri had opted-in to the RFG program for the St. Louis portion of the ozone NAA in 1999.

Similar to the situation in Chicago, when regional fuel shortages occurred and the USEPA issued a waiver from the RFG requirements to allow the flow of other fuels into the region, the State had to issue a provisional variance to the Metro-East St. Louis ozone NAA volatility regulation in order for the USEPA waiver to achieve its intended effect. Repealing the existing Metro-East St. Louis ozone NAA gasoline volatility standards, which are less stringent than the RFG standards, would result in no loss of emissions reduction benefits, and in times of regional fuel shortage, would eliminate the RVP SIP waiver and provisional variance processes, allowing other fuel to be marketed in the affected region in a more efficient manner.

The proposed deletions will not result in any increase in costs to entities currently affected by the State regulations.

Regarding the proposed revisions to the Motor Vehicle Refinishing regulations, in 1995, the Illinois EPA proposed and the Illinois Pollution Control Board adopted regulations to control volatile organic material ("VOM") emissions from motor vehicle refinishing operations located in the Chicago and Metro-East St. Louis ozone NAAs at 35 Ill Adm. Code Sections 218.780 – 218.792 and 219.780 – 219.792, respectively. These regulations were developed based on a USEPA Alternative Control Techniques document which recommended technologically feasible and economically reasonable control measures to reduce emissions from such operations. The Illinois EPA's proposed revisions affect two elements of the motor vehicle refinishing regulation: the equipment specifications and the registration requirements.

The equipment specifications included in the regulation at 218/219.784(a) require the use of either electrostatic spray equipment or HVLP spray equipment. HVLP is defined at 35 III Adm. Code Section 211.2990 meaning "equipment used to apply coatings by means of a spray gun

which operates between 0.1 and 10 psig [pounds per square inch gauge] air pressure." Limiting the pressure of the paint spray stream reduces the amount of overspray of paint from the surface being painted, thereby reducing paint usage and VOM emissions. HVLP equipment was considered "state-of-the-art" in minimizing paint usage in the mid-1990s. Since that time, however, paint applicator gun technology has advanced and equivalent or better transfer efficiency has been demonstrated by spray guns that exceed the 10 psig HVLP upper limit. Acknowledging this, the USEPA's National Emission Standards for Hazardous Air Pollutants ("NESHAP") that affects surface coating of motor vehicles (40 CFR 63, Subpart HHHHHH) includes HVLP spray guns among those guns permitted for such coating, but also allows the use of an equivalent technology demonstrated to be equal in transfer efficiency to HVLP. The USEPA's Office of Air Quality Planning and Standards reviews technical spray gun testing documentation provided by spray gun manufacturers and, when appropriate, issues official determinations that the subject spray guns "are capable of achieving equivalent or better transfer efficiency than the HVLP spray equipment." As such, these guns are approved for the application of coatings subject to the NESHAP. The NESHAP requires that shops maintain documentation from each spray gun manufacturer for each model of spray gun that does not meet the definition of an HVLP spray gun, electrostatic spray gun, airless spray gun, or airassisted airless spray gun but that demonstrates the subject spray gun achieves a transfer efficiency equal to one of the other allowed types of guns. The proposed State motor vehicle refinishing rule revision includes the same equivalency documentation requirement. The Agency understands that there are at least 12 non-HVLP spray guns produced by several different manufacturers that have been determined by the USEPA to be HVLP equivalent. A table identifying USEPA-approved HVLP-equivalent spray guns is included as Attachment B of the TSD. Therefore, in order to provide the flexibility for auto refinishing operations to use such

equivalent equipment, the Agency is proposing to allow "an equivalent coating applicator technology that is demonstrated by the manufacturer to achieve transfer efficiency comparable to the HVLP spray equipment technology listed in subsection (a)(2) of this Section for a comparable operation, and for which written approval has been obtained from the USEPA." The proposed revision also requires the owner or operator to maintain documentation of the USEPA's approval at the motor vehicle refinishing operation.

The Illinois EPA believes that the Board's adoption of the proposed equipment specification revision would allow motor vehicle refinishing operations to choose to use more efficient equipment that achieves the same or better emissions controls and reduces costs. This proposed rule revision does not impose any additional requirements on motor vehicle refinishing operations choosing to continue using the currently required electrostatic or HVLP spray guns. If shop owners choose to use HVLP-equivalent spray guns they must maintain documentation from the spray gun manufacturer of USEPA's approval of such gun(s) being determined equivalent. The NESHAP contains this same requirement. The Agency believes that the cost to maintain such records is negligible.

The second element of the proposed revision to the Chicago and Metro-East St. Louis ozone NAA motor vehicle refinishing regulations deals with the repeal of the registration requirement found at 35 III. Adm. Code 218/219.792. The registration requirements include providing source contact information, descriptions of coating operations, and certain certifications. The USEPA NESHAP also contains a registration requirement which includes an initial notification and annual notification of changes, and also contains recordkeeping requirements. Copies of both the current Illinois EPA "Motor Vehicle Refinishing Operations Registration Form" adopted for compliance with the State regulations and the SBEAP "Motor Vehicle Refinishing Initial

Notification/Compliance Certification/Notification of Changes & Illinois EPA Motor Vehicle Refinishing Registration" form are included in Attachment C to the TSD. The SBEAP form is used to certify compliance with both the State regulation and the NESHAP. These registration notifications are submitted to the Illinois EPA because it has been delegated authority to implement and enforce this NESHAP. This NESHAP targets the same sources that the State motor vehicle refinishing rules affect and the SBEAP form includes all the information requested by the State form as well as additional information specific to the NESHAP requirements. Based on these redundant State and federal registration requirements, the Illinois EPA is proposing that the State 218/219.792 registration requirements be deleted. Deletion of these requirements would slightly ease the compliance burden on regulated entities while still providing the Illinois EPA all needed facility information.

