



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF

AE-17J

David Fiedler, Manager  
Environmental Assistance Program  
Environmental Science and Service Division  
Michigan Department of Environmental Quality  
525 West Allegan Street  
Lansing, Michigan 48909-7957

**Re: Gasoline Dispensing Facilities, 40 C.F.R. Part 63, Subpart CCCCCC**

Dear Mr. Fiedler:

This letter is in response to your letter, dated October 24, 2008, requesting that U. S. Environmental Protection Agency provide assistance to the Michigan Department of Environmental Quality (MDEQ or you) in understanding certain requirements for the National Emission Standards for Hazardous Air Pollutants for the Gasoline Dispensing Facility Source Category at 40 C.F.R. 63 Subpart CCCCCC.

Specifically you identified four topics on which MDEQ would like EPA to provide assistance and MDEQ stated them as follows:

1. "Under the Emissions Limitations and Management Practices portion of the Rule (Section 63.11118), we believe that gasoline dispensing facilities (GDFs) with a monthly throughput of 100,000 gallons or more must comply with one of the following three options:
  - a. Comply with the practices in Table 1 of the Rule;
  - b. Comply with a state, local, or tribal rule that requires a vapor balance system that is equivalent to Table 1 or achieves an emission reduction of at least 90% [sic]; or
  - c. Install a vapor balance system that achieves a 95% emission reduction or better.

Is our above interpretation of Section 63.11118 correct?"

MDEQ's interpretation of 40 C.F.R. 63 § 63.11118 is correct, with two clarifications. For Option 1.b above, this option is available for vapor balance systems in compliance with state, local, or tribal rules prior to January 10, 2008. For Option 1.c above, the owner or operator shall

install and demonstrate by specified testing that a vapor balance system achieves a 95 percent emission reduction or better.

2. "Michigan has two vapor balance system regulations that pertain to gasoline dispensing facilities located in specific regions of the state: R 336.1606 of the Michigan Air Pollution Control Rules and the Motor Fuels Quality Act, Public Act 44 of 1984. Both of these requirements state that the vapor balance system shall return no less than 90% of the displaced gasoline vapor from the storage tank to the tanker. There is no mention of certification of this efficiency in the requirements. Act 44 does require pressure/vacuum vent valves; Rule 336.1606 does not. Does R 336.1606 and Act 44 of 1984 meet the requirements found in Section 63.11118(b)(2)(i)(A)?"

For vapor balance systems installed and in compliance with the 90 percent provision per § 63.11118(b)(2) prior to January 10, 2008 and based on the statements that MDEQ has made in Question # 2 regarding R 336.1606 and Public Act 44, EPA believes would be no conflict between the requirements outlined in § 63.11118(b)(2)(i)(A) and R 336.1606 or Public Act 44 of 1984. In § 63.11118(b)(2), there is no requirement for pressure/vacuum vent valves or periodic testing per the 90 percent provision. For new vapor balance systems installed at new or existing sources after January 10, 2008, a GDF must comply with Table 1, which includes pressure/vacuum vents, or demonstrate 95 percent emission reduction or better.

3. "Are GDF's excluded from testing if they are complying with an enforceable state rule requiring the vapor balance system to achieve an emissions reduction of at least 90%? The testing and monitoring requirements in Section 63.11120(a) pertains to GDFs complying with Table 1 and Section 63.11120(b) pertains to those GDFs using a vapor balance system that achieves an emission reduction of at least 95%. Nothing in Section 63.11120 pertains to those GDFs complying with a state rule that requires at least 90% emissions reduction."

If a GDF is complying with § 63.11118(b)(2), then the periodic testing in § 63.11120(a) does not apply for existing vapor balance systems in compliance prior to January 10, 2008. However, if the state 90 percent rule requires periodic testing, then GDF must comply with both rules. In addition, new vapor balance systems that were installed in that state at new or existing sources after January 10, 2008, must comply with Table 1 (including pressure/vacuum vents) or demonstrate 95 percent reduction and perform periodic testing required in § 63.11120(a) and (b)(3) respectively.

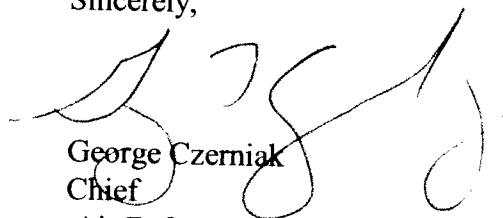
4. "Are we to infer from Table 1, Item 2, that vapor balance systems installed after November 9, 2006, must be dual-point, and that prior to that date either coaxial or dual-point vapor balance systems are acceptable?"

Assuming the state rule meets the 90 percent provision, a new vapor balance system, installed at new, reconstructed, or existing sources after January 10, 2008, must comply with Table 1 or demonstrate 95 percent, along with the periodic testing of § 63.11120(a). If the GDF chooses Table 1, instead of the 95 percent option, then Item 2 applies for new or reconstructed GDF or new storage tanks and must install a dual-point system. If the GDF installs a vapor

balance system without reconstructing the GDF or installing a new tank, then Item 2 does not apply, and the GDF can used either dual point or coaxial systems.

If you have any questions regarding this response, please contact, Constantinos Loukeris at (312) 353-6198. In preparing the response above, EPA has consulted with Steve Shedd of EPA's Office of Air Quality and Planning Standards at (919) 541-5397.

Sincerely,

A handwritten signature in black ink, appearing to read 'G Czerniak', written over the printed name.

George Czerniak  
Chief

Air Enforcement and Compliance  
Assurance Branch