



**** ADVISORY ****

NOTIFICATION AND CLARIFICATION OF PERMIT REQUIREMENTS FOR CANNABIS OPERATIONS

Equipment Applicability

This advisory contains a notification and clarification of the permit requirements for the cultivation of cannabis and the extraction and processing of hash oil within the Monterey, Santa Cruz and San Benito Counties.

Permit Requirements

The Monterey Bay Air Resources District (District) is responsible for the issuance of air quality permits for stationary equipment which may emit any of the criteria air pollutants [particulate matter (PM), volatile organic compounds (VOC), oxides of sulfur (SO_x), oxides of nitrogen (NO_x), or carbon monoxide (CO)], any toxic air contaminants identified by EPA or the California State Office of Environmental Health Hazard Assessment (OEHHA), or odorous pollutants. Any abatement device which may reduce or eliminate air contaminants is also subject to permit requirements.

Cultivating Operations

The equipment listed below **are exempt** from permit requirements as long as the actual emissions from this equipment plus those requiring a permit listed below are less than 50% of the major source threshold (e.g. 50 tons/year NO_x, CO, or VOC)*:

- a. Cultivation within a greenhouse that is equipped with a dust collection system or odor control system;
- b. Cultivation activities served by natural gas and/or liquefied petroleum gas (LPG) fired boiler, or other closed heat transfer systems; and,
- c. Cultivation activities served by fuel oil fired boiler, or other closed heat transfer systems.

* Please contact the District if you need a review of your actual emissions. Our staff time to estimate the actual emissions will be charged using our current hourly staff rate.

Based upon the District's review of the cannabis industry's operations, the following equipment and processes have been deemed subject to District permitting requirements:

1) Cultivating Operations

- a. Drying or processing of harvested cannabis within a building that is equipped with a dust collection system or odor control system;
- b. Gasoline storage tanks greater than 250 gallons; and,
- c. Emergency or prime use internal combustion engines, rated equal to or greater than 50 horsepower.**

** Please check with your local County Planning Department to determine if the use of engines, either for emergency or prime, is allowed for in cannabis cultivation operations.

2) Manufacturing Operations:

- a. Marijuana leaf processing/preparation area equipped with either dust collection system, or odor control system;
- b. Hash oil extraction via hydrocarbon solvents (i.e. butane, propane, ethanol, etc.);
- c. Hash oil processing/separation via hydrocarbon solvents;
- d. Emergency or prime use internal combustion engines, rated equal to or greater than 50 horsepower; and,
- e. Tanks, containers, or reservoirs used to store ethanol, or an organic solvent with an initial boiling point of less than 300 degrees Fahrenheit, or with an organic vapor pressure greater than 0.5 mm Hg (0.1 psi absolute) at 70 degrees Fahrenheit, and having a capacity of greater than 250 gallons.

3) General Facility Operations or Testing Laboratories:

- a. Fume hoods with chemical usage that exceed the limits outlined in Rule 201;
- b. Natural gas and/or liquefied petroleum gas (LPG) fired boiler, or other closed heat transfer systems, with an individual or aggregated heat input of equal to or greater than 2 million Btu/Hr; and,
- c. Emergency or prime use internal combustion engines, rated equal to or greater than 50 horsepower.

Best Available Control Technology (BACT)

The District's rules require that we calculate emissions in two ways (1) each piece of equipment subject to permitting and (2) the entire facility to determine whether Best Available Control Technology (BACT) is required. For example, each individual extraction system and hash oil processing/separation system with a potential to emit of 25 lbs/day or greater of volatile organic compounds (VOCs) is subject to BACT. Also, if the total emissions from all permit units at a cannabis stationary source has a potential to emit of 150 lbs/day or greater of VOCs, then the source is subject to the BACT requirements.

Separate District guidance documents defining BACT for boilers and internal combustion engines are available on the District website: www.mbard.org. Please contact the District's Engineering Division at (831) 647-9411 if you have questions about BACT requirements.

Offsets

Cannabis sources may also be subject to District offset requirements. Offsets are an emissions reduction necessary to mitigate an emissions increase of an affected pollutant and are required from a new or modified stationary source that has the potential to emit greater than or equal to the 137 lbs/day of VOCs. A stationary source may be exempt from offsets if the facility's actual emissions are less 10 tons/year.

Alteration, Renovation & Demolition Activities

If the proposed cannabis business operation includes; an alteration, renovation, or demolition in any structure, a thorough asbestos project survey must be conducted on the affected building materials in/on the facility prior to construction activities.

Notification to the District may be required for any demolition activity and/or removal of regulated quantities of asbestos. Please contact the District's Compliance Division/Asbestos Program for any guidance and information at (831) 647-9411.

Additional Information

Should you have any questions regarding the permit applicability for your cannabis operations, please contact the District's Engineering Division at (831) 647-9411. The Engineering Division can also provide you with permit application forms and permit application fee sheets to commence the permitting process for your proposed facility.