



**Air Pollution Control Board**  
Greg Cox            District 1  
Dianne Jacob       District 2  
Pam Slater          District 3  
Ron Roberts        District 4  
Bill Horn            District 5

**Air Pollution Control District**  
R. J. Sommerville    Director

August 22, 1997

TO:            Rules 20.1-20.10 (NSR)  
                Workshop Participants and  
                Other Interested Parties

FROM:        Richard J. Smith  
                Deputy Director

**NEW SOURCE REVIEW (NSR)  
FINAL DRAFT RULES AND WORKSHOP REPORT**

Attached for your review are the workshop report and the final draft of amendments to Rules 20.1 - 20.10 - New Source Review rules that will be considered for adoption by the Air Pollution Control Board. The rules will be scheduled for public hearing in October 1997.

On April 18, 1997, the District held a workshop to discuss proposed changes to its New Source Review rules. The changes are summarized below:

**SUMMARY OF POST-WORKSHOP CHANGES**

Introduction

Based on comments made at the workshop in April, 1997, the District has decided to defer some of the proposed Phase 1 changes to the NSR rules until Phase 2 changes planned for 1998. These deferred changes include the proposed repeal of state emission offset requirements for VOC and NOx, the issue of zeroing out the contemporaneous emission increase accounting, and a request to allow more than a five year look-back to establish a baseline for actual emissions.

The District is proposing to proceed with Phase 1 NSR changes this fall. Phase 1 will include proposed changes to address EPA-identified rule deficiencies, deleting CO BACT requirements, deleting state offset requirements for CO, PM10 and SOx, reducing the ratio of PM10 offsets needed to mitigate air quality impacts, and other clarifications and corrections. An initial study and negative declaration regarding the proposed Phase 1 changes has been noticed and distributed to interested parties for review and comment.

The District is still proposing to delete Rules 20.9 and 20.10 in their entirety, incorporate federal NSR requirements into Rules 20.2, 20.3 and 20.4, and submit Rules 20.1-20.4 to EPA for approval into the SIP except for specific, separable sections that carry out more stringent state NSR requirements.

The specific post-workshop changes to the proposed NSR rule amendments are detailed in the following:

### **Post-Workshop Rule 20.1 Changes**

- The exemption in (b)(4) has been revised to include successors to the California Energy Commission or California Public Utilities Commission, as applicable.
- The exemption in (b)(7) [formerly (b)(10)] for applications to reduce a source's potential to emit (PTE) has been revised to exclude applications that would result in a modified emission unit or a modified stationary source as they are defined in Rule 20.1. This addresses an EPA comment that this exemption should only apply to administrative PTE changes, not to physical or operational changes.
- The proposed new definition of air contaminant emission control project in (c)(4) has been modified to allow the offset exemption to the extent that there is not an increase in capacity. Thus, collateral increases associated with the original capacity would still be exempt from offsets, but collateral and direct emission increases associated with any increase in basic equipment capacity would be subject to offset requirements, if applicable.

This proposed definition has also been clarified to include but not be limited to listed types of air contaminant emission control projects and to correct some of the equipment terms listed.

- The definition of Best Available Control Technology (BACT) has been modified to apply cost-effectiveness criteria to the class or category of source, rather than each individual emission unit. This has been done to address an ARB comment. Because of how the District has applied BACT in the past, this is not expected to have an impact on BACT applicability or determinations in San Diego.

The definition of BACT has also been clarified to allow the District to consider lower-emitting alternatives to a proposed new emission unit or process. In parallel with previously proposed changes, this change would not require the District to look at alternative emission units or processes in all cases, but rather allow the District to do so if the District deems it necessary for an exceptional case.

- Definitions of the terms "Commenced Construction" and "Construction" have been added. These address an EPA-identified deficiency.
- The proposed changes to the definition of "Contemporaneous Emissions Increase" have been revised. Under the proposed change, if a project triggers a major modification and complies with LAER and/or federal offset requirements, any residual emissions from the project will not be included in the contemporaneous emissions increase (CEI) accounting. This is in replacement of the earlier proposal that would have the entire CEI accounting reset to zero. EPA has objected to the earlier proposal. The District intends to revisit this issue in Phase 2 of the NSR changes.

The proposed definition of Contemporaneous Emissions Increase has also been revised to change the contemporaneous period. The current definition specifies that this be the 5 years preceding receipt of a complete application. Under the proposed change, the contemporaneous period would be the 5 calendar year period including the year in which the emission unit or project is expected to commence operation and the four preceding calendar years. This is consistent with Section 182(c)(6) of the 1990 Clean Air Act Amendments and addresses an EPA comment.

- The definition of "Emergency Equipment" has been made consistent with that in recently adopted District Rule 12.

- The definition of "Enforceable" has been reinstated with changes to focus the definition on District enforcement capabilities. The definition is consistent with that in proposed Banking Rule 26.0.
- The proposed definition of "Federally Enforceable" has been retained but new wording added to clarify its meaning relative to issuing permits versus creating emission reduction credits. The new language is consistent with the definition in proposed Banking Rule 26.0.
- The definition of "Major Modification" has been clarified. A major modification can only occur at an existing stationary source that is major for the same pollutant for which the modification is major. Thus, a new emission unit that would increase emissions of NO<sub>x</sub> by 30 tons per year at an existing stationary source that was not major for NO<sub>x</sub> is not a major modification.
- The definition of "Major Stationary Source" has been clarified to include any new emission unit which emits above major source levels.
- The definition of "Permanent" has been made consistent with the definition in proposed Banking Rule 26.0.
- The definitions of "Quantifiable" and "Real" and "Temporary" have been made consistent with the definitions in proposed Banking Rule 26.0. A definition of "Reasonably Available Control Technology (RACT)" has been added to be consistent with the definition in proposed Rule 26.0. The definition of "Surplus" has been revised to reference the definition in proposed Rule 26.0.
- The provision of Subsection (d)(1)(i)(C) regarding the procedures for determining the pre-project potential to emit of an emission unit located at a major stationary source based on potential rather than actual emissions has been clarified. The emissions increase from a permitted project must have been offset in accordance with approved NSR at the time of permitting before future permitting can be based on a potential to potential comparison.
- The provision of Subsection (d)(1)(ii)(B) regarding inclusion of emissions from emergency equipment in a stationary source's potential to emit has been clarified. Emissions during emergency operations are not included. Emissions during non-emergency operations are only included if they exceed 5 pounds per day or 25 pounds per week, without consideration of add-on control devices.
- The provisions of Subsection (d)(4)(iii)(C) regarding RACT adjustments of actual emission reductions has been clarified to specify that RACT adjustment at time of use only applies to reductions created from permit-exempt equipment. This is consistent with state law and proposed Banking Rule 26.0.
- The provisions of Subsection (d)(5) have been revised to allow the use of emission reduction credits created from mobile sources under District Rule 27. This is consistent with existing language allowing such use in current Rule 27.

### **Post-Workshop Rule 20.2 Changes**

- As noted in the Introduction above, the District is not proposing to repeal the state offset requirements for VOC and NO<sub>x</sub> emission increases in the Phase 1 NSR changes. However, the District is proposing to proceed with deleting the PM<sub>10</sub>, SO<sub>x</sub> and CO emission offset requirements in Rule 20.2 in the Phase 1 changes.

- A proposed new subsection (b)(3) adds an exemption from offsets for any emission increases that result from installation of required air contaminant emission control projects. The offset exemption applies to the extent that there is not an increase in emission unit capacity. Any emission increases associated with increases in capacity are subject to applicable offset requirements.
- An additional AQIA trigger level has been added to Subsection (d)(2)(i), Table 20.2 - 1. Annual emission increase thresholds for PM<sub>10</sub> (15 tons/year), NO<sub>x</sub> (40 tons/year), SO<sub>x</sub> (40 tons/year), CO (100 tons/year) and lead (0.6 tons/year) are included to address an EPA comment. These thresholds are equal to EPA's current significant emission increase thresholds.
- Subsection (d)(4) has been revised to add a 40 ton per year VOC emission increase threshold for public notification. This addresses an EPA comment.
- Subsections (d)(5) and (d)(6) have been placed back in the rule in order to continue state offset requirements for VOC and NO<sub>x</sub> in Phase 1.
- Subsection (d)(5)(ii) and (iii) will be deleted. This will repeal the emission offset requirements for PM<sub>10</sub>, SO<sub>x</sub> and CO emission increases at sources above 15 tons per year. Federal offset requirements for CO (see Rule 20.3) may still continue to apply until the District is redesignated as attainment for the national ambient air quality standard for CO.
- Subsection (d)(5)(iv) has been renumbered to (d)(5)(ii) and revised to exclude emission increases of PM<sub>10</sub>, SO<sub>x</sub> and CO associated with relocated and replacement equipment from state emission offset requirements. Only VOC and NO<sub>x</sub> emission increases must be offset.
- Subsection (d)(5)(vi) has been renumbered to (d)(5)(iv) and revised to clarify the use of emission reduction credits from the District bank for emission control projects that may yet trigger offset requirements. Emission increases associated with controls installed pursuant to the NSR Rules, Banking Rules or Rule 1200 (toxics NSR) are not eligible to receive such credits. This subsection has also been revised to ensure consistency with the proposed Banking Rules.
- Subsection (d)(6) has been revised to clarify the use of emission reduction credits from the District bank for various purposes, and to be consistent with the proposed Banking Rules.

### **Post-Workshop Rule 20.3 Changes**

- The exemption in Subsection (b)(4) from offsets for emission increases resulting from required air contaminant emission control projects has been revised to exempt from offsets the emission increases not associated with any increase in capacity of the emission unit being controlled. Any emission increases that result from increases in capacity of the emission unit will be subject to applicable emission offset requirements.
- An additional AQIA trigger level has been added to Subsection (d)(2)(i), Table 20.3 - 1. Annual emission increase thresholds for PM<sub>10</sub> (15 tons/year), NO<sub>x</sub> (40 tons/year), SO<sub>x</sub> (40 tons/year), CO (100 tons/year) and lead (0.6 tons/year) are included to address an EPA comment. These thresholds are equal to EPA's current significant emission increase thresholds.
- Subsection (d)(4) has been revised to add a 40 ton per year VOC emission increase threshold for public notification. This addresses an EPA comment.

- Subsection (d)(5)(i) has been revised to put back state VOC and NOx offset requirements for emission increases at sources over 15 tons per year. The repeal of these state offset requirements will be considered in Phase 2 of the NSR changes.
- Subsection (d)(5)(ii) is being deleted and reserved. This removes the requirements to provide PM10 and SOx offsets for emission increases at sources above 15 tons per year. Federal offsets are not required since the District is attainment for both the PM10 and SOx national ambient air quality standards.
- Subsection (d)(5)(iv) has been revised to require emission offsets for relocated and replacement units only for VOC and NOx emission increases, if the source will be above 15 tons per year, and CO emission increases if the change will be a new major source or major modification. CO offsets will not be required after the District is redesignated as attainment for the national ambient air quality standard for CO.
- Subsection (d)(5)(v) has been revised to clarify the use of emission reduction credits from the District bank for emission control projects that may yet trigger offset requirements. Emission increases associated with controls installed pursuant to the NSR Rules, Banking Rules or Rule 1200 (toxics NSR) are not eligible to receive such credits. This subsection has also been revised to ensure consistency with the proposed Banking Rules.
- Subsection (d)(6) has been revised to clarify the use of emission reduction credits from the District bank for various purposes, and to be consistent with the proposed Banking Rules.
- Subsection (d)(7) has been revised to clarify that if a source provides internal offsets at a 1.3 to 1.0 ratio for VOC or NOx emission increases from a project subject to NSR, the project is not subject to LAER nor additional emission offset requirements. This is to clarify that the 1.3 to 1.0 offsets are not in addition to the 1.2 to 1.0 offsets otherwise required under NSR. This change is consistent with the 1990 Clean Air Act Amendments.
- Subsection (d)(8) has been revised to clarify that the LAER and federal emission offset requirements of the Rule only apply to projects which constitute, by themselves, a major stationary source or, in conjunction with other contemporaneous increases and decreases at an existing major source, a major modification. This change also creates a separable Subsection of the rule that can be incorporated into the SIP without also including state BACT and state offset requirements.

Subsection (d)(8) has also been revised to specify that if a project triggers a major modification and complies with LAER and/or federal offset requirements, any residual emissions from the project will not be included in the contemporaneous emissions increase (CEI) accounting. This is in replacement of the earlier proposal that would have the entire CEI accounting reset to zero. EPA has objected to the earlier proposal. The District intends to revisit this issue in Phase 2 of the NSR changes.

#### **Post-Workshop Rule 20.4 Changes**

- The exemption in Section (b) from offsets for emission increases resulting from required air contaminant emission control projects has been revised to exempt from offsets the emission increases not associated with any increase in capacity of the emission unit being controlled. Any emission increases that result from increases in capacity of the emission unit will be subject to applicable emission offset requirements.

- The definition of Type I Portable Emission Unit in Subsection (c)(3) has been revised to limit use of such units at stationary sources with emissions less than 15 tons per year of VOC and NO<sub>x</sub> and 100 tons per year of CO. This, in part, implements retaining the state offset requirements for VOC and NO<sub>x</sub> as they would apply to permitted portable emission units. The definition has been further clarified to state that the limitation on use at stationary sources with CO emissions over 100 tons per year will cease to apply when the District is designated as in attainment of the CO national ambient air quality standard.
- The existing definition of Type II Portable Emission Units in Subsection (c)(4) is being retained and is being clarified to state that the limitation on use at stationary sources with CO emissions over 100 tons per year will cease to apply when the District is designated as in attainment of the CO national ambient air quality standard.
- Table 20.4-1 which identifies the emission thresholds for stationary sources where a Type II portable emission unit cannot be used is being revised to delete the emission thresholds for PM<sub>10</sub>, SO<sub>x</sub> and Lead. This reflects that emission offsets currently required for PM<sub>10</sub>, SO<sub>x</sub> and lead emission increases would no longer be required for new or modified portable emission units.
- The existing definition of Type III Portable Emission Units in Subsection (c)(5) is being retained.
- Proposed Subsection (d)(1)(i) is being revised to require BACT for all new or modified portable emission units, as currently required by Rule 20.4, but clarified to exclude those units equipped with LAER pursuant to Subsection (d)(1)(ii).
- Proposed Subsection (d)(1)(ii) is being revised to require LAER for non-attainment pollutant emissions from Type III (rather than Type II) portable emission units, and is being clarified to exempt from LAER units where the owner or operator can demonstrate that the unit does not constitute a new major source or major modification, or if the emission increases from the unit are offset at a ratio of 1.3 to 1.0 by actual emission reductions from the same stationary source.
- Proposed Subsection (d)(1)(iii) is being revised to apply PSD requirements for BACT to all portable emission units, rather than just Type II portable emission units. This is necessary because the change to the definitions of Type I and Type II emission units for purposes of offset requirements will not ensure that only Type II portable emission units could trigger PSD requirements for BACT.
- An additional AQIA trigger level has been added to Subsection (d)(2)(i), Table 20.4 - 2. Annual emission increase thresholds for PM<sub>10</sub> (15 tons/year), NO<sub>x</sub> (40 tons/year), SO<sub>x</sub> (40 tons/year), CO (100 tons/year) and lead (0.6 tons/year) are included to address an EPA comment. These thresholds are equal to EPA's current significant emission increase thresholds.
- Subsection (d)(4) has been revised to add a 40 ton per year emission increase threshold for public notification. This addresses an EPA comment.
- Subsection (d)(5)(i) has been revised to clarify that emission offsets are not required for Type I portable emission units and to put back state VOC and NO<sub>x</sub> offset requirements for emission increases for Type II portable emission units that could be located at stationary sources with emissions of VOC or NO<sub>x</sub> at or above 15 tons per year. The repeal of these state offset requirements for VOC and NO<sub>x</sub> will be reconsidered in Phase 2 of the NSR changes.

- A new Subsection (d)(5)(ii) is being proposed to specify federal emission offset requirements for VOC, NO<sub>x</sub> and CO emission increases from Type III portable emission units and to clarify that CO offset requirements will not apply after the District is redesignated as in attainment of the CO national ambient air quality standard.
- Subsection (d)(5)(ii) is being renumbered to (d)(5)(iii) and revised to apply to Type III portable emission units.
- Subsection (d)(5)(iii) is being renumbered to (d)(5)(iv).
- Subsection (d)(5)(v)(A)(1) is being revised to reflect the District proposal to retain state offset requirements for VOC and NO<sub>x</sub> emission increases in the Phase 1 NSR changes. The repeal of these state offset requirements for VOC and NO<sub>x</sub> will be reconsidered in Phase 2 of the NSR changes.

A Special Meeting to discuss changes made after the April workshop to the NSR rules will be held on September 19, 1997, at the District, Conference Room 132 at 9:00 a.m. Changes to the Banking rules will also be discussed.

If you have questions or comments please call me as soon as possible at (619) 694-3303.



RICHARD J. SMITH  
Deputy Director

RJSm:jo

Attachments

**AIR POLLUTION CONTROL DISTRICT  
SAN DIEGO COUNTY**

**NEW SOURCE REVIEW RULES (NSR)  
20.1, 20.2, 20.3, 20.4, 20.9 AND 20.10**

**WORKSHOP REPORT**

A workshop notice was mailed to all permit holders in San Diego County. Notices were also mailed to all Chambers of Commerce and all Economic Development Corporations, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (ARB), and other interested parties.

The proposed amendments to the New Source Review (NSR) rules will correct most of the rule deficiencies identified by EPA, will make changes reflecting the Districts' new attainment status for carbon monoxide relative to the state ambient air quality standard, will implement recent changes to state law regarding offsets for air contaminant emission control projects, and will remove the requirement for sources above 15 tons per year (tpy) emissions to offset emission increases of carbon monoxide, oxides of sulfur (SOx) and fine particulates (PM10), and will make other minor corrections and clarifications.

The workshop was held on April 18, 1997 and was attended by 41 people, including representatives of EPA and ARB. Written comments were also received. The workshop comments and District responses are as follows:

**1. WORKSHOP COMMENT**

The exemption contained in Rule 20.1(b)(8) should be clarified that it only applies for administrative changes, not to actual source modifications such as physical changes or changes in the operations. Also, should this exemption reference Rule 20.1 (d)(2)(ii) rather than (d)(4)(ii)?

**DISTRICT RESPONSE**

This subsection will be clarified to exclude modified emission units and modified stationary sources. The definition of a modified emission unit includes any physical or operational change which can result in an increase in an emission unit's potential to emit, including air contaminants not previously emitted. The definition of a modified stationary source includes new, modified and relocated emission units and operational changes. Thus, the exemption in Rule 20.1(b)(8) will be limited to changes that result in only reductions in potential to emit. The reference to Rule 20.1(d)(4)(ii) is correct since this referenced subsection deals with actual emission reductions rather than reductions in potential to emit.

**2. WORKSHOP COMMENT**

In light of recent court cases that have reduced EPA's ability to require that permit limits on a source's potential to emit be federally enforceable, the District should reconsider this aspect of the definition of "Potential to Emit" in Rule 20.1(c)(48).

**DISTRICT RESPONSE**

The District has reconsidered the new wording in the cited definition and has removed it. The proposed revision to the definition of "Potential to Emit" would have restricted federal enforceability to only those limits imposed to ensure compliance with the State Implementation Plan (SIP)



approved portions of the District's NSR rules. Since these would generally be associated with permit conditions to comply with, avoid or limit the effects of federal Lowest Achievable Emission Reduction (LAER) and offset requirements, and the District NSR rules must satisfy those requirements in order for them to be approved into the SIP, these limits will likely be enforceable by EPA. The additional wording of the Potential to Emit definition which would have provided explicitly that such limits must be federally enforceable was added to address an EPA comment. This has been further discussed with EPA, Region IX. EPA now concurs with deleting this language. Accordingly, the current adopted rule definition of "Potential to Emit" will be retained unchanged.

### **3. WORKSHOP COMMENT**

What types of air contaminant emission control projects are expected to qualify for the offset exemption? Has the District summed up the effect on emissions that won't be offset as a result of the proposed exemption for air contaminant emission control projects? Also, has the District considered these emissions in light of the District's proposed changes to the Regional Air Quality Strategy (RAQS)?

#### **DISTRICT RESPONSE**

The types of emission control projects that could qualify for the proposed offset exemption might include Selective Catalytic Reduction (SCR) to control boiler NO<sub>x</sub> emissions, thermal oxidizers or internal combustion engines to control landfill reactive organic gases (ROG) and toxic emissions, and catalytic oxidizers to control VOC emissions from a solvent drying operation. The District has not summed up the cumulative emissions from such projects. However, based on the infrequency of control projects with collateral emission increases in the recent past, the District does not expect the emissions increases to be significant. Moreover, the emission increases are subject to air quality impact analyses if they exceed the thresholds for Air Quality Impact Analysis (AQIA) in the NSR rules. Finally, this proposed revision carries out the requirements of a recent change to the Health and Safety Code (H&SC) which precludes the District from requiring emission offsets from such projects.

### **4. WORKSHOP COMMENT**

Subsections (ii) and (iii) of the Rule 20.1(c)(11) definition of "Best Available Control Technology (BACT)" should be moved from the definition to the standards sections of the NSR rules.

#### **DISTRICT RESPONSE**

Ordinarily the District would agree. However, BACT standards are specified in many parts of the NSR rules and to do as suggested would require that subsections (ii) and (iii) be repeated many times throughout the rules. This would further lengthen the rules and add to their complexity. On balance, the District prefers to retain these provisions with the BACT definition.

### **5. WORKSHOP COMMENT**

The definitions of "Quantifiable" and "Surplus" in Rule 20.1(c)(56) and (c)(64) should be checked against the definitions of the same terms in the District's proposed Banking rules to ensure they are consistent.

### DISTRICT RESPONSE

These definitions have been compared against those in the proposed Banking Rules 26.0 - 26.10. The differences in definitions have been reconciled.

### 6. WORKSHOP COMMENT

The workshop notice indicated that definitions for the terms "Commenced Construction" and "Construction" were being added to Rule 20.1(c). However, they do not appear in the proposed revisions.

### DISTRICT RESPONSE

The omission of these definitions was an oversight. Definitions consistent with those in EPA's 40 CFR 51.165 and 51.166 for these terms have been added to Rule 20.1(c).

### 7. WORKSHOP COMMENT

It is unclear in the Rule 20.1(c)(14) definition of "Contemporaneous Emissions Increase" (CEI) when the provision under (ii) would apply. Does it apply to reductions in the potential to emit (PTE) of units within or outside the CEI accounting? EPA allows a source to accept a new PTE limit to stay out of a requirement, but that reduction in PTE should be outside the CEI process. Would a reduction in PTE under Rule 20.1(b)(8) be allowed? The rule should distinguish between reductions in actual and potential emissions.

### DISTRICT RESPONSE

Rule 20.1(c)(14)(ii) applies only to reductions in the PTE of emission units that are within the CEI accounting. This provision allows a source to reduce its CEI accounting in order to avoid triggering a major modification NSR threshold. This would be in essence a decrease in allowable emissions that is contemporaneous and should be creditable. Reductions in PTE (as opposed to actual emission reductions) for emission units within the CEI accounting should be allowable since if the reduction is only a paper decrease, so must be the PTE increase that is included in the CEI accounting.

For example, within the five-year CEI accounting, a new emission unit at a major stationary source of VOC was permitted with a PTE of 20 tons VOC per year in anticipation of a certain level of operation and emission rate. However, due to changes in materials used or production levels, actual emissions for this emission unit have been only 12 tpy, and the source operator expects that actual emissions could never exceed 15 tpy. Three years later, another new emission unit will be built with emissions of 6 tons VOC per year. Rule 20.1(c)(14)(ii) allows the source operator to determine that the first emission unit could be limited to 15 tons VOC per year emissions, accept a permit condition to make this new PTE limit enforceable, and thus reduce the CEI accounting by, in this example, 5 tpy.

Actual emission reductions from units both within and outside the CEI accounting can also be used to reduce a CEI accounting [Rule 20.1(c)(14)(i)]. The District disagrees that PTE reductions (as opposed to actual emission reductions) from emission units outside the CEI accounting should be allowed, since these would be paper emission reductions that would not be negating a creditable increase within the CEI accounting.

Regarding reductions in PTE pursuant to Rule 20.1(b)(8), such reductions might also be used to reduce a CEI accounting if the emission unit is one that has had a previous emissions increase within the CEI accounting. However, the two provisions are not mutually exclusive or inclusive. Reductions in PTE under Rule 20.1(b)(8) may not affect a CEI accounting and reductions in PTE for an emissions unit in a CEI accounting may not be for purposes of limiting the total PTE for the stationary source.

The rule does distinguish between reductions in actual and potential emissions. Rule 20.1(c)(14)(i) relates to reductions in actual emission, Rule 20.1(c)(14)(ii) to reductions in potential emissions.

The complexity of establishing and maintaining a CEI accounting procedure for major sources is a result of the need to satisfy EPA NSR requirements. As part of its forthcoming NSR reform, EPA should consider whether this complexity is warranted by the abuses it sought to avoid or whether another, more straightforward approach is appropriate. California BACT requirements are based on the PTE of the emission unit, not the accumulations of various facility changes over time. EPA should consider a similar approach for requiring LAER and offsets, but at emission thresholds higher than those for California BACT.

## 8. WORKSHOP COMMENT

The provisions of (iii) under the Rule 20.1(c)(14) definition of "Contemporaneous Emissions Increase" seem to apply to reducing the sum of emission increases. Is that the intent?

The provisions of Rule 20.1(c)(14)(iii) do not appear to conform to Sections 182(c)(6), (7) and (8) of the 1990 Clean Air Act Amendments, nor EPA's proposed NSR reform regulations. Although the provisions may be consistent with EPA's existing NSR/PSD regulations, revisions to those regulations have not yet been promulgated to make them consistent with the Act. Nevertheless, the District's rules should be made consistent with the requirements of the Act. Only the emissions increases associated with a project that triggers major modifications or new major source requirements, and satisfies those requirements, can be excluded from the contemporaneous emissions increase. The rest of the emissions increases from other projects in the CEI accounting are not reset to zero and must remain.

## DISTRICT RESPONSE

The provision under Rule 20.1(c)(14)(iii) is intended to reference an adjustment to the accounting of contemporaneous emissions increases when certain criteria are met. Since it refers to the definition as a whole, it could be relocated to be part of the Section (c)(14) definition text, rather than separated as Subsection (iii).

This provision was added at the request of regulated sources and with a preliminary concurrence of EPA Region IX staff. It was premised on a reading of EPA's regulations [40 CFR 51.165 (a)(1)(vi) and 40 CFR 52.24 (f)(6) which define "net emissions increase" and EPA's PSD/NSR guidance for determining what emission increases and decreases are creditable. The regulatory citations refer to increases that are creditable only if EPA (or the District) has not *relied upon* the increase in issuing a permit for the source under EPA's regulations (or District NSR rules approved under the regulations).

The concept of an increase having been *relied upon* is not clear. The proposed addition of paragraph (iii) to the Rule 20.1(c)(14) definition of "Contemporaneous Emissions Increase" (CEI) would interpret *relied upon* to mean that any contemporaneous emissions increases that were in the CEI accounting have been *relied upon* if they were used as part of the emissions increase foundation that makes a new or modified emission unit a major modification and subject to LAER and

offset requirements. In that case, a permit would be issued to that new or modified unit based on a CEI accounting that relied upon the past five-year increases from preceding projects. Thereafter, those increases, having been *relied upon* to issue a permit, could be removed from the CEI accounting (i.e., the CEI would be reset to zero for that pollutant) since EPA regulations specify that emission increases that were *relied upon* to issue a permit are not creditable and therefore are not additive to the CEI (net emissions increase) accounting.

Moreover, EPA's October 1990 Draft NSR Workshop Manual, page A.47, states that an emissions increase is creditable only if the reviewing authority (District) has not relied upon it in previously issuing a PSD (or NSR) permit, and that a reviewing authority relies on an increase when, *after taking the increase into account*, it concludes in issuing a PSD (or NSR) permit that a project would not cause or contribute to a violation of a PSD increment or ambient standard. It is not clear whether the emissions increase being taken into account is that associated with the project being permitted, or previous emission units that are in the CEI accounting.

EPA has objected to this interpretation, stating that it is inconsistent with Section 182(c)(6) of the Clean Air Act and EPA's interpretation of that section of the statute as presented in its proposed NSR reform package at 61 FR 38297. Section 182(c)(6) of the Act provides that an emissions increase from a modified major stationary source cannot be considered de minimis unless the net emissions increase from the project, along with all other net emissions increases from other projects during the five-year contemporaneous period, are less than 25 tpy of VOC and NOx. Since EPA's regulations currently in 40 CFR 52.24 and 40 CFR 51.165 define how a net emissions increase is determined, and those regulations provide for not including emission increases that have been *relied upon*, it would appear that proposed (c)(14)(iii) is not inconsistent with the Act to the extent that increases being *relied upon* could be interpreted to include those increases in the CEI accounting that were used to put a project into a major modification status, and therefore should thereafter be excluded from the CEI accounting.

Further, EPA's proposed NSR reform (see Federal Register, July 23, 1996, page 38323) did not propose to change EPA's regulations at 40 CFR 51.165 (a)(1)(vi)(C)(2) which states that an emission increase is creditable only if the reviewing authority has not relied on it in issuing a permit for the source which permit is in effect when the increase in actual emissions from the particular change occurs. This does not foreclose an interpretation that emission increases in the CEI accounting were relied on if they were used to push a new project over the major modification threshold, and therefore would not be used (i.e., reset to zero) for any future contemporaneous projects.

The commenter's reference to page 38297 of EPA's NSR reform package relates to a discussion regarding a change in determining whether a project triggers NSR based on Section 182(c)(6) of the Act. That discussion seems to say that all contemporaneous net emission increases and decreases must now be considered (as has always been the case under San Diego's NSR rules) rather than only if the net increase from the project itself was significant. The discussion cited does not appear to change how the CEI accounting would be conducted and, as noted, does not change the regulations in a way which would foreclose the above interpretation of the effect of "relying on" past emission increases in the CEI accounting.

It appears that EPA will find a provision such as proposed Rule 20.1(c)(14)(iii) unapprovable. Therefore, as an interim step, the District will clarify (c)(14)(iii) (see Written Comment #74) to provide that only the residual emissions from a new or modified source that has been offset and has applied LAER can be excluded from the CEI accounting. Other contemporaneous projects that have not been offset and have not applied LAER must be retained in the CEI accounting until the start-up date of a project becomes older than five years.

The District intends to revisit this issue as part of Phase II of the changes to the NSR rules, and will advise EPA of that intent.

## **9. WORKSHOP COMMENT**

The District should not revise the provisions proposed in Rule 20.1(c)(14)(iii) based on EPA's planned but not yet promulgated NSR/PSD regulations. Unless the cited sections of the Clean Air Act are explicit in requiring that only the after-LAER emissions from the triggering project be zeroed, the District should rely on EPA's current regulations which allow the entire contemporaneous emissions account to be zeroed. EPA should not require an element of its proposed NSR reform that is adverse to business be adopted but not allow the District to include elements of the same NSR reform proposals that are advantageous to business. For example, EPA's proposed NSR reform may give some relief for modifications to sources already equipped with LAER, but Region IX is requiring the District to amend its LAER definition to require LAER be applied to an modified unit's entire emissions, not just the increase. Also, EPA recently disapproved a state's NSR proposal because it tried to incorporate aspects of EPA's NSR reform proposal, saying that the state's proposal was premature.

### **DISTRICT RESPONSE**

The District agrees that EPA should not require compliance with only certain aspects of the proposed EPA NSR reform package, which has not yet been promulgated in final form and which may undergo significant change. The provisions of Section 182(c)(6) of the Act do not explicitly address the issue, as discussed above in the response to Comment # 8. However, the District has been unable to convince EPA of the validity of the proposed (c)(14)(iii) provision, and believes it prudent to proceed now with other changes that will be approvable, and further address this issue with EPA in Phase II of the NSR rule changes.

## **10. WORKSHOP COMMENT**

If the same emission unit accounts for all of the emissions in the contemporaneous emissions increase, then is modified with the resulting emissions increase triggering major modification requirements, EPA would require that LAER be applied to the entire emissions from the emissions unit, not just the increased emissions. In that case, the contemporaneous emissions increase tally should be reset to zero since clearly those emissions have been subjected to federal NSR requirements.

### **DISTRICT RESPONSE**

The District agrees. The proposed rewording of "Contemporaneous Emissions Increase" would provide that, in the example cited, the CEI accounting would reset to zero. See also the response to Comment #8.

## **11. WORKSHOP COMMENT**

Since the District is already expecting to make the NSR changes in two phases, can this issue be addressed in Phase II with some type of placeholder in Phase I?

### **DISTRICT RESPONSE**

The District agrees and intends to make a minor clarification now, and address this issue further with EPA in Phase II. Please see the response to Comments #8 and 9.

## **12. WORKSHOP COMMENT**

Where a source has a contemporaneous emissions increase total of 24 tpy and a new project that would increase emissions by 2 tpy, are offsets and LAER required for just the 2 tpy project or for all of the existing emission units already in the CEI accounting (i.e., the 24 tpy emissions)?

