



**Department of the Environment**

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# Stage II Vapor Recovery COMAR 26.11.24 Amendments



**2014 Stage II Regulations**

**Stakeholder Meeting #5 – January 30, 2014**



# Topics Covered

- Background and timing
- What we've heard from stakeholders
- Air quality challenges
- Key concepts behind the revised draft regulation
  - Moving ahead quickly
  - New builds
  - Decommissioning at existing stations
  - Electric vehicle charging
- Discussion
- Next Steps/Wrap-Up



# Background

- We've been working on this for several years
  - Original AQCAC briefing on March 26, 2012
  - Stakeholder meetings
    - April 27, June 14 and December 17, 2012
    - November 12, 2013
    - January 30, 2014
    - EV Charging Plan Workgroup
      - 11/25/13, 12/17/13, 1/15/14
    - Multiple Ad-Hoc Oil Committee meetings



# How Fast?

- MDE believes we are at a point where if we get agreement from stakeholders we could have the regulation in place by this summer
- This means that Stage 2 would no longer be required in a couple months from now
- Decommissioning could also begin several months from now
- Working to finalize the regulation quickly is critical
  - Will use expedited rulemaking



# What We Have Heard

*Input from stakeholders has been greatly appreciated*

- Move ahead quickly
  - Investments have been put on hold
- Recognize the difference between smaller and larger operations
- Provide maximum flexibility in the EV Charging part of the draft regulation
  - Consider a voluntary approach - minimize cost
- Make sure that environmental progress is maintained
- MDE worked to address all of these issues in drafting the regulation



# Challenges

- Maryland records the highest ozone levels in the East
  - Because of this, moving away from Stage 2 quickly is very challenging
- MDE has completed the analyses required by EPA guidance. These analyses show that:
  - Moving away from Stage 2 will result in a loss of about 2 tons per day of VOC emission reductions
  - In MD “widespread use” occurs in the 2017 to 2020 time frame
- Moving ahead quickly to eliminate Stage 2 creates a loss of environmental benefits that must be made up
  - MDE believes the EV Charging Plan requirement is a very significant effort to continue making environmental progress





# Why You Should Like the Regulation

- Small operations get a free ride
  - Stage 2 eliminated immediately with no requirement to help resolve the loss of environmental benefits
- Everyone moves ahead very early
  - Small and large operations can move away from Stage 2 immediately
- The EV Charging Plan requirement applies to only larger operations
  - Total flexibility in terms of where and how to invest
  - Overall cost savings to owners of large operations is still very large
    - Investment into EV Charging less than 10% of total savings
- The EV Charging Plan requirement will provide significant environmental benefits to help resolve the loss of emission reductions



# The Draft Regulation

- Strikes a balance between:
  - The desire to move ahead quickly with virtually no impact on small businesses and minimal impact on larger operations ... and
  - The need to continue environmental progress
- Key language in the regulation
  - New stations
  - Immediate decommissioning for small and large operations
  - Dripless nozzles
  - EV Charging Plan requirements





# New Builds

- As soon as the regulation becomes effective ...
- New builds at smaller operations do not need to install Stage 2 equipment
- New builds at larger operations do not need to install Stage 2 equipment as long as they have an EV Charging Plan

## **.03 General Requirements.**

*A-1. Gasoline Dispensing Facilities constructed after January 1, 2014. Notwithstanding § .03A, an owner or operator of a gasoline dispensing facility constructed after January 1, 2014:*

*(1) With an estimated annual gasoline throughput of less than 30,000,000 gallons for the owner's entire system of gasoline dispensing facilities in Maryland is not required to install and operate a Stage II vapor recovery system; or*

*(2) With an estimated annual gasoline throughput of 30,000,000 or more gallons for the owner's entire system of gasoline dispensing facilities in Maryland may either install and operate a Stage II vapor recovery system or meet the requirements of §.03-2.*

*A-2. Annual gasoline throughput is based upon 2012 data.*



# Decommissioning at Existing Stations

- As soon as the regulation becomes effective
- For smaller operations – May decommission immediately
- For larger operations – May decommission immediately if they have an EV Charging Plan

## ***.03-1 Decommissioning of the Stage II Vapor Recovery System.***

*A. Notwithstanding § .03A, an owner or operator of a gasoline dispensing facility or system of gasoline dispensing facilities that operates an approved Stage II vapor recovery system:*

*(1) With an annual gasoline throughput of less than 30,000,000 gallons may decommission Stage II vapor recovery systems in accordance with §.03-1C after January 1, 2014;*

*(2) With an annual gasoline throughput of 30,000,000 or more gallons may decommission Stage II vapor recovery systems in accordance with §.03-1C after January 1, 2014 if the requirements of §.03-2 are met.*

*B. Annual gasoline throughput is based upon 2012 data.*





# Dripless Nozzle Requirement

- Proposed in original draft of regulation
- Stakeholders had major concerns over availability and costs
- Originally proposed to help minimize the loss of emission reductions
- MDE believes the EV Charging Plan represents a very significant investment into continued environmental progress
- Proposing to eliminate the requirement for dripless nozzles because of the EV Charging Plan requirement



***03-XYZ Requirement for Dripless Nozzles***





# EV Charging Station Requirement

- Larger operations only – Annual throughput 30,000,000 gallons per year or more
- Total flexibility to owner – where and how to invest – grants, partnerships – all perfectly fine - 6 Years to install

## ***.03-2 Electric Vehicle Charging Station Option.***

*A. Notwithstanding § .03A, an owner or operator of a large system of gasoline dispensing facilities that decommissions pursuant to § .03-1A (2) of this chapter, or that elects to forego installation and operation of a Stage II vapor recovery system pursuant to .03A-1(2) of this chapter shall:*

*(1) Install Direct Current fast charge electric vehicle charging stations as specified in the following table:*

<i>Number of Maryland Stations Owned in 2012</i>	<i>Required Number of DC Fast Charge Electric Vehicle Charging Stations</i>
<i>8-49</i>	<i>2</i>
<i>50-100</i>	<i>5</i>
<i>Greater than 100</i>	<i>11</i>

*2) Install required Direct Current fast charge electric vehicle charging stations by 2020.*





# Early Installation Option

- Incentive for early installation of EV Chargers
- If half of the chargers that are required ... are installed by 2017
  - The total number of chargers is reduced according to table below
- Rewards early action

## *B. Early Installation Incentive Option.*

*(1) Owners who install at least 50% of their required number of Direct Current fast charge electric vehicle charging stations as specified in § .03-2A(1) before January 1, 2017 are only required to install the total number of Direct current fast charge electric vehicle charging stations as specified in § .03-2B(2).*

*(2) Required number of Direct current fast charge electric vehicle charging stations if the requirements of § .03-2B(1) are met:*

<i>Number of Maryland Stations Owned in 2012</i>	<i>Required Number of DC Fast Charge Electric Vehicle Charging Stations</i>
<i>8-49</i>	<i>1</i>
<i>50-100</i>	<i>3</i>
<i>Greater than 100</i>	<i>8</i>





# EV Charging Plan

- Not fixed – a dynamic plan - expected to be updated
- Opportunity for MDE and other State agencies to provide assistance on location, partnership and grant opportunities and other information

*. (3) Submit, to the Department, not later than 3 months before decommissioning Stage II Vapor recovery systems or prior to submittal of a permit to install a new station, a plan detailing:*

- (a) the number of Direct Current fast charge electric vehicle charging stations planned to be installed;*
- (b) the proposed location of the installed Direct Current fast charge electric vehicle charging stations;*
- (c) the proposed schedule for installation of the Direct Current fast charge electric vehicle charging stations;*
- (d) a description of how changes to the plan will be communicated to the Department; and*
- (e) Any additional information requested by the Department.*





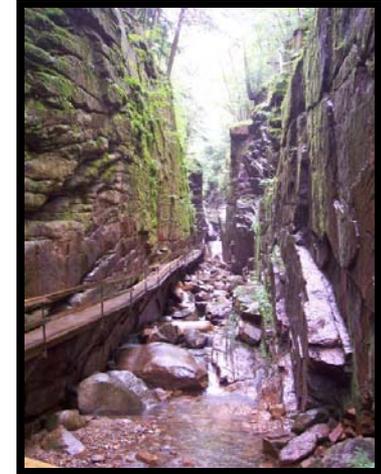
# A More Voluntary Approach?

- MDE gave serious consideration to making the EV Charging requirement more voluntary
  - For example ...
  - Owners could volunteer to meet EV Charging requirements to decommission early in 2014
  - Other owners could avoid EV Charging requirement, but would have to wait until 2017, 2018 or 2019 to decommission
- Why we did not go down that path:
  - Small guys would not be allowed to decommission early
  - Owners who choose to not opt into the EV Charging Plan requirement would then be required to install dripless nozzles
    - A second negative for small operations
  - “No Stage 2” at new builds ... less clear cut
  - MDE concept is better for the environment...
    - And – we believe – better for business



# Regulation Adoption Schedule

- Proposed Schedule
  - AQCAC briefing January 31, 2014
  - AQCAC approval in March
  - Proposal to Maryland Register as an emergency rulemaking in April
  - All approvals for emergency rulemaking by June/July
  - Effective June/July 2014
  - Published in Maryland Register in the Fall



# Discussion

- Regulatory concepts
  - Moving ahead quickly to eliminate Stage 2
  - Requirements for small operations
  - Requirements for large operations
  - Making up for loss of environmental benefit with the EV Charging Plan requirement
- Regulatory language
  - Questions from Stakeholders



# Questions?

