

Proposed Rules Marijuana Producers & Processors in Spokane County



A Message from the Spokane Regional Clean Air Agency

Background

Producing and processing marijuana releases volatile organic compounds and odors which are air contaminants. Spokane Regional Clean Air Agency (SRCAA) is proposing rules to minimize air contaminants from state licensed marijuana producers and processors in Spokane County.

The production and processing of marijuana began in Spokane County in 2014. From July 2014 through August 2017, odor complaints filed with Spokane Clean Air more than doubled over the previous three year period.

SRCAA's Board of Directors determined that an industry-specific program was needed to address air contaminants and provide the mechanism to pay for such a program. This is consistent with other commercial operations regulated by SRCAA.

Key elements of the proposed rules, summarized in this fact sheet, require amendments to specific articles of SRCAA Regulation I: Article IV Registration; Article V New, Modified, and Temporary Stationary Sources; Article VI Emissions Prohibited; Article X Fees; and the Consolidated Fee Schedule. These proposed draft documents are online and available for review and public comment, *see box below*.

Public Comment Period & Hearing

A public comment period on the proposed rules starts **November 1, 2017**, and ends at the close of a public hearing on **December 7, 2017**. Written comments may be mailed to Margee Chambers, SRCAA, 3104 E. Augusta Avenue, Spokane, WA 99207, or emailed to publiccomment@spokanecleanair.org

A **Public Hearing** will take place at SRCAA's Board of Directors meeting on December 7, which begins at 9:30 a.m., at 3104 E. Augusta Ave, Spokane, WA. Full regulation documents are online at SpokaneCleanAir.org, linked under "Hearings & Notices," or upon request by calling SRCAA at (509) 477-4727 x 114.

Producer

A producer is an operation that propagates, grows, harvests, and trims marijuana to be processed. Under SRCAA's proposed rules, there are three distinct categories of Producers: Indoor Producer, Outdoor Producer and Other Producer.

Indoor Producer (fully-enclosed building)

An indoor producer is an operation that is in a fully enclosed building that is permanently affixed to the ground, has permanent rigid walls, a non-retractable roof, and doors. The building is equipped to maintain control of environmental conditions.



Indoor Producers will be required to:

- Register with SRCAA, pay an initial registration fee in 2018 and annual registration fee thereafter, and be subject to periodic inspections.
- Use air pollution control equipment, facility design, or both to reduce air contaminants.
- Meet existing SRCAA odor regulation - Regulation I, Article VI, Section 6.04.
- Keep doors and windows closed, except for active ingress and egress.
- Follow an Operations & Maintenance plan for air pollution control equipment and keep maintenance records.
- Notify SRCAA of any changes in operations.

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Outdoor Producer (no structures of any kind)

Outdoor Producer is an operation that occurs on an expanse of open or cleared ground (no structures of any kind) and operates during Spokane County's customary outdoor growing season without control of environmental conditions (watering and short term covering of plants for a portion of each day as needed for frost protection are not considered control of environmental conditions.)

Outdoor producers will be required to:

- Register with SRCAA, pay an initial registration fee in 2018 and annual registration fee thereafter, and be subject to periodic inspections.
- If propagation occurs indoors, use air pollution control equipment, facility design, or both to reduce air contaminants.
- Keep doors and windows closed except for active ingress or egress.
- Meet SRCAA's existing odor regulation - Regulation I, Article VI, Section 6.04.
- Provide a harvest schedule to SRCAA.
- Notify SRCAA of any changes in operations.

Other Producer

Other Producer is an operation that doesn't meet the indoor or outdoor producer definitions. This includes hoop houses, temporary structures or other similar structures. Existing producers that fall in this "other producer" category may apply for an exemption and if granted, meet specific conditions. New and/or expanding producers must meet either the indoor or the outdoor producer requirements.



Other Producer... *continued*

Other Producers will be required to:

- Register with SRCAA, pay an initial registration fee in 2018 and annual registration fee thereafter, and be subject to periodic inspections.
- Provide a harvest schedule to SRCAA.
- Notify SRCAA of any changes in operations.
- Current producers in operation before the rule effective date may apply for an exemption within six months of the rule effective date. If granted a production exemption, conditions must be met including at a minimum:
 - ✓ Meet an odor standard of no odors at level 2 (odor is distinct and definite, any unpleasant characteristics are recognizable) or higher at or beyond the operation property line.

Processor

A Processor is an operation that dries, cures, extracts, compounds, converts, packages, and labels usable marijuana and marijuana concentrates. All processing must occur indoors. **Processors** will be required to:

- Register with SRCAA, pay an initial registration fee in 2018 and annual registration fee thereafter, and be subject to periodic inspections.
- Use air pollution control equipment, facility design, or both.
- Meet existing SRCAA odor regulation - Regulation I, Article VI, Section 6.04.
- Keep doors and windows closed except for active ingress or egress.
- Follow an Operations & Maintenance plan for air pollution control equipment and keep maintenance records.
- Notify SRCAA of any changes in operations.