### **DISTRICT RESPONSE**

LAER is required to be applied to the nonattainment pollutant emissions from the new emission unit that triggers the major modification requirement [see Rule 20.3(d)(1)(v)], but not to the other emission units previously permitted and whose increases are included in the CEI accounting. Rule 20.3(d)(5) provides that offsets are only required for the emissions increase associated with the project that triggers a major modification. Therefore, only the 2 tons per year increase from the project must be offset.

## **13. WORKSHOP COMMENT**

The definition of "Emergency Equipment" in Rule 20.1(c)(17) should be compared to that in proposed District Rule 12 to ensure that they are consistent.

### **DISTRICT RESPONSE**

The definition of "Emergency Equipment" has been revised to be consistent with the definition in recently adopted District Rule 12.

## **14. WORKSHOP COMMENT**

The Rule 20.1(c)(30) definition of "major modification" relies on the term contemporaneous emissions increase the definition of which may not be consistent with the Clean Air Act.

### **DISTRICT RESPONSE**

This comment is not relative to using the term contemporaneous emissions increase in determining a major modification, but rather the correctness of the contemporaneous emissions increase definition relative to the resetting of the increase to zero. This is discussed in the District's response to Comments #8 and #9 above. In addition, the District is revising the definition of major modification to clarify that a major modification can only occur at an existing major stationary source that is major for the same pollutants as the modification is major for.

## **15. WORKSHOP COMMENT**

Does the Rule 20.1(c)(63) definition of "major stationary source" include fugitive emissions? Would this include short-term fugitive emissions associated with construction?

### **DISTRICT RESPONSE**

The definition of a major stationary source is contained in Rule 20.1(c)(32), not (c)(63). Fugitive emissions are to be included in determining major source status. However, short-term fugitive emissions associated with construction are not included.

## **16. WORKSHOP COMMENT**

The last sentence of the Rule 20.1(c)(23) definition of "federally enforceable" should be stricken. Also, the District should change the sense of this definition so that the default is for A/C and P/O conditions to be federally enforceable unless specifically and correctly identified as not federally enforceable. EPA's Title V permit program allows separation of federally-enforceable requirements from those that are not. However, the permitting authority must designate what is not federally enforceable and the default for all other conditions is to be federally enforceable. Also, who determines whether a condition is federally enforceable or not?

### **DISTRICT RESPONSE**

The District disagrees. Many NSR-related permit conditions will not be federally enforceable because they will result from more stringent California NSR requirements. Health & Safety Code §42301.12 requires air districts to specifically identify federally enforceable requirements, and those not federally enforceable, in (Title V) permits. The default should not be that a requirement is federally enforceable unless specifically identified as not since errors and omissions will automatically put sources at greater liability for EPA and citizen enforcement than would otherwise be the case. The Rule 20.1(c)(23) definition of "federally enforceable" is correct as long as the list of requirements in the definition is complete. If EPA believes it is not complete, it should identify what additional federal requirements must be added.

The District will determine what requirements are federally enforceable. However, regulated sources and EPA can always comment on the District's determination in a specific case. Also, such determinations will likely be made most often in constructing Title V permits for which an EPA comment period is already provided.

## **17. WORKSHOP COMMENT**

The law specifies what is federally enforceable and that such requirements must be specified by the District, not created arbitrarily through some default process. EPA and the District should ensure that the list of federally enforceable requirements in this definition is complete and accurate.

### **DISTRICT RESPONSE**

The District agrees. See also the response to Comment #16.

## **18. WORKSHOP COMMENT**

In regards to Rule 20.1(d)(1)(i)(A), if the conditions of a permit limit emissions through production, materials use or fuel limits rather than by specifically stating an emissions limit, can those limits be used as surrogates for emission limits in order to define the pre-project potential to emit? If the evaluation of the application upon which the permit was based used certain emission rate assumptions, can those be used to define the unit's potential to emit?

### **DISTRICT RESPONSE**

In general, it may be possible to use the cited examples as surrogates to define a pre-project potential to emit (PTE). However, if a maximum allowable emission rate is not also specified in the permit, it becomes more difficult. If the actual emission rates that have been experienced are used, it would result in a lower pre-project PTE than might otherwise be prescribed. If the maximum emission rate assumptions that were used in the last permit evaluation are used, it may result in an unrealistically high pre-project PTE. Rule 20.1(d)(1)(i)(A) provides that if limiting conditions of

the permit will restrict emissions, then those conditions will be used to calculate the potential to emit. Each case where operational permit limits will be used to define the pre-project PTE will be evaluated individually. The applicant may be required to accept limiting emission rate conditions, and monitoring and/or recordkeeping requirements, to ensure that the pre-project limitations are practically enforceable.

## **19. WORKSHOP COMMENT**

In Rule 20.1(d)(2), the five-year limit for looking back to determine actual emissions should be deleted. Current EPA regulations do not limit the period for looking back. EPA's NSR reform proposal contains a one-year baseline within the preceding ten years.

Part 51.165 of EPA's regulations specifies a two-year period for determining baseline actual emissions but does not limit how far back one can look for a representative two year period.

### **DISTRICT RESPONSE**

The District has consulted with both EPA and ARB regarding this issue. EPA, Region IX has indicated that the ten-year look-back proposal is being reconsidered and may not be a part of the final NSR reform package. Region IX has also indicated that the NSR rules would likely not be approvable by EPA were the District to propose a baseline period longer than five years at this time. ARB has stated that the current five-year baseline period is consistent with their NSR guidance and the practices and rules of other air districts. One purpose of the baseline period to determine actual emissions is to establish emission reductions credits. To ensure the credits result in an air quality benefit when used as an emission offset, the emission reductions should have occurred within a relatively recent time period. Going from a five-year to a ten-year baseline would increase the likelihood that the reductions have already been reflected in current air quality, and would result in emission reductions with little or no air quality benefit.

While EPA's regulatory definition of actual emissions in 40 CFR 51.165 and 52.24 do not appear to limit how far back one looks to determine actual emissions, EPA's regulations at 40 CFR 51.165 (a)(1)(vi), and 40 CFR 52.24 (f)(6) seem to require that only actual emission increases and decreases that have occurred within the past five years can be considered. Also, those regulations appear to specify that decreases that have been relied upon by the District in reporting reasonable further progress towards attainment are not creditable. Since the District reports reasonable further progress to EPA every three years, going beyond a five-year look-back to establish a baseline of actual emissions could exacerbate potential conflicts with EPA regulations.

It should also be noted that Section 182(c)(6) of the 1990 Clean Air Act Amendments limits to five years the contemporaneous emission increases and decreases that must be evaluated when determining if a VOC or NO<sub>x</sub> emissions increase will trigger federal nonattainment NSR.

Accordingly, the District is not proposing to change the baseline period for determining actual emissions from within five years to within ten years. If EPA revises its NSR regulations to allow a longer look-back period to establish actual emissions, the District will reconsider this request.

## **20. WORKSHOP COMMENT**

In Rule 20.1(d)(1)(ii)(A), why is the District not considering the effectiveness of emission control devices for permit exempt equipment? What is the basis for the proposed 5 pound/day, 25 pound per week criteria? Are these actual or potential emissions?



### **DISTRICT RESPONSE**

The District is not considering the effect of emissions control devices on permit exempt equipment based on the recommendation of EPA, Region IX. EPA reasoned that there would be lesser certainty that control devices on exempt equipment would be operated effectively at all times. Since the equipment would be exempt from permit, the District may not be able to effectively enforce proper operation of the controls, nor recover its costs of doing so. If the control device is not operating effectively, emissions could be much higher. The District agrees with EPA's reasoning. Also, relatively few pieces of exempt equipment include control devices. Therefore, this should not pose a significant problem.

The basis for the proposed 5 pound/day, 25 pound/week exemption was an understanding reached with EPA, Region IX for excluding low emission exempt equipment from the emissions of a stationary source. The proposed level of five pounds per day of criteria pollutants was based on the District's general emissions guidance for determining whether a emissions unit should be exempt from permits under Rule 11. The proposed emission thresholds would be based on actual rather than potential emissions.

### **21. WORKSHOP COMMENT**

In Rule 20.1(d)(1)(i), can permitted emission levels associated with a group of emission units be used to limit potential to emit for New Source Review (NSR)? Would the District consider synthetic minor source permit limits to be such a grouping and usable for NSR purposes?

### **DISTRICT RESPONSE**

Permitted emission limits associated with one or more emission units can be used to determine potential to emit under the NSR rules. However, to ensure that those limits are real and enforceable, the limits must be established pursuant to the District's NSR rules or District Rule 21. Synthetic minor source limits established under District Rule 60.2 cannot be used since they are established under an optional program and could theoretically lapse by a source retiring or canceling its synthetic minor source permit. Nevertheless, such a source could propose the same limits for use in defining the source's potential to emit under NSR. Those limits must become enforceable under the District's NSR rules and/or Rule 21, and would no longer be optional under Rule 60.2.

### **22. WORKSHOP COMMENT**

The workshop notice indicates that certain sections of Rules 20.2, 20.3 and 20.4 will not be submitted to EPA for inclusion in the SIP. What about all of the other sections? Is the District bifurcating the rules and only parts will go to EPA to be part of the SIP as required by statutes?

### **DISTRICT RESPONSE**

The majority of Rules 20.1, 20.2, 20.3 and 20.4 will be submitted to EPA to be approved into San Diego's portion of the State Implementation Plan (SIP). Certain sections, as identified in the workshop notice, will not be submitted to be in the SIP because they contain state NSR requirements that are not mandated by federal NSR regulations. These include state BACT requirements, state offset requirements (where retained), and AQIA evaluations relative to the state ambient air quality standards.

### **23. WORKSHOP COMMENT**

Regarding the District's proposed deletion of state emission offset requirements from Rules 20.2, 20.3 and 20.4, is the District accepting comments at this time on whether the necessary findings can be made by the Board? The findings should be discussed in a public workshop with a public comment period. The rule changes should not be taken to the Board before the necessary findings are made. It would pre-determine the outcome of the findings. Also, sources and the District cannot operate under the rule changes until the findings are made and ARB has approved them.

#### **DISTRICT RESPONSE**

The District will not propose to delete state offset requirements for VOC and NO<sub>x</sub> emission increases in Phase I of the NSR rule changes. Deleting state VOC and NO<sub>x</sub> offset requirements will be evaluated in Phase II of the NSR rule changes which will occur in 1998. This is to ensure that all requirements of state law regarding the repeal of these offset requirements and California Environmental Quality Act (CEQA) will be satisfied. The District is proposing to proceed with deleting state offset requirements for PM<sub>10</sub>, SO<sub>x</sub> and CO as part of the Phase I NSR changes.

The District will be preparing the documentation supporting the findings that the Board must make in order to remove the state offset requirements for VOC and NO<sub>x</sub>. That documentation will be available for review and comment prior to the Board's hearing on the associated Phase II changes to the NSR rules. The District will not recommend those changes to the Board if it cannot support the findings. This doesn't pre-determine the outcome. Rather it is a reflection of whether the necessary findings can be made appropriately.

Regarding the use of the rule changes prior to ARB approval, the District agrees that sources cannot be permanently relieved from VOC and NO<sub>x</sub> offset requirements until ARB has approved the corresponding change to the offset provisions of the District's NSR rules. However, the District may elect to approve projects that have not yet provided state VOC and NO<sub>x</sub> emission offsets conditional upon the owner/operator providing the required offsets within a specified time should ARB disapprove the change in the District's offset requirements.

### **24. WORKSHOP COMMENT**

Regarding the deletion of emission offset requirements for PM<sub>10</sub>, are other air districts requiring PM<sub>10</sub> offsets? The workshop notice speaks to a re-interpretation of state law regarding PM<sub>10</sub> offsets. What does this re-interpretation consist of?

#### **DISTRICT RESPONSE**

The re-interpretation of state law is based on a closer reading of H&SC §40919. Initially, the District was advised that §40919(a)(2) required a no-net-increase program (i.e., state offsets) for all nonattainment pollutants and their precursors. Since the air basin is nonattainment for the state ambient air quality standard for PM<sub>10</sub>, and since SO<sub>x</sub>, VOC and NO<sub>x</sub> are considered precursors of PM<sub>10</sub>, the District adopted its current NSR rules to require emission offsets for all of these pollutants. However, the wording of §40919(a) indicates that offsets are only required to the extent necessary to meet the requirements of a plan adopted pursuant to §40913. The plan adopted pursuant to §40913 is based on the requirements of §40910 and §40911, which make it clear that a plan is not required for achieving attainment of the state PM<sub>10</sub> standard, nor is the plan required to address PM<sub>10</sub> attainment. Accordingly, offsets for PM<sub>10</sub> increases (and for VOC, NO<sub>x</sub> and SO<sub>x</sub> as PM<sub>10</sub> precursors) are not required.

It is the District's understanding that other air districts in California are not effectively requiring PM<sub>10</sub> offsets, although some may have provisions to require such offsets in their NSR rules.

## **25. WORKSHOP COMMENT**

How many PM10 offsets have been provided for projects under these rules since 1994?

### **DISTRICT RESPONSE**

Only a few tons per year of PM10 offsets have been required and provided under the current NSR rules. Approximately 150 tons of PM10 offsets have already been banked and could be used as offsets. However, since these reductions have already occurred, requiring PM10 offsets will not effectively result in any further PM10 reductions, only expense and administrative burdens associated with purchasing emission reduction credits and surrendering those credits to the District to offset a new or modified PM10 source.

## **26. WORKSHOP COMMENT**

While the H&SC does not mandate that PM10 offsets be required, ARB recommends that non-attainment areas for PM10 require offsets. Other air districts are requiring PM10 offsets.

### **DISTRICT RESPONSE**

While other air districts may have PM10 offset requirements in their rules, it is the District's understanding that other air districts are not effectively requiring PM10 offsets.

## **27. WORKSHOP COMMENT**

Perhaps a different PM10 offset threshold, rather than 15 tpy, could be considered?

### **DISTRICT RESPONSE**

Based on a correct interpretation of state law, and based on the PM10 offset demand that has occurred under the current NSR rules, the District believes that a higher offset threshold would have an effect little different from removing the offset requirement, and its basis could be challenged by affected businesses.

## **28. WORKSHOP COMMENT**

Since there are about 200 tpy of PM10 emission reductions credits (ERC) banked, requiring PM10 offsets will not result in further PM10 emission reductions, only paper work and costs for the applicant and the District.

### **DISTRICT RESPONSE**

The District agrees and therefore is proposing to delete the PM10 and SOx offset requirements in Phase I changes to the NSR rules.

## **29. WORKSHOP COMMENT**

The requirement to provide PM10 offsets was based on a misinterpretation of state law. The District would need to identify adequate statutory authority for retaining this requirement.

### **DISTRICT RESPONSE**

The District agrees and therefore is proposing to delete the PM10 and SOx offset requirements from the current NSR rules.

### **30. WORKSHOP COMMENT**

The CEQA documents for the NSR rule changes should evaluate the environmental impact of deleting the PM10 offset requirement.

### **DISTRICT RESPONSE**

The effects of deleting the PM10 offset requirement will be evaluated in any required CEQA documents associated with the proposed NSR rule changes.

### **31. WORKSHOP COMMENT**

Why was Rule 20.3(d)(5)(v), which provides for ERCs from the District bank to be used to offset air contaminant emission control projects, retained when new Rule 20.3(b)(4) exempts such projects from offsets? Are such projects wholly exempt? When would they need offsets?

### **DISTRICT RESPONSE**

The District determined it would be prudent to retain the provisions of Rule 20.3(d)(5)(v) in case some air contaminant emission control projects would not qualify for the proposed offset exemption. Such projects may be wholly exempt, or may not qualify due to an increase in capacity, or may only partially qualify because of other purposes for the project (e.g., a cogeneration project that co-fires landfill gas and natural gas).

### **32. WORKSHOP COMMENT**

If there is an increase in basic equipment capacity at the same time or due to the air contaminant emission control project, would the project still qualify for the offset exemption?

### **DISTRICT RESPONSE**

Under a strict reading of the state law, a concurrent increase in basic equipment capacity would completely disqualify the air contaminant emission control project from the exemption from offsets. However, an applicant could simply undertake the project in two steps and circumvent this limitation. Accordingly, the District is proposing to allow the exemption from offsets for collateral emission increases associated with the pre-project equipment capacity. Emission increases associated with the increase in basic equipment capacity must be offset. The definition of air contaminant emission control project, and the provisions for the offset exemption, are being reworded to effect this proposal.

### **33. WORKSHOP COMMENT**

Would the air contaminant emission control project offset exemption be affected by identical replacements under Rule 11? Could there be wording allowing replacements performing the same function?

### **DISTRICT RESPONSE**

An identical replacement under Rule 11 is limited to replacements with equipment of the same manufacturer, model and type. Similar replacements under Rule 11 must have no emissions increase and be of equal or lesser capacity. Therefore, an air contaminant emission control project that includes identical or similar replacement of the basic equipment should still qualify for the offset exemption provided there is not an increase in basic equipment capacity. No additional wording is needed since the provisions of Rule 11 and the proposed NSR rules seem to adequately address the case.

### **34. WORKSHOP COMMENT**

The Rule 20.1(c)(4) definition of "air contaminant emission control project" excludes projects where there is a capacity increase in the basic equipment. However, a change to a less polluting fuel on an engine could result in an increase in power output from that engine? Would this still qualify as an offset-exempt project? What if there is a replacement of the engine at the same time and the same power rating of the engine is no longer available so that a larger engine is installed along with the switch to a less polluting fuel?

### **DISTRICT RESPONSE**

The District is proposing to exempt from offsets that portion of the collateral emission increases associated with the air contaminant emission control project and the original equipment capacity. Any other emission increases associated with the project, including increases in basic equipment capacity, whether due to non-identical replacement or fuel switching, or for other reasons, would not qualify for the exemption from offset requirements.

### **35. WORKSHOP COMMENT**

EPA requires that if the collateral emission increases from a pollution control project are of a non-attainment pollutant or precursor, and the increase is significant (i.e., a major modification or new major source), then the increase must be mitigated (e.g., by providing emission offsets).

### **DISTRICT RESPONSE**

The state law (H&SC §42301.2) that prohibits air districts from requiring emission offsets from air contaminant emission control projects does not distinguish between offset requirements mandated by state and federal law. Moreover, the law refers to emission control projects required to comply with federal control requirements including RACT. Further, this provision is located in the Health & Safety Code passages dealing with general permit program requirements, not in the sections dealing with the state no-net-increase (offset) provisions. Accordingly, the District interprets this to limit its ability to require emission offsets for emission increases associated with air contaminant emission control projects, even if those increases would otherwise trigger federal NSR offset requirements.

Nevertheless, an applicant that proposes an air contaminant emission control project that has collateral increases in emissions of NO<sub>x</sub> or VOC sufficient to trigger federal offset requirements may be at risk of federal enforcement if offsets are not provided. Accordingly, applicants will be advised by the District to provide such offsets but will not be required to do so by the District.

### **36. WORKSHOP COMMENT**

Does the offset exemption for air contaminant emission control projects apply to the entire stationary source?

#### **DISTRICT RESPONSE**

The offset exemption applies only to collateral emission increases associated with an air contaminant emission control project. Such projects typically apply to one or a few emission units being controlled. Therefore, the exemption would not apply to the entire stationary source. However, if an air contaminant emission control project were to apply to all emission units at a source, or to a broad collection of emission units, the offset exemption would cover all of those emission units controlled, but only with regard to the collateral emission increases associated with the emission control project.

### **37. WORKSHOP COMMENT**

Regarding Rule 20.3(d)(5), is the District taking into account the different toxicities of the VOC's being controlled? Is the District looking at regional effects relative to toxicities and reactivities of VOCs or is a pound of VOC a pound of VOC regardless of its toxicity or photochemical reactivity?

#### **DISTRICT RESPONSE**

VOC's are currently treated as equally reactive in forming atmospheric ozone for purposes of regulation under the NSR rules and most District VOC prohibitory rules. This is also true for VOC emission reductions that are used to create credits for use as offsets. However, emission increases of VOC associated with a new or modified emission unit are evaluated not only for their ozone precursor characteristics under NSR, but also with regard to their toxicity and potential for public health impacts under District Rule 1200 - Toxic Air Contaminants New Source Review.

### **38. WORKSHOP COMMENT**

Would air contaminant emission control projects undergo public notification?

#### **DISTRICT RESPONSE**

Yes, but only if the emission increases associated with an air contaminant emission control project equal or exceed the triggers for public notification in the NSR rules.

### **39. WORKSHOP COMMENT**

Because of the changes to Rule 20.4 regarding classification and offset requirements for portable equipment, and the District's impending adoption of a registration program for some portable equipment, the District should form a work group with interested industry representatives and develop a clear, uniform and consistent way of handling portable equipment.

#### **DISTRICT RESPONSE**

The District agrees. A work group has been formed and has held one meeting. Suggested options for portable equipment operators have been identified and are currently being evaluated by portable equipment representatives.

## WRITTEN COMMENTS

### 40. WRITTEN COMMENT

Rule 20.1(d) could be revised to provide the District more flexibility in determining the Potential to Emit and Actual Emissions for an existing stationary source. Rule 20.1(d)(1)(i)(B) specifies a five-year window for determining a project's potential to emit. Rule 20.1(d)(2)(i) specifies a period of two consecutive years within the five years preceding the date of application for determining a pre-project's potential to emit. We believe these requirements discourage modernization and may also hinder a company's ability to respond to market changes.

CFR 51.165 (a)(1)(xii)(b) states "In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the unit actually emitted the pollutant during a two-year period that precedes that particular date and which is representative of normal source operation. The reviewing authority shall allow the use of a different time period upon a determination that it is more representative of normal source operation...." This language seems to allow the consideration of any two-year period, not just the preceding two-year period within a three, four or even ten-year time period. It would also seem reasonable to apply such a criteria when determining an existing source's pre-project potential to emit.

In fact, EPA is working to revise and clarify the NSR process and in the July 23, 1996 Federal Register (page 38323) proposed a 12 consecutive month period in any 120 consecutive months preceding commencement of construction. The District should modify Rule 20.1(d) to include these provisions.

### DISTRICT RESPONSE

The District is not proposing to change the baseline period for determining actual emissions at this time. Both EPA and ARB have stated that such a change would not be approvable. The District may reconsider this issue should EPA formally adopt an alternative baseline period into its NSR regulations. See also the response to Comment #19.

### 41. WRITTEN COMMENT

The second sentence in Rule 20.1(b)(4) should be consistent with the language in Rule 69(d)(6) as follows: Only those NOx emission increases in compliance with Rule 69 and associated with generating capacity which the California Energy Commission or the California Public Utilities Commission or their successor, as applicable, has determined a need for shall be eligible for this exemption.

### DISTRICT RESPONSE

The District agrees and will make the suggested change.

### 42. WRITTEN COMMENT

Regarding the Rule 20.1(c)(4) definition of "air contaminant emission control project": It is referenced in the emission offset provisions of Rule 20.3 that this has been included to reflect a change in state law. Please provide a copy of this state law. Of the types of control projects listed,

what sources would likely install these types of controls? Has there been a projection of the likely magnitude of emissions that would be eligible for this offset provision? What other rule(s), if any, (does) this terminology also reference?

#### **DISTRICT RESPONSE**

The state law referred to is H&SC §42301.2, enacted under AB 2525 (Miller) in 1996. The most likely sources to install emission controls that would result in collateral emission increases are landfills, POTW's, VOC sources, liquid-fired combustion sources with SCR controls, and combustion sources employing certain combustion controls. The District has not projected the likely magnitude of emission increases that would be exempt from offsets. However, based on past experience, future emission increases are likely to be relatively small. Such emission increases are still subject to AQIA requirements to ensure that they do not interfere with the attainment or maintenance of any ambient air quality standard. The term "air contaminant emission control project" is defined in Rule 20.1 for purposes of the NSR rules and is not for reference with regard to other District rules except when specifically referenced by those rules back to the NSR rule definition.

#### **43. WRITTEN COMMENT**

In the workshop notice/summary, it was indicated that the definitions for "Commenced Construction" and "Construction" had been added. The definitions would be listed between Rules 20.1(c)13 and (c)14).

#### **DISTRICT RESPONSE**

These definitions were omitted in error and have been added to the proposed rules.

#### **44. WRITTEN COMMENT**

Regarding the Rule 20.1(c)32) definition of "major stationary source", please clarify what sources qualify (and do not qualify) for inclusion of fugitive emissions in the aggregate potential to emit. Does this include fugitive emissions during the stationary source operations? Does this include fugitive emissions that are generated during construction activities?

#### **DISTRICT RESPONSE**

Fugitive emissions are included in the stationary source's potential to emit unless the emissions are associated with portable emission units, or with permit exempt equipment with emissions less than 5 pounds/day or 25 pounds/week. Emissions from temporary construction activities are not included. Please also see the response to Comment #15.

#### **45. WRITTEN COMMENT**

Regarding the Rule 20.1(c)56) definition of "quantifiable": In proposed revisions to Rules 26.0 et al (Banking), it is the intent that the banking rule be consistent with the NSR rule. Therefore, because this definition is being revised as part of an EPA identified deficiency, this proposed NSR language should replace the current proposed banking rule definition for quantifiable (Rule 26.0(c)15)).

#### **DISTRICT RESPONSE**

The definitions of similar terms in the NSR and Banking Rules have been reconciled.



**46. WRITTEN COMMENT**

Regarding the Rule 20.1(c)(64) definition of "surplus": In proposed revisions to Rules 26.0 et al (Banking), it is the intent that the banking rule be consistent with the NSR rule. The current NSR language is not the same as the proposed banking rule surplus definition (Rule 26.0(c)(22)). Make consistent these rule definitions.

**DISTRICT RESPONSE**

The definitions of similar terms in the NSR and Banking Rules have been reconciled.

**47. WRITTEN COMMENT**

Regarding Rule 20.1(d)(2)(i) Actual Emissions, Time Period for Calculation: What is the precedent for the prescribed limit of the two-year period within the "five years preceding the receipt date of an application"? When can a period outside of the five-year period be accepted? The two-year period is mentioned in this subsection but the five year period is not part of 40 CFR 51.165. This CFR subsection could allow that a different time period be used, one that is *representative of normal source operation*, therefore possibly beyond the five-year window.

**DISTRICT RESPONSE**

The District is not proposing to change the current time periods for determining representative actual emissions. The current period represents the current practice of many California air districts. See also the responses to Comments #19 and #40.

**48. WRITTEN COMMENT**

Regarding Rule 20.1(d)(4)(iii)(C), RACT Adjustments: Last sentence to clarify for discounting to "be included in the emission reduction credit certificate requiring such discounting to occur at the time of use of the emission reduction credit." Note that there is not a definition of Emission Reduction Credit (ERC). ERC is defined in the proposed banking rule in Rule 26.0(c)(9).

**DISTRICT RESPONSE**

The District agrees and will make the suggested clarification.

**49. WRITTEN COMMENT**

Regarding Rule 20.3(d)(5) Emission Offsets: The APCD cited that with the signing of AB 3319 into law, revisions have been proposed in anticipation " if specified findings can be made and the State Air Resources Board (ARB) agrees". What "specified findings" are being considered? What is the anticipated likelihood and time frame for the ARB agreement?

**DISTRICT RESPONSE**

The specified findings are those identified in H&SC §40918.5 as enacted under AB 3319. The District will propose removing the state VOC and NOx offset requirements if all of the required findings can be met. If all of the required findings can be made, the likelihood of ARB approval is high. Because of potential CEQA issues associated with the proposed changes to the NSR rules, ARB consideration of the findings and Phase II NSR changes will likely not occur until some time in 1998.

**50. WRITTEN COMMENT**

Regarding Rule 20.3(d)(5)(iii) Emission Offsets and CO: What is the anticipated promulgation of the CO redesignation? Who is the EPA contact person(s)?

**DISTRICT RESPONSE**

Through the ARB, the District has requested redesignation by EPA of the air basin as attainment of the national ambient air quality standard for carbon monoxide. The latest information from EPA indicates that redesignation could occur in late 1997. The District's EPA contact person in this regard is Larry Biland with EPA, Region IX.

**51. WRITTEN COMMENT**

Regarding Rule 20.3(d)(5)(iv) Emission Offsets and Relocated/Replacement Unit: Please clarify the determination for offset needs. If the relocated or replacement unit sites at a non-major stationary source and the unit's increases redefines that non-major stationary source to a major stationary source, are offsets needed? What emissions must be offset?

**DISTRICT RESPONSE**

As with any other modification at a non-major source, a relocated or replacement emissions unit would only trigger federal offset requirements if the emissions increase from the project is sufficient to constitute a new major source (i.e., VOC or NOx emission increases equal to or greater than 50 tpy). State offsets would be required for the entire emissions increase if the stationary source is already at or above 15 tpy, or for the amount by which the aggregate source emissions after the relocation or replacement exceed 15 tpy, if the source was not greater than 15 tpy prior to the project.

**52. WRITTEN COMMENT**

Regarding Rule 20.3(d)(5)(vi) Interpollutant Offset Ratio (Table 20.3-5): The summary indicated that PM10 increases would not need to be offset under the proposed revisions with the exception of mitigation measures for an air quality impact. This deletion was based on "revised interpretations of state law". What was this interpretation?

**DISTRICT RESPONSE**

Please see the response to Comment #25.

**53. WRITTEN COMMENT**

Regarding Rule 20.3(d)(6)(iv)(B) District Bank ERC's, Essential Public Service Projects: How was the criteria for demonstration (e.g., reasonable efforts, five times cost of control measures, etc.) determined for essential public service projects? Air contaminant emission control projects are not required to undergo a similar demonstration. It would seem that essential public service projects are similar in nature to air contaminant emission control projects (e.g., reduction in emissions) but do not fulfill the criteria that the activity or project is required for compliance with an emission control requirement (other than NSR permit requirements).

### DISTRICT RESPONSE

Essential public service projects are not mandated by District rules as are most air contaminant emission control projects. The language in Rule 20.3(d)(iv)(B) is simply a relocation of existing requirements that were contained in Rule 20.2(d)(5)(v). The provisions do not represent a new requirement or additional criteria. Similar to other projects undertaken by industry and other governmental entities (e.g., the U.S. Navy or UCSD), the primary responsibility for compliance, in this case securing emission offsets, rests with the owner/operator of the project. Thus, the owner/operator for an essential public service project must make reasonable efforts to provide required offsets.

However, in 1994 the District recognized that essential public service projects are somewhat unique and are often associated with mandatory infrastructure improvements. Accordingly, the District added NSR provisions which would allow District Bank ERC's to be used to offset some or all of the increases associated with such a project. In addition, because such a project could potentially purchase offsets at much higher prices than the current market for industrial project offsets, a limitation was placed on the cost of such offsets so as not to result in excessive offset costs and not to drive up the costs of offsets for other projects that may be competing for a limited offset supply.

#### 54. WRITTEN COMMENT

Regarding Rule 20.3(d)(8)(i)(B) Emission Offsets: Please clarify the determination for offset needs. If the project results in an emissions increase at a non-major stationary source and the project's increase redefines that non-major stationary source to a major stationary source, are offsets needed? What emissions must be offset?

### DISTRICT RESPONSE

As with any other modification at a non-major source, a project would only trigger federal offset requirements if the emissions increase from the project is sufficient to constitute a new major source, i.e. VOC or NOx emission increases equal to or greater than 50 tpy (or CO above 100 tpy). A project that would cause a non-major source to become a major source is not required to provide federal offsets unless the emissions increase from the project itself exceeds major stationary source levels (i.e., 50 tpy VOC or NOx or 100 tpy CO). State offsets would be required for the entire emissions increase if the stationary source is already at or above 15 tpy, or for the amount by which the aggregate source emissions after the project exceed 15 tpy, if the source was not greater than 15 tpy prior to the project.

#### 55. WRITTEN COMMENT

U. S. Generating Company (USGen) understands that the District is pursuing revisions to the NSR rules in two phases. Phase I will address EPA identified deficiencies and other proposed rule revisions. Phase II will address three other issues: (a) interpollutant offsets; (b) interbasin trading; and, (c) the offset waiver for Rule 69 sources. USGen is submitting the following comments for your consideration, understanding that they may be addressed in Phase II of the NSR rule revisions.

Because of the emerging electric industry restructuring activities (California's AB1890 and possible forthcoming federal legislation), the exemption from NOx offsets for Rule 69 sources should also include those replacement emission units that may displace existing generating capacity. Rule 20.1(b)(4) exempts certain Rule 69 emission units from the NSR NOx offset

provisions (20.3(d)(5)). In concert with the forthcoming restructuring, the related Rule 69 sections should be modified as follows:

Rule 69(c)(15). "Replacement Unit" means any electrical generating steam boiler or electrical generating gas turbine which permanently replaces an existing electrical generating steam boiler subject to this rule, or which augments or displaces an existing electrical generating steam boiler on or after January 18, 1994. For the purposes of this rule, a replacement unit need not be limited to the same electrical generating capacity as the existing boiler being replaced, displaced or augmented.

### **DISTRICT RESPONSE**

The District disagrees. The commenter is requesting that they be allowed to access and use the emission reductions accomplished by an existing utility which they will be competing against. They are requesting that this be done through regulation without the agreement of the operator of the existing utility. That existing utility must accomplish significant emission reductions in order to comply with District Rule 69. The commenter seeks credit for emission reductions that they themselves did not accomplish. Further, the commenter offers no guarantee that the electrical generating units which they propose would in reality "displace or augment" existing in-basin electrical generation and associated emissions. Under de-regulation, the proposed project could generate electrical energy for export out of the air basin. The commenter is in no different position than any other new business in competition with an existing business. All other new sources must provide offsets if their emission increases exceed specified levels. Existing business often can increase production without facility modifications and not trigger emission offset requirements.

The District is willing to consider this matter further with all interested parties, including the existing utility, and regulatory agencies. If the commenter can reach agreement with the existing utility over securing a share of the existing utility's emissions cap (not the emission reductions required by Rule 69), the District might consider revising its rules to allow this with an adequate discounting to ensure an air quality benefit.

### **56. WRITTEN COMMENT**

AB2525 (Miller) provides for districts to allow for offsetting stationary source emissions by ERC's of a stationary source located in another district. Because of the relatively low availability of ERC's in the APCD's emissions bank and possible in-county growth opportunities, the APCD should consider including the provision for interbasin trading as part of the proposed emissions banking rule and, if necessary, as part of the NSR rules (where emission offset ratios are prescribed). USGen understands that the APCD is currently considering the potential for and inclusion of interbasin trading but has not yet initiated efforts to prescribe the applicable criteria for creditable emission reductions from the SCAQMD.

### **DISTRICT RESPONSE**

This issue will be addressed in Phase II of the NSR rule changes. The District intends to allow emission reduction credits from the South Coast air basin to be used in San Diego. Almost one-year ago the District submitted to ARB and EPA a proposal for determining appropriate air quality related discounting of ERC's created in South Coast and used as offsets in San Diego. However, the District is still awaiting approval of the proposal.

**57. WRITTEN COMMENT**

There are several recent efforts to consider the region's air quality with respect to San Diego and Mexico (Tijuana). Although existing rules do not provide for regional cross-border emissions trading, an effort similar to the interbasin trading should be provided for trading with Tijuana. We understand that traditional banking rules limit international trading, however, it appears that there is a window of opportunity to pursue such efforts given the interest and concerns at the Border region. Table A identifies possible revisions to the (banking) rule(s).

**DISTRICT RESPONSE**

The District will not consider emission reductions in Mexico to be used as offsets in San Diego. Aside from the legal and practical considerations, emissions in Mexico have very little impact on air quality in San Diego. Therefore, emission reductions from Mexico would not mitigate air quality impacts associated with emission increases from projects in San Diego County.

**58. WRITTEN COMMENT**

As early as 1991, shortly after the passage of the federal Clean Air Act Amendments, it was generally recognized that the availability of offset credits would be a limiting factor to growth. Currently, the District's inventory of ERCs is too small to support projects of any magnitude. How does the District plan to address this shortage of offsets?

**DISTRICT RESPONSE**

The District has been working for changes in state law to reduce the need for state offsets. That effort resulted in AB3319 which provides this and other air districts the opportunity to demonstrate that state emission offsets are not needed. In addition, the District successfully broke new regulatory ground with EPA several years ago by being reclassified from a severe to a serious ozone nonattainment area. That change raised the major source threshold from 25 to 50 tpy of VOC or NOx. This reduced the number of major sources subject to federal offset requirements. Also, the District adopted interpollutant offset provisions in its NSR rules, and intends to pursue agreement for rule provisions that would allow interbasin offsets. For those projects for which offsets will still be required, the District has worked with sources to identify and approve offsets. Nevertheless, some large projects that result in significant emission increases may face significant effort and costs in order to secure adequate emission offsets. Emission offset requirements may continue to be a problem for large new projects.

**59. WRITTEN COMMENT**

Regarding Rule 20.2(d)(2)(v) AQIA Requirements for PM10 Impacts May Be Waived: I am assuming that AQIA modeling will generally require use of a model (such) as ISCST3 to determine the maximum 24-hour and annual geometric mean concentrations as required in Rule 20.2(d)(2)(v)(A). A screening model such as SCREEN3 may be used to estimate a worst case maximum 24-hour concentration, but there is no easy way to estimate the annual geometric mean. It seems like it will be difficult to demonstrate that project does not exceed the specified criteria without doing comprehensive modeling analysis in order to demonstrate that modeling is not required. Please explain how one can satisfy the requirements of this section without conducting a detailed modeling analysis.

### **DISTRICT RESPONSE**

AQIA requirements may be waived for certain PM10 impacts relative to the state ambient air quality standard only - not with regard to the national ambient air quality standard for PM10. SCREEN3 may be used to estimate 1-hour concentrations for receptors below stack height and 24-hour for receptors above stack height. The EPA provides guidance for adjusting 1-hour and 24-hour impact concentrations to a maximum arithmetic average annual impact. That annual value would then be added to the background annual geometric mean concentration. However, since the arithmetic average value is higher than a geometric mean value, the annual arithmetic average value can be used as a health conservative estimate of project air quality impacts.

The District's Meteorology and Modeling Section should be consulted for further details regarding approved modeling procedures.

### **60. WRITTEN COMMENT**

Regarding Rule 20.2(d)(4)(iii) Publication of Notice: Publication of legal notices in a newspaper of general circulation in San Diego county may satisfy the legal requirements of the law for public notification, but I do not feel it is an effective way to reach all interested parties. I do not subscribe to any San Diego papers, but I am very interested in being kept informed about NSR rule activities as well as other notifications done by the District. The District's package of services includes a subscription to the workshop mailings. Can the District implement a similar service for legal notifications? Does the District plan to distribute workshop notices, legal notices, etc., to interested parties by E-mail and/or place this information on the District's web site?

### **DISTRICT RESPONSE**

The District's public notices have historically been published in the San Diego Daily Transcript. In addition, the District posts a weekly list of applications received. If any member of the public is interested in a particular project, they can request to be mailed a notice of an impending permit action. Also, interested persons can request to review the application and permit evaluation file. The District is evaluating the cost and feasibility of adding a subscription service for public notices and, if feasible, will provide notice of this service in the future. The District's web site has not yet been fully developed. The District will consider the suggestion to include public notices on the web site.

### **61. WRITTEN COMMENT**

Due to the repeal of the Transportation Control Measures, it would appear that the provisions of Rule 20.1(b)(7) are no longer necessary. The District should consider deleting the language.

### **DISTRICT RESPONSE**

The District agrees. This provision will be deleted.

### **62. WRITTEN COMMENT**

In Rule 20.1(c)(14)(iii), the language of the paragraph does not follow. It appears words are missing.

### **DISTRICT RESPONSE**

The wording in Rule 20.1(c)(14)(ii) is a continuation of the introductory phrase in the first paragraph of Rule 20.1(c)(14). No additional wording is necessary.

### **63. WRITTEN COMMENT**

In Rule 20.1(c)(45), the added language does not appear to be necessary. So long as Rule 20.3 and 20.4 require that emission offsets be federally enforceable and permanent, this language appears to be redundant. The District should consider deleting this language.

### **DISTRICT RESPONSE**

The District has revised the definition to be consistent with that proposed in the District's Banking Rule 26.0(c)(14). That definition specifies that the emission reductions must be federally enforceable and existing for an unlimited period. EPA requires that such reductions be federally enforceable since they may be used to meet federal offset requirements.

### **64. WRITTEN COMMENT**

Regarding Rule 20.1(d)(1)(ii)(A), we are concerned about the inclusion of permit exempt equipment in a stationary source's potential to emit. Presumably, equipment is exempt from permit (or not) based on the equipment's likely emissions and their type. Typically, exempt equipment does not have significant emissions, otherwise it would be required to obtain permits.

In part, due to the need to control more sources to achieve our more stringent ambient air quality standards, California requires air permits for significantly more equipment than do most other states. As a result, the existing language is not at all a "loophole", but rather an acknowledgment of the fact that non-permitted equipment do not constitute a significant source of emissions.

It is also unclear how this provision will be enforced. Stationary sources do not currently inventory nor tally permit exempt equipment emissions, nor does the District (or the ARB) require that their emissions be included in the emissions inventories. Tracking permit exempt equipment would be very difficult since they are free to move into and out of stationary sources without any notification to the District. Further, even if stationary sources kept track of permit exempt equipment emissions, the District would have no way of ensuring the validity of the data. It is unlikely that Congress intended for sources to track all equipment at their sites, including insignificant emitters. It is unclear how this new requirement will have any meaningful air quality benefit, given how small the emissions from these exempt emission units are. The commensurate burden imposed on stationary sources to track this equipment is inequitable to the benefits.

### **DISTRICT RESPONSE**

Most all emission units with actual emissions above 5 pounds per day or 25 pounds per week are required to have District permits and will not be affected by this provision. There are some permit exempt units that may have significant emissions such as grandfathered (pre-1983) engines. These emissions are typically included in the stationary source's emissions inventory. The District believed it was preferable to include these emissions rather than require permits of this equipment at this time.

## 65. WRITTEN COMMENT

In the same provision, the District has added the wording "add-on emission control devices." As a practical matter, it can be difficult to determine whether a certain piece of emission control equipment is "add-on" or not. Most all emission control equipment, including things like post-combustion emission control equipment, are many times considered to be an inherent part of the device and as such designed as a package with the rest of the device. They are not "add-on" equipment in the sense that the basic equipment is not designed first and the control equipment added on at some later point as an afterthought. We suggest that the language "without consideration of any add-on emissions control devices" be deleted. If permit exempt equipment must be included in the sources aggregate potential to emit, then we suggest that the basis for inclusion be whether the equipment's actual emissions is over 5 pounds per day or 25 pounds per week.

### DISTRICT RESPONSE

The District agrees with EPA that permit exempt equipment should not be excluded based on controlled emissions since proper operation of the emission control equipment may not be practically enforceable without permits. For the few pieces of equipment to which this provision may apply, and the still fewer equipped with emission controls, the District does not believe that identification of add-on emission controls will present significant difficulties. The District is not proposing to make the suggested change.

## 66. WRITTEN COMMENT

Rule 20.1 (d)(1)(ii)(B) - The proposed changes are confusing. We understand that the District's intent is to retain the current procedure, which is to only include maintenance operation emissions in the aggregate potential to emit and to exclude emissions occurring from operation during emergency situations from the aggregate potential to emit. The current language does not reflect this. Our discussions with EPA reveal that they do not have any concerns about the existing approach. They appear to be primarily interested in ensuring that the maintenance emissions be accounted for in the source's potential to emit. The comments stated above regarding the wording "add-on emission control devices" are also applicable here. We suggest the following changes:

"The potential to emit from the maintenance operation from operation of emergency equipment during other than non-emergency situations shall not be included in the calculation of a stationary source's aggregate potential to emit, unless the emergency equipment's actual emissions from such operation is less than 5 pounds per day or 25 pounds per week except that emissions of any federal criteria air contaminant or precursor from an emergency unit shall be included if the actual emission of any such air contaminant or precursor from the unit, without consideration of any add-on emission control devices, equals or exceeds 5 pounds per day or 25 pounds per week. The potential to emit from operation of emergency equipment during emergency situations shall be excluded from the calculation of a stationary source's aggregate potential to emit."

### DISTRICT RESPONSE

The District agrees and has revised the rule to include language similar to that suggested. The intent was to base inclusion or exclusion of emergency equipment emissions solely on emissions during non-emergency operation.



## **67. WRITTEN COMMENT**

Rule 20.1(d)(4)(iii)(C) - At EPA's request, the District has included language which would require that ERC's from non-permitted equipment be RACT adjusted at the time of use. We have two comments:

It does not appear that this language need be included in the NSR rule. The original intent of the subject NSR provision was to ensure that actual emission reductions that were to be used contemporaneously to offset an increase be RACT adjusted at the time the actual emission reduction was calculated. The provision was not intended to address the creation of contemporaneous emission reductions (or Banking) from non-permitted equipment, since it was envisioned that all non-permitted equipment reductions would have to be obtained through the Banking rules to ensure the enforceability of such reductions. The Banking rules require that equipment have a valid permit to operate before an ERC is granted. Therefore, for reasons of enforceability, it would appear that the Banking rules are the appropriate mechanism for allowing the banking of emission reductions from non-permitted equipment. The District should consider deleting the language from Rule 20.1.

As you know, the issue of RACT adjustment at the time of use of emission reduction credits (ERC's) is a very controversial one. Indeed, the EPA and the Air Resources Board are in disagreement with respect to this issue. We do not believe that RACT adjustment at the time of use is legally justified nor required by any Clean Air Act provision nor EPA policy. However, we will not expand on the legal technicalities; such a discussion should include the EPA, ARB and industry representatives. We strongly urge the District not to make the proposed change (i.e., requiring that emission reductions from non-permitted sources be RACT adjustment at the time of use) until all the parties have come to an agreement on this issue. Our concern is not only with respect to the questionable legality of requiring RACT adjustment at the time of use, but also the setting of a precedent in San Diego County, the logical progression of which would be the RACT adjustment at the time of use for all emission reduction credits. Given EPA's interpretation of the timing of the RACT adjustment, we are unaware of any reason why RACT adjustment at the time of use would be limited only to non-permitted equipment. Acquiescing to RACT adjustment at the time of use for non-permitted emissions would provide added strength to the argument that it should be done for all ERC's. We strongly oppose any movement which would have that result. We have also reviewed the offsetting provisions of other states. None of the regulations reviewed require RACT adjustment at the time of use. We believe that this is another example where California is treated to a more stringent standard by EPA than are other states. We reiterate our strong opposition to the inclusion of this language and urge the District to not make the changes.

## **DISTRICT RESPONSE**

RACT adjustment at time of use is only required for emission reduction credits created from permit exempt equipment. The wording of Rule 20.1(d)(4)(iii)(C) has been clarified to reflect this. This RACT adjustment at time of use for such credits is required by H&SC §40714.5.

## **68. WRITTEN COMMENT**

Rule 20.3(d)(2)(ii) and (iii) - The "and" at the end of Subsection (ii) should be retained and the "and" that was added to Subsection (iii) should be deleted. As currently worded, the provision would require that all of the requirements of Subsection (b)(3) and Subsection (b)(4) be satisfied for the exemption to apply. We believe this is not the intent of the revisions.

### DISTRICT RESPONSE

The reference appears to be to Rule 20.3(b)(3)(ii) and (iii). The changes in the workshop draft rule were in error. The original wording has been retained.

### 69. WRITTEN COMMENT

Rule 20.3(d)(7) - We believe that the language "These offsetting emission reductions shall be in addition to any emission offsets required by these rules." is beyond that required by the Clean Air Act, Section 182(c)(7) or (8). As written, the language would require that an applicant provide offsets at a ratio of 1.2 (as required by Subsection (d)(5)) plus 1.3 ("in addition to any offset required by these rules") to 1.0. This would require a total offset ratio of 2.5 to 1.0, in order to be able to implement BACT instead of LAER. The language in the Act states that if a source provides emission offsets from within the stationary source and does so at a 1.3 to 1.0 ratio, the changes are not a modification and therefore not subject to the modification provisions for LAER and emission offset requirements for 1.2 to 1.0. Therefore, to require that emission offsets be provided at a 1.2 to 1.0 ratio in addition to providing to the 1.3 to 1.0 ratio is inappropriate.

### DISTRICT RESPONSE

This change was in response to a recommendation from EPA. However, the commenter is correct. The proposed new language will be deleted and the subsection clarified to state that total offset burden is 1.3 to 1.0. This is consistent with Sections 182(c)(7) and (c)(8) of the 1990 Clean Air Act Amendments.

### 70. WRITTEN COMMENT

EHC (Environmental Health Coalition) is very concerned about the proposal to delete state offset requirements for VOC, NO<sub>x</sub> and PM<sub>10</sub>, especially when federal standards for those pollutants are in the process of being made more strict due to public health concerns. Also the process by which the District proposes to remove these requirements is severely flawed.

#### **1. It is inappropriate for the District to consider removing state offsets for ozone precursors absent the findings required by state law.**

The California Health and Safety Code (§40918.5(a)(1)) provides that a District can only elect to eliminate the no-net-increase permitting program from its attainment plan upon a finding by the governing board that the program "is not necessary to achieve and maintain the state ambient air quality standards by the earliest practicable date." The board cannot make this finding until after reviewing estimates of the growth in emissions resulting from the elimination of the program, and adopting or having scheduled for adoption all feasible measures to attain state air quality standards.

In this case, the District is preparing to eliminate the program prior to the Board making any finding that the program's elimination is appropriate. EHC understands the District's desire to eliminate the program in an efficient manner. However, once the offsets have been eliminated from the rule, even if the change will not take effect until the findings are made, the Board of Supervisors will be predisposed to make these findings. To do otherwise would make compliance with the rule more expensive for local businesses, which the Board is not likely to do. To thus make the findings a foregone conclusion is unacceptable.

Additionally, at the April 18, 1997 workshop, the public was not allowed to comment upon whether the findings could be made, and no information supporting the findings has yet been released to the public. As such, it is unclear whether the findings themselves will ever be subject to the public scrutiny inherent in the workshop process, or whether the public will be shut out of the findings process until the issue is presented before the Board of Supervisors. There is a great deal of technical information which must be reviewed and debated as part of making the findings. We would therefore request that this information be compiled in summary format and presented to the public in a workshop prior to the issue being brought before the Board.

Furthermore, it is not health protective for the APCD to be eliminating the offset programs for substances for which the District is still out of compliance with state and/or federal standards. The APCD's role is to protect public health. As you are well aware, the U.S. EPA is currently considering tightening both the PM and ozone standards because much more has been learned about the deleterious health impacts of these pollutants even at levels below current standards. Thus, to walk away from the state offsets for these pollutants is highly irresponsible.

2. **Pursuant to the California Environmental Quality Act (CEQA), the District must consider the environment effects of the elimination of both the offset requirements for ozone precursors and PM10 prior to taking action on the proposed rule changes.**

**Please include EHC on the Interested Parties list for the CEQA review of the environmental effects of the proposed changes to this rule.**

Elimination of the offset requirements for ozone precursors and PM10 could have substantial effects on the public health and the environment of this air basin. As part of the CEQA process, the District must quantify the increase in emissions that will occur as a result of these changes. How many tons per year of VOC's, NOx and PM will no longer be required as offsets when new projects are proposed? What are the projected health impacts associated with potential delays in reaching attainment? Will the proposal result in health impacts such as those mentioned above as possibly resulting (from) the modifications to the RAQS? What cumulative effects will occur with the elimination of the offset requirements, deletion of control strategies from the RAQS, proposed amendments to Rule 50, etc.?

Furthermore, the CEQA analysis must occur prior to the Board voting on the proposed rule changes. It cannot be postponed until the Board is presented with the question of whether to adopt the findings. CEQA requires that environmental documents not operate to merely confirm decisions which have already been made (as it seems the findings analysis will). Rather, the CEQA analysis must occur "as early as feasible in the planning process to enable environmental considerations to influence [the project outcome]." Cal. Admin. Code, Title 14, Section 15004.

### **DISTRICT RESPONSE**

As noted in the comment, H&SC §40918.5 specifies that a district can only elect to eliminate its no-net-increase permitting program from its state attainment plan upon a finding by the governing board that the program "is not necessary to achieve and maintain the state ambient air quality standards by the earliest practicable date". The board cannot make this finding until after reviewing estimates of the growth in emissions resulting from the elimination of the program, and adopting or having scheduled for adoption all feasible measures to attain the state air quality standards. The ARB must concur with these findings.

Because emission offsets in San Diego County have been extremely difficult and expensive for businesses to provide to satisfy the state no-net-increase program, and because a significant number

of offsets that were provided resulted in no air quality improvement (i.e., non reactive compounds), and because businesses elsewhere in other California nonattainment areas have not been effectively required to provide state offsets as they have been required to provide in San Diego County, the District elected to begin the process of repealing its no-net-increase program as allowed by H&SC §40918.5.

The first step was to conduct a preliminary analysis of the emissions increases from stationary sources that would be subject to state offsets ( $\geq 15$  tpy VOC or NO<sub>x</sub>) but not trigger federal offsets (<50 tpy VOC or NO<sub>x</sub>) and that would likely result if the program were repealed. Based on three years of data (1993 - 1995) from new and modified stationary sources, about 25 tpy of VOC and 31 tpy of NO<sub>x</sub> would result. However, data for this same time period also shows that these projected increases are more than mitigated by emission reductions associated with shutdown (retired) equipment for which no air quality credit has been claimed. Average emission reductions of about 165 tpy of VOC and 55 tpy of NO<sub>x</sub> would result. These emission reductions had not been banked for use as offsets because they are typically from the shutdown of individually small sources, making the costs of creating bankable and tradable credits prohibitive. It was also noted that the majority of emission reductions from new and modified businesses resulted from requiring BACT be utilized.

Based on this, it appeared the District could clearly show that state emission offsets were not necessary to achieve and maintain the state ambient air quality standards by the earliest practicable date and therefore the no-net-increase program could be repealed. Since the NSR rules were to be reviewed at a workshop to discuss proposed revisions to address EPA-noted deficiencies, the District decided to propose repealing the state emission offset program and request public comments at this same workshop (April 18, 1997).

The District is now preparing the necessary documents to support the CEQA analysis that will be required for the proposed repeal of the no-net-increase program for VOC and NO<sub>x</sub> emission increases, now scheduled to be considered in Phase II of the NSR changes. Separately, as part of Phase I of the NSR rule changes, the District is proposing to delete emission offset requirements for PM<sub>10</sub>, SO<sub>x</sub> and CO. Appropriate CEQA review and documents are being prepared regarding these Phase I changes. The CEQA documents for Phase I and for Phase II will be made available for public review and comment prior to the corresponding public hearings with the Air Pollution Control Board where the proposed repeal of the no-net-increase program will be considered. Since the analyses required to comply with H&SC §40918.5 and to comply with CEQA are very similar, this process will provide an opportunity for public review and comment prior to the public hearing at which the Air Pollution Control Board will consider repealing the District's no-net-increase program.

It should be noted that nearly all emission offsets that have been provided to date resulted from shutdown (retired permits) equipment or from reductions in emissions of an organic compound which was designated a non-VOC by EPA after the emission reduction credits were created. Emission reduction credits created by over-controlling existing stationary source emission units have been few and are difficult to identify because of the extensive nature of the emission reductions already required or committed to in state or federal air quality attainment plans. Since the equipment shut-downs were business driven and would have occurred whether or not there was a no-net-increase program, all the no-net-increase program effectively did was require new and modified businesses to go through the onerous and costly process of identifying and procuring (at significant cost) emission reductions that had already occurred or which were for reductions in non-VOC's. Thus, there was no resulting air quality benefit.

It is also noted that if the District's no-net-increase program is repealed and significant unmitigated emissions growth results, H&SC Section 40918.6 requires this matter be revisited every three years when the District submits its triennial update for ARB consideration. If ARB believes such growth

is preventing the District from achieving and maintaining the state ambient air quality standards by the earliest practicable date, ARB can require the District to again adopt and implement a no-net-increase program.

The San Diego County Air Pollution Control District is committed to adopting the emission reduction measures the federal EPA believes are necessary for nonattainment areas to meet the new federal ozone and PM<sub>2.5</sub> standards. The District believes it is highly unlikely EPA will require lower emission offset thresholds as a strategy to attain the new ozone standard. However, if a lower offset threshold is determined to be necessary, the District is committed to adopting such lower threshold. In addition, EPA has stated that emission reduction costs of \$10,000 per ton is the high end of the range of reasonable cost to impose on sources to meet the new ozone standard. Currently, emission sources in San Diego county are paying in excess of \$10,000 per ton for ozone precursor offsets. The District does not believe it is appropriate to continue to require emission sources to provide state emission offsets at a significantly lower emission increase threshold and at a cost in excess of \$10,000 per ton simply because EPA has adopted a more stringent standard for ozone, especially when such offsets are very difficult to locate, provide virtually no air quality benefit, are not being similarly required in other nonattainment areas in California, and may not be required by EPA for their own revised standard.

Concerning PM<sub>2.5</sub>, EPA has stated that the scientific and technical information on PM<sub>2.5</sub> needs to be updated and, based on this updated information, EPA will determine whether it is appropriate to revise the standards in order to protect public health. EPA has also stated there are scientific uncertainties associated with the health and environmental effects of PM and the means of reducing them. Until this matter is resolved, the District does not believe it is appropriate to continue to require new and expanding businesses to provide state emission offsets for particulate matter simply because EPA has adopted a more stringent standard for PM<sub>2.5</sub>. Moreover, requiring offsets for PM<sub>10</sub> will not necessarily ensure an air quality benefit for PM<sub>2.5</sub> since a source of PM<sub>10</sub> emission reductions may not be a source of PM<sub>2.5</sub>.

H&SC Section 40918.5 recognizes the problems new and modified businesses are having meeting state emission offset requirements and allows an air district to elect to repeal its no-net-increase program if specified findings can be made. Rather than finding "creative" ways to satisfy the state no-net-increase program requirements without actually requiring new and expanding businesses to provide emission offsets as is being done in other nonattainment areas, the District is proposing to repeal its program if it can make the required findings and ARB concurs.

## EPA WRITTEN COMMENTS

### 71. EPA COMMENT

The summary pages for Rule 20.1 state that the definitions "Commenced Construction" and "Construction" have been added but they did not appear in Rule 20.1. Please add these important definitions to the rule.

#### DISTRICT RESPONSE

The cited definitions were omitted from the proposed rules in error. Definitions consistent with EPA regulatory definitions in 40 CFR 51.165 and 51.166 have been included in the proposed rule changes.

### 72. EPA COMMENT

Regarding Rule 20.1(b)(8): It is EPA's understanding that this paragraph is for administrative changes only. We believe that the District should clarify this by adding the requirement that there should not be any physical change or change in the method of operation at the source.

#### DISTRICT RESPONSE

Please see the response to Comment #1.

### 73. EPA COMMENT

Regarding the Rule 20.1(c)(11)(ii) provisions in the BACT definition: We believe that this portion of the rule should be moved to another portion of the NSR rules (e.g., 20.2 or 20.3). We believe that placing the BACT requirements for modified emission units in the definition section is somewhat confusing.

#### DISTRICT RESPONSE

Please see the response to Comment #4.

### 74. EPA COMMENT

Regarding the Rule 20.1(c)(14) definition of "Contemporaneous Emissions Increase" (CEI): We have several changes to this definition that we believe are important for rule approval:

- a. First, we suggest adding the word "actual" to the definition to make it clear that the actual emissions increases and decreases are necessary to be creditable.
- b. EPA recommends deleting the second paragraph altogether because emission reductions at a source or an emissions unit must be actual emissions reductions not reductions in a sources potential to emit. In addition, it is our understanding that Section (b)(8) of Rule 20.1 allows the District to decrease a source's potential to emit through an administrative change to the permit. If this is true, we believe that Section (c)(14)(ii) is redundant with (b)(8).

- c. The third paragraph of the definition is not a method to decrease the CEI of an emission unit. We recommend separating the provision to stand alone within the definition of CEI.
- d. The last paragraph needs to be changed because Section 182(c)(6) of the Clean Air Act requires a special calculation method for determining whether a major modification has occurred for NO<sub>x</sub> and VOC emissions in serious ozone non-attainment areas. (Note: EPA's current interpretation of this section of the statute is described in the NSR reform package at 61 FR 38297.) First, in serious non-attainment areas, resetting an emission unit's (source's) contemporaneous emissions increase to zero is only appropriate for criteria pollutants other than NO<sub>x</sub> and VOC. Please add the requirement that this paragraph only applies to pollutants other than VOC and NO<sub>x</sub>. Then, we recommend adding the following paragraph that describes the emission increase calculation for NO<sub>x</sub> and VOC:

"For major sources of NO<sub>x</sub> and VOC, CEI is the sum of the net emissions from the proposed project (including all increases and decreases between the time the date of the application and the time the project's emissions begin operation) and the source's net emissions increases and decreases over the contemporaneous period including the calendar year in which such increase occurred. Only the project's net emissions increase is subject to LAER and offsets. After these requirements are met, the source can deduct the project's net emissions from their contemporaneous emissions tally."

As stated above, LAER would apply only to the emission unit(s) of the current project and not to the past emission unit(s). Furthermore, offsets are only required for the project's net emissions increase; not the entire contemporaneous emissions increase. When offsets are provided, and LAER requirements are met, the source can eliminate the project's net emissions from their contemporaneous emissions tally. Previous emission increases and decreases remain part of the contemporaneous emissions tally.

### **DISTRICT RESPONSE**

Please see the response to Comments #7, 8, 9 and 10. In addition, in accordance with Section 182(c)(6) of the Clean Air Act, specifically in regards to the contemporaneous period for net increases, the District is proposing to modify the Rule 20.1 definition of "Contemporaneous Emissions Increase" to specify the calendar year in which the subject project is expected to commence operation, and the four preceding calendar years. This is a change from the current five years preceding the receipt of a complete application for the subject project.

### **76. EPA COMMENT**

Regarding the Rule 20.1(c)(23) definition of "Federally Enforceable": EPA strongly believes that the last sentence of the last paragraph be deleted. As discussed in our letter to Richard Sommerville on December 11, 1995, EPA believes that including non-federally enforceable conditions in NSR permits complicates permits. If employed, it is possible that a permit would have two separate permit conditions for the same piece of equipment and the same pollutant - one federally enforceable and one District-enforceable condition. Furthermore, it is unclear to EPA who will determine whether the particular condition is required pursuant to Section (c)(23)(i) through (iv).

### **DISTRICT RESPONSE**

Please see the response to Comment #17. The vast majority of permits issued under the District's NSR rules will not be for new major sources nor for major modifications, nor for projects at existing major VOC or NO<sub>x</sub> sources. Relative to the NSR conditions that result, most will be the

result of applying state rather than federal NSR requirements. Since these state requirements are more stringent than federal requirements, and are not specifically needed to achieve attainment of the NAAQS for ozone, these state requirements should not automatically become federally enforceable. A source can elect to make these requirements federally enforceable in order to simplify their permit if needed.

As a practical matter, the terms and conditions of the vast majority of Authorities to Construct will not typically be labeled regarding federally enforceability. Terms and conditions of an Authority to Construct may be labeled as such if specifically requested by an applicant, in which case the applicant must pay the additional District costs of doing so. Therefore, the question of which conditions are federally enforceable will not likely arise in the vast majority of Authorities to Construct and will only be at issue if EPA or a citizen seek to federally enforce a particular permit term or condition, or if an applicant requests such designations be made.

#### **77. EPA COMMENT**

Regarding the Rule 20.1(c)(29)(ii), definition of "LAER": EPA recommends moving this section to a more appropriate section of the rule - perhaps Rule 20.1 or 20.3 (d)? See comment on BACT above.

#### **DISTRICT RESPONSE**

The cited subsection will be repeated in Rule 20.3(d)(8). This language will also be retained in the LAER definition to ensure that it is not overlooked.

#### **78. EPA COMMENT**

Regarding the Rule 20.1(c)(30) definition of "Major Modification": We believe this section needs to be modified to read: "means an increase of emissions at a major stationary source equal to or greater than any of the emission rates listed in Table 20.1-5 or for major sources of VOC or NOx means an increase in net emissions of VOC or NOx greater than 25 tons when aggregated with all other net increases in emissions from the source over any period of five consecutive calendar years which includes the calendar year in which such increase occurred."

#### **DISTRICT RESPONSE**

The District disagrees. The proposed definition refers to a contemporaneous emissions increase which is defined and which is based on the aggregate of emission increases over a five-year period. The suggested language would require a new calculation procedure for determining a net emissions increase. This is unnecessary given the existing procedures for determining a contemporaneous emissions increase. Moreover, the District's NSR rules are already consistent with the proposed language and EPA's interpretation of the requirements of Section 182(c)(6) of the 1990 Clean Air Act Amendments.

#### **79. EPA COMMENT**

Regarding Rule 20.1(d)(1)(ii)(D), the exclusions from aggregate potential to emit should be limited to emission units that meet EPA's definition of non-road engines (i.e., not gas turbines).



## DISTRICT RESPONSE

State ARB regulations have pre-empted air districts from regulating emissions from tactical support equipment (TSE) engines (which include gas turbines) and from attributing TSE emissions to the host stationary source.

### 80. EPA COMMENT

Regarding Rule 20.2(d)(4) Public Notification Trigger Levels: EPA believes that the trigger levels in Table 20.2-1 for NOx (and the VOC trigger of 250 lbs/day in the rule) are too high for public notification purposes. If a source is operating at the levels in Table 20.2-1 for 24 hours per day, 365 days per year, public notification would only be required when the emissions exceed 45 tons per year (tpy). This is very close to the 50 tpy federal major source trigger level. Even though most sources will likely not be operate(d) at these rates for the entire year, we recommend either lowering the lbs/day trigger level to 100 or adding a 20 ton per year trigger level in addition to the lb/hr and lb/day levels.

Presently, federal law does not set a lower limit below which no public notification is required. The Clean Air Act at 110(a)(2)(C) requires the SIP to include a permit program that, "includes a program to provide for the...regulation of the modification and construction of any stationary source." The current regulations for minor source programs are set forth at 40 CFR 51.160 through 51.164. EPA is currently contemplating rulemaking as part of the supplemental revisions to Part 70 and has proposed to modify the requirements for minor source public notification in 51.161. The rulemaking would allow permitting authorities greater discretion to determine what projects require public notification.

## DISTRICT RESPONSE

The District has historically required public notice and a 30-day public comment period for projects that trigger the AQIA thresholds as specified in Rules 20.2, 20.3 and 20.4. Also, historically, the District has received virtually no public comment unless the project is controversial, in which case the interested public is well aware of the project before the District does its public notice. EPA's proposed changes to Part 51.161 would require public notice and comment for any projects which, by themselves and with any secondary emissions increases, exceed major source or major modification levels (30-day comment period) or would exceed EPA's significance levels (21-day comment period). EPA's proposal also allows a permitting agency to establish de minimis criteria for determining when public notice and comment is not required. However, EPA's proposed criteria for permitting authorities to demonstrate acceptable de minimis levels are overwhelmingly burdensome.

There is no apparent basis for EPA's recommendation that the public notice and comment thresholds be lowered to 100 pounds per day or 20 tpy. These are well below the thresholds that EPA itself has proposed in revisions to Part 51.161 and below thresholds for public notice used by most other air districts in California. Since the AQIA (and therefore the public notice and comment) thresholds are very close to being equivalent to EPA's significant emissions increase thresholds as defined in Part 51.165, the District will add the following annual emissions increase thresholds for purposes of public notification:

PM10	15 tpy	SOx	40 tpy
VOC	40 tpy	CO	100 tpy
NOx	40 tpy	Lead	0.6 tpy

These levels will ensure that any project that results in emission increases at significant levels will require public notice and comment before Authority to Construct approval, and would be consistent with EPA's proposed changes to Part 51.161.

### **81. EPA COMMENT**

Regarding Rule 20.3, Section (b)(4) exempts emission increases resulting from an air contaminant emission control project from the offset requirements. EPA policy requires sources to provide offsets if the project results in a significant emissions increase of a non-attainment pollutant (see November 30, 1995 letter to the District from EPA Region IX outlining the requirements for pollution control projects). At the workshop, the District stated that state law prohibits the District from requiring offsets for these projects. Federal law does not allow state law to be less stringent than federal law.

#### **DISTRICT RESPONSE**

Please see the response to Comment #35.

### **82. EPA COMMENT**

Regarding Table 20.3-1, AQIA Trigger Levels: For major modifications in an attainment area, the trigger levels in the table are above the federal significant level of 40 tons per year (tpy) for NO<sub>2</sub> and SO<sub>2</sub> and 15 tpy for PM<sub>10</sub>. Instead of referencing the AQIA triggers, EPA requires the PSD modification levels as defined in Rule 20.1(c)(54) to be used. One option is to include the PSD modification triggers (tons per year) in the AQIA table.

In addition, for non-attainment areas, the AQIA triggers are too high (assuming operation 24 hours a day, 365 days per year). Federal law requires major modifications of NO<sub>x</sub> and VOC in serious non-attainment areas to provide public notification when emission increases exceed 25 tpy. Please reference the major modification trigger levels in Table 20.1-5 for public notice requirements or include those levels in Table 20.3-1.

#### **DISTRICT RESPONSE**

The District will modify the AQIA thresholds in Table 20.3-1 to add the following EPA significant thresholds:

PM <sub>10</sub>	15 tpy	CO	100 tpy
NO <sub>x</sub>	40 tpy	Lead	0.6 tpy
SO <sub>x</sub>	40 tpy		

Even though most ambient standards being evaluated under an AQIA are based on hourly or daily averaging periods, this change will ensure that any project that results in emission increases at or above these annual levels but not above the existing hourly or daily trigger levels will be evaluated for potential air quality impacts. Since there is no approved model for evaluating impacts of point source VOC emission increases on regional ozone, the 40 ton per year significant emission threshold for VOC will not be included in Table 20.3-1. Any future evaluation of projects for VOC impacts on regional ozone will be regulated under Rule 20.3(d)(2)(iv) when and if EPA and ARB approved models are developed for such evaluations.

The public notification requirements under Rule 20.3(d)(4) already address the need for public notice and comment in the event that emission increases from a project constitute a new major

source or major modification. However, to ensure consistency with the Districts proposed public notice requirements for minor sources, the following project emission increase thresholds will be added for public notification under Rule 20.3(d)(4):

PM10	15 tpy	SOx	40 tpy
VOC	40 tpy	CO	100 tpy
NOx	40 tpy	Lead	0.6 tpy

### **83. EPA COMMENT**

Regarding Rule 20.3(d)(8), the last sentence to this rule is the same as the definition of contemporaneous emissions increase in Rule 20.1. See our comments on that definition above. We believe some changes are needed at this section to incorporate the differences between the NOx and VOC tabulation and the attainment pollutant tabulation. One option:

- Change (d)(8) to apply to criteria pollutants other than NOx and VOC. Then add a new section (d)(9) to apply to NOx and VOC only. To new Section (d)(9) add the calculation procedure to require offsets only for the emissions increase from the project that triggered the 25 tpy contemporaneous level. For example, assume a major source of VOC has had contemporaneous net emissions increases of 24 tpy of VOC and proposes a modification that would increase VOC emissions by 2 tpy to 26 tpy. EPA only requires the source to offset the project's net emissions increase of 2 tpy; LAER would be required on the emission unit(s) for the proposed project. The source would then reduce their cumulative tally back to 24 tpy.

### **DISTRICT RESPONSE**

The District will revise the last sentence of (d)(8) to provide that only the residual emission increases associated with the project that triggers and complies with LAER and/or federal offset requirements can be excluded from the CEI accounting. The language in (d)(8) regarding offsets triggered by such projects will be clarified to state that only the increase from such project and not the entire CEI account, must be offset.

MRL:jo  
8/13/97

Proposed amendments to Rule 20.1 are to read as follows:

**RULE 20.1**  
**NEW SOURCE REVIEW - GENERAL PROVISIONS**  
**(ADOPTED AND EFFECTIVE 5/17/94)**  
**(REV. ADOPTED AND EFFECTIVE 5/15/96)**  
**(REV. ADOPTED AND EFFECTIVE**

**Table of Contents**

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(a) APPLICABILITY.....	1
(b) EXEMPTIONS.....	1
(c) DEFINITIONS.....	3
Table 20.1-1: Air Quality Increments (Class I Areas).....	5
Table 20.1-2: Air Quality Increments (Class II Areas).....	5
Table 20.1-3: Class I Areas .....	7
Table 20.1-4: BACT Cost Multiplier .....	9
Table 20.1-5: Major Modification.....	12
Table 20.1-6: Major Stationary Source - Federal Severe <u>Serious</u> Ozone Non-attainment Area 13	
<del>Table 20.1-6A: Major Stationary Source - Federal Serious Ozone Non-attainment Area...</del>	<del>10</del>
Table 20.1-7: California and National Ambient Air Quality Standards.....	16
Table 20.1-8: Non-Criteria Pollutant Emissions Significance Levels .....	17
Table 20.1-9: Precursor Air Contaminants .....	18
Table 20.1-10: PSD Modification .....	19
Table 20.1-11: PSD Stationary Sources and Trigger Levels.....	20
Table 20.1-12: Stationary Sources Impacting Any Class I Area.....	22
Table 20.1-13: Stationary Sources Impact Any Class II Area .....	22
(d) EMISSION CALCULATIONS .....	23
(1) Potential to Emit .....	23
(i) Calculation of Potential to Emit .....	23
(ii) Calculation of Aggregate Potential to Emit - Stationary Source.....	24
(2) Actual Emissions .....	25
(i) Time Period for Calculation .....	25
(ii) Time Periods Less Than Six Months - Potential to Emit.....	26
(iii) <del>Adjustments for Determining Actual Emission Reductions.....</del>	<del>20</del>
<del>Subsection (d)(2)(iii) moved to (d)(4)(iii)</del>	

## Table of Contents

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(3) Emission Increase .....	26
(i) New Emission Units .....	26
(ii) Modified Emission Units .....	26
(iii) Relocated Emission Units .....	26
(iv) Replacement Emission Units.....	26
(v) Portable Emission Units .....	26
(vi) Determining Emission Increases for AQIA Trigger Levels.....	26
(4) Emission Reduction - Potential to Emit & Actual Emission Reduction .....	27
(i) Reduction in the Potential to Emit .....	27
(ii) Actual Emission Reduction.....	27
(iii) <u>Adjustments for Determining Actual Emission Reductions.....</u>	<u>28</u>
<i>Formally Subsection (d)(2)(iii)</i>	
(5) Emission Offsets .....	29
(e) OTHER PROVISIONS .....	29
(1) Continuity of Existing Permits .....	29

**NOTE:**— Rules 20.1, 20.2, 20.3 and 20.4 were replaced on May 17, 1994, and Rules 20.9 and 20.10 were added on May 17, 1994 to implement the New Source Review (NSR) requirements of the California Clean Air Act and the NSR and Prevention of Significant Deterioration (PSD) requirements of the federal 1990 Clean Air Act Amendments. Rule 20.7 was repealed on May 17, 1994. The versions of Rules 20.1, 20.2, 20.3, 20.4 and 20.7 that were in place before May 17, 1994 remain in effect for permit applications undergoing evaluation prior to May 17, 1994 under the terms prescribed in replacement Rule 20.1.

Replacement Rules 20.1, 20.2, 20.3 and 20.4 became effective May 17, 1994 for purposes of the California Clean Air Act. For purposes of the federal 1990 Clean Air Act Amendments, Rules 20.1, 20.9 and 20.10 will become effective upon EPA approval and upon EPA delegation of the authority to implement and enforce the NSR and PSD federal programs.

Proposed amendments to Rule 20.1 are to read as follows:

## **RULE 20.1. NEW SOURCE REVIEW - GENERAL PROVISIONS**

### **(a) APPLICABILITY**

Except as provided in Rule 11 or Section (b) of this rule, this rule applies to any new or modified emission unit, any replacement emission unit, any relocated emission unit or any portable emission unit for which an Authority to Construct or Permit to Operate is required pursuant to Rule 10; or Rule 20.4 ~~or Rule 20.10~~, or for which a Determination of Compliance is required pursuant to Rule 20.5.

### **(b) EXEMPTIONS**

Except as provided below, the provisions of Rules 20.1, 20.2, 20.3, and 20.4, ~~20.9 and 20.10~~ shall not apply to:

(1) Any emission unit for which a permit is required solely due to a change in Rule 11, provided the unit was operated in San Diego County at any time within one year prior to the date on which the permit requirements became applicable to the unit and provided a District permit application for the unit is submitted within one year after the date upon which permit requirements became applicable to the unit. An emission unit to which this subsection applies shall be included in the calculation of a stationary source's aggregate potential to emit, as provided in Subsection (d)(1)(ii).

(2) The following changes, provided such changes are not contrary to any permit condition, and the change does not result in an increase in the potential to emit of any air contaminant not previously emitted:

- (i) Repair or routine maintenance of an existing emission unit.
- (ii) A change of ownership.
- (iii) An increase in the hours of operation.
- (iv) Use of alternate fuel or raw material.

(3) Portable and stationary abrasive blasting equipment for which the California Air Resources Board (ARB) has established standards pursuant to Sections 41900 and 41905 of the Health and Safety Code, and which comply with the requirements of 17 CCR Section 92000 et. seq. This exemption shall not apply if the abrasive blasting equipment would be, by itself, a major stationary source, nor to any equipment used in conjunction with the abrasive blasting equipment the use of which may cause the issuance of air contaminants.

(4) Oxides of nitrogen (NOx) emission increases from new, modified or replacement emission units subject to the requirements of Rule 69(d)(11 ~~6~~) shall not be subject to the offset provisions of Subsection (d)(5) of Rules 20.2, or 20.3, ~~or 20.9~~. Only those ~~oxides of nitrogen (NOx)~~ emission increases in compliance with Rule 69 and associated

with generating capacity which the California Energy Commission or California Public Utilities Commission or their successor, as applicable, has determined a need for shall be eligible for this exemption.

~~(5) Pending applications for Authority to Construct or modified Permit to Operate received on or before April 16, 1994 provided that:~~

~~(i) The application was deemed complete before May 17, 1994, and~~

~~(ii) The application is not for equipment located at a major stationary source, and~~

~~(iii) Construction pursuant to an Authority to Construct will be completed within one year after issuance of the Authority to Construct. The Air Pollution Control Officer may extend the time period allowed for construction, on a case-by-case basis, if litigation prevents construction within the one-year period or the applicant has, at the time of issuance of the Authority to Construct, demonstrated that the complexity of the construction of the project is such that a one-year period would be insufficient to complete construction.~~

~~Such applications shall be subject to all of the provisions of Rules 20.1, 20.2, 20.3, 20.4 and 20.7 as they were in effect prior to May 17, 1994. Notwithstanding this exemption, the applicant may request that an application be evaluated pursuant to Rules 20.1, 20.2, 20.3, 20.4, 20.9 and 20.10 as they are currently in effect.~~

~~(6) Pending applications for Authority to Construct or modified Permit to Operate for emission units located at major stationary sources, received on or before April 16, 1994, provided that:~~

~~(i) The application was deemed complete between November 15, 1992 and May 17, 1994, and~~

~~(ii) Construction pursuant to an Authority to Construct will be completed within one year after issuance of the Authority to Construct. The Air Pollution Control Officer may extend the time period allowed for construction, on a case-by-case basis, if litigation prevents construction within the one-year period or the applicant has, at the time of issuance of the Authority to Construct, demonstrated that the complexity of the construction of the project is such that a one-year period would be insufficient to complete construction.~~

~~Such applications shall be subject to all of the provisions of Rules 20.1, 20.2, 20.3, 20.4, and 20.7 as they were in effect prior to May 17, 1994, provided that the source complies with the 1990 federal Clean Air Act requirements for Lowest Achievable Emission Rate (LAER) and Emission Offsets. Notwithstanding this exemption, the applicant may request that an application be evaluated pursuant to Rules 20.1, 20.2, 20.3, 20.4, 20.9 and 20.10 as they are currently in effect.~~

~~(7)(5) Piston engines used at airplane runways at military bases and which engines are used exclusively for purposes of hoisting cable to assist in the capture of errant aircraft during landings.~~

~~(8)(6)~~ Air compressors used exclusively to pressurize nuclear reactor containment domes, provided the compressors are not operated more than 50 hours over any two-year period, and that the compressors satisfy the Air Quality Impact Analysis (AQIA) provisions of Subsections (d)(2) of Rules 20.2 and 20.3 ~~and Subsection (d)(3) of Rule 20.9,~~ as applicable.

~~(9)(7)~~ ~~The Best Available Control Technology (BACT) and Lowest Achievable Emission Rate (LAER) provisions of Subsection (d)(1) of Rules 20.2, and 20.3 and 20.9 shall not apply to changes in the hours of operation as may be limited on an Authority to Construct or Permit to Operate, which change is necessary only for the purpose of satisfying Transportation Control Measure commitments previously made to and approved by the District and which change does not result in any increase in yearly emissions.~~

~~(10)(7)~~ Applications for modified Authority to Construct or modified Permit to Operate which are for the sole purpose of reducing an emission unit's potential to emit, and which will not result in a modified emission unit, a modified stationary source or an actual emission reduction calculated pursuant to Rule 20.1(d)(4)(ii), shall be exempt from the Best Available Control Technology (BACT), Lowest Achievable Emission Rate (LAER), BACT, LAER, AQIA and Emission Offset provisions of Rules 20.1, 20.2, 20.3, and 20.4, 20.9 and 20.10.

### (c) DEFINITIONS

For purposes of Rules 20.1, 20.2, 20.3, 20.4, and 20.5, 20.9 and 20.10, the following definitions shall apply:

(1) **"Actual Emissions"** means the emissions of an emission unit calculated pursuant to Subsection (d)(2) of this rule.

(2) **"Actual Emission Reductions"** means emission reductions which are real, surplus, enforceable, and quantifiable and may be permanent or temporary in duration. Actual emission reductions shall be calculated pursuant to Subsection (d)(4) of this rule.

(3) **"Aggregate Potential to Emit"** means the sum of the post-project potential to emit of all emission units at the stationary source, calculated pursuant to Section (d) of this rule.

(4) **"Air Contaminant Emission Control Project"** means any activity or project undertaken at an existing emission unit which, as its primary purpose, reduces emissions of air contaminants from such unit in order to comply with a District, ARB or the federal Environmental Protection Agency (EPA) emission control requirement. Such activities or projects do not include the replacement of an existing emission unit with a newer or different unit, or the reconstruction of an existing emission unit, or a modification or replacement of an existing emission unit to the extent that such replacement, reconstruction, or modification results in an increase in capacity of the emissions unit, or any air contaminant emission control project for a new or modified emission unit which



project is proposed to meet New Source Review Rules 20.1, 20.2, 20.3 and 20.4, or Banking Rules 26.0 through 26.10.

Air contaminant emission control projects include, but are not limited to, any of the following:

(i) The installation of conventional or advanced flue gas desulfurization, or sorbent injection for emissions of oxides of sulfur;

(ii) Electrostatic precipitators, baghouses, high efficiency multiclones, or scrubbers for emissions of particulate matter or other pollutants;

(iii) Flue gas recirculation, low-NOx burners, selective non-catalytic reduction or selective catalytic reduction for emissions of oxides of nitrogen emissions;

(iv) Regenerative thermal oxidizers, catalytic oxidizers, condensers, thermal incinerators, flares, absorption equipment or carbon adsorbers adsorbers for volatile organic compounds or hazardous air pollutants;

(v) Activities or projects undertaken to accommodate switching to an inherently less polluting fuel, including but not limited to, natural gas firing, or the cofiring of natural gas and other inherently less polluting fuels, for the purpose of controlling emissions. The air contaminant emission control project shall include any activity that is necessary to accommodate switching to an inherently less polluting fuel; and

(vi) Activities or projects undertaken to replace or reduce the use and emissions of stratospheric ozone depleting compounds subject to regulation by the federal EPA.

(5)(4) "Air Quality Impact Analysis (AQIA)" means an analysis of the air quality impacts of the air contaminant emissions from an emission unit or a stationary source, as applicable, conducted by means of modeling approved by the Air Pollution Control Officer. Methods other than modeling may be used, as the Air Pollution Control Officer and the federal EPA Environmental Protection Agency may approve. An AQIA Air Quality Impact Analysis shall include an analysis of the impacts on State and National Ambient Air Quality Standards.

(6)(5) "Air Quality Increment" means any of the following maximum allowable cumulative increases in air contaminant concentration from all increment consuming and increment expanding sources (see Tables 20.1-1 and 20.1-2).

(7)(6) "Area Fugitive Emissions" means fugitive emissions of particulate matter (PM10) which occur as a result of drilling, blasting, quarrying, stockpiling, front end loader operations and vehicular travel of haul roads used to move materials to, from or within a stationary source.

**TABLE 20.1 - 1**  
**Air Quality Increments**  
**(Class I Areas)**

<u>Air Contaminant</u>	<u>Increment</u>
<u>Nitrogen Dioxide (NO<sub>2</sub>)</u> Annual arithmetic mean	2.5 µg/m <sup>3</sup>
<u>Sulfur Dioxide (SO<sub>2</sub>)</u> Annual arithmetic mean	2.0 µg/m <sup>3</sup>
24-hr. maximum	5.0 µg/m <sup>3</sup>
3-hr. maximum	25.0 µg/m <sup>3</sup>
<u>Particulate Matter (PM<sub>10</sub>)</u> Annual arithmetic mean	4.0 µg/m <sup>3</sup>
24-hr. maximum	8.0 µg/m <sup>3</sup>

**TABLE 20.1 - 2**  
**Air Quality Increments**  
**(Class II Areas)**

<u>Air Contaminant</u>	<u>Increment</u>
<u>Nitrogen Dioxide (NO<sub>2</sub>)</u> Annual arithmetic mean	25.0 µg/m <sup>3</sup>
<u>Sulfur Dioxide (SO<sub>2</sub>)</u> Annual arithmetic mean	20.0 µg/m <sup>3</sup>
24-hr. maximum	91.0 µg/m <sup>3</sup>
3-hr. maximum	512.0 µg/m <sup>3</sup>
<u>Particulate Matter (PM<sub>10</sub>)</u> Annual arithmetic mean	17.0 µg/m <sup>3</sup>
24-hr. maximum	30.0 µg/m <sup>3</sup>

(8)(7) "**Attainment**" means designated as attainment of the National Ambient Air Quality Standards (NAAQS) pursuant to Section 107(d) of the federal Clean Air Act or of the State Ambient Air Quality Standards (SAAQS) pursuant to Section 39608 of the California Health and Safety Code, as applicable.

(9)(8) "**Baseline Concentration**" means the ambient concentration of an air contaminant for which there is an air quality increment, which existed in an impact area on the major and non-major source baseline dates. As specified by 40 CFR §52.21(b)(13), the baseline concentration includes the impact of actual emissions from any stationary source in existence on the baseline date and the impacts from the potential to emit of Prevention of Significant Deterioration (PSD) stationary sources which commenced construction but were not in operation by the baseline date. The baseline concentration excludes impacts of actual emission increases and decreases at any stationary source occurring after the baseline date and actual emissions from any PSD stationary source which commenced construction after January 6, 1975. There are two baseline concentrations for any given impact area, a

baseline concentration as of the major source baseline date and a baseline concentration as of the non-major source baseline date.

~~(10)~~(9) "**Baseline Date**" means either the major source baseline date or non-major source baseline date, as applicable.

~~(11)~~(10) "**Best Available Control Technology (BACT)**" means and is applied as follows:

(i) The lowest emitting of any of the following:

(A) the most stringent emission limitation, or the most effective emission control device or control technique, which has been proven in field application and which is cost-effective for such class or category of emission unit, unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such limitation, device or control technique is not technologically feasible, or

(B) any emission control device, emission limitation or control technique which has been demonstrated but not necessarily proven in field application, and which is cost-effective for such class or category of emission unit, as determined by the Air Pollution Control Officer, unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such limitation, device or control technique is not technologically feasible, or

(C) ~~any alternative basic equipment, replacement of an emission unit with a lower emitting emission unit, installation of control equipment, process modifications, changes in raw material including alternate fuels, and substitution of equipment or processes with any equipment or processes, or any combination of these, determined by the Air Pollution Control Officer on a case-by-case basis to be technologically feasible and cost-effective, including transfers of technology from another category of source, or~~

(D) the most stringent emission limitation, or the most effective emission control device or control technique, contained in any State Implementation Plan (SIP) approved by the federal ~~EPA Environmental Protection Agency~~ for such emission unit category, unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such limitation or technique has not been proven in field application, that it is not technologically feasible or that it is not cost-effective for such class or category of emission unit.

In determining BACT, the Air Pollution Control Officer may also consider lower-emitting alternatives to a proposed new emission unit or process.

(ii) For modified emission units, the entire emission unit's post-project potential to emit shall be subject to BACT, except as follows. The provisions of this Subsection (c)(10)(ii) shall not apply to relocated or replacement emission units.

(A) BACT applies to the emissions increase associated with the modification and not the emission unit's entire potential to emit, if control technology, an emission limit or other emission controls meeting the BACT definition was previously applied to the unit and if the project's emission increase is less than the major modification thresholds of Table 20.1-5.

(B) BACT applies to the emission unit's entire post-project potential to emit, if the emission unit was previously subject to BACT but BACT was determined to not be cost-effective, technologically feasible or proven in field application.

(C) BACT applies to the emissions increase associated with the emission unit and not the emission unit's entire potential to emit if the emissions increase associated with the modification is less than 25 percent of the emission unit's pre-project potential to emit and if the project's emission increase is less than the major modification thresholds of Table 20.1-5.

(iii) In no event shall application of BACT result in the emission of any air contaminant which would exceed the emissions allowed by any District rule or regulation, or by any applicable standard under 40 CFR Part 60 (New Source Performance Standards) or 40 CFR Part 61 (National Emission Standards for Hazardous Pollutants). Whenever feasible, the Air Pollution Control Officer may stipulate an emission limit as BACT instead of specifying control equipment. In making a BACT determination, the Air Pollution Control Officer shall take into account those environmental and energy impacts identified by the applicant.

(12)(11) "**Class I Area**" means any area designated as Class I under Title I, Part C of the federal Clean Air Act. As of May 17, 1994, the Agua Tibia National Wilderness Area was the only area so designated within San Diego County. As of May 17, 1994, the following were the only designated Class I areas within 100 km of San Diego County (see Table 20.1-3):

**TABLE 20.1 - 3**  
**Class I Areas**

<u>Class I Area</u>	<u>Approximate Location</u>
Agua Tibia Wilderness Area	San Diego County
Cucamonga Wilderness Area	80 km North - San Bernardino County
Joshua Tree Wilderness Area	40 km NE - Riverside County
San Gabriel Wilderness Area	90 km NW - Los Angeles County
San Gorgonio Wilderness Area	70 km North - San Bernardino County
San Jacinto Wilderness Area	30 km North - Riverside County

(13)(12) "**Class II Area**" means any area not designated as a Class I area.

(14) "**Commenced Construction**" means that the owner or operator of a stationary source has an Authority to Construct or a Determination of Compliance issued pursuant to these rules and regulations and either has:

(i) Begun, or caused to begin, a continuous program of actual on-site construction of the source to be completed within a reasonable time, or

(ii) Entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.

(15) "Construction" means any physical change or change in the method of operation, including fabrication, erection, installation, demolition or modification of an emission unit, which would result in a change in actual emissions.

(16)(14)(13) "Contemporaneous Emissions Increase" means the sum of emission increases from new or modified emission units occurring at a stationary source within the calendar year in which the subject emission unit(s) is expected to commence operation and the preceding five four calendar years from the date the subject application was deemed complete, including all other emission units with complete applications under District review and which are expected to commence operation within such calendar years.

The sum of emission increases may be reduced by the following:

(i) Actual emission reductions occurring at the stationary source, and

(ii) Reductions in the potential to emit of a new or modified unit, which unit resulted in an emission increase within the five-year contemporaneous period at the stationary source. In no case shall the reduction in the potential to emit exceed the emission increases from the new or modified unit that occurred within the five-year contemporaneous period, and.

(iii) When an emissions increase from a new or modified emission unit or project has been determined to be subject to, and approved as in compliance with, the LAER and/or federal emission offset requirements of Rule 20.3. Upon such determination and approval, the contemporaneous emissions increase for the subject air contaminant or precursor shall be reset to zero thereafter not include any residual emission increase from such new or modified emission unit or project.

(17)(15)(14) "Contiguous Property" means two or more parcels of land with a common boundary or separated solely by a public or private roadway or other public or private right-of-way. Non-adjointing parcels of land which are connected by a process line, conveyors or other equipment shall be considered to be contiguous property. Non-adjointing parcels of land separated by bodies of water designated "navigable" by the U.S. Coast Guard, shall not be considered contiguous properties.

~~(18)(16)~~(15) "**Cost-Effective**" means that the annualized cost in dollars per pound of emissions of air contaminant(s) reduced does not exceed the highest cost per pound of emissions reduced by other control measures required to meet stationary source emission standards contained in these rules and regulations, for the specific air contaminant(s) under consideration, multiplied by the BACT Cost Multiplier indicated in Table 20.1- 4. When determining the highest cost per pound of emissions reduced by other control measures, the cost of measures used to comply with the requirements of New Source Review shall be excluded.

**TABLE 20.1 - 4**  
**BACT Cost Multiplier**

Stationary Source's Post-Project Aggregate Potential to Emit	BACT Cost Multiplier
Potential < 15 tons/year	1.1
Potential ≥ 15 tons/year	1.5

~~(19)(17)~~(16) "**Emergency Equipment**" means an emission unit used exclusively to drive an electrical generator, an air compressor or a pump in emergency situations. ~~-, except for operations for maintenance purposes, emission units used for anything other than emergency situations shall not be considered emergency equipment. Maintenance operation shall be limited to no more than up to 52 hours per calendar year for non-emergency purposes.~~ Emission units used for supplying power for distribution to an electrical grid shall not be considered emergency equipment.

~~(20)(18)~~(17) "**Emergency Situation**" means an unforeseen electrical power failure from the serving utility or of on-site electrical transmission equipment such as a transformer, an unforeseen flood or fire, or a life-threatening situation. In addition, operation of emergency generators at Federal Aviation Administration licensed airports for the purpose of providing power in anticipation of a power failure due to severe storm activity shall be considered an emergency situation. Emergency situations do not include operation for purposes of supplying power for distribution to an electrical grid, operation for training purposes, or other foreseeable event.

~~(21)(19)~~(18) "**Emission Increase**" means an increase in the potential to emit, calculated pursuant to Subsection (d)(3).

~~(22)(20)~~(19) "**Emission Unit**" means any article, machine, equipment, contrivance, process or process line, which emit(s) or reduce(s) or may emit or reduce the emission of any air contaminant.

~~(23)(21)~~(20) "**Emission Offsets**" means emission reductions used to mitigate emission increases, calculated pursuant to Subsection (d)(5).

~~(24)(21)~~ "**Enforceable**" means can be capable of being enforced by the District, ~~the California Air Resources Board or the federal Environmental Protection Agency,~~ including through either the State Implementation Plan (SIP) or inclusion of conditions

on an permit Authority to Construct, Permit to Operate, Determination of Compliance or Emission Reduction Credit Certificate.

(25)(22) "Essential Public Services" means any of the following:

(i) Water, wastewater and wastewater-sludge treatment plants which are publicly owned or are public-private partnerships under public control. This shall not include facilities treating hazardous materials other than hazardous materials which may be used in the process or hazardous materials whose presence in the water, wastewater or wastewater sludge being treated is incidental.

(ii) Solid waste landfills and solid waste recycling facilities which are publicly owned or are public-private partnerships under public control, not including trash to energy facilities or facilities processing hazardous waste.

(26)(23) "Federally Enforceable" means for purposes of permitting new or modified sources can be enforced by the federal EPA including through either the SIP or terms and conditions of an Authority to Construct or Permit to Operate as they apply to the following requirements:

(i) Any standard or other requirement provided for in the SIP, including any revisions approved or promulgated by the federal EPA through rulemaking under Title I of the federal Clean Air Act.

(ii) Any term or condition of an Authority to Construct issued pursuant to these rules and regulations which term or condition is imposed pursuant to 40 CFR Parts 60 or 61, 40 CFR Part 52.21 or 40 CFR Part 51, Subpart I.

(iii) Any standard or other requirement under Sections 111 or 112 of the federal Clean Air Act.

(iv) Any standard or other requirement of the Acid Rain Program under Title IV of the federal Clean Air Act or the regulations promulgated thereunder.

This does not preclude enforcement by the Air Pollution Control Officer. Authority to Construct or Permit to Operate terms and conditions imposed pursuant to these rules and regulations or state law and not for purposes of compliance with paragraphs (i) through (iv) above shall not be federally enforceable unless specifically requested by the owner or operator.

For purposes of creating, banking and/or using creditable emission reductions to meet federal offset requirements, federally enforceable means capable of being enforced by the federal EPA including through either the SIP, terms and conditions of a Permit to Operate or an emission reduction credit certificate that are necessary to ensure compliance with Rules 26.0 et seq., and to ensure the validity of the emission reduction, or through terms and conditions of an Authority to Construct, Permit to Operate or Determination of Compliance as they apply to the creation of emission reductions eligible for banking under Rules 26.0 et seq.

(27)(24)(23) "**Federal Land Manager**" means the National Park Service's Western Regional Director, the U.S. Forest Service's Pacific Southwest Regional Air Program Manager and the U.S. Fish and Wildlife Service.

(28)(25)(24) "**Fugitive Emissions**" means those quantifiable emissions which could not reasonably pass through a stack, chimney, flue, vent or other functionally equivalent opening.

(29)(26)(25) "**Impact Area**" means the circular area with the emission unit as the center and having a radius extending to the furthest point where a significant impact is expected to occur, not to exceed 50 kilometers.

(30)(27)(26) "**Increment Consuming**" means emission increases which consume an air quality increment. Emission increases which consume increment are those not accounted for in the baseline concentration, including:

- (i) Actual emission increases occurring at any major stationary source after the major source baseline date, and
- (ii) Actual emission increases from any non-major stationary source, area source, or mobile source occurring after the non-major source baseline date.

(31)(28)(27) "**Increment Expanding**" means actual emission reductions which increase an available air quality increment. Actual emission reductions which increase available increment include:

- (i) Actual emission reductions occurring at any major stationary source after the major source baseline date, and
- (ii) Actual emission reductions from any non-major stationary source, area source, or mobile source occurring after the non-major source baseline date.

(32)(29)(28) "**Lowest Achievable Emission Rate (LAER)**" means and is applied as follows:

- (i) The lowest emitting of any of the following:

(A) the most stringent emission limitation, or most effective emission control device or control technique, contained in any ~~State Implementation Plan (SIP)~~ approved by the federal ~~Environmental Protection Agency~~ EPA for such emission unit class or category, unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such emission limitation, device or technique is not achievable, or

(B) the most stringent emission limitation which is achieved in practice by such class or category of emission unit, or



(C) Best Available Control Technology (BACT).

(ii) For modified emission units subject to the LAER requirements of these rules, the entire emission unit's post-project potential to emit shall be subject to LAER, ~~except as follows. The provisions of this Subsection (c)(28)(ii) shall not apply to relocated or replacement emission units.~~

~~(A) For existing emission units, LAER applies to the emissions increase associated with the modification and not the emission unit's entire potential to emit, if control technology, an emission limit or other emission controls meeting the LAER or BACT definition was previously applied to the unit.~~

~~(B) For existing emission units, LAER applies to the emission unit's entire potential to emit, if the emission unit was previously subject to BACT, but BACT was determined to not be cost effective, technologically feasible or proven in field application.~~

~~(C) For existing emission units, LAER applies to the emissions increase associated with the emission unit and not the emission unit's entire potential to emit if the emissions increase associated with the modification is less than 25 percent of the emission unit's pre-project potential to emit and if the project's emission increase is less than the major modification thresholds of Table 20.1-5.~~

(iii) In no event shall application of LAER result in the emission of any air contaminant which would exceed the emissions allowed by any District Rule or Regulation, or by any applicable standard under 40 CFR Part 60 (New Source Performance Standards) or 40 CFR Part 61 (National Emission Standards for Hazardous Pollutants) ~~as they exist on May 17, 1994 .~~

(33)(30)(29) "Major Modification" means a contemporaneous emissions increase at an existing major stationary source which source is major for the pollutant for which there is a contemporaneous emissions increase equal to or greater than any of the emission rates listed in Table 20.1 - 5.

**TABLE 20.1 - 5**  
**Major Modification**

<u>Air Contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
Particulate Matter (PM10)	15
Oxides of Nitrogen (NOx)	25
Volatile Organic Compounds (VOC)	25
Oxides of Sulfur (SOx)	40
Carbon Monoxide (CO)	100
Lead (Pb)	0.6

(34)(31)(30) "Major Source Baseline Date" means January 6, 1975 for sulfur dioxide (SO2) and particulate matter (PM10), and February 8, 1988 for nitrogen dioxide (NO2).

~~(35)(32)(31)~~ "Major Stationary Source" means any emission unit or stationary source which has, or will have after issuance of a permit, an aggregate potential to emit one or more air contaminants, including fugitive emissions, in amounts equal to or greater than any of the emission rates listed in Table 20.1 - 6. ~~If the District is reclassified to a "serious" ozone non-attainment area by the federal Environmental Protection Agency, Table 20.1 - 6A shall be used.~~

**TABLE 20.1 - 6**  
**Major Stationary Source**  
**Federal ~~Severe~~ Serious Ozone Non-attainment Area**

<u>Air Contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
Particulate Matter (PM10)	100
Oxides of Nitrogen (NOx)	25 <u>50</u>
Volatile Organic Compounds (VOC)	25 <u>50</u>
Oxides of Sulfur (SOx)	100
Carbon Monoxide (CO)	100
Lead (Pb)	100

~~TABLE 20.1 - 6A~~  
~~Major Stationary Source~~  
~~Federal ~~Severe~~ Serious Ozone Non-attainment Area~~

<u>Air Contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
<del>Particulate Matter (PM10)</del>	<del>100</del>
<del>Oxides of Nitrogen (NOx)</del>	<del>50</del>
<del>Volatile Organic Compounds (VOC)</del>	<del>50</del>
<del>Oxides of Sulfur (SOx)</del>	<del>100</del>
<del>Carbon Monoxide (CO)</del>	<del>100</del>
<del>Lead (Pb)</del>	<del>100</del>

**NOTE:** ~~The emission rates specified in this Table shall be used only if San Diego County has received final reclassification to a "serious" ozone non-attainment area by the federal Environmental Protection Agency. As of May 17, 1994, San Diego County was classified as a "severe" ozone nonattainment area by the federal Environmental Protection Agency.~~

~~(36)(33)~~ "**Military Tactical Support Equipment**" means any equipment owned by the U.S Department of Defense or the National Guard and used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

~~(37)(34)(32)~~ "**Modeling**" means the use of an applicable California Air Resources Board (ARB) or federal Environmental Protection Agency (EPA) approved air quality model to estimate ambient concentrations of air contaminants or to evaluate other air quality related data. Applicable state or federal guidelines shall be followed when performing modeling.

(38)(35)(33) "Modified Emission Unit" means any physical or operational change which results or may result in an increase in an emission unit's potential to emit, including those air contaminants not previously emitted. The following shall not be considered a modified emission unit, provided such a change is not contrary to any permit condition, and the change does not result in an increase in the potential to emit of any air contaminant:

- (i) The movement of a portable emission unit from one stationary source to another.
- (ii) Repair or routine maintenance of an existing emission unit.
- (iii) An increase in the hours of operation.
- (iv) Use of alternate fuel or raw material.

(39)(36)(34) "Modified Stationary Source" means a stationary source where a new or modified emission unit is or will be located or where a change in the aggregation of emission units occurs, including, but not limited to, the movement of a relocated emission unit to or from a stationary source or where a modification of an existing unit occurs. The following shall not be considered a modification of a stationary source:

- (i) The replacement of an emission unit, provided there is no increase in the unit's potential to emit or in the potential to emit of any other unit at the stationary source.
- (ii) The movement to or from the stationary source of any portable emission unit, provided there is no increase in the potential to emit of any other unit at the stationary source.

(40)(37)(35) "National Ambient Air Quality Standards (NAAQS)" means maximum allowable ambient air concentrations for specified air contaminants and monitoring periods as established by the federal EPA Environmental Protection Agency (see Table 20.1 - 7).

(41)(38)(36) "New Emission Unit" means any of the following:

- (i) Any emission unit not constructed, or installed or operated in San Diego County as of May 17, 1994 (date of adoption). ~~or~~
- (ii) Any emission unit which was constructed, installed or operated does not hold without a valid Authority to Construct or Permit to Operate from the District, except as provided for in Subsection (b)(1).
- ~~(ii)~~(iii) Any emission unit which was inactive for a one-year period or more and which did not hold a valid Permit to Operate during that period.

(42)(39)(37) "New Major Stationary Source" means a new emission unit or modified new stationary source which ~~was not major before, but will be a major stationary source after, the modification or new construction.~~

(43)(40)(38) "New Stationary Source" means a stationary source which prior to the project under review, did not contain any other permitted equipment.

(44)(41)(39) "Non-Criteria Pollutant Emissions Significance Level" means a contemporaneous emissions increase occurring at any new or modified PSD stationary source, equal to or greater than the amounts listed in Table 20.1 - 8.

(45)(42)(40) "Non-Major Source Baseline Date" means December 8, 1983 for sulfur dioxide (SO<sub>2</sub>). For particulate matter (PM<sub>10</sub>) and nitrogen dioxide (NO<sub>2</sub>), the non-major source baseline date is the date after August 7, 1977 or February 8, 1988, respectively, when the first Authority to Construct application for any stationary source which will be a PSD Major Stationary Source for PM<sub>10</sub> or NO<sub>x</sub> or which is a PSD Major Modification for PM<sub>10</sub> or NO<sub>x</sub> as applicable, is deemed complete. As of May 17, 1994, neither the particulate matter nor the nitrogen dioxide non-major source baseline date have been established.

(46)(43)(41) "Offset Ratio" means the required proportion of emission offsets to emission increases, as specified in Rules 20.2, 20.3, or 20.4, 20.9 or 20.10.

(46)(44)(42) "Particulate Matter or Particulate Matter (PM<sub>10</sub>)" means particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns. For non-fugitive emissions, ~~methods found in Title 17, California Code of Regulations, Section 94100 et. seq. or~~ any applicable test method approved by the federal EPA, the state ARB and the Air Pollution Control Officer, shall be used to measure PM<sub>10</sub>. The Air Pollution Control Officer may require the use of an applicable test method prior to final approval by EPA and ARB if the Officer determines that the method is consistent with these rules, or results in an improved measure of PM<sub>10</sub> emissions, and has received written initial concurrence from ARB and EPA for use of the method.

**TABLE 20.1 - 7**

**California and National Ambient Air Quality Standards**

California Standards				National Standards			
Pollutant	Averaging Time	Concentration	Method	Primary	Secondary	Method	
Ozone	1 Hour	0.09 ppm	-	0.12 ppm (235 µg/m <sup>3</sup> )	Same as Primary	Ethylene Chemiluminescence	
Carbon Monoxide	8 Hour	9.0 ppm (10 mg/m <sup>3</sup> )	Non-Dispersive Infrared Spectroscopy (NDIR)	9 ppm (10 mg/m <sup>3</sup> )	-	Non-Dispersive Infrared Spectroscopy (NDIR)	
	1 Hour	20 ppm (23 mg/m <sup>3</sup> )		35 ppm (40 mg/m <sup>3</sup> )			
Nitrogen Dioxide	Annual Average	-	Gas Phase Chemiluminescence	0.053 ppm (100 µg/m <sup>3</sup> )	Same as Primary Standards	Gas Phase Chemiluminescence	
	1 Hour	0.25 ppm (470 µg/m <sup>3</sup> )		-			
Sulfur Dioxide	Annual Average	-	Ultraviolet Fluorescence	80 µg/m <sup>3</sup> (0.03 ppm)	-	Pararosaniline	
	24 Hour	0.04 ppm (105 µg/m <sup>3</sup> )		365 µg/m <sup>3</sup> (0.14 ppm)			
	3 Hour	-		-			1300 µg/m <sup>3</sup> (0.5 ppm)
	1 Hour	0.25 ppm (655 µg/m <sup>3</sup> )		-			-
Suspended Particulate Matter (PM <sub>10</sub> )	Annual Mean	30 µg/m <sup>3</sup>	Size Selective Inlet High Volume Sampler	50 µg/m <sup>3</sup>	-	High Volume Sampling	
	24 Hour	50 µg/m <sup>3</sup>		150 µg/m <sup>3</sup>			
Sulfates	24 Hour	25 µg/m <sup>3</sup>	Turbidimetric Barium Sulfate	-	-	-	
Lead	30 Day Average	1.5 µg/m <sup>3</sup>	Atomic Absorption	-	-	Atomic Absorption	
	Calendar Quarter	-		1.5 µg/m <sup>3</sup>			Same as Primary
Hydrogen Sulfide	1 Hour	0.03 ppm (42 µg/m <sup>3</sup> )	Cadmium Hydroxide Stratum	-	-	-	
Vinyl Chloride (Chloroethene)	24 Hour	0.010 ppm (26 µg/m <sup>3</sup> )	Tedlar Bag Collection, Gas Chromatography	-	-	-	
Visibility Reducing Particles	1 Observation	In sufficient amount to produce an extinction coefficient of 0.23 per kilometer due to particles when relative humidity < 70%. Measurement in accordance with ARB Method V.		-	-	-	

**Notes to Table 20.1 - 7**

- California standards, other than ozone, carbon monoxide, sulfur dioxide (1 hour), nitrogen dioxide, and particulate matter (PM<sub>10</sub>), are values that are not to be equaled or exceeded. The ozone, carbon monoxide, sulfur dioxide (1 hour), nitrogen dioxide, and particulate matter (PM<sub>10</sub>) standards are not to be exceeded.
- National standards, other than ozone and those based on annual averages or annual geometric means, are not to be exceeded more than once a year. The ozone standard is attained when the expected number of days per calendar year with maximum hourly average concentrations above standard is equal to or less than one.
- Concentration expressed first in units in which it was promulgated. Equivalent units given in parentheses are based upon a reference temperature of 25°C and a reference pressure of 760 mm of mercury. All measurements of air quality are to be corrected to a reference temperature of 25°C and a reference pressure of 760 mm of mercury (1,013.2 millibar). Ppm in this table refers to ppm by volume or micromoles of pollutant per mole of gas.
- Any equivalent procedure that can be shown to the satisfaction of the Air Resources Board to give equivalent results at or near the level of the air quality standard may be used.
- National Primary Standards: The levels of air quality necessary, with an adequate margin of safety, to protect the public health. Each state must attain the primary standards within a specified number of years after that state's implementation plan is approved by the Environmental Protection Agency (EPA).
- National Secondary Standards: The levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant. Each state must attain the secondary standards within a "reasonable time" after the implementation plan is approved by the EPA.
- Reference method as described by the EPA: An "equivalent method" of measurement may be used but must have a "consistent relationship to the reference method" and must be approved by the EPA.
- Prevailing visibility is defined as the greatest visibility that is attained or surpassed around at least half of the horizon circle but not necessarily in continuous sector.
- The annual PM<sub>10</sub> state standard is based on the geometric mean of all reported values taken during the year. The annual PM<sub>10</sub> national standard is based on averaging the quarterly arithmetic means.

**TABLE 20.1 - 8**  
**Non-Criteria Pollutant Emissions Significance Levels**

<u>Air contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
Asbestos	0.007
Beryllium	0.0004
Fluorides	3
Hydrogen Sulfide (H <sub>2</sub> S)	10
Mercury	0.1
Reduced Sulfur Compounds	10
Sulfuric Acid Mist	7
Vinyl Chloride	1
Trichlorofluoromethane (CFC-11)	100
Dichlorodifluoromethane (CFC-12)	100
Trichlorotrifluoromethane (CFC-113)	100
Dichlorotetrafluoroethane (CFC-114)	100
Chloropentafluoroethane (CFC-115)	100
Bromochlorodifluoromethane (Halon - 1191)	100
Bromotrifluoromethane (Halon - 1301)	100
Dibromotetrafluoroethane (Halon - 2402)	100

(48)(45)(43) "Permanent" means enforceable and which will exist for an unlimited period of time. For purposes of meeting the emission offset requirements of Rules 20.3 and 20.4, permanent means also federally enforceable.

(49)(46)(44) "Portable Emission Unit" means an emission unit that is designed to be and capable of being carried or moved from one location to another. Indicia of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer or platform. For the purposes of this regulation, dredge engines on a boat or barge are considered portable. An emission unit is not portable if any of the following apply:

(i) The unit, or its replacement, is attached to a foundation or, if not so attached, will reside at the same location for more than 12 consecutive months. Any portable emission unit such as a backup or standby unit that replaces a portable emission unit at a location and is intended to perform the same function as the unit being replaced will be included in calculating the consecutive time period. In that case, the cumulative time of all units, including the time between the removal of the original unit(s) and installation of the replacement unit(s), will be counted toward the consecutive time period; or

(ii) The emission unit remains or will reside at a location for less than 12 consecutive months if the unit is located at a seasonal source and operates during the full annual operating period of the seasonal source. A seasonal source is a stationary source that remains in a single location on a permanent basis (i.e., at least two years) and operates at that single location at least three months each year; or

(iii) The emission unit is moved from one location to another in an attempt to circumvent the portable emission unit residence time requirements.

which is designed and equipped to be easily movable and, as installed, easily capable of being moved from one stationary source to another, as determined by the Air Pollution Control Officer. Portable emission units are periodically moved and may not be located

~~more than 180 days at any one stationary source within any consecutive 12-month period. Days when portable emission units are stored in a designated holding or storage area shall not be counted towards the 180-day limit, provided the emission unit was not operated on that calendar day except for maintenance and was in the designated holding or storage area the entire calendar day. In order for an emission unit to qualify as a portable emission unit, the applicant must request such a classification. Emission units intended to be used exclusively at one stationary source shall not be considered portable emission units.~~

Days when portable emission units are stored in a designated holding or storage area shall not be counted towards the 180-day above time limits, provided the emission unit was not operated on that calendar day except for maintenance and was in the designated holding or storage area the entire calendar day.

Emission units which exceed the 180-day above time limits will be considered as relocated equipment and will be subject to the applicable requirements for relocated emission units contained in Rules 20.1, 20.2, and 20.3 ~~and 20.9~~.

~~(50)(47)(45)~~ **"Post-Project Potential to Emit"** means an emission unit's potential to emit after issuance of an Authority to Construct for the proposed project, calculated pursuant to Section (d).

~~(51)(48)(46)~~ **"Potential to Emit"** means the maximum quantity of air contaminant emissions, including fugitive emissions, that an emission unit is capable of emitting or permitted to emit, calculated pursuant to Section (d). Permitted emission limits that limit potential to emit and that are imposed to ensure compliance with the portions of Rules 20.1 through 20.5 approved by the federal EPA into the SIP shall be federally enforceable.

~~(52)(49)(47)~~ **"Precursor Air Contaminants"** means any air contaminant which forms or contributes to the formation of a secondary air contaminant for which an ambient air quality standard exists. For purposes of this rule, the precursor relationships are listed in Table 20.1 - 9:

**TABLE 20.1 - 9**  
**Precursor Air Contaminants**

<u>Precursor Air Contaminant</u>	<u>Secondary Air Contaminant</u>
NOx	NO <sub>2</sub> PM <sub>10</sub> Ozone
VOC	PM <sub>10</sub> Ozone
SOx	SO <sub>2</sub> PM <sub>10</sub>

~~(53)(50)(48)~~ **"Pre-Project Actual Emissions"** means an emission unit's actual emissions prior to issuance of an Authority to Construct for the proposed project, calculated pursuant to Section (d).

~~(54)(51)(49)~~ **"Pre-Project Potential to Emit"** means an emission unit's potential to emit prior to issuance of an Authority to Construct for proposed project, calculated pursuant to Section (d).

(55)(52)(50) "Project" means an emission unit or aggregation of emission units for which an application or combination of applications for Authority to Construct or modified Permit to Operate is under District review.

(56)(53)(51) "Proven in Field Application" means demonstrated in field application, to be reliable, in continuous compliance and maintaining a stated emission level for a period of at least one year, as determined by the Air Pollution Control Officer.

(57)(54)(52) "PSD Modification" means a contemporaneous emissions increase occurring at a modified PSD stationary source equal to or greater than the amounts listed in Table 20.1 - 10 or any non-criteria pollutant emissions significance level:

**TABLE 20.1 - 10  
PSD Modification**

<u>Air contaminant:</u>	<u>Emission Rate (Ton/yr)</u>
Particulate Matter (PM10)	15
Oxides of Nitrogen (NOx)	40
Volatile Organic Compounds (VOC)	40
Oxides of Sulfur (SOx)	40
Carbon Monoxide (CO)	100
Lead and Lead Compounds (Pb)	0.6

(58)(55)(53) "PSD Stationary Source or Prevention of Significant Deterioration Stationary Source" means any stationary source, as specified in Table 20.1 - 11, which has, or will have after issuance of a permit, an aggregate potential to emit one or more air contaminants in amounts equal to or greater than any of the emission rates listed in Table 20.1 - 11:



**TABLE 20.1 - 11**  
**PSD Stationary Sources and Trigger Levels**

**For stationary sources consisting of:**

- |   |   |
|---|---|
| 1. Fossil fuel fired steam electrical plants of more than 250 MM Btu/hr heat input              |   |
| 2. Fossil fuel boilers or combinations thereof totaling more than 250 MM Btu/hr of heat input   |   |
| 3. Municipal incinerators capable of charging more than 250 tons of refuse per day              |   |
| 4. Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels |   |
| 5. Charcoal production plants   | 17. Phosphate rock processing plants      |
| 6. Chemical process plants  | 18. Petroleum refineries                  |
| 7. Coal cleaning plants with thermal dryers   | 19. Primary aluminum ore reduction plants |
| 8. Coke oven batteries  | 20. Primary copper smelters               |
| 9. Fuel conversion plants   | 21. Primary lead smelters                 |
| 10. Furnace process carbon black plants   | 22. Primary zinc smelters                 |
| 11. Glass fiber processing plants   | 23. Portland cement plants                |
| 12. Hydrofluoric acid plants  | 24. Secondary metal production plants     |
| 13. Iron and steel mill plants  | 25. Sintering plants                      |
| 14. Kraft pulp mills  | 26. Sulfuric acid plants                  |
| 15. Lime plants   | 27. Sulfur recovery plants                |
| 16. Nitric acid plants  | 28. Taconite ore processing plants        |

**The following emission rates:**

<u>Air Contaminant</u>	<u>(Ton/yr)</u>
Particulate Matter (PM10)	100
Oxides of Nitrogen (NOx)	100
Volatile Organic Compounds (VOC)	100
Oxides of Sulfur (SOx)	100
Carbon Monoxide (CO)	100

**For all other stationary sources:**

<u>Air Contaminant</u>	<u>(Ton/yr)</u>
Particulate Matter (PM10)	250
Oxides of Nitrogen (NOx)	250
Volatile Organic Compounds (VOC)	250
Oxides of Sulfur (SOx)	250
Carbon Monoxide (CO)	250

~~(59)(56)(54)~~ **"Quantifiable"** means that a reliable basis for calculating the amount, rate, nature and characteristics of an emission reduction the ability to estimate emission reductions in terms of both their amount and characteristics can be established, as determined by the Air Pollution Control Officer. Quantification may be based upon emission factors, stack tests, monitored values, operating rates and averaging times, process or production inputs, mass balances or other reasonable measurement or estimating practices.

~~(60)(57)(55)~~ **"Real"** means actually occurring and which will not be replaced, displaced or transferred to another location emission unit at the same or other stationary source within San Diego County, as determined by the Air Pollution Control Officer.

~~(61)~~ **"Reasonably Available Control Technology" or "RACT"** means the lowest emission limit that a particular source is capable of meeting by the application of control technology that is reasonably available, as determined by the Air Pollution Control Officer pursuant to the federal Clean Air Act, considering technological and economic feasibility.

~~(62)(58)(56)~~ **"Relocated Emission Unit"** means a currently permitted emission unit or grouping of such units, which is to be moved within San Diego County from one stationary source to another stationary source. The moving of a portable emission unit shall not be considered a relocated emission unit.

~~(63)(59)(57)~~ **"Replacement Emission Unit"** means an emission unit which supplants another emission unit where the replacement emission unit serves the same function and purpose as the emission unit being replaced, as determined by the Air Pollution Control Officer. Identical replacements as specified in Rule 11 shall not be considered to be a replacement emission unit.

~~(64)(60)(58)~~ **"Secondary Emissions"** means emissions which would occur as a result of the construction, operation or modification of a PSD stationary source, but which are not directly emitted from any emission unit at the stationary source. Except as provided below, secondary emissions exclude emissions which come directly from mobile sources, such as emissions from the tailpipe of a motor vehicle. Secondary emissions include, but are not limited to:

(i) Emissions from ships or trains coming to or from the stationary source, unless such emissions are regulated by Title II of the federal Clean Air Act, and

(ii) Emission increases from any emission unit at a support facility not located at the stationary source, but which would not otherwise be constructed or increase emissions, and

(iii) Emissions from any emission unit mounted on a ship, boat, barge, train, truck or trailer, where the operation of the emission unit is dependent upon, or affects the process or operation (including duration of operation) of any emission unit located on the stationary source.

~~(65)(61)(59)~~ "Significant Impact" means an increase in ambient air concentration, resulting from emission increases at a new or modified stationary source, equal to or greater than any of the levels listed in Tables 20.1 - 12 and 20.1 - 13:

**TABLE 20.1 - 12**  
**Stationary Sources Impacting Any Class I Area**

<u>Air Contaminant</u>	<u>Significant Impact</u> <u>(24-hour Maximum)</u>
Particulate Matter (PM10)	1.0 µg/m <sup>3</sup>
Nitrogen Dioxide (NO <sub>2</sub> )	1.0 µg/m <sup>3</sup>
Sulfur Dioxide (SO <sub>2</sub> )	1.0 µg/m <sup>3</sup>
Carbon Monoxide (CO)	1.0 µg/m <sup>3</sup>

**TABLE 20.1 - 13**  
**Stationary Sources Impacting Any Class II Area**

<u>Air Contaminant</u>	<u>Significant Impact</u>
<u>Particulate Matter (PM10)</u>	
Annual arithmetic mean	1.0 µg/m <sup>3</sup>
24-hr. maximum	5.0 µg/m <sup>3</sup>
<u>Nitrogen Dioxide (NO<sub>2</sub>)</u>	
Annual arithmetic mean	1.0 µg/m <sup>3</sup>
<u>Sulfur Dioxide (SO<sub>2</sub>)</u>	
Annual arithmetic mean	1.0 µg/m <sup>3</sup>
24-hr. maximum	5.0 µg/m <sup>3</sup>
<u>Carbon Monoxide (CO)</u>	
8-hr. maximum	500.0 µg/m <sup>3</sup>
1-hr. maximum	2000.0 µg/m <sup>3</sup>

~~(66)(62)(60)~~ "State Ambient Air Quality Standards (SAAQS)" means the maximum allowable ambient air concentrations for specified air contaminants and monitoring periods as established by the California ~~ARB~~ Air Resources Board (see Table 20.1 - 7).

~~(67)(63)(61)~~ "Stationary Source" means an emission unit or aggregation of emission units which are located on the same or contiguous properties and which units are under common ownership or entitlement to use. Stationary sources also include those emission units or aggregation of emission units located in the California Coastal Waters.

~~(68)(64)(62)~~ "Surplus" means in excess of the State Implementation Plan, federal Clean Air Act and California Clean Air Act requirements, Regional Air Quality Strategy, or any District, State or federal law, rule, regulation, order or permit condition, and in excess of emission reductions which have been banked or otherwise committed for air quality purposes as specified by the same as defined in Rule 26.2 26.0 through 26.10, inclusive.

(69)(65)(63) "Temporary" means enforceable, existing and valid for a specified, limited period of time. For purposes of meeting the federal emission offset requirements of Rules 20.3 and 20.4, temporary means also federally enforceable.

(70)(66)(64) "Volatile Organic Compound (VOC)" means any volatile compound containing at least one atom of carbon excluding methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonates, and exempt compounds. Exempt compound means the same as defined in Rule 2.

(d) **EMISSION CALCULATIONS**

(1) **POTENTIAL TO EMIT**

The potential to emit of each air contaminant shall be calculated on an hourly, daily and yearly basis.

(i) **Calculation of Potential to Emit**

Except as provided in Subsections (d)(1)(i)(A), (B), and (C), the potential to emit shall be calculated based on the maximum design capacity or other operating conditions which reflect the maximum potential emissions, including fugitive emissions.

(A) **Permit Limitations Shall be Used**

If specific limiting conditions contained in an Authority to Construct or Permit to Operate restrict or will restrict emissions to a lower level, these limitations shall be used to calculate the potential to emit.

(B) **Potential to Emit Shall Not Exceed Maximum Potential**

If specific conditions limiting a unit's pre-project potential to emit are not contained in an Authority to Construct or Permit to Operate, the pre-project potential to emit shall be limited to the emission unit's actual emissions or to a lower level of emissions, as the applicant and the Air Pollution Control Officer may agree, provided such limitation is enforceable through permit conditions and does not violate any District, state or federal law, rule, regulation, order or permit condition. The Air Pollution Control Officer may base the pre-project potential to emit on the highest level of emissions occurring during a one-year period within the five-year period preceding the receipt date of the application, provided that the emission level was not in excess of any District, state or federal law, rule, regulation, order or permit condition. If the potential to emit is being determined for purposes of calculating an actual emission reduction, the provisions of Subsection (d)(2) shall apply.

(C) **Calculation of Pre-Project Potential to Emit for Emission Units Located at Major Stationary Sources**

If a new or modified emission unit is or will be located at a major stationary source, the pre-project potential to emit of the emission unit shall be calculated as follows, ~~unless an Authority to Construct or Permit to Operate has been issued pursuant to the current version of Rules 20.1, 20.2, 20.3, and~~

~~20.4, 20.9 or 20.10~~. For purposes of determining the post-project aggregate potential to emit pursuant to Subsection (d)(1)(ii), these calculation procedures shall not apply to emission units not being modified and instead the procedures of Subsections (d)(1)(i)(A) and (B) shall apply.

(1) If an emission unit's pre-project actual emissions are less than 80 percent of the emission unit's potential to emit calculated pursuant to Subsections (d)(1)(i)(A) and (B), then the emission unit's pre-project potential to emit shall be the same as the unit's actual emissions.

(2) If an emission unit's pre-project actual emissions are equal to or greater than 80 percent of the emission unit's potential to emit calculated pursuant to Subsection (d)(1)(i)(A) and (B), then the emission unit's pre-project potential to emit shall be as calculated pursuant to Subsection (d)(1)(i)(A) and (B).

If an Authority to Construct has previously been issued for an emission unit pursuant to New Source Review rules approved by EPA into the SIP for the District, and the previous emission increases that resulted from that emission unit were offset in accordance with the approved New Source Review rules in effect at that time, the emission unit's pre-project potential to emit shall be as calculated pursuant to Subsection (d)(1)(i)(A) and (B).

(ii) **Calculation of Aggregate Potential to Emit - Stationary Source**

Except as provided for below in Subsections (d)(1)(ii)(A), (B), and (C), the aggregate potential to emit of a stationary source shall be calculated as the sum of the post-project potential to emit of all emission units permitted for the stationary source, including emission units under District review for permit and those to which Subsection (b)(1) applies.

(A) **Permit-Exempt Equipment**

The potential to emit of emission units exempt from permit requirements by Rule 11, and of emission units that are registered under District Rules 12 or 12.1 or a state ARB registration program, shall not be included in the aggregate potential to emit of a stationary source unless except that emissions of any federal criteria air contaminant or precursor from an emission unit shall be included if the actual emission of any such air contaminant or precursor from the unit, without consideration of any add-on emission control devices, equals or exceeds 5 pounds per day or 25 pounds per week.

the The applicant and the Air Pollution Control Officer may agree to place all such permit-exempt and registered emission units which would be classified under the same class or category of source under permit for purposes of creating emission reduction credits. In such case, the potential to emit of each such emission unit shall be included in the stationary source's aggregate potential to emit.

(B) Emergency Equipment

The potential to emit from the ~~maintenane~~ operation of emergency equipment during other than emergency situations shall not be included in the calculation of a stationary source's aggregate potential to emit. The potential to emit from operation of emergency equipment during non-emergency situations shall only be included in the calculation of a stationary source's aggregate potential to emit except that emissions of any federal criteria air contaminant or precursor from an emergency unit shall be included if the actual emissions of any such federal criteria air contaminant or precursor from the unit, without consideration of any add-on emission control devices, equals or exceeds 5 pounds per day or 25 pounds per week. ~~The potential to emit from operation of emergency equipment during emergency situations shall be excluded from the calculation of a stationary source's aggregate potential to emit.~~

(C) Portable Emission Units

Portable emission units shall be excluded from the calculation of a stationary source's aggregate potential to emit.

(D) Military Tactical Support Equipment Engines

Emissions from portable engines, including gas turbines, used exclusively in conjunction with portable military tactical support equipment shall be excluded from the calculation of a stationary source's aggregate potential to emit.

(2) **ACTUAL EMISSIONS**

Actual emissions are calculated based on the actual operating history of the emission unit.

(i) Time Period for Calculation

(A) Actual emissions of an existing emission unit shall be calculated on an operating hour, day and year basis averaged over the most representative two consecutive years within the five years preceding the receipt date of an application, as determined by the Air Pollution Control Officer.

(B) For emission units which have not been operated for a consecutive two-year period which is representative of actual operations within the five years preceding the receipt date of the application, the calculation of actual emissions shall be based on the average of any two one-year operating periods determined by the Air Pollution Control Officer to be representative within that five-year period. If a representative two-year operating time period does not exist, the calculation of actual emissions shall be based on the average of the total operational time period within that five-year period.

(ii) **Time Periods Less Than Six Months - Potential to Emit**

For determining potential to emit, actual emissions for emission units operated for a period less than six months shall be based on the longest operating time period determined by the Air Pollution Control Officer to be most representative of actual operations.

*Subsection (d)(2)(iii) is moved to (d)(4)(iii)*

(3) **EMISSION INCREASE**

A project's or emission unit's emission increase shall be calculated as follows:

(i) **New Emission Units**

Emission increases from a new project or emission unit shall be calculated by using the potential to emit for the project or emission unit.

(ii) **Modified Emission Units**

Emission increases from a modified project or emission unit shall be calculated as the project's or emission unit's post-project potential to emit minus the project's or emission unit's pre-project potential to emit.

(iii) **Relocated Emission Units**

Emission increases from a relocated project or emission unit shall be calculated as the project's or emission unit's post-project potential to emit minus the project's or emission unit's pre-project potential to emit.

(iv) **Replacement Emission Units**

Emission increases from a replacement project or emission unit shall be calculated as the replacement project's or emission unit's post-project potential to emit minus the existing project's or emission unit's pre-project potential to emit.

(v) **Portable Emission Units**

Emission increases from a portable emission unit shall be calculated as the emission unit's post-project potential to emit minus the emission unit's pre-project potential to emit.

(vi) **Determining Emission Increases for AQIA Trigger Levels**

When calculating emission increases for purposes of comparing with the Air Quality Impact Analysis (AQIA) trigger levels of Rules 20.2, ~~or 20.3 or 20.9~~, area fugitive emissions of particulate matter (PM10) shall be excluded from the pre-project potential to emit and the post-project potential to emit calculations, unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM10 must be evaluated in order to protect public health and welfare.

**(4) EMISSION REDUCTION - POTENTIAL TO EMIT & ACTUAL EMISSION REDUCTION**

A project's or emission unit's emission reduction shall be calculated as follows:

(i) **Reduction in the Potential to Emit**

(A) **Modified Emission Units**

Reduction in the potential to emit for a modified project or emission unit shall be calculated as the project's or emission unit's pre-project potential to emit minus the project's or emission unit's post-project potential to emit.

(B) **Relocated Emission Units**

Reduction in the potential to emit for a relocated project or emission unit shall be calculated as the project's or emission unit's pre-project potential to emit minus the project's or emission unit's post-project potential to emit.