Regarding technical feasibility and economic reasonableness, the proposed revisions to the State gasoline volatility and motor vehicle refinishing regulations impose no new requirements on affected sources. The proposed revisions to the State attainment area gasoline volatility standards (215.585) delete an expired and duplicative regulation. The proposed deletions of the Chicago ozone NAA (218.585) and Metro-East St. Louis ozone NAA (219.585) gasoline volatility standards remove requirements that have essentially been superseded by the provisions of the more stringent federal RFG program. Gasoline meeting the federal RFG requirements has been required in the Chicago ozone NAA since 1995 and in the Metro-East St. Louis ozone NAA since July 2007. The discussed repeal of the regulations will also reduce the administrative burden of seeking fuel waivers and provisional variances during times of regional fuel shortages. As the proposed revisions reduce burdens on affected sources and do not result in costs, the Illinois EPA believes that the proposal is technically feasible and economically reasonable.

With respect to the Motor Vehicle Refinishing portion of this rulemaking, the Illinois EPA is proposing to allow the use of an HVLP-equivalent spray gun as an alternative compliance option and proposing to repeal the corresponding registration program due to overlapping federal registration requirements. Regarding the equipment specifications, the USEPA NESHAP allows the use of HVLP-equivalent paint spray guns. The USEPA has approved the use of twelve such HVLP-equivalent spray gun models, listed in Attachment B of the TSD, demonstrating that they are technically feasible and readily available. The Illinois EPA understands the HVLP-equivalent spray guns can be less expensive than the currently required HVLP guns. Therefore, allowing the use of HVLP-equivalent guns would provide a direct economic benefit to affected sources purchasing such equipment. Even if the HVLP-equivalent guns were the same price or more expensive, an indirect economic benefit could be afforded sources wishing to purchase such guns due to their increased paint transfer efficiency. The Agency believes that the cost, if any, in maintaining documentation regarding HVLP equivalency is negligible. Therefore, allowing the use of HVLP-equivalent spray guns is economically reasonable.

Regarding the proposed deletion of the State motor vehicle refinishing facility registration requirement, since the USEPA NESHAP includes a registration provision requesting similar and additional information, deletion of the State requirement would remove a duplicative regulation. Such action would decrease the administrative burden on such sources while still providing the Illinois EPA all necessary information. Therefore, the Illinois EPA believes that removing the State registration requirement is technically feasible and economically reasonable.

In conclusion, the Illinois EPA is requesting the Illinois Pollution Control Board to repeal the State ozone attainment area Gasoline Volatility Standards at 35 Ill. Adm. Code Section 215.585 as it is no longer in force and has been superseded by Federal gasoline volatility standards. In

addition, the Illinois EPA proposes a repeal of the Chicago and Metro-East St. Louis ozone NAA Gasoline Volatility Standards at 35 Ill. Adm. Code Sections 218.585 and 219.585 as these regulations have essentially been superseded by the applicability of the federal RFG program in those areas. Further, the Illinois EPA proposes clean-up amendments to 35 Ill. Adm. Code Parts 211, 215, 218 and 219 to make necessary updates and to be consistent with the repeal of the State gasoline volatility standards. Finally, the Illinois EPA proposes amendments to the Subpart HH Motor Vehicle Refinishing Equipment Specifications at 35 Ill. Adm. Code Sections 218.784 and 219.784 to allow for the use of HVLP-equivalent spray guns in motor vehicle refinishing operations, and proposes a repeal of the registration program at 35 Ill. Adm. Code Sections 218.792 and 219.792 due to overlapping federal registration requirements.

Adoption of this proposal will reduce the administrative burden on businesses involved in gasoline marketing and motor vehicle refinishing. It will also allow motor vehicle refinishing shops to utilize less expensive and/or more efficient paint applicator guns, thereby reducing costs and possible emissions. Through feedback during outreach conducted by the Illinois EPA and the SBEAP with the affected industries, affected sources are in favor of the proposed changes. The Illinois EPA has also consulted with representatives at USEPA, and they have no concerns with the proposed amendments.

STATE OF ILLINOIS)	
)	SS
COUNTY OF SANGAMON)	

CERTIFICATE OF SERVICE

I, the undersigned, an attorney, state that I have served electronically the attached <u>TESTIMONY OF MICHAEL D. ROGERS</u> upon the following persons:

John Therriault, Assistant Clerk Illinois Pollution Control Board James R. Thompson Center 100 West Randolph St., Suite 11-500 Chicago, Illinois 60601 Matthew Dunn, Chief Division of Environmental Enforcement Office of the Attorney General James R. Thompson Center 69 West Washington, Suite 1800 Chicago, Illinois 60602 mdunn@atg.state.il.us

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

By: <u>/s/ Kent E. Mohr Jr.</u>

Kent E. Mohr Jr. Assistant Counsel Division of Legal Counsel

DATED: July 30, 2012

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