



## Legislation Text

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**File #:** 09-1425, **Version:** 2

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Environmental Management Department, Air Quality Management District, recommending adoption of Resolution approving a one-time transfer of emission reduction credits from Sacramento Metro Air Quality Management District to DST Output West facility in El Dorado Hills. (Cont'd 12-10-09, Item 56) (Est. Time: 10 Min.)

### **Resolution 272-2009**

#### **Fiscal Impact/Change to Net County Cost:**

No net impact to County cost.

#### **Background:**

DST Output West, LLC (DST), has proposed to add several new printing machines that will result in additional Volatile Organic Compound (VOC) emissions of up to 0.7 tons per year to their existing facility at 5220 Robert J. Mathews Pkwy, Eldorado Hills. The additional VOC emissions have the potential to exceed the cumulative 10 ton per year VOC emission threshold of significance, established by El Dorado County Air Quality Management District (EDCAQMD) Rule 523 - New Source Review. In order to accomplish the proposed printing capacity expansion, VOC emission exceedances must be offset by emission reductions credited to a stationary source by EDCAQMD, or other air district, pursuant to Health & Safety Code (HCS) Section 40709. Because currently no emission reduction credits (ERCs) are available in EDCAQMD, DST purchased 1.4 tons of VOC ERCs from a facility located in Sacramento Metro Air Quality Management District (SMAQMD) to offset potential VOC threshold exceedances. Pursuant to Rule 523 a distance ratio of 2.1:1 must be applied to these specific ERCs, meaning that 1.4 tons ERCs obtained in SMAQMD represents only 0.7 tons ERCs when transferred to EDCAQMD.

HSC Section 40709.6 (a) (1) does not allow ERCs transfer from SMAQMD to EDCAQMD because the districts are located in different air basins and the upwind district (SMAQMD), where the source to which the ERCs are credited is located, is not classified as being in a worse non-attainment than the downwind district (EDCAQMD). Senate Bill (SB) 1662, approved on September 30, 2008, allows one stationary source in EDCAQMD to offset increases in emissions by emission reductions credited to a stationary source located in SMAQMD. Prior to authorizing any offsetting of emissions allowed by SB 1662, EDCAQMD is required to prepare and certify an Environmental Impact Report (EIR) pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, including an analysis of, and mitigation for, environmental impacts. Additionally, HSC Section 40709.6 (d) requires that ERCs transfers between different air districts must be approved by resolutions adopted by the governing boards of both air districts, after taking into consideration the impact of the offset on air quality, public health and the regional economy.

In connection with the foregoing, EDCAQMD as the lead agency caused the preparation of a Draft Environmental Impact Report (DEIR), dated October 2009, State Clearinghouse No. 2009082051 to analyze potential environmental impacts arising from the proposed DST Output West Printing Capacity Expansion Project (Project). The DEIR concluded that no significant impacts would be

expected from the proposed Project and, therefore, no mitigation measures are required. The Final EIR (FEIR), dated November 2009, confirmed the DEIR analysis and conclusions. The FEIR was approved and certified by the EDCAQMD Board of Directors on December 8, 2009.

**Reason for Recommendation:**

Staff recommends adoption of the Resolution (Attachment A) which approves transfer of 1.4 tons of ERCs from SMAQMD to EDCAQMD to offset up to 0.7 tons of VOC emissions increase at the DST Output West facility in El Dorado Hills.

**Action to be taken following Board approval:**

- (1) Approved ERCs (1.4 tons VOC) shall be deposited into the formal EDCAQMD ERCs Register ("Bank")
- (2) Applicable DST Output West Permits to Operate (PTOs) shall be modified to allow for additional 0.7 tons per year of VOC emissions.

**Contact:**

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**Concurrences:**

County Counsel has approved the Resolution.