(C) **Replacement Emission Units**

Reduction in the potential to emit for a replacement project or emission unit shall be calculated as the existing project's or emission unit's pre-project potential to emit minus the replacement project's or emission unit's post-project potential to emit.

(D) **Portable Emission Units**

Reduction in the potential to emit for a portable emission unit shall be calculated as the emission unit's pre-project potential to emit minus the emission unit's post-project potential to emit.

(ii) **Actual Emission Reduction**

Notwithstanding any other provision of this rule, actual emissions calculated pursuant to Subsection (d)(2) shall be used for purposes of determining an actual emission reduction in accordance with this Subsection (d)(4)(ii). An actual emission reduction must be real, surplus, enforceable, quantifiable and may be permanent or temporary in duration. A temporary actual emission reduction shall be identified as temporary and shall include a specific date beyond which the reductions are no longer valid.

(A) **Shutdowns**

Actual emission reductions from the shutdown of an emission unit shall be calculated based on the emission unit's pre-project actual emissions.

(B) **Modified Emission Units**

Actual emission reductions from a modified project or emission unit shall be calculated as the project's or emission unit's pre-project actual emissions minus the project's or emission unit's post-project potential to emit.



(C) Relocated Emission Units

Actual emission reductions from a relocated project or emission unit shall be calculated as the project's or emission unit's pre-project actual emissions minus the project's or emission unit's post-project potential to emit.

(D) Replacement Emission Units

Actual emission reductions from a replacement project or emission unit shall be calculated as the existing project's or emission unit's pre-project actual emissions minus the replacement project's or emission unit's post-project potential to emit.

(E) Portable Emission Units

Actual emission reductions from a portable emission unit shall be calculated as the emission unit's pre-project actual emissions minus the emission unit's post-project potential to emit.

(iii) Adjustments For Determining Actual Emission Reductions  
*Formally Subsection (d)(2)(iii)*

The following adjustments shall be made in determining actual emission reductions:

(A) Units Permitted and Operated Less Than Two Years

If an emission unit has been permitted and operated for a period less than two years, the emission unit's actual emissions (in tons per year) shall be calculated as the unit's actual emissions (in tons) over that occurred during the actual operating time period times the actual operating time period in days divided by 1460 days.

(B) Adjustments for Rule Violations

If an emission unit was operated in violation of any District, state or federal law, rule, regulation, order or permit condition during the period used to determine actual emissions, the actual emissions shall be adjusted to reflect the level of emissions which would have occurred if the emission unit had not been in violation.

(C) Adjustments for Federal Reasonably Available Control Technology (RACT)

Actual emission reductions shall exclude emission reductions which would have occurred had RACT requirements, determined by the Air Pollution Control Officer to meet the requirements of the 1990 federal Clean Air Act Amendments, been applied. This provision shall not apply to emission reductions from an emission unit which is exempt from permit requirements pursuant to Rule 11. However, at the time of use of the emission reduction credits created from actual emission reductions from such an exempt emission unit shall be discounted by the emission reductions which would have occurred had

RACT, determined by the Air Pollution Control Officer to meet the requirements of the federal Clean Air Act, been applied. A condition shall be included in the emission reduction credit certificate for such an exempt emission unit requiring such discounting to occur at the time of use of the emission reduction credit.

**(5) EMISSION OFFSETS**

Emission offsets are actual emission reductions which are provided to mitigate emission increases. Emission offsets must meet the applicable criteria specified in Rules 20.1 and , Rules 20.2, 20.3, or 20.4, 20.9 and 20.10.

(i) Emission offsets shall consist of actual emission reductions calculated in accordance with Subsection (d)(4)(ii) or shall be Class 'A' Emission Reduction Credits pursuant to Rules 26.0 through 26.10 et seq or a mobile source Emission Reduction Credit issued pursuant to Rule 27. In order to be considered an emission offset, actual emission reductions or Emission Reduction Credits must be valid for the life of the emission increase which they are offsetting.

(ii) In order to qualify as an emission offset, actual emission reductions shall be banked pursuant to District Banking Rules 26.0 through 26.10 or Rule 27 et seq, unless the actual emission reductions are being proposed to offset emission increases occurring concurrently at the stationary source. In such a case, the Air Pollution Control Officer may choose to administratively forego the issuance of Emission Reduction Credits.

(iii) Emission offsets shall be in effect and enforceable at the time of startup of the emission unit requiring the offsets. Emission offsets must be federally enforceable if the source is major for the pollutant for which offsets are being provided. If interpollutant offsets are being provided, the offsets must be federally enforceable if the pollutant they are offsetting is major.

(iv) Emission offsets shall be provided on a ton per year basis.

(v) Emission offsets shall be located in San Diego County.

**(e) OTHER PROVISIONS**

**(1) CONTINUITY OF EXISTING PERMITS**

All of the conditions contained in any Authority to Construct or Permit to Operate issued prior to May 17, 1994 (date of amendment) shall remain valid and enforceable for the life of the Authority to Construct or Permit to Operate, unless specifically modified by the District.

Proposed amendments to Rule 20.2, Section (d) is to read as follows:

**RULE 20.2**  
**NEW SOURCE REVIEW**  
**NON - MAJOR STATIONARY SOURCES**  
**(Adopted and Effective 5/17/94)**  
**(Adopted and Effective \_\_\_\_\_)**

**Table of Contents**

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(a) APPLICABILITY .....	1
(b) EXEMPTIONS .....	1
(c) DEFINITIONS .....	2
(d) STANDARDS .....	2
(1) Best Available Control Technology (BACT) .....	2
(i) New or Modified Emission Units .....	2
(ii) Relocated Emission Units .....	2
(iii) Replacement Emission Units .....	2
(iv) Emergency Equipment Emission Units .....	2
(2) Air Quality Impact Analysis (AQIA) .....	2
(i) AQIA for New or Modified Emission Units .....	3
Table 20.2 - 1: AQIA Trigger Levels .....	3
(ii) AQIA for Replacement Emission Units .....	3
(iii) AQIA for Relocated Emission Units .....	4
(iv) AQIA not Required for NOx or VOC Impacts on Ozone .....	4
(v) Requirements for PM10 Impacts May be Waived .....	5
(vi) AQIA may be Required .....	5
(3) Prevention of Significant Deterioration (PSD) .....	6
(i) Federal Land Manager and federal EPA Notification .....	6
(ii) CARB, SCAQMD and Imperial County APCD Notification .....	6
(4) Public Notice and Comment .....	6
(i) Public Comment Period .....	6
(ii) Applicant Response .....	7
(iii) Publication of Notice .....	7
(iv) Information to be Made Available for Public Inspection .....	7

*Subsections (5) and (6) are reinstated with revisions ~~deleted in its entirety.~~*

## Table of Contents

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(5) Emission Offsets <b><u>RESERVED</u></b> .....	7
(i) Offset Requirements for VOC and NO <sub>x</sub> Emission Increases - New or Modified Emission Units .....	8
<del>Table 20.2 - 2: VOC and NO<sub>x</sub> Offset Ratio - Federal Severe Ozone Non-Attainment Classification</del> .....	<del>9</del>
Table 20.2 - 2A: VOC and NO <sub>x</sub> Offset Ratio - Federal Serious Ozone Non-Attainment Classification .....	8
<del>(ii) Offset Requirements for PM<sub>10</sub> and SO<sub>x</sub> Emission Increases - New or Modified Emission Units</del> .....	<del>9</del>
<del>Table 20.2 - 3: PM<sub>10</sub> and SO<sub>x</sub> Offset Ratio</del> .....	<del>9</del>
(iii) <del>Offset Requirements for CO Emission Increases - New or Modified Emission Units</del> .....	<del>10</del>
<del>Table 20.2 - 4: CO Offset Ratio</del> .....	<del>10</del>
<del>(iv)(ii)</del> Offset Requirements - Relocated and Replacement Emission Units .....	10
<del>(v)(iii)</del> Offset Requirements - Essential Public Services .....	10
<del>(vi)(iv)</del> Offset Requirements - <u>Air Contaminant Emission Control Equipment Projects</u> Installed Pursuant to District Rules and Regulations .....	11
<del>(vii)(v)</del> Interpollutant Offset Ratios .....	11
<del>Table 20.2 - 5 3: Interpollutant Offset Ratio</del> .....	<del>12</del>
(6) Emission Offset Requirements: Use of <u>Community District Bank Emission Reduction Credits</u> <b><u>RESERVED</u></b> .....	12

**NOTE:** ~~Rules 20.1, 20.2, 20.3 and 20.4 were replaced on May 17, 1994, and Rules 20.9 and 20.10 were added on May 17, 1994 to implement the New Source Review (NSR) requirements of the California Clean Air Act and the NSR and Prevention of Significant Deterioration (PSD) requirements of the federal 1990 Clean Air Act Amendments. Rule 20.7 was repealed on May 17, 1994. The versions of Rules 20.1, 20.2, 20.3, 20.4 and 20.7 that were in place before May 17, 1994 remain in effect for permit applications undergoing evaluation prior to May 17, 1994 under the terms prescribed in replacement Rule 20.1.~~

~~Replacement Rules 20.1, 20.2, 20.3 and 20.4 became effective May 17, 1994 for purposes of the California Clean Air Act. For purposes of the federal 1990 Clean Air Act Amendments, Rules~~

~~20.1, 20.9 and 20.10 will become effective upon EPA approval and upon EPA delegation of the authority to implement and enforce the NSR and PSD federal programs.~~

Proposed amendments to Rule 20.2, Section (d) is to read as follows:

**RULE 20.2. NEW SOURCE REVIEW - NON-MAJOR STATIONARY SOURCES**

(a) **APPLICABILITY**

This rule applies to any new or modified stationary source, to any new or modified emission unit and to any relocated emission unit being moved from a stationary source provided that after completion of the project, the stationary source is not a major stationary source.

(b) **EXEMPTIONS**

The exemptions contained in Rule 20.1, Section (b) apply to this rule. In addition, for purposes of this rule, the following exemptions shall apply.

(1) Emission units which are to be temporarily relocated to another stationary source shall be exempt from the provisions of Subsection (d)(1)(ii), provided that:

(i) The emission unit is not being modified,

(ii) There is no increase in the emission unit's potential to emit,

(iii) The unit is not located for more than 180 days at the stationary source where it is moved to, and

(iv) The emission unit is not located at more than two stationary sources over any 365-day period.

(2) Emission units which are intended to be permanently relocated to another stationary source shall be exempt from the provisions of Subsection (d)(1)(ii), provided that:

(i) There is no increase in the emission unit's potential to emit,

(ii) The relocation occurs within 10 miles of the previous stationary source, and

(iii) The relocated emission unit commences operating at the stationary source it was relocated to within one year of the emission unit ceasing operations at its previous stationary source.

(3) Emission increases resulting from an air contaminant emission control project shall be exempt from the emission offset requirements of Subsection (d)(5) and (d)(6) of this rule to the extent that the project does not include an increase in the capacity of the

emission unit being controlled. Emission increases that are associated with an increase in capacity of the emission unit being controlled shall be subject to the emission offset provisions of this rule, as applicable.

(c) **DEFINITIONS**

The definitions contained in Rule 20.1, Section (c) apply to this rule.

(d) **STANDARDS**

(1) **BEST AVAILABLE CONTROL TECHNOLOGY (BACT)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit subject to this rule unless the applicant demonstrates that the following requirements will be satisfied:

(i) **New or Modified Emission Units**

Any new or modified emission unit which has any increase in its potential to emit particulate matter (PM10), oxides of nitrogen (NOx), volatile organic compounds (VOC) or oxides of sulfur (SOx) and which unit has a post-project potential to emit of 10 pounds per day or more of ~~particulate matter (PM10), oxides of nitrogen (NOx), volatile organic compounds (VOC), or oxides of sulfur (SOx), or carbon monoxide (CO)~~, shall be equipped with Best Available Control Technology (BACT) for each such air contaminant.

(ii) **Relocated Emission Units**

Except as provided for in Subsections (b)(1) and (b)(2), any relocated emission unit with a post-project potential to emit of 10 pounds per day or more of PM10 particulate matter, NOx oxides of nitrogen, VOC volatile organic compounds, or SOx oxides of sulfur, or carbon monoxide, shall be equipped with BACT for each such air contaminant.

(iii) **Replacement Emission Units**

Any replacement emission unit with a post-project potential to emit of 10 pounds per day or more of PM10 particulate matter, NOx oxides of nitrogen, VOC volatile organic compounds, or SOx oxides of sulfur, or carbon monoxide, shall be equipped with BACT for each such air contaminant.

(iv) **Emergency Equipment Emission Units**

Any new or modified emergency equipment emission unit which has any



increase in its potential to emit PM10, NOx, VOC or SOx and which unit has a post-project potential to emit of 10 pounds per day or more of PM10 particulate matter, NOx oxides of nitrogen, VOC volatile organic compounds, or SOx oxides of sulfur, or carbon monoxide, shall be equipped with BACT for each such air contaminant. BACT shall apply based on the unit's ~~maintenance~~ non-emergency operation emissions and excluding the unit's emissions while operating during emergency situations.

(2) **AIR QUALITY IMPACT ANALYSIS (AQIA)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit subject to this rule unless the following requirements are satisfied. Area fugitive emissions of ~~particulate matter (PM10)~~ shall not be included in the demonstrations required below; unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM10 must be evaluated in order to protect public health and welfare.

(i) **AQIA for New or Modified Emission Unit**

For each project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.2 - 1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an ~~Air Quality Impact Analysis (AQIA)~~, that the project will not:

- (A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor
- (B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor
- (C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor
- (D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a ~~particulate matter~~ PM10 AQIA is required, the AQIA shall include both directly emitted ~~particulate matter~~ PM10 and ~~particulate matter~~ PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.

**TABLE 20.2 - 1**  
**AQIA Trigger Levels**

<u>Air Contaminant</u>	<u>Emission Rate</u>		
	<u>(lb/hr)</u>	<u>(lb/day)</u>	<u>(tons/yr)</u>
Particulate Matter (PM10)	---	100	<u>15</u>

Oxides of Nitrogen (NO <sub>x</sub> )	25	250	<u>40</u>
Oxides of Sulfur (SO <sub>x</sub> )	25	250	<u>40</u>
Carbon Monoxide (CO)	100	550	<u>100</u>
Lead and Lead Compounds	---	3.2	<u>0.6</u>

(ii) **AQIA for Replacement Emission Units**

For each replacement project which results in an emission increase equal to or greater than any of the amounts listed in Table 20.2-1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, that the replacement project will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor

(D) prevent ~~nor~~ interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a ~~particulate matter~~ PM<sub>10</sub> AQIA is required, the AQIA shall include both directly emitted ~~particulate matter~~ PM<sub>10</sub> and ~~particulate matter~~ PM<sub>10</sub> which would be formed by precursor air contaminants prior to discharge to the atmosphere.

(iii) **AQIA for Relocated Emission Units**

Prior to issuance of a permit allowing an emission unit or a project to be relocated from one stationary source to another, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, that operating the emission unit or project at the new location will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

This demonstration is required for each air contaminant for which the project has a potential to emit equal to or greater than the amounts listed in Table 20.2-1. If a ~~particulate matter~~ PM10 AQIA is required, the AQIA shall include both directly emitted ~~particulate matter~~ PM10 and ~~particulate matter~~ PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.

(iv) **AQIA not Required for NOx or VOC Impacts on Ozone**

Notwithstanding the requirements of Subsections (d)(2)(i), (ii), or (iii) a demonstration shall not be required for determining the impacts from a project's ~~oxides of nitrogen (NOx) or volatile organic compound (VOC)~~ emissions on the state or national ambient air quality standard for ozone, unless the Air Pollution Control Officer determines that adequate procedures exist for determining the impacts of ~~oxides of nitrogen~~ NOx or ~~volatile organic compound~~ VOC emissions from point sources on ozone ambient air quality standards and that such procedures are acceptable to the California ~~Air Resources Board (ARB)~~ or the federal ~~Environmental Protection Agency~~ EPA.

(v) **AQIA Requirements for PM10 Impacts May be Waived**

Notwithstanding the requirements of Subsection (d)(2)(i), (ii), or (iii), the Air Pollution Control Officer may waive the AQIA requirements for ~~particulate matter (PM10)~~ impacts on the state ambient air quality standards, as follows:

(A) If the project will result in a maximum PM10 ~~particulate matter~~ air quality impact of less than  $5 \mu\text{g}/\text{m}^3$  (24-hour average basis) and  $3 \mu\text{g}/\text{m}^3$  (annual geometric mean basis), all of the project's PM10 ~~particulate matter~~ emission increases, including area fugitive emissions of PM10 ~~particulate matter~~, must be offset at a ratio of 21.5 to 1 ~~in accordance with Subsection (d)(5)(ii)(C)~~.

(B) If the project will result in a maximum PM10 ~~particulate matter~~ air quality impact equal to or greater than  $5 \mu\text{g}/\text{m}^3$  but less than  $10 \mu\text{g}/\text{m}^3$  (24-hour average basis) or equal to or greater than  $3 \mu\text{g}/\text{m}^3$  but less than  $6 \mu\text{g}/\text{m}^3$  (annual geometric mean basis):

(1) the project must be equipped with BACT for PM10 ~~particulate matter~~ emissions without consideration for cost-effectiveness,

(2) all of the project's PM10 particulate matter emission increases, including area fugitive emissions of PM10 particulate matter, must be offset at an overall ratio of ~~2~~ 1.5 to 1 ~~in accordance with Subsection (d)(5)(ii)(C)~~,

(3) sufficient emission offsets must be provided within the project's impact area to offset all of the project's PM10 particulate matter emission increases, including area fugitive emissions of PM10 particulate matter, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at least equal to the project's PM10 particulate matter ambient air quality impact minus  $5 \mu\text{g}/\text{m}^3$  (24-hour average basis) and  $3 \mu\text{g}/\text{m}^3$  (annual geometric mean basis) must be provided, and

(5) all reasonable efforts to reduce the air quality impacts of the project are made.

(C) In no case shall the project result in a maximum PM10 particulate matter air quality impact equal to or greater than  $10 \mu\text{g}/\text{m}^3$  (24-hour average basis) or equal to or greater than  $6 \mu\text{g}/\text{m}^3$  (annual geometric mean basis).

(vi) **AQIA May be Required**

Notwithstanding any other provision of this rule, the Air Pollution Control Officer may require an **AQIA**, for any new or modified stationary source, any emission unit or any project if the stationary source, emission unit or project may be expected to:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, or

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), or

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

(3) **PREVENTION OF SIGNIFICANT DETERIORATION (PSD)**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any project which is expected to have a significant impact on any Class I area, as determined by an AQIA required pursuant to Subsection (d)(2), unless the following requirements are satisfied. The Air Pollution Control Officer shall:

(i) **Federal Land Manager and Federal EPA Notification**

Notify the Federal Land Manager and the federal Environmental Protection Agency (EPA). This notification shall include all of the information specified by Subsection (d)(4)(iv), the location of the project, the project's approximate distance from all Class I areas within 100 km of San Diego County (as specified in Table 20.1 - 3) and the results of the **AQIA**, and

(ii) **CARB, SCAQMD and Imperial County APCD Notification**

Notify and submit to the California ~~Air Resources Board (CARB)~~, the South Coast Air Quality Management District (**SCAQMD**) and the Imperial County Air Pollution Control District the information specified in Subsection (d)(4)(iv).

(4) **PUBLIC NOTICE AND COMMENT**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any project subject to the AQIA or notification requirements of Subsection (d)(2) or (d)(3), nor for any project which results in an emissions increase of VOCs equal to or greater than 250 pounds per day or 40 tons per year, unless the following requirements are satisfied.

(i) **Public Comment Period**

At least 40 days before taking final action on an application subject to the requirements of Subsection (d)(2) or (d)(3), the Air Pollution Control Officer shall:

(A) provide the public with notice of the proposed action in the manner prescribed by Subsection (d)(4)(iii), and

(B) make available for public inspection all information relevant to the proposed action as specified in Subsection (d)(4)(iv), and

(C) provide at least a 30-day period within which comments may be submitted.

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

Except as agreed to by the applicant and the Air Pollution Control Officer ~~and to the extent consistent with Rule 18,~~ no later than ~~ten~~ 10 days after close of the public comment period; the applicant may submit written responses to any comment received during the public comment period. Responses submitted by the applicant shall be considered prior to the Air Pollution Control Officer taking final action. The applicant's responses shall be made available for public review.

(iii) **Publication of Notice**

The Air Pollution Control Officer shall publish a notice of the proposed action in at least one newspaper of general circulation in San Diego County. The notice shall:

- (A) describe the proposed action, and
- (B) identify the location(s) where the public may inspect the information relevant to the proposed action, and
- (C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.

(iv) **Information to be Made Available for Public Inspection**

The relevant information to be made available for public inspection shall include but not be limited to:

- (A) the application and all analyses and documentation used to support the proposed action, the District's evaluation of the project, a copy of the draft Authority to Construct or Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and
- (B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefor.

*Subsections (d)(5) and (d)(6) are reinstated with revisions ~~deleted in their entirety.~~*

(5) **EMISSION OFFSETS RESERVED**

The Air Pollution Control Officer shall not issue an Authority to Construct for any project subject to this rule unless emission offsets are provided on a pollutant specific basis for emission increases of non-attainment air contaminants and their precursors. Emission offsets shall be provided for emission increases to the extent by which the stationary source's post-project aggregate potential to emit is greater than 15 tons per year,

as specified below. Interpollutant offsets may be used, provided such offsets meet the requirements of Subsection (d)(5)(vii).

(i) **Offset Requirements for VOC and NOx Emission Increases - New or Modified Emission Units**

(A) **Offset Requirements for VOC Emission Increases**

The volatile organic compound (VOC) emission increase from a new or modified emission unit located at a stationary source with a volatile organic compound post-project aggregate potential to emit equal to or greater than 15 tons per year, shall be offset at the offset ratio specified in Table 20.2 - 2. ~~If the District is reclassified as a “serious” ozone non attainment area by the federal Environmental Protection Agency, the offset ratios shall be those specified in Table 20.2 - 2A.~~

(B) **Offset Requirements for NOx Emission Increases**

The oxides of nitrogen (NOx) emission increase from a new or modified emission unit located at a stationary source with an oxides of nitrogen post-project aggregate potential to emit equal to or greater than 15 tons per year, shall be offset at the offset ratio specified in Table 20.2 - 2. ~~If the District is reclassified as a “serious” ozone non attainment area by the federal Environmental Protection Agency, the offset ratios shall be those specified in Table 20.2 - 2A.~~

**TABLE 20.2 - 2**  
**VOC and NOx Offset Ratio**  
**Federal Severe Ozone Non-Attainment Classification**

Stationary Source's Post Project Aggregate VOC or NOx <u>Potential to Emit</u>	Offset Ratio	
	NOx	VOC
Potential < 15 tons/year	None	None
15 tons/year ≤ Potential < 25 tons/year	1 : 1	1 : 1
Potential ≥ 25 tons/year	Rule 20.3 applies	

**TABLE 20.2 - 2A**  
**VOC and NOx Offset Ratio**  
**Federal Serious Ozone Non-Attainment Classification**

Stationary Source's Post-Project Aggregate VOC or NOx <u>Potential to Emit</u>	Offset Ratio	
	NOx	VOC
Potential < 15 tons/year	None	None

Potential $\leq$ 15 tons/year	$<$ 50 tons/year	1 : 1	1 : 1
Potential $\geq$ 50 tons/year		Rule 20.3 applies	

~~NOTE: The offset ratios specified in this Table shall be used only if San Diego County has received final reclassification to a "serious" ozone non attainment area by the federal Environmental Protection Agency. As of May 17, 1994, San Diego County was classified as a "severe" ozone nonattainment area by the federal Environmental Protection Agency.~~

(ii) **Offset Requirements for PM<sub>10</sub> and SO<sub>x</sub> Emission Increases - New or Modified Emission Units**

(A) Offset Requirements for SO<sub>x</sub> Emission Increases

The oxides of sulfur (SO<sub>x</sub>) emission increase from a new or modified emission unit located at a stationary source with an oxides of sulfur post-project aggregate potential to emit equal to or greater than 15 tons per year shall be offset at the offset ratio specified in Table 20.2-3.

(B) Offset Requirements for PM<sub>10</sub> Emission Increases

The particulate matter (PM<sub>10</sub>) emission increase from a new or modified emission unit located at a stationary source with a particulate matter post-project aggregate potential to emit equal to or greater than 15 tons per year shall be offset at the offset ratio specified in Table 20.2-3.

**TABLE 20.2-3**  
**PM<sub>10</sub> and SO<sub>x</sub> Offset Ratio**

Stationary Source's Post-Project Aggregate PM <sub>10</sub> or SO <sub>x</sub> Potential to Emit	Offset Ratio	
	PM <sub>10</sub>	SO <sub>x</sub>
Potential $<$ 15 tons/year	None	None
15 tons/year $\leq$ Potential $<$ 100 tons/year	1 : 1	1 : 1
Potential $\geq$ 100 tons/year	Rule 20.3 applies	

(C) PM<sub>10</sub> Waiver Provisions

To qualify for the AQIA waiver provisions of Subsection (d)(2)(v), emission offsets for particulate matter (PM<sub>10</sub>) must be provided at a 2 to 1 offset ratio.

(iii) **Offset Requirements for CO Emission Increases - New or Modified Emission Units**

(A) Offset Requirements for CO Emission Increases



The carbon monoxide (CO) emission increase from a new or modified emission unit located at a stationary source with a carbon monoxide post-project aggregate potential to emit equal to or greater than 15 tons per year, shall be offset at the offset ratio specified in Table 20.2-4.

**TABLE 20.2-4  
CO Offset Ratio**

Stationary Source's Post-Project Aggregate CO Potential to Emit	Offset Ratio CO
Potential < 15 tons/year	None
15 tons/year ≤ Potential < 100 tons/year	1:1
Potential ≥ 100 tons/year	Rule 20.3 applies

**(B) Waiver of CO Offset Requirements**

Notwithstanding the offset provisions of Subsection (d)(5)(iii)(A) if an applicant demonstrates to the satisfaction of the Air Pollution Control Officer, by means of an AQIA, that the new or modified emission unit will not cause or contribute to a violation, nor interfere with the attainment or maintenance, of any state or national ambient air quality standard for carbon monoxide, emission offsets for carbon monoxide shall not be required.

**(ii)(iv) Offset Requirements - Relocated and Replacement Emission Units**

For each pollutant for which a stationary source has a post-project aggregate potential to emit equal to or greater than 15 tons per year, the volatile organic compounds, and oxides of nitrogen, particulate matter, oxides of sulfur, or carbon monoxide emission increase from a relocated or replacement emission unit shall be offset as specified in Subsections (d)(5)(i) through (iii), as applicable.

**(iii)(v) Offset Requirements - Essential Public Services**

(A) If emission offsets are required pursuant to Subsections (d)(5)(i) through or (ii) (iii) for emission increases from new or modified emission units located at essential public services, the Air Pollution Control Officer may allow emission offsets to be provided at an emission offset ratio lower than that specified, for that portion of the emission increase for which the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that:

- (1) the emission unit constitutes an essential public service, and

(2) on a pollutant specific basis, the emission offsets cannot be provided as specified in Subsections (d)(5)(i) ~~through or (ii) (iii)~~ because it can be demonstrated that the cost in dollars per pound of obtaining emission offsets at that ratio exceeds five times the cost of control measures required to meet stationary source emission standards contained in these rules and regulations.

(B) If the Air Pollution Control Officer finds, pursuant to ~~this~~ Subsection (d)(5)~~(v)~~(iii), that the applicant for an essential public service is unable to obtain sufficient emission offsets despite all reasonable efforts, the Air Pollution Control Officer may do any of the following:

(1) provide the remaining required offsets from a District ~~Community~~ Bank created pursuant to Rule 26.4,

(2) demonstrate that ~~the~~ permit program ~~is achieving no net increases in emissions~~ from sources which emit 15 tons per year or more is being achieved,

(3) notify the Air Pollution Control Board that the essential public service project cannot be approved because of the applicant's inability to obtain emission offsets in an amount necessary to satisfy the offset ratio requirements of this rule. The Air Pollution Control Officer can make specific recommendations for revising the State Implementation Plan (SIP) and measures which the Air Pollution Control Board could adopt in order to ensure that there will be a no net increase in permitted emissions.

~~(iv)(vi)~~ **Offset Requirements - Air Contaminant Emission Control Equipment Projects Installed Pursuant to District Rules & Regulations**

If emission offsets are required for emission increases from an emission unit ~~operating prior to May 17, 1994~~ resulting from the installation of an air contaminant emission control equipment project being installed to comply with a requirement of these Rules and Regulations, but not including Rules 20.1, 20.2, 20.3, 20.4, or 20.5, ~~20.9 or 20.10~~, Rules 26.0 through Rule 26.10, inclusive, or Rule 1200, the Air Pollution Control Officer may elect to provide a portion or all of the emission offsets through the District's ~~Community~~ Bank, consistent with the provisions of Subsection (d)(6) of this rule. In order for the emission unit to be eligible to receive emission reduction credits from the ~~Community District~~ Bank, the Air Pollution Control Officer must determine that the following are satisfied:

(A) The air contaminant emission control equipment project satisfies the applicable requirements of these Rules and Regulations, and

~~(B) BACT has been installed on all emission increases associated with the installation of the control equipment, and~~

~~(B)(C)~~ The amount of the emission reduction credits to be obtained from the Community District Bank shall do not exceed 10 tons per year on a pollutant specific basis.

~~(D) The Air Pollution Control Officer determines that there are sufficient offsets available from the District's Community Bank.~~

~~This provision shall not apply to offsets required for emission increases that result from any modifications which result in the creation of an Emission-Reduction Credit pursuant to Rules 26.0 et seq.~~

(v)(vii) **Interpollutant Offset Ratios**

The Air Pollution Control Officer may allow the use of interpollutant emission offsets at the ratios specified in Table 20.2 - ~~3 5~~ to satisfy the offset requirements of ~~this~~ Subsection (d)(5), provided the applicant demonstrates to the satisfaction of the Air Pollution Control Officer, that the AQIA requirements of Subsection (d)(2), as applicable, are satisfied for the emission increase. The interpollutant ratios shall be multiplied by the emission offset ratios required by Subsection (d)(5) to determine the final offset ratio.

**TABLE 20.2 - 3 5**  
**Interpollutant Offset Ratio**

Emission Increase	Emission Decrease	Interpollutant Ratio
<del>Particulate Matter (PM<sub>10</sub>)</del>	PM <sub>10</sub>	1.0
	VOC	1.1
	NO <sub>x</sub>	1.1
	SO <sub>x</sub>	1.1
Oxides of Sulfur (SO <sub>x</sub> )	SO <sub>x</sub>	1.0
	PM <sub>10</sub>	1.1
	VOC	1.1
	NO <sub>x</sub>	1.1
Oxides of Nitrogen (NO <sub>x</sub> )	NO <sub>x</sub>	1.0
	VOC	2.0
Volatile Organic Compounds (VOC)	VOC	1.0
	NO <sub>x</sub>	1.0

(6) **EMISSION OFFSET REQUIREMENTS: USE OF COMMUNITY DISTRICT BANK EMISSION REDUCTION CREDITS**      **RESERVED**

The Air Pollution Control Officer may elect to provide emission offsets from a District developed and maintained Community District Bank ~~in the manner prescribed in Subsections (d)(5)(v) and (vi)~~; provided that the following are satisfied:

(i) The Community District Bank has been established consistent with the provisions of Rule 26.4 0 et seq.,

(ii) The Community District Bank contains sufficient emission reduction credits to allow for the emissions to be fully offset, if necessary with a combination of emission reductions from the Community District Bank and emission reductions provided directly by the affected stationary source,

(iii) Only banked emission reduction credits in excess of those necessary to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act are utilized,

~~(iv)~~ The use of Community District Bank Emission Reduction Credits shall be prioritized in the following order. In order to make this prioritization, the Air Pollution Control Officer shall determine, based on a review of the District's permit program for the previous calendar year, the amount of emission reductions credits from the Community District Bank which are to be allocated for each category:

~~(iv)(A)~~ For use to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act,

~~(v)(B)~~ For use by essential public service projects, as defined in Rule 20.1 and as provided for in Subsection (d)(5)~~(v)~~ (iii) of this rule,

~~(vi)(C)~~ For use for emission control equipment as provided for in Subsection (d)(5)~~(vi)~~ (iv) of this rule, and

~~(vii)(D)~~ For use for emission control equipment as provided for in Subsection (d)(5)~~(v)~~ of Rule 20.3.

(viii) For any other purpose approved by the Air Pollution Control Board and in conformity with state and federal laws and requirements.