Processors that only purchase marijuana concentrate (e.g. oil) to manufacture infused products may apply for a processing exemption. If granted a processor exemption, the processor will be exempt from these rules; however they must still meet SRCAA's existing odor regulation - Regulation I, Article VI, Section 6.04.

Proposed Rule for Marijuana Producers/Processors in Spokane County

Proposed Fees

The proposed fees are set to cover the costs of administering the marijuana registration program, including initial and annual registration, on-site inspections, and administrative support. As required by law, the fees collected may only be used for this program. Fees are reviewed annually and revised as appropriate.

Marijuana Production and Processing Registration Fees			
Initial Registration Fee			
Registration fee categories	WA State Liquor and Cannabis Board (LCB) defined Producer Tier Size		
	Tier 1	Tier 2	Tier 3
Producer w/ processor license	\$750	\$1000	\$1250
Producer only	\$525		
Processor only	\$525		
Annual Registration Fee			
Registration fee categories	Tier 1	LCB Tier 2	LCB Tier 3
Producer indoor only	\$528	\$660	\$824
Producer outdoor only	\$1030	\$1286	\$1606
Producer indoor & outdoor	\$1558	\$1946	\$2430
Producer w/ Agency granted production exemption	\$3038	\$3798	\$4748
Processor w/ producer license	\$264 + producer fee		
Processor only	\$528		

Production Exemption Application Fee	
One time exemption application fee	\$980

Additional information about this proposed rule is on the back.

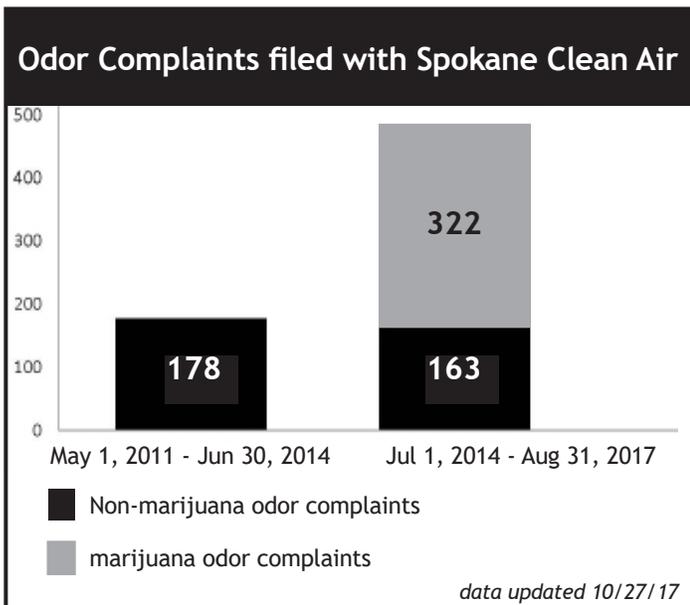
Why is Spokane Clean Air proposing regulations for this industry?

Producing and processing marijuana releases volatile organic compounds (VOCs) and odors which are air contaminants per Washington state law and are therefore subject to regulation.

State and local rules also address that a person cannot cause or allow emissions of any air pollution that is likely to cause injury to human health and safety; damage to property; or unreasonably interfere with enjoyment of life and property.

Since the production and processing of marijuana began in Spokane County in 2014 through August 2017, odor complaints filed with Spokane Clean Air more than doubled over the previous three year period.

From July 1, 2014 through August 31, 2017, there were 322 complaints filed with Spokane Clean Air regarding odor impacts from marijuana operations. There were 69 unique complainant addresses that filed odor complaints. There were 44 unique odor source locations (addresses) that had at least one complaint filed against them.



How was the rule developed?

In late 2015, Spokane Clean Air’s Board of Directors determined that an industry-specific program was needed to more effectively address air contaminants and odors and provide the mechanism to pay for such a program. This is consistent with other commercial operations regulated by Spokane Clean Air.

At the direction of its Board, staff initiated a stakeholder process to inform and make recommendations to staff on development of a program to prevent or minimize air contaminants from marijuana production and processing. A Marijuana Advisory Committee was formed, comprised of 15 members representing various stakeholders with diverse perspectives. The committee met six times in 2016 and provided information, insights, opinions and ideas that were shared with the Board during program development.

Will this proposed rule help decrease odors?

By establishing standards to minimize air contaminants from production and processing operations, odors should be reduced. Indoor producers must have controls in place to minimize release of air contaminants. Outdoor producers may only operate during the customary growing season and cannot control environmental conditions (watering and short term covering of plants for a portion of each day as needed for frost protection are not considered control of environmental conditions.) Other producers who apply and receive an agency-granted exemption will have to meet exemption conditions, including no odors at level 2 (odor is distinct and definite, any unpleasant characteristics are recognizable) or higher at the operations property line or beyond.

If adopted, how much time will producers and processors have to comply with the rules?

Existing businesses that are not in compliance will have up to one year from the effective date to comply. During the transition year, the businesses must continue to comply with the existing odor rule. After the transition year, Spokane Clean Air will conduct periodic inspections, as is done with the 600 other businesses we regulate. Spokane Clean Air will continue to receive and respond to odor complaints. New and/or expanding businesses must meet program requirements before they begin operations.