

CELLY SERVICES, INC.

Environmental, Health and Safety Services

DEALER ALERT

TO: Environmental Health and Safety (EHS) Coordinator
FROM: Sam Celly, MS JD CSP REA
SUBJECT: Exemptions to Phase II EVR Upgrades on Gasoline Dispensers
DATE: August 10, 2008

California Air Resources Board (CARB) has adopted regulations that require Phase II Enhance Vapor Recovery (EVR) upgrades to the gasoline dispensers on underground tanks by April 1, 2009. Approximate cost of the upgrades is running from \$20-30K. We last wrote to you on this issue on April 10, 2008 and this dealer alert discusses how to get exemption from the upgrade. The Air Pollution Control Districts who are spearheading the compliance phase of the state law are willing to issue exemptions to dealers provided certain conditions are met. We discuss those conditions in this Dealer Alert.

South Coast Air Quality Control District (SCAQMD)

If you reside in Los Angeles, Orange, Riverside or non-desert portions of the San Bernardino County, this is the regulating agency for you. Exemption to the upgrade will last till April 1, 2012. So if you wish to remove the tank by 2012, then the exemption to the Phase II EVR upgrade makes sense. Otherwise go ahead with the upgrade. The exemption must be applied for by October 1, 2008 and conditions must be met as follows:

- Use CARB approve nozzles
- Use Pressure monitoring devices that measure pressure inside the tank every 5 minutes and keep records for 3 years.
- No fuel for vehicle not under direct control of dealership
- No fuelling of vehicles prior to 1999 model year
- Records of fuel dispensed into vehicles must include the date of dispensing, quantity of fuel, and make, model yr., & VIN number of the vehicle. The records must be maintained for five years

The exemption requirements are so onerous that we believe you are better off either removing the tank or installing the upgrades. A compliance form must be submitted to SCAQMD by October 1, 2008 with a \$224.60 fee. There are penalties for late submission of form and for non-compliance with the plan listed on the compliance form. Forms are available at www.aqmd.gov/permit/Formpdf/Basic/AQMDForm400-A.pdf and www.aqmd.gov/comply/Forms/R461CP.pdf.

San Diego Air Pollution Control District (SDAPCD) Rule 61.4 and 61.4.1

To obtain exemption from the Phase II EVR upgrades, the application and fee must be submitted to SDAPCD by October 1, 2008. After the exemption has been approved, the non-retail facility, where at least 95% of vehicles have ORVR, must remove the Phase II EVR equipment by April 1, 2009. Conditions must be met as follows:

- Maintain records for all vehicles being filled including the Gross Vehicle Weight Rating, year, and make.
- Verify the Evaporative Family Code on the emission label under the vehicles hood to ensure the vehicle has ORVR.

Summary: Decide whether you really want to keep the gas tank. If you do, call your contractor and get the upgrade process started. You have till October 1, 2008 to get your forms and fees in!

The article was authored by Sam Celly of Celly Services, Inc. Sam has been helping automobile dealers comply with EPA & OSHA regulations in California, Nevada, Arizona, Hawaii & Idaho since 1987. Your comments/questions are always welcome. Please send them to sam@cellyservices.com.