Proposed amendments to Rule 20.3, Sections (b) and (d), are to read as follows:

**RULE 20.3  
NEW SOURCE REVIEW  
MAJOR STATIONARY SOURCES AND PSD STATIONARY SOURCES  
(ADOPTED AND EFFECTIVE 5/17/94)  
(ADOPTED AND EFFECTIVE \_\_\_\_\_)**

**Table of Contents**

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(a) APPLICABILITY .....	1
(b) EXEMPTIONS .....	1
(c) DEFINITIONS .....	2
(d) STANDARDS.....	2
(1) Best Available Control Technology (BACT) and Lowest Achievable Emission Rate (LAER) .....	2
(i) New or Modified Emission Units - <u>BACT</u> .....	2
<del>(ii)(iii)</del> Relocated Emission Units .....	2
<del>(iii)(iv)</del> Replacement Emission Units .....	2
(iv) Emergency Equipment Emission Units .....	3
(v) <u>Lowest Achievable Emission Rate (LAER)</u> .....	3
<del>(vi)(ii)</del> New or Modified Emission Units - <del>Non-Criteria Pollutants</del> <u>PSD</u> <u>Stationary Sources</u> .....	3
(2) Air Quality Impact Analysis (AQIA).....	3
(i) AQIA for New or Modified Units.....	3
Table 20.3 - 1: AQIA Trigger Levels.....	4
(ii) AQIA for Replacement Emission Units.....	4
(iii) AQIA for Relocated Emission Units .....	4
(iv) AQIA not Required for NOx or VOC Impacts on Ozone.....	5
(v) AQIA Requirements for PM10 Impacts May be Waived.....	5
(vi) AQIA May be Required .....	6
(3) Prevention of Significant Deterioration (PSD) .....	6
(i) Applicability.....	6
(ii) Notification Requirements .....	7
(iii) Air Quality Impact Analysis (AQIA).....	7
(iv) Air Quality Increment .....	8
(v) Additional Impacts Analyses .....	8
(vi) Protection of Class I Areas.....	9
(vii) Additional Requirements .....	10
(4) Public Notice and Comment .....	10
(i) Public Comment Period .....	11
(ii) Applicant Response .....	11

(iii)	Publication of Notice .....	11
(iv)	Information to be Made Available for Public Inspection.....	11

**Table of Contents**

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(5) Emission Offsets .....	12
(i) Offset Requirements for VOC and NOx Emission Increases - New or Modified Emission Units .....	12
<del>Table 20.3 - 2: VOC and NOx Offset Ratios - Federal Severe Ozone Non-Attainment Classification .....</del>	<del>13</del>
Table 20.3 - <u>2A</u> : VOC and NOx Offset Ratios - Federal Serious Ozone Non-Attainment Classification .....	13
(ii) <del>Offset Requirements for PM10 and SOx Emission Increases</del> <b>RESERVED</b> .....	13
<del>Table 20.3 - 3: PM10 and SOx Offset Ratio .....</del>	<del>14</del>
(iii) Offset Requirements for CO Emission Increases - <u>New or Modified Emission Units</u> .....	14
<del>Table 20.3 - 4: CO Offset Ratio.....</del>	<del>14</del>
(iv) Offset Requirements - Relocated and Replacement Emission Units.....	15
(v) Offset Requirements - <u>Air Contaminant Emission Control Equipment Projects</u> Installed Pursuant to District Rules and Regulations.....	15
(vi) Interpollutant Offset Ratios.....	16
Table 20.3 - <u>3 2 5</u> : Interpollutant Ratio.....	16
(6) Emission Offset Requirements: Use of <u>Community District Bank Emission Reduction Credits</u> .....	16
(7) <u>Exemptions from BACT Instead of LAER</u> .....	17
(8) <u>Use of Contemporaneous Emission Increases for</u> Determining Applicability of LAER and Offset Provisions .....	18
(i) Requirements .....	18
<del>Table 20.3 - 6: VOC and NOx Offset Ratios - Federal Severe Ozone Non-Attainment Designation.....</del>	<del>19</del>
<del>Table 20.3 - 6A: VOC and NOx Offset Ratios - Federal Serious Ozone Non-Attainment Designation.....</del>	<del>20</del>
(e) ADDITIONAL REQUIREMENTS .....	20
(1) Compliance Certification .....	20
(2) Alternative Siting and Alternatives Analysis.....	20

**NOTE:** ~~Rules 20.1, 20.2, 20.3 and 20.4 were replaced on May 17, 1994, and Rules 20.9 and 20.10 were added on May 17, 1994 to implement the New Source Review (NSR) requirements of the California Clean Air Act and the NSR and Prevention of Significant Deterioration (PSD) requirements of the federal 1990 Clean Air Act Amendments. Rule 20.7 was repealed on May 17,~~

~~1994. The versions of Rules 20.1, 20.2, 20.3, 20.4 and 20.7 that were in place before May 17, 1994 remain in effect for permit applications undergoing evaluation prior to May 17, 1994 under the terms prescribed in replacement Rule 20.1.~~

~~Replacement Rules 20.1, 20.2, 20.3 and 20.4 became effective May 17, 1994 for purposes of the California Clean Air Act. For purposes of the federal 1990 Clean Air Act Amendments, Rules 20.1, 20.9 and 20.10 will become effective upon EPA approval and upon EPA delegation of the authority to implement and enforce the NSR and PSD federal programs.~~

Proposed amendments to Rule 20.3, Sections (b) and (d), are to read as follows:

**RULE 20.3. NEW SOURCE REVIEW - MAJOR STATIONARY SOURCES AND PREVENTION OF SIGNIFICANT DETERIORATION (PSD) STATIONARY SOURCES**

(Effective: 11/4/76; Rev. Adopted and Effective \_\_\_\_\_)

(a) **APPLICABILITY**

This rule applies to any new or modified major stationary source, to any new or modified emission unit and to any relocated emission unit being moved from a stationary source; if, after completion of the project, the stationary source will be a major stationary source, or a Prevention of Significant Deterioration (PSD) Stationary Source.

(b) **EXEMPTIONS**

The exemptions contained in Rule 20.1, Section (b) apply to this rule. In addition, for purposes of this rule, the following exemptions shall apply.

(1) ~~Maintenance~~ Non-emergency operation emissions from emergency equipment shall be exempt from the Lowest Achievable Emission Rate (LAER) requirements of Subsection (d)(1) and shall instead be subject to the Best Available Control Technology (BACT) provisions of Subsection (d)(1)(iv)(~~v~~), as applicable.

(2) Emission units which are to be temporarily relocated to another stationary source shall be exempt from the provisions of Subsection (d)(1)(ii)(~~iii~~) provided that:

(i) The emission unit is not being modified,

(ii) There is no increase in the emission unit's potential to emit,

(iii) The unit is not located for more than 180 days at the stationary source where it is moved to, and

(iv) The emission unit is not located at more than two stationary sources over any 365-day period.

(3) Emission units which are intended to be permanently relocated to another stationary source shall be exempt from the provisions of Subsection (d)(1)(ii)(~~iii~~), provided that:

(i) There is no increase in the emission unit's potential to emit,

(ii) The relocation occurs within 10 miles of the previous stationary source, and



(iii) The relocated emission unit commences operating at the stationary source it was relocated to within one-year of the emission unit ceasing operations at its previous stationary source.

(4) Emission increases resulting from an air contaminant emission control project shall be exempt from the emission offset requirements of Subsection (d)(5), (d)(6) and (d)(7) of this rule to the extent that the project does not include an increase in the capacity of the emission unit being controlled. Emission increases that are associated with an increase in capacity of the emission unit being controlled shall be subject to the emission offset provisions of this rule, as applicable.

(c) **DEFINITIONS**

The definitions contained in Rule 20.1, Section (c) apply to this rule.

(d) **STANDARDS**

(1) **BEST AVAILABLE CONTROL TECHNOLOGY (BACT) AND LOWEST ACHIEVABLE EMISSION RATE (LAER)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit subject to this rule unless the applicant demonstrates that the following requirements will be satisfied:

(i) **New or Modified Emission Units - BACT**

Except as provided in Subsection (d)(1)(v), any new or modified emission unit which has any increase in its potential to emit particulate matter (PM<sub>10</sub>), oxides of nitrogen (NO<sub>x</sub>), volatile organic compounds (VOC), or oxides of sulfur (SO<sub>x</sub>) and which unit has a post-project potential to emit 10 pounds per day or more of particulate matter (PM<sub>10</sub>), oxides of nitrogen (NO<sub>x</sub>), volatile organic compounds (VOC), or oxides of sulfur (SO<sub>x</sub>), carbon monoxide (CO), or lead (Pb) shall be equipped with Best Available Control Technology (BACT) for each such air contaminant. Except as provided for in Subsection (d)(7) and (d)(8), Lowest Achievable Emission Rate (LAER) shall be required instead of BACT for those air contaminants and their precursors for which the stationary source is major and for which the District is classified as non-attainment of a national ambient air quality standard.

~~(ii)(iii)~~ **Relocated Emission Units**

Except as provided in Subsection (d)(1)(v), and except as provided for in Subsections (b)(2) and (b)(3), any relocated emission unit with a post-project potential to emit of 10 pounds per day or more of particulate matter PM<sub>10</sub>, oxides of nitrogen NO<sub>x</sub>, volatile organic compounds VOC, or oxides of sulfur SO<sub>x</sub>, or carbon monoxide, shall

be equipped with BACT for each such air contaminant. ~~Except as provided for in Subsections (d)(7) and (d)(8), LAER shall be required instead of BACT for those air contaminants and their precursors for which the stationary source is major and for which the District is classified as non-attainment of a national ambient air quality standard.~~

(iii)(iv) **Replacement Emission Units**

~~Except as provided in Subsection (d)(1)(v), any replacement emission unit with a post-project potential to emit of 10 pounds per day or more of particulate matter PM10, oxides of nitrogen NOx, volatile organic compounds VOC ; or oxides of sulfur SOx, or carbon monoxide, shall be equipped with BACT for each such air contaminant. Except as provided for in Subsections (d)(7) and (d)(8), LAER shall be required instead of BACT for those air contaminants and their precursors for which the stationary source is major and for which the District is classified as non-attainment of a national ambient air quality standard.~~

(iv) **Emergency Equipment Emission Units**

Any new or modified emergency equipment emission unit which has any increase in its potential to emit and which unit has a post-project potential to emit of 10 pounds per day or more of ~~particulate matter PM10, oxides of nitrogen NOx, volatile organic compounds VOC ; or oxides of sulfur SOx, or carbon monoxide~~, shall be equipped with BACT for each such air contaminant. BACT shall apply based on the unit's ~~maintenance non-emergency operation~~ emissions and excluding the unit's emissions while operating during emergency situations.

(v) **Lowest Achievable Emission Rate (LAER)**

Except as provided for in Subsection (d)(7), LAER shall be required for each new, modified, relocated or replacement emission unit which results in an emissions increase which constitutes a new major source or major modification. LAER shall be required only for those air contaminants and their precursors for which the stationary source is major and for which the District is classified as non-attainment of a national ambient air quality standard.

(ii)(vi) **New or Modified Emission Units - Non-Criteria Pollutants PSD Stationary Sources**

Any new or modified emission unit at a PSD stationary source, which emission unit has an emission increase of one or more air contaminants equal to or greater than the non-criteria pollutant emissions significance levels which constitutes a new PSD stationary source (see Table 20.1-11) or PSD modification (see Tables 20.1-8 and 20.1-10), shall be equipped with BACT for each such air contaminant.

(2) **AIR QUALITY IMPACT ANALYSIS (AQIA)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit subject to this rule unless the following requirements are satisfied. Area fugitive emissions of particulate matter (PM10) shall not be included in the demonstrations required below, unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM10 must be evaluated in order to protect public health and welfare.

(i) **AQIA for New or Modified Units**

For each project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.3 - 1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an Air Quality Impact Analysis (AQIA), that the project will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor

(D) prevent nor interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a ~~particulate matter~~ PM10 AQIA is required, the AQIA shall include both directly emitted ~~particulate matter~~ PM10 and ~~particulate matter~~ PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.

**ABLE 20.3 - 1**  
**AQIA Trigger Levels**

<u>Air Contaminant</u>	<u>Emission Rate</u>		
	<u>(lb/hr)</u>	<u>(lb/day)</u>	<u>(tons/yr)</u>
Particulate Matter (PM10)	---	100	<u>15</u>
Oxides of Nitrogen (NOx)	25	250	<u>40</u>
Oxides of Sulfur (SOx)	25	250	<u>40</u>
Carbon Monoxide (CO)	100	550	<u>100</u>
Lead and Lead Compounds	---	3.2	<u>0.6</u>

(ii) **AQIA for Replacement Emission Units**

For each replacement project which results in an emission increase equal to or greater than any of the amounts listed in Table 20.3 - 1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, that the replacement project will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor

(D) prevent nor interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a ~~particulate matter~~ PM<sub>10</sub> AQIA is required, the AQIA shall include both directly emitted ~~particulate matter~~ PM<sub>10</sub> and ~~particulate matter~~ PM<sub>10</sub> which would be formed by precursor air contaminants prior to discharge to the atmosphere.

(iii) **AQIA for Relocated Emission Units**

Prior to issuance of a permit allowing an emission unit or a project to be relocated to a major stationary source, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, that operating the emission unit or project at the new location will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard,

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded,

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v) **below**, nor

(D) prevent nor interfere with the attainment or maintenance of any state or national ambient air quality standard.

This demonstration is required for each air contaminant for which the project has a potential to emit equal to or greater than the amounts listed in Table 20.3 - 1. If a ~~particulate matter~~ PM<sub>10</sub> AQIA is required, the AQIA shall include both directly emitted

~~particulate matter~~ PM10 and ~~particulate matter~~ PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.

(iv) **AQIA not Required for NO<sub>x</sub> or VOC Impacts on Ozone**

Notwithstanding the requirements of Subsections (d)(2)(i), (ii), or (iii) a demonstration shall not be required for determining the impacts from a project's ~~oxides of nitrogen~~ (NO<sub>x</sub>) or ~~volatile organic compound~~ (VOC) emissions on the state or national ambient air quality standard for ozone, unless the Air Pollution Control Officer determines that adequate procedures exist for determining the impacts of NO<sub>x</sub> ~~oxides of nitrogen~~ or VOC ~~volatile organic compound~~ emissions from point sources on ozone ambient air quality standards and that such procedures are acceptable to the California Air Resources Board (ARB) or the federal Environmental Protection Agency (EPA).

(v) **AQIA Requirements for PM10 Impacts May be Waived**

Notwithstanding the requirements of Subsection (d)(2)(i), (ii), or (iii) the Air Pollution Control Officer may waive the AQIA requirements for ~~particulate matter~~ (PM10) impacts on the state ambient air quality standards, as follows:

(A) If the project will result in a maximum ~~particulate matter~~ PM10 air quality impact of less than 5 µg/m<sup>3</sup> (24-hour average basis) and 3 µg/m<sup>3</sup> (annual geometric mean basis), all of the project's ~~particulate matter~~ PM10 emission increases, including area fugitive emissions of ~~particulate matter~~ PM10, must be offset at a ratio of ~~2~~ 1.5 to 1 ~~in accordance with Subsection (d)(5)(ii)(C)~~.

(B) If the project will result in a maximum ~~particulate matter~~ PM10 air quality impact equal to or greater than 5 µg/m<sup>3</sup> but less than 10 µg/m<sup>3</sup> (24-hour average basis) or equal to or greater than 3 µg/m<sup>3</sup> but less than 6 µg/m<sup>3</sup> (annual geometric mean basis):

(1) the project must be equipped with BACT for ~~particulate matter~~ PM10 emissions without consideration for cost-effectiveness,

(2) all of the project's ~~particulate matter~~ PM10 emission increases, including area fugitive emissions of ~~particulate matter~~ PM10, must be offset at an overall ratio of ~~2~~ 1.5 to 1 ~~in accordance with Subsection (d)(5)(ii)(C)~~,

(3) sufficient emission offsets must be provided within the project's impact area to offset all of the project's ~~particulate matter~~ PM10 emission increases, including area fugitive emissions of ~~particulate matter~~ PM10, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at

least equal to the project's ~~particulate-matter~~ PM10 ambient air quality impact minus  $5 \mu\text{g}/\text{m}^3$  (24-hour average basis) and  $3 \mu\text{g}/\text{m}^3$  (annual geometric mean basis) must be provided, and

(5) all reasonable efforts to reduce the air quality impacts of the project are made.

(C) In no case shall the project result in a maximum ~~particulate-matter~~ PM10 air quality impact equal to or greater than  $10 \mu\text{g}/\text{m}^3$  (24-hour average basis) or equal to or greater than  $6 \mu\text{g}/\text{m}^3$  (annual geometric mean basis).

(vi) **AQIA May be Required**

Notwithstanding any other provision of this rule, the Air Pollution Control Officer may require an AQIA for any new or modified stationary source, any emission unit or any project if the stationary source, emission unit or project may be expected to:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, or

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), or

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

(3) **PREVENTION OF SIGNIFICANT DETERIORATION (PSD)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any project subject to this rule unless the applicant demonstrates that the following requirements are satisfied.

(i) **Applicability**

(A) **New PSD Stationary Source and PSD Modification**

The provisions of Subsections (d)(3)(ii) through (vii) shall apply to any new PSD stationary source and to any PSD modification, for those air contaminants for which the District is classified as attainment or unclassified ~~of the~~ with respect to a national ambient air quality standard.

(B) Significant Impact

The provisions of Subsections (d)(3)(ii) through (vii) shall apply to any project which is expected to have a significant impact on any Class I area, as determined by an AQIA required pursuant to Subsection (d)(2), regardless of the Class I area's national attainment or non-attainment classification. For Class II areas, the provisions of Subsections (d)(3)(ii) through (vii) apply only if, in addition to causing a significant impact, the Class II area where the significant impact occurs is classified as attainment of the national ambient air quality standard for that pollutant.

(C) Non-Criteria Pollutant Emissions Significance Levels

The provisions of Subsections (d)(3)(ii), (iii), (v), and (vii) shall apply to any emission increase of a non-criteria air contaminant at a PSD stationary source with a potential to emit equal to or greater than a non-criteria pollutant emissions significance level (see Table 20.1-8) for the air contaminant.

(ii) **Notification Requirements**

(A) Notification of Federal Land Manager - Before Application Submittal

The applicant shall provide written notification to the Federal Land Manager of the applicant's intent to file an application for an Authority to Construct, Permit to Operate, or a Determination of Compliance pursuant to Rule 20.5, not less than 30 days prior to application submittal. The applicant's notification to the Federal Land Manager shall include copies of all of the analyses required by **this** Subsection (d)(3). Concurrently, the applicant shall notify the federal ~~Environmental Protection Agency~~ EPA and the District, and provide copies of the written notification given to the Federal Land Manager.

(B) Notification of Federal Land Manager - After Application Submittal

If a project is modified prior to issuance of an Authority to Construct such that it becomes subject to Subsection (d)(3), the Air Pollution Control Officer shall provide the notification required by Subsection (d)(3)(ii)(A) no later than 15 days after it is determined that the provisions of Subsection (d)(3) apply.

(C) Failure to Notify

If the applicant has failed to provide the notification required by Subsection (d)(3)(ii)(A) within the time periods described in that subsection, the applicant shall provide the notification required by **that** subsection no later than 15 days after the Air Pollution Control Officer informs the applicant that the provisions of Subsection (d)(3) apply.

(iii) **Air Quality Impact Analysis (AQIA)**

Notwithstanding the emission threshold requirements of Subsection (d)(2), the applicant shall perform an AQIA as prescribed in Subsection (d)(2) for those pollutants for which, pursuant to Subsection (d)(3)(i), Subsection (d)(3) applies. In conducting the AQIA, projected growth calculated pursuant to (d)(3)(v)(A) shall be taken into account. The Air Pollution Control Officer shall comply with the public comment and notice provisions of Subsection (d)(4) and with the following:

(A) Federal Land Manager and federal EPA Notification

Notify the Federal Land Manager and ~~the Environmental Protection Agency (EPA)~~. This notification shall include all of the analyses required by Subsection (d)(3), the location of the project, the project's approximate distance from all Class I areas within 100 km of San Diego County (as specified in Rule 20.1, Table 20.1 - 3), and the results of the AQIA, at least 60 days prior to the public comment period required by Subsection (d)(4).

(B) ARB, SCAQMD and Imperial County APCD Notification

Notify and submit to the California ~~Air Resources Board (ARB)~~, the South Coast Air Quality Management District (SCAQMD) and the Imperial County Air Pollution Control District all of the information required by Subsection (d)(4)(iv).

(iv) Air Quality Increment

If the stationary source is located in an area designated as attainment or unclassified for the ~~SO<sub>x</sub> sulfur dioxide, NO<sub>x</sub> nitrogen dioxide, or PM<sub>10</sub> particulate matter~~ national ambient air quality standard pursuant to Section 107(d)(1)(D) or (E) of the federal Clean Air Act, the following shall be satisfied:

(A) The applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer, using procedures approved by the Air Pollution Control Officer, that the applicable air quality increments are not exceeded within the project's impact area.

(B) The demonstration required by Subsection (d)(3)(iv)(A) shall include the following:

(1) a description of the federal attainment area where a significant impact occurs and the attainment area's corresponding non-major source baseline date, and

(2) an analysis of the air quality impacts of all increment consuming and increment expanding emissions within the impact area, and



(3) an analysis of the air quality impacts of increment consuming and increment expanding emissions outside the impact area that may have a significant impact within the impact area.

(v) **Additional Impacts Analyses**

The analyses required by Subsections (d)(3)(v)(A) through (C) shall include the impacts of total emissions which exceed a non-criteria emissions significance level.

(A) **Growth Analysis**

The applicant shall prepare a growth analysis containing all of the following:

(1) an assessment of the availability of residential, commercial, and industrial services in the area surrounding the stationary source,

(2) a projection of the growth in residential, industrial and commercial sources, construction related activities, and permanent and temporary mobile sources which will result from the construction of the new major stationary source or major modification, including any secondary emissions associated with the construction,

(3) an estimate of the emission of all pollutants from the projected growth, and

(4) a determination of the air quality impacts occurring due to the combined emissions from the projected growth and the stationary source's emissions increase.

(B) **Soils & Vegetation Analysis**

The applicant shall perform an analysis of the impacts from air contaminants on soils and vegetation containing all of the following:

(1) the analysis shall be based on an inventory of the soils and vegetation types found in the impact area, including all vegetation with any commercial or recreational value, and

(2) the analysis shall consider the impacts of the combined emissions from projected growth as determined above, pursuant to Subsection (d)(3)(v)(A) and the stationary source's emissions increase.

(C) **Visibility Impairment Analysis**

The applicant shall perform a visibility impairment analysis. The analysis shall focus on the effects of the emission increases from the new PSD stationary source or PSD modification and their impacts on visibility within the impact area.

The analysis shall include a catalog of scenic vistas, airports, or other areas which could be affected by a loss of visibility within the impact area, a determination of the visual quality of the impact area, and an initial screening of emission sources to assess the possibility of visibility impairment. If the screening analysis indicates that a visibility impairment will occur, as determined by the Air Pollution Control Officer, a more in-depth visibility analysis shall be prepared.

(vi) **Protection of Class I Areas**

(A) **Requirements**

(1) An AQIA shall be prepared as prescribed in Subsection (d)(2) for all emission increases attributable to the new or modified stationary source, notwithstanding the emission threshold requirements of Subsection (d)(2). The AQIA shall include a demonstration that the new or modified stationary source will not cause or contribute to a violation of any national ambient air quality standard nor interfere with the attainment or maintenance of those standards.

(2) The analyses contained in Subsections (d)(3)(iii) through (v) shall be prepared for all emission increases which will result in a significant impact.

(B) **Application Denial - Federal Land Manager/Air Pollution Control Officer Concurrence**

The Air Pollution Control Officer shall deny an Authority to Construct for a new or modified stationary source subject to **this** Subsection (d)(3)(vi), if the Federal Land Manager demonstrates, and the Air Pollution Control Officer concurs, that granting the Authority to Construct would result in an adverse impact on visibility, soils, vegetation or air quality related values of a Class I area. The Air Pollution Control Officer shall take into consideration mitigation measures identified by the Federal Land Manager in making the determination.

(vii) **Additional Requirements**

(A) **Tracking of Air Quality Increment Consumption Sources**

The Air Pollution Control Officer shall track air quality increment consumption, consistent with current requirements established by the federal EPA Environmental Protection Agency.

(B) **Stack Height Requirement**

The applicant for any new or modified PSD stationary source with a stack height greater than 65 meters must demonstrate to the satisfaction of the Air

Pollution Control Officer that the new or modified stationary source complies with the ~~most recent~~ Good Engineering Practice (GEP) requirements contained in the 1993 version of 40 CFR 51.100(ii). The Air Pollution Control Officer may specify compliance with a more recent version of the GEP requirements upon finding that such specification will not significantly change the effect of this paragraph and is necessary to carry out federal PSD requirements.

(C) Preconstruction Monitoring Requirement

The applicant shall submit at least one year of continuous monitoring data, unless the Air Pollution Control Officer determines that a complete and adequate analysis can be accomplished with monitoring data gathered over a shorter period. Such shorter period shall not be less than four consecutive months. The requirement for monitoring may be waived by the Air Pollution Control Officer if representative monitoring data is already available.

(D) Cancellation of Authority to Construct

Any Authority to Construct or modified Permit to Operate issued to a PSD stationary source subject to the provisions of Subsection (d)(3) of this rule, shall become invalid if construction or modification is not commenced within 18 months after its issuance or if construction is or modification discontinued for a period of 18 months or more after its issuance. The 18-month period may be extended by the Air Pollution Control Officer for good cause.

(4) **PUBLIC NOTICE AND COMMENT**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any project subject to the AQIA or notification requirements of Subsections (d)(2) or (d)(3) above, nor for any project which results in an emissions increase of VOC equal to or greater than 250 pounds per day or 40 tons per year, nor for any project that would otherwise constitute a new major source or a major modification, unless the following requirements are satisfied.

(i) **Public Comment Period**

At least 40 days before taking final action on an application, the Air Pollution Control Officer shall:

(A) provide the public with notice of the proposed action in the manner prescribed in Subsection (d)(4)(iii), and

(B) provide the California ~~ARB Air Resources Board~~ and federal ~~EPA Environmental Protection Agency~~ with notice of the proposed action and all of the information specified in Subsection (d)(4)(iv), and

(C) make available for public inspection all information relevant to the proposed action as specified in Subsection (d)(4)(iv), and

(D) provide at least a 30-day period within which comments may be submitted.

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

Except as agreed to by the applicant and the Air Pollution Control Officer ~~and to the extent consistent with Rule 18~~, no later than 10 days after close of the public comment period, the applicant may submit written responses to any comment received during the public comment period. Responses submitted by the applicant shall be considered prior to the Air Pollution Control Officer taking final action. The applicant's responses shall be made available for public review.

(iii) **Publication of Notice**

The Air Pollution Control Officer shall publish a notice of the proposed action in at least one newspaper of general circulation in San Diego County. The notice shall:

(A) describe the proposed action, and

(B) identify the location(s) where the public may inspect the information relevant to the proposed action, and

(C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.

(iv) **Information to be Made Available for Public Inspection**

The relevant information to be made available for public inspection shall include, but not be limited to:

(A) the application and all analyses and documentation used to support the proposed action, the District's evaluation of the project, a copy of the draft Authority to Construct or Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and

(B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefor.

(5) **EMISSION OFFSETS**

Except as provided for in Subsection (d)(8), the Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any project subject to this rule unless emission offsets are provided on a pollutant specific basis for any emission increases of

non-attainment air contaminants and their precursors ~~which increases constitute a new major stationary source or a major modification.~~ Emission offsets shall be provided for emission increases from projects to the extent by which the stationary source's post-project aggregate potential to emit is greater than 15 tons per year, as specified below. Interpollutant offsets may be used, provided such offsets meet the requirements of Subsection (d)(5)(vi).

(i) **Offset Requirements for VOC and NOx Emission Increases - New or Modified Emission Units**

(A) Offset Requirements for VOC Emission Increases

The ~~volatile organic compound (VOC)~~ emission increase from a new or modified emission unit located at a stationary source with a volatile organic compound VOC post-project aggregate potential to emit equal to or greater than 15 tons per year, and which increase constitutes a new major stationary source or major modification, shall be offset at ~~the a 1.2 to 1.0~~ offset ratio specified in Table 20.3 - 2. ~~If the District is reclassified to a "serious" ozone non-attainment area by the federal Environmental Protection Agency, the offset ratios shall be those specified in Table 20.3 - 2A.~~

(B) Offset Requirements for NOx Emission Increases

The ~~oxides of nitrogen (NOx)~~ emission increase from a new or modified emission unit located at a stationary source with an oxides of nitrogen NOx post-project aggregate potential to emit equal to or greater than 15 tons per year, and which increase constitutes a new major stationary source or major modification, shall be offset at the ~~a 1.2 to 1.0~~ offset ratio specified in Table 20.3 - 2. ~~If the District is reclassified as a "serious" ozone non-attainment area by the federal Environmental Protection Agency, the offset ratios shall be those specified in Table 20.3 - 2A.~~

**TABLE 20.3 - 2**  
**VOC and NO<sub>x</sub> Offset Ratios**  
**Federal Severe Serious Ozone Non-Attainment Classification**

Stationary Source's Post-Project Aggregate VOC or NO <sub>x</sub> <u>Potential to Emit</u>	Offset Ratio	
	<u>NO<sub>x</sub></u>	<u>VOC</u>
Potential < 15 tons/year	None	None
15 tons/year ≤ Potential < 25 tons/year	1 : 1	1 : 1
Potential ≥ 25 tons/year	1.3 : 1.0	1.3 : 1.0

*Table 20.3 - 2A- reinstated with revisions.*

**TABLE 20.3 - 2A**  
**VOC and NO<sub>x</sub> Offset Ratios**  
**Federal Serious Ozone Non-Attainment Classification**

Stationary Source's Post-Project Aggregate VOC or NO <sub>x</sub> <u>Potential to Emit</u>	Offset Ratio	
	<u>NO<sub>x</sub></u>	<u>VOC</u>
Potential < 15 tons/year	None	None
<u>Potential &gt; 15 tons/year</u> < 50 tons/year	1 : 1	1 : 1
Potential ≥ 50 tons/year	1.2:1.0	1.2:1.0

**NOTE:** The federal offset ratios of 1.2 to 1.0 specified in this Table shall be used only apply if the new or modified emission unit or project constitutes a new major source or major modification. ~~if San Diego County has received final reclassification to a “serious” ozone non-attainment area by the federal Environmental Protection Agency. As of May 17, 1994, San Diego County was classified as a “severe” ozone nonattainment area by the federal Environmental Protection Agency.~~

(ii) **Offset Requirements for PM<sub>10</sub> and SO<sub>x</sub> Emission Increases - New or Modified Emission Units**      **RESERVED**

(A) **Offset Requirements for SO<sub>x</sub> Emission Increases**

The oxides of sulfur (SO<sub>x</sub>) emission increase from a new or modified emission unit located at a stationary source with an oxides of sulfur post-project

aggregate potential to emit equal to or greater than 15 tons per year shall be offset at the offset ratio specified in Table 20.3-3.

(B) Offset Requirements for PM<sub>10</sub> Emission Increases

The particulate matter (PM<sub>10</sub>) emission increase from a new or modified emission unit located at a stationary source with a particulate matter post-project aggregate potential to emit equal to or greater than 15 tons per year shall be offset at the offset ratio specified in Table 20.3-3.

**TABLE 20.3-3**  
**PM<sub>10</sub> and SO<sub>x</sub> Offset Ratio**

Stationary Source's Post-Project Aggregate PM <sub>10</sub> or SO <sub>x</sub> Potential to Emit	Offset Ratio	
	PM <sub>10</sub>	SO <sub>x</sub>
Potential < 15 tons/year	None	None
15 tons/year ≤ Potential < 100 tons/year	1 : 1	1 : 1
Potential ≥ 100 tons/year	1 : 1	1 : 1

(C) PM<sub>10</sub> Waiver Provisions

To qualify for the AQIA waiver provisions of Subsection (d)(2)(v), emission offsets for particulate matter must be provided at a 2 to 1 offset ratio.

(iii) Offset Requirements for CO Emission Increases - New or Modified Emission Units

(A) Offset Requirements for CO Emission Increases

Except as provided in Subsection (d)(5)(iii)(B) below, the carbon monoxide (CO) emission increase from a new or modified emission unit located at a stationary source with a carbon monoxide post-project aggregate potential to emit equal to or greater than 15 tons per year, and which increase constitutes a new major stationary source or major modification for CO, shall be offset at the a 1.0 to 1.0 offset ratio specified in Table 20.3-4. This requirement shall no longer apply if the District is redesignated by the federal EPA as in attainment with respect to the national ambient air quality standard for CO.

**TABLE 20.3-4**  
**CO Offset Ratio**

Stationary Source's
---------------------

Post-Project Aggregate CO <u>Potential to Emit</u>	Offset Ratio <u>CO</u>
Potential < 15 tons/year	None
15 tons/year ≤ Potential < 100 tons/year	1:1
Potential ≥ 100 tons/year	1:1

(B) Waiver of CO Offset Requirements

Notwithstanding the offset provisions of Subsection (d)(5)(iii)(A), if an applicant demonstrates to the satisfaction of the Air Pollution Control Officer, by means of an AQIA, that the new or modified emission unit will not cause or contribute to a violation, nor interfere with the attainment or maintenance, of any state or national ambient air quality standard for CO carbon monoxide, emission offsets for CO carbon monoxide shall not be required.

(iv) Offset Requirements - Relocated and Replacement Emission Units

~~For each pollutant for which a stationary source has a post-project potential to emit equal to or greater than 15 tons per year, the volatile organic compounds, oxides of nitrogen, particulate matter, oxides of sulfur, or carbon monoxide emission increase from a relocated or replacement emission unit. The VOC and NOx and CO emission increases that result from a relocated or replacement emission unit at a stationary source and which, increases constitute a new major stationary source or major modification, on a non-air contaminant pollutant specific basis, has a post-project potential to emit equal to or greater than 15 tons per year, shall be offset as specified in Subsections (d)(5)(i) through (iii), as applicable. The CO emission increase that results from a relocated or replacement emission unit at a stationary source and which increase constitutes a new major stationary source or major modification for CO shall be offset as specified in Subsection (d)(5)(iii). This requirement shall no longer apply for to CO emission increases if the District is redesignated by the federal EPA as in attainment with respect to the national ambient air quality standard for CO.~~

(v) Offset Requirements - Air Contaminant Emission Control Equipment Projects Installed Pursuant to District Rules & Regulations

If emission offsets are required for emission increases from an emission unit ~~operating prior to May 17, 1994~~ resulting from the installation of an air contaminant emission control equipment project being installed to comply with a requirement of these Rules and Regulations, but not including Rules 20.1, 20.2, 20.3, 20.4, or 20.5, 20.9 or 20.10, inclusive, Rules 26.0 through Rule 26.10, inclusive, or Rule 1200, the Air



Pollution Control Officer may elect to provide a portion or all of the emission offsets through the District's ~~Community~~ Bank, consistent with the provisions of Subsection (d)(6) of this rule. In order for the emission unit to be eligible to receive emission reduction credits from the ~~Community~~ District Bank, the Air Pollution Control Officer must determine that the following are satisfied:

(A) the air contaminant emission control equipment project satisfies the applicable requirements of these rules and regulations, and

~~(B) BACT has been installed on all emission increases associated with the installation of the control equipment,~~

~~(B)(C)~~ (C) the amount of the emission reduction credits to be obtained from the ~~Community~~ District Bank do not exceed 10 tons per year on a pollutant specific basis;

~~(D) If oxides of nitrogen emission reduction credits are being sought from the Community Bank, the stationary source is not major for oxides of nitrogen, and~~

~~(E) If volatile organic compound emission reduction credits are being sought from the Community Bank, the stationary source is not major for volatile organic compounds.~~

~~(F) The Air Pollution Control Officer determines that there are sufficient offsets available from the District's Community Bank.~~

~~This provision shall not apply to offsets required for emission increases that result from any changes which result in the creation of an Emission Reduction Credit pursuant to Rules 26.0 et seq.~~

(vi) **Interpollutant Offset Ratios**

The Air Pollution Control Officer may allow the use of interpollutant emission offsets at the ratios specified in Table 20.3 - ~~2~~ 5 to satisfy the offset requirements of this Subsection (d)(5), provided the applicant demonstrates to the satisfaction of the Air Pollution Control Officer, that the AQIA requirements of Subsection (d)(2), as applicable, are satisfied for the emission increase. The interpollutant ratios shall be multiplied by the emission offset ratios required by Subsection (d)(5) to determine the final offset ratio.

**TABLE 20.3 - 3 2-5**  
**Interpollutant Ratio**

Emission Increase	Decrease	Interpollutant Ratio
Particulate Matter (PM <sub>10</sub> )	PM <sub>10</sub>	1.0
	VOC	1.1

	NO <sub>x</sub>	1.1
	SO <sub>x</sub>	1.1
Oxides of Sulfur (SO <sub>x</sub> )	SO <sub>x</sub>	1.0
	PM <sub>10</sub>	1.1
	VOC	1.1
	NO <sub>x</sub>	1.1
Oxides of Nitrogen (NO <sub>x</sub> )	NO <sub>x</sub>	1.0
	VOC	2.0
Volatile Organic Compounds (VOC)	VOC	1.0
	NO <sub>x</sub>	1.0

**(6) EMISSION OFFSET REQUIREMENTS: USE OF ~~COMMUNITY~~ DISTRICT BANK EMISSION REDUCTION CREDITS**

The Air Pollution Control Officer may elect to provide emission offsets from a District developed and maintained ~~Community District~~ District Bank in the manner prescribed in Subsection ~~(d)(5)(v)~~, provided that the following are satisfied:

(i) The ~~Community District~~ District Bank has been established consistent with the provisions of Rule 26.0 ~~+~~ et seq. ~~through Rule 26.10, inclusive.~~

(ii) The ~~Community District~~ District Bank contains sufficient emission reduction credits to allow for the emissions to be fully offset, if necessary with a combination of emission reductions from the ~~Community District~~ District Bank and emission reductions provided directly by the affected stationary source,

(iii) Only banked emission reduction credits in excess of those necessary to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act are utilized,

~~(iv)~~ The use of ~~Community District~~ District Bank Emission Reduction Credits shall be prioritized in the following order. In order to make this prioritization, the Air Pollution Control Officer shall determine, based on a review of the District's permit program for the previous calendar year, the amount of emission reductions credits from the ~~Community District~~ District Bank which are to be allocated for each category:

~~(iv)(A)~~ For use to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act, or

~~(v)(B)~~ For use by essential public service projects, as defined in Rule 20.1 and as provided for in Subsection (d)(5)(v) of Rule 20.2. ~~provided the applicant demonstrates, to the satisfaction of the Air Pollution Control Officer, that the applicant is unable to create or acquire some or all of the required emission offsets, despite all reasonable efforts, and that the cost of some or all of the required offsets, in dollars per pound of emission reduction credit, exceeds five times the cost of control measures required to meet stationary source emission standards contained in these rules and regulations.~~

(vi)(C) For use for air contaminant emission control equipment projects as provided for in Rule 20.3 Subsection (d)(5)(vi) of Rule 20.2, and

(vii)(D) For use for air contaminant emission control equipment projects as provided for in Subsection (d)(5)(v) of this rule.

(viii) For any other purpose approved by the Air Pollution Control Board and in conformity with state and federal laws and requirements.

(7) **EXEMPTIONS FROM BACT INSTEAD OF LAER**

Any stationary source which provides volatile organic compounds (VOC) or oxides of nitrogen (NOx) emission reductions from within the stationary source at a ratio of at least 1.3 to 1.0 for any increase of ~~volatile organic compounds~~ VOC or NOx oxides of nitrogen subject to the LAER provisions of Subsection (d)(1)(v), ~~may apply BACT instead of~~ shall be exempt from the requirements of this rule for LAER and from further emission offsets for such increases. ~~These offsetting emission reductions shall be in addition to any emission offsets required by these rules.~~ In addition, any modification of an existing stationary source which results in an emission increase of ~~volatile organic compounds~~ VOC or NOx oxides of nitrogen, may apply BACT instead of LAER, provided the stationary source's post-project aggregate potential to emit is less than 100 tons per year of ~~volatile organic compounds~~ VOC or NOx oxides of nitrogen. This provision shall apply on a pollutant specific basis.

(8) **USE OF CONTEMPORANEOUS EMISSION INCREASES FOR DETERMINING APPLICABILITY OF LAER AND OFFSET PROVISIONS**

The ~~applicant for any~~ determination that a project at an existing major stationary source may request that is a major modification and is subject to the LAER provisions of Subsection (d)(1) and emission offsets provisions for oxides of nitrogen) and volatile organic compounds of this Subsection (d)(5) (8) shall be applied based on the stationary source's contemporaneous emission increases, ~~instead of on an individual emission unit or project basis as applicable,~~ ~~provided such a request is made in writing. Once such a request is made, all new and existing emission units at the stationary source shall be required to comply with said Subsections as provided for below.~~ The determination that a project at a new stationary source is a new major source and is subject to the LAER and emission offset provisions of this Subsection (d)(8) shall be based on the post-project potential to emit of the project.

(i) **Requirements**

If a request to utilize ~~this~~ Subsection (d)(8) is made, The applicant for a new, modified relocated or replacement emission unit or project at a stationary source shall submit with each application for ~~new or modified equipment,~~ such emission unit or project, sufficient information to determine the emission increases from such emission unit or project, and the contemporaneous emission increases ~~at if~~ if the stationary source is an existing major stationary source. Each application shall be accompanied by a current tabulation of contemporaneous emission increases ~~at if~~ if the stationary source is an existing major stationary source. For any major stationary source undergoing a major modification based on the stationary source's contemporaneous emission increase and for each emission unit or project which constitutes a new major stationary source, the LAER and offset provisions shall apply as follows:

(A) Lowest Achievable Emission Rate (LAER)

The LAER provisions of Subsection (d)(1) shall apply to any project which results in an emissions increase occurring at a stationary source where there is which increase constitutes a new major source or major modification, on a pollutant specific basis. This provision shall not relieve a source from also complying with the BACT provisions of Subsection (d)(1), as applicable in Subsection (d)(1).

(B) Emission Offsets *This paragraph reinstated with revisions.*

The oxides of nitrogen and volatile organic compound emission increases from a new, ~~or~~ modified, relocated or replacement emission unit or project which increases constitute a new major source or major modification located at of a major stationary source with an oxides of nitrogen or volatile organic compound post-project aggregate potential to emit equal to or greater than 15 tons per year, shall be offset as prescribed in Table 20.3-6 at a ratio of 1.2 to 1.0, on a pollutant specific basis. ~~If the District is reclassified to a "serious" ozone non-attainment area by the federal Environmental Protection Agency, the offset ratios shall be those specified in Table 20.3-6A.~~ Interpollutant offsets may be used provided they meet the requirements of Subsection (d)(5)(vi).

~~The emission offset provisions of Subsection (d)(5) shall apply to any project which results in an emissions increase occurring at a stationary source which increase constitutes a new major source or major modification, on a pollutant specific basis.~~

The CO emission increase that results from a new, modified, relocated or replacement emission unit at a stationary source and which increase constitutes a new major stationary source or major modification for CO shall be offset at a ratio of 1.0 to 1.0. This requirement shall no longer apply to CO emission increases if the District is redesignated by the federal EPA as in attainment with respect to the national ambient air quality standard for CO.

When an emissions increase from a new or modified emission unit or project has been determined to be subject to, and approved as in compliance with, the BACT, LAER and/or federal emission offset requirements of Subsections (d)(7) and (d)(8) of this rule, the contemporaneous emissions increase for the subject air contaminant or precursor shall ~~be reset to zero~~ thereafter not include any residual emission increase from such new or modified emission unit or project, on a pollutant specific basis.

**TABLE 20.3-6**  
**VOC and NO<sub>x</sub> Offset Ratios**  
**Federal Severe Ozone Non-Attainment Designation**

Stationary Source's Post-Project Aggregate VOC or NO <sub>x</sub> Potential to Emit	Offset Ratio	
	NO <sub>x</sub>	VOC
Potential < 15 tons/year	None	None
15 tons/year ≤ Potential < 25 tons/year	1 : 1	1 : 1
Potential ≥ 25 tons/year		
Non-major modification	1 : 1	1 : 1
Major modification	1.3 : 1.0	1.3 : 1.0

**TABLE 20.3-6A**  
**VOC and NOx Offset Ratios**  
**Federal Serious Ozone Non-Attainment Designation**

<i>Stationary Source's Post Project Aggregate VOC or NOx Potential to Emit</i>	<i>Offset Ratio</i>	
	<i>NOx</i>	<i>VOC</i>
<i>Potential &lt; 15 tons/year</i>	<i>None</i>	<i>None</i>
<i>15 tons/year ≤ Potential &lt; 50 tons/year</i>	<i>1 : 1</i>	<i>1 : 1</i>
<i>Potential ≥ 50 tons/year</i>		
<i>Non-major modification</i>	<i>1 : 1</i>	<i>1 : 1</i>
<i>Major modification</i>	<i>1.2:1.0</i>	<i>1.2:1.0</i>

**NOTE:** The offset ratios specified in this Table shall be used only if San Diego County has received final reclassification to a “serious” ozone non-attainment area by the federal Environmental Protection Agency. As of **May 17, 1994**, San Diego County was classified as a “severe” ozone nonattainment area by the federal Environmental Protection Agency.

(C) Limitations

Once an applicant has requested to use **this** Subsection (d)(8) provisions for contemporaneous emission increases, the applicant may, at any time, request in writing that the individual emission unit or project applicability provisions of Subsections (d)(1) and (d)(5) be used to determine LAER and emission offset applicability for the stationary source. However, such a stationary source may not again be eligible for the Subsection (d)(8) contemporaneous emission increase provisions for a period of five years from the time the request to use the individual emission unit or project applicability criteria was made.

(e) **ADDITIONAL REQUIREMENTS**

(1) **Compliance Certification**

Prior to receiving an Authority to Construct or modified Permit to Operate pursuant to this rule, an applicant for any new or modified stationary source required to satisfy the **LAER** provisions of Subsection (d)(1) or the major source offset requirements of Subsection (d)(5) (8) shall certify that all major stationary sources owned or operated by such person, or by any entity controlling, controlled by or under common control with such a person, in the state are in compliance, or on an approved schedule for compliance, with all applicable emission limitations and standards under the federal Clean Air Act.

(2) **Alternative Siting and Alternatives Analysis**

The applicant for any new major stationary source required to satisfy the **LAER** provisions of Subsection (d)(1) or the major source offset requirements of Subsection

(d)(5), shall conduct an analysis of alternative sites, sizes, production processes, and environmental control techniques for such proposed source which demonstrates that the benefits of the proposed source outweigh the environmental and social costs imposed as a result of its location or construction. Analyses conducted in conjunction with state or federal statutory requirements may be used.

Proposed amendments to Rule 20.4 are to read as follows:

**RULE 20.4**  
**NEW SOURCE REVIEW**  
**PORTABLE EMISSION UNITS**  
**(ADOPTED AND EFFECTIVE 5/17/94)**  
**(ADOPTED AND EFFECTIVE \_\_\_\_\_)**

**Table of Contents**

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(a) APPLICABILITY .....	1
(b) EXEMPTIONS .....	1
(c) DEFINITIONS .....	1
<del>Table 20.4 - 1: Federal Severe Ozone Non-Attainment Classification</del> .....	1
Table 20.4 - 1A: Federal Serous Ozone Non-Attainment Classification.....	2
(d) STANDARDS.....	3
(1) BACT <u>and</u> LAER for New or Modified Portable Emission Units .....	3
(i) New or Modified <del>Type I</del> Portable Emission Units.....	3
(ii) New or Modified Type <del>H III</del> Portable Emission Units.....	3
(iii) New or Modified <del>Type H</del> Portable Emission Units - PSD Stationary Sources.....	3
(2) Air Quality Impact Analysis (AQIA).....	3
(i) AQIA for Portable Emission Units .....	4
Table 20.4 - <del>1</del> <u>2</u> : AQIA Trigger Levels.....	4
(ii) AQIA not Required for NOx or VOC Impacts on Ozone.....	5
(iii) AQIA Requirements for PM10 Impacts May be Waived.....	5
(iv) AQIA May be Required .....	6
(3) Prevention of Significant Deterioration (PSD) .....	6
(i) Federal Land Manager and Federal EPA Notification.....	7
(ii) CARB, SCAQMD and Imperial APCD Notification .....	7
(4) Public Notice and Comment .....	7
(i) Public Comment Period .....	7
(ii) Applicant Response .....	7
(iii) Publication of Notice .....	8
(iv) Information to be Made Available for Public Inspection.....	8



## Table of Contents

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
(5) Emission Offsets .....	8
Table 20.4 - <del>2</del> 3: Emission Offset Ratios: Federal Severe Ozone- Non-Attainment Classification .....	8
Table 20.4 - <del>3A</del> : Emission Offset Ratios: Federal Serious Ozone- Non-Attainment Classification .....	8
(i) <u>Emission Offsets - Type I and Type II Portable Emission Units</u> .....	8
(i)(ii) <del>PM10 Waiver Provisions</del> <u>Emission Offsets - Type III Portable         Emission Units</u> .....	9
(ii)(iii) Waiver of CO Offset Requirements .....	9
(iii)(iv) Interpollutant Offset Ratios .....	9
Table 20.4 - <del>3</del> 4: Interpollutant Offset Ratio .....	9
(iv)(v) Alternative Offsetting .....	9

**NOTE:** ~~Rules 20.1, 20.2, 20.3 and 20.4 were replaced on May 17, 1994, and Rules 20.9 and 20.10 were added on May 17, 1994 to implement the New Source Review (NSR) requirements of the California Clean Air Act and the NSR and Prevention of Significant Deterioration (PSD) requirements of the federal 1990 Clean Air Act Amendments. Rule 20.7 was repealed on May 17, 1994. The versions of Rules 20.1, 20.2, 20.3, 20.4 and 20.7 that were in place before May 17, 1994 remain in effect for permit applications undergoing evaluation prior to May 17, 1994 under the terms prescribed in replacement Rule 20.1.~~

~~Replacement Rules 20.1, 20.2, 20.3 and 20.4 became effective May 17, 1994 for purposes of the California Clean Air Act. For purposes of the federal 1990 Clean Air Act Amendments, Rules 20.1, 20.9 and 20.10 will become effective upon EPA approval and upon EPA delegation of the authority to implement and enforce the NSR and PSD federal programs.~~

Proposed amendments to Rule 20.4 are to read as follows:

## **RULE 20.4. NEW SOURCE REVIEW - PORTABLE EMISSION UNITS**

### **(a) APPLICABILITY**

This rule applies to any new or modified portable emission unit, ~~and to any portable emission unit being moved from one stationary source to another.~~

### **(b) EXEMPTIONS**

The exemptions contained in Rule 20.1, Section (b) apply to this rule. In addition, the provisions of this rule, ~~excluding the requirements of Subsection (d)(2)(ii),~~ shall not apply to any previously permitted portable emission unit, unless such unit is modified.

Emission increases resulting from an air contaminant emission control project to reduce emissions from a portable emission unit shall be exempt from the emission offset require  
ments of Subsection (d)(5) of this rule to the extent that the project does not include an  
increase in the capacity of the emission unit being controlled. Emission increases that are  
associated with an increase in capacity of the emission unit being controlled shall be subject  
to the emission offset provisions of this rule, as applicable.

### **(c) DEFINITIONS**

The definitions contained in Rule 20.1, Section (c) shall apply to this rule. In addition, for purposes of this rule, the following definitions shall apply.

(1) **"Initial Permit Issuance"** means the first instance an Authority to Construct is issued for an emission unit pursuant to Rules 20.1 and 20.4, as they are currently in effect.

(2) **"Previously Permitted"** means a portable emission unit which has a valid Authority to Construct or Permit to Operate issued pursuant to these Rules and Regulations prior to May 17, 1994 and that the emission unit has not been modified since May 17, 1994 or otherwise undergone initial permit issuance.

(3) **"Type I Portable Emission Unit"** means a portable emission unit that can be operated only at stationary sources which have an aggregate potential to emit of less than 15 ~~100~~ tons per year of ~~particulate matter (PM<sub>10</sub>),~~ oxides of nitrogen (NO<sub>x</sub>) and volatile organic  
compounds (VOC), oxides of sulfur (SO<sub>x</sub>) and less than 100 tons per year of carbon  
monoxide (CO) ~~and less than 50 tons per year of oxides of nitrogen (NO<sub>x</sub>) and volatile~~

~~organic compounds (VOC). Type I portable emission units may also operate at stationary sources which have an aggregate potential to emit greater than these levels if emission offsets at the ratios specified for Type II portable emission units in Table 20.4 - 2 are provided for~~

~~the period of time the portable emission unit is located at such a stationary source. The limitation on operating at stationary sources which have an aggregate potential to emit of less than 100 tons per year of CO shall no longer apply if the District is redesignated by the federal Environmental Protection Agency (EPA) as in attainment with respect to the national ambient air quality standard for CO.~~

***This Subsection (4) reinstated with revisions***

(4) "Type II Portable Emission Unit" means a portable emission unit that can be operated only at stationary sources which have an aggregate potential to emit of less than the emission rates listed in Table 20.4 - 1. Type II portable emission units may also operate at stationary sources which have an aggregate potential to emit greater than the emission rates listed in Table 20.4 - 1, if emission offsets at the ratios specified for Type III portable emission units are provided for the period of time the portable emission unit is located at such a stationary source. ~~If the District has received final reclassification to a "serious" ozone non-attainment area by the federal Environmental Protection Agency, Table 20.4 - 1A shall be~~

~~used.~~ The limitation on operating at stationary sources which have an aggregate potential to emit of less than 100 tons per year of CO shall no longer apply if the District is redesignated by the federal EPA as in attainment with respect to the national ambient air quality standard for CO.

**TABLE 20.4 - 1**  
**Federal Severe Ozone Nonattainment Classification**

<u>Air Contaminant:</u>	<u>Emission Rate (Ton/yr)</u>
Particulate Matter (PM <sub>10</sub> )	100
Oxides of Nitrogen (NO <sub>x</sub> )	25
Volatile Organic Compounds (VOC)	25
Oxides of Sulfur (SO <sub>x</sub> )	100
Carbon Monoxide (CO)	100
Lead (Pb)	0.6

**TABLE 20.4 - 1-A**  
**Federal Serious Ozone Nonattainment Classification**

<u>Air Contaminant:</u>	<u>Emission Rate (Ton/yr)</u>
-------------------------	-----------------------------------

Particulate Matter (PM <sub>10</sub> )	100
Oxides of Nitrogen (NO <sub>x</sub> )	50
Volatile Organic Compounds (VOC)	50
Oxides of Sulfur (SO <sub>x</sub> )	100
Carbon Monoxide (CO)	100
Lead (Pb)	0.6

**NOTE:** ~~The emission rates specified in this Table shall be used only if San Diego County has received final reclassification to a "serious" ozone non-attainment area by the federal Environmental Protection Agency. As of [May 17, 1994](#), San Diego County was classified as a "severe" ozone nonattainment area by the federal Environmental Protection Agency.~~

(5) "Type ~~H~~ III Portable Emission Unit" means a portable emission unit that can be operated at any stationary source, regardless of the source's aggregate potential to emit.

(d) **STANDARDS**

(1) **BACT AND LAER FOR NEW OR MODIFIED PORTABLE EMISSION UNITS**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any new or modified portable emission unit unless the applicant demonstrates that the following requirements will be satisfied:

(i) **New or Modified Type I Portable Emission Units**

~~Except~~ Unless a new or modified portable emission unit is equipped to comply with LAER as provided in Subsections (d)(1)(ii) and (d)(1)(iii), any new or modified Type I portable emission unit which has any increase in its potential to emit and which

~~unit has a post-project potential to emit of ten 10 pounds per day or more of particulate matter (PM<sub>10</sub>), oxides of nitrogen (NO<sub>x</sub>), volatile organic compounds (VOC), or oxides of sulfur (SO<sub>x</sub>), or carbon monoxide (CO), unless the applicant demonstrates that such unit will~~ shall be equipped with Best Available Control Technology (BACT) for each such air contaminant.

(ii) **New or Modified Type ~~H~~ III Portable Emission Units**

Any new or modified Type ~~H~~ III portable emission unit which has any emissions increase of an air contaminant or its precursors for which the District is designated as non-attainment with respect to a national ambient air quality standard, shall be equipped to comply with Lowest Achievable Emission Rate (LAER). This requirement shall not apply if the applicant demonstrates, to the satisfaction of the Air Pollution Control

Officer, and agrees to federally enforceable permit conditions to ensure that the emissions increase from such unit will not constitute a new major source or a major modification at any stationary source which is major for a non-attainment air contaminant or precursor, or if the emissions increase is offset at a ratio of 1.3 to 1.0 by actual emission reductions at the same major stationary source at which it is located.

**(iii) New or Modified Type-H Portable Emission Units - PSD Stationary Sources**

Any new or modified Type-H portable emission unit which may be located at a Prevention of Significant Deterioration (PSD) stationary source, which emission unit has an emission increase of one or more air contaminants which constitutes a new PSD stationary source (see Table 20.1-11) or PSD modification (see Tables 20.1-8 and 20.1-10) shall be equipped with BACT for each such air contaminant.

**(2) AIR QUALITY IMPACT ANALYSIS (AQIA)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any portable emission unit unless the following requirements are satisfied. Modeling shall be used to conduct any Air Quality Impact Analysis (AQIA). The AQIA shall be performed using maximum expected ambient air contaminant concentrations within San Diego County, based on existing data, unless the applicant agrees to enforceable permit conditions that requires a new AQIA whenever the equipment is to be located at a stationary source for which the initial AQIA was not representative. Area fugitive emissions of PM<sub>10</sub> shall not be included in the demonstrations required below, unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM<sub>10</sub> must be evaluated in order to protect public health and welfare.

**(i) AQIA for Portable Emission Units**

**(A) Initial Permit Issuance**

For each new or modified portable emission unit which results in an emissions increase equal to or greater than the amounts listed in Table 20.4 - ~~1~~ 2, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer, through an AQIA, that the new or modified portable emission unit will not:

(1) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(3) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection(d)(2)(iii), nor

(4) prevent ~~n~~ or interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a PM10 particulate matter AQIA is required, the AQIA shall include both directly emitted PM10 particulate matter and PM10 particulate matter which would be formed by precursor air contaminants prior to discharge to the atmosphere.

**TABLE 20.4 - 2**  
**AQIA Trigger Levels**

<u>Air Contaminant</u>	<u>(lb/hr)</u>	<u>Emission Rate</u>	
		<u>(lb/day)</u>	<u>(tons/yr)</u>
Particulate Matter (PM10)	---	100	<u>15</u>
Oxides of Nitrogen (NOx)	25	250	<u>40</u>
Oxides of Sulfur (SOx)	25	250	<u>40</u>
Carbon Monoxide (CO)	100	550	<u>100</u>
Lead and Lead Compounds	---	3.2	<u>0.6</u>

**B) Previously Permitted Emission Units**

~~For each previously permitted portable emission unit which has a potential to emit equal to or greater than the amounts listed in Table 20.4 - 2, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, on or before June 17, 1995, that the portable emission unit will not:~~

~~(1) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor~~

~~(2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor~~

~~(3) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection(d)(2)(iii), nor~~

~~(4) prevent nor interfere with the attainment or maintenance of any state or national ambient air quality standard.~~

~~A previously performed AQIA may be used to satisfy part or all of this requirement, with the approval of the Air Pollution Control Officer, if it is determined that the AQIA is representative of proposed operating conditions and background concentrations have not increased. If a particulate matter AQIA is required, the AQIA shall include both directly emitted particulate matter and particulate matter which would be formed by precursor air contaminants prior to discharge to the atmosphere.~~

(ii) **AQIA not Required for NOx or VOC Impacts on Ozone**

~~Notwithstanding any other provision of this rule, a demonstration shall not be required for determining the impacts from a portable emission unit's oxides of nitrogen (NOx) or volatile organic compound (VOC) emissions on the state or national ambient air quality standards for ozone, unless the Air Pollution Control Officer determines that adequate procedures exist for determining the impacts of oxides of nitrogen NOx or volatile organic compound VOC emissions from point sources on ozone ambient air quality standards and that such procedures are acceptable to the California Air Resources Board (ARB) or and the federal Environmental Protection Agency (EPA).~~

(iii) **AQIA Requirements for PM10 Impacts May be Waived**

~~Notwithstanding the requirements of Subsection (d)(2)(i) above, the Air Pollution Control Officer may waive the AQIA requirements for particulate matter PM10 impacts on the state ambient air quality standards, as follows:~~

(A) ~~If the emission unit will result in a maximum particulate matter air quality impact of less than 5  $\mu\text{g}/\text{m}^3$  (24-hour average basis) and 3  $\mu\text{g}/\text{m}^3$  (annual geometric mean basis), all of the emission unit's particulate matter (PM10) emission increases, including area fugitive emissions of particulate matter PM10, must be offset at a ratio of  $\geq 1.5$  to 1 in accordance with Subsection (d)(5)(i).~~

(B) ~~If the project will result in a maximum particulate matter PM10 air quality impact equal to or greater than 5  $\mu\text{g}/\text{m}^3$  but less than 10  $\mu\text{g}/\text{m}^3$  (24-hour average basis) or equal to or greater than 3  $\mu\text{g}/\text{m}^3$  but less than 6  $\mu\text{g}/\text{m}^3$  (annual geometric mean basis):~~

~~(1) the emission unit must be equipped with BACT for particulate matter PM10 without consideration for cost-effectiveness,~~

~~(2) all of the emission unit's particulate matter PM10 emission increases, including area fugitive emissions of particulate matter PM10, must be offset at an overall ratio of  $\geq 1.5$  to 1 in accordance with Subsection (d)(5)(i),~~

(3) sufficient emission offsets must be provided within the emission unit's impact area to offset all of the project's ~~particulate matter~~ PM<sub>10</sub> emission increases, including area fugitive emissions of ~~particulate matter~~ PM<sub>10</sub>, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at least equal to the emission unit's ~~particulate matter~~ PM<sub>10</sub> ambient air quality impact minus 5 µg/m<sup>3</sup> (24-hour average basis) and 3 µg/m<sup>3</sup> (annual geometric mean basis) must be provided, and

(5) all reasonable efforts to reduce the air quality impacts of the project are made.

(C) In no case shall the project result in a maximum ~~particulate matter~~ PM<sub>10</sub> air quality impact equal to or greater than 10 µg/m<sup>3</sup> (24-hour average basis) or equal to or greater than 6 µg/m<sup>3</sup> (annual geometric mean basis).

(iv) **AQIA May be Required**

Notwithstanding any other provision of this rule, the Air Pollution Control Officer may require an AQIA for any portable emission unit, or aggregation of portable emission units, if it may be expected to:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, or

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(iii), or

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

This provision may be invoked notwithstanding the equipment being previously permitted or having undergone initial permit issuance.

(3) **PREVENTION OF SIGNIFICANT DETERIORATION (PSD)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any portable emission unit which is expected to have a significant impact on any Class I area, as determined by an AQIA required pursuant to Subsection (d)(2), unless the following requirements are satisfied.



(i) **Federal Land Manager and Federal EPA Notification**

The Federal Land Manager and the federal ~~Environmental Protection Agency~~ (EPA) have been notified in writing. This notification shall include all of the information specified by Subsection (d)(4)(iv), the location(s) where operation of the portable emission unit may cause a significant impact on any Class I area, the approximate distance from all Class I areas within 100 km of San Diego County (as specified in Rule 20.1, Table 20.1-3) and the results of the AQIA, and

(ii) **CARB, SCAQMD and Imperial County APCD Notification**

The California Air Resources Board (CARB), the South Coast Air Quality Management District (SCAQMD) and the Imperial County Air Pollution Control District (APCD) have been notified and have been provided the information specified in Subsection (d)(4)(iv).

(4) **PUBLIC NOTICE AND COMMENT**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any portable emission unit subject to the AQIA or notification requirements of Subsections (d)(2) or (d)(3), nor for any project which results in an emissions increase of VOCs equal to or greater than 250 pounds per day or 40 tons per year, unless the following requirements are satisfied.

(i) **Public Comment Period**

At least 40 days before taking final action on an application subject to the requirements of Subsections (d)(2) or (d)(3), the Air Pollution Control Officer shall:

(A) provide the public with notice of the proposed action in the manner prescribed in Subsection (d)(4)(iii), and

(B) make available for public inspection all information relevant to the proposed action as specified in Subsection (d)(4)(iv), and

(C) provide at least a 30-day period within which comments may be submitted.

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

Except as agreed to by the applicant and the Air Pollution Control Officer ~~and to the extent consistent with Rule 18~~, no later than 10 days after close of the public comment period, the applicant may submit written responses to any comment received during the public comment period. Responses submitted by the applicant shall be considered prior to the Air Pollution Control Officer taking final action. The applicant's responses shall be made available for public review.

(iii) **Publication of Notice**

The Air Pollution Control Officer shall publish a notice of the proposed action in at least one newspaper of general circulation in San Diego County. The notice shall:

(A) describe the proposed action, and

(B) identify the location(s) where the public may inspect the information relevant to the proposed action, and

(C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.

(iv) **Information to be Made Available for Public Inspection**

The relevant information to be made available for public inspection shall include, but is not limited to:

(A) the application and all analyses and documentation used to support the proposed action, the District's compliance evaluation, a copy of the draft Authority to Construct or Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and

(B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefor.

(5) **EMISSION OFFSETS**

(i) **Emission Offsets - Type I and Type II Portable Emission Units**

Emission offsets shall not be required for Type I portable emission units. The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any Type II portable emission unit unless emission offsets are provided,

on a pollutant specific basis, at a ratio of 1.0 to 1.0 for any emission increases of non-attainment VOC and NOx from such new or modified unit air contaminants and their precursors for which the District is designated as non-attainment with respect to a state or national ambient air quality standard. Emission offsets shall be provided based on the portable emission unit Type, as specified in Table 20.4-2 3. If the District is reclassified to a "serious" ozone non-attainment area by the federal Environmental Protection Agency, the offset ratios shall be those specified in Table 20.4-3A. As provided for in Subsection (d)(5)(iii) (iv), interpollutant offsets may be used.

**TABLE 20.4-2 3**  
**Emission Offset Ratios**  
**Federal Severe Serious Ozone Non-Attainment Classification**

<u>Portable</u> <u>Emission Unit Type</u>	<u>Offset Ratio</u>				
	<u>NOx</u>	<u>VOC</u