#### SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT

#### DRAFT PROPOSED AMENDMENTS TO RULE 20.1 – NEW SOURCE REVIEW-GENERAL PROVISIONS, RULE 20.4 – NEW SOURCE REVIEW-PORTABLE EMISSION UNITS, AND RULE 1401 – TITLE V-GENERAL PROVISIONS

## WORKSHOP REPORT

The San Diego County Air Pollution Control District (District) held a public webinar on February 3, 2021, to discuss and receive input on the draft proposed amendments to Rule 20.1 – New Source Review (NSR)-General Provisions, Rule 20.4 – New Source Review-Portable Emissions Units, and Rule 1401 – Title V-General Provisions. A webinar notice was mailed to each air quality permit holder and chamber of commerce in the region, as well as the U.S. Environmental Protection Agency (EPA) and California Air Resources Board (CARB). In addition, facilities likely to be impacted by the Rule 1401 change were identified and contacted individually. A webinar notice was also posted on the District's website and distributed to interested parties including through the County of San Diego's electronic mail service.

The workshop was attended by 45 people. A summary of the comments and District responses are provided below:

#### **RULE 20.1 COMMENTS**

#### 1. WORKSHOP COMMENT

No comments received.

#### 2. <u>CARB COMMENT</u>

CARB had no official comments at this time.

### 3. <u>EPA COMMENT</u>

Section (a) Applicability specifies that the rule applies to a permit application based on rule requirements in effect on the date that the application is determined to be complete. By specifying the rule's applicability based on the date of application completeness, this language may limit the Air Pollution Control Officer's ability to ensure a source will comply with applicable NSR program requirements at the time the permit is issued. The District should remove or clarify such language.

#### **DISTRICT RESPONSE**

The District agrees and has removed that provision from Section (a) Applicability in this proposal.

Workshop Report Draft Proposed Amendments to Rules 20.1, 20.4 & 1401

## **RULE 20.4 COMMENTS**

## 4. WORKSHOP COMMENT

No comments received.

### 5. <u>CARB COMMENT</u>

CARB had no official comments at this time.

#### 6. <u>EPA COMMENT</u>

EPA had no official comments at this time.

### **RULE 1401 COMMENT**

### 7. WORKSHOP COMMENT

If the San Diego region had less emissions in 2020 associated with COVID-19 restrictions, why is the region being reclassified from a Serious nonattainment area to a Severe nonattainment area for national ozone standards?

### **DISTRICT RESPONSE**

Air quality in San Diego County did temporarily improve in Spring 2020 as a result of decreased human activity associated with COVID-19 restrictions. However, ozone nonattainment designations and subsequent classification levels are based on the region's ability to meet National Air Quality Standards (NAAQS) over a consecutive three-year period. Photochemical air quality modeling conducted by CARB in 2020 determined that the region is not on track to meet either the 2008 or the 2015 national ozone standard within the specified deadlines despite short-term improvements experienced in early 2020. Consequently, reclassification to a higher nonattainment level for both national ozone standards is necessary in accordance with the federal Clean Air Act.

### 8. WORKSHOP COMMENT

Can the San Diego region be reclassified back to a Serious nonattainment area (or better) for either national ozone standard at a later date, and thus raise the major source thresholds for the District's New Source Review and/or Title V programs at that time?

## **DISTRICT RESPONSE**

In accordance with federal requirements, an ozone nonattainment area cannot be reclassified back to Moderate or Serious once it has been bumped up to a Severe nonattainment classification. Nevertheless, when the San Diego region attains both existing national ozone standards in the future, it will be eligible for redesignation to an ozone attainment/maintenance area (if the EPA has not established an additional, more protective ozone standard by then) and the major source thresholds could possibly be raised at that time.

## 9. <u>CARB COMMENT</u>

CARB had no official comments at this time.

# 10. <u>EPA COMMENT</u>

The District should amend its Title V major source threshold as soon as possible to be consistent with the region's federal ozone nonattainment designation.

## DISTRICT RESPONSE

The District agrees and has updated the definition of "Major Stationary Source" in Subsection (c)(26) to reference and align with the "Federal Major Stationary Source" definition in existing NSR Rule 20.1 Section (c) Definitions in this proposal.

AMF:OR:jlm 03/16/21

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## ADDENDUM TO THE WORKSHOP REPORT

On February 3, 2021, the San Diego County Air Pollution Control District (District) held a public workshop to present and receive comments on draft proposed amendments to District Rules 20.1, 20.4 and 1401. Following this workshop, the District prepared a Workshop Report summarizing the comments received and the District's responses and distributed the report to workshop participants. Subsequently, the United States Environmental Protection Agency (EPA) provided an additional comment on the District's New Source Review rules, in light of a recent court ruling prohibiting interpollutant offset trading for ozone precursors.<sup>1</sup> The additional EPA comment and District response are provided below:

### **RULE 20.4 COMMENT**

### 1. <u>EPA COMMENT</u>

On January 29, 2021, the D.C. Circuit Court of Appeals ruled that the Clean Air Act does not allow for interpollutant trading (IPT) for ozone precursors and struck down the provisions allowing IPT in the EPA's nonattainment New Source Review (NSR) regulations. This court vacatur is now in effect: *Sierra Club v. EPA*, 985 F.3d 1055 (D.C. Cir. 2021). EPA will soon promulgate a rulemaking removing this provision, consistent with the court's decision. EPA advises the removal of any IPT provisions from any of the District's NSR rules, prior to making a NSR State Implementation Plan submittal for the 2015 Ozone National Ambient Air Quality Standards.

#### **DISTRICT RESPONSE**

The District recognizes that the EPA is no longer able to approve New Source Review rules that allow for IPT for ozone precursors and therefore has amended its proposal to remove Subsection (d)(5)(iii), Interpollutant Offsets, in its entirety from Rule 20.3 – New Source Review (NSR)-Major Stationary Sources and Prevention of Significant Deterioration (PSD) Stationary Sources and Subsection (d)(5)(iv), Interpollutant Offsets, in its entirety from Rule 20.4 – New Source Review (NSR)-Portable Emission Units.

Draft proposed amendments are available on the District's website at <u>https://www.sandiegocounty.gov/content/sdc/apcd/en/Rule Development/Workshops.html</u>.

<sup>&</sup>lt;sup>1</sup> Under an inter-pollutant trading program for ozone-precursor emissions, new or modified major sources can offset their increases in volatile organic compound (VOC) emissions with reductions in nitrogen oxide (NOx) emissions, and vice versa.

### Workshop Report Addendum Draft Proposed Amendments to Rules 20.1, 20.4 & 1401

Those unable to access the document may contact Janet McCue (858-586-2712, Janet.McCue@sdcounty.ca.gov).

Please contact Omar Rana (<u>Omar.Rana@sdcounty.ca.gov</u>) or Angela M. Fisch (858-229-0256, <u>Angela.Fisch@sdcounty.ca.gov</u>) with any questions.

RR:AMF:jlm 06/15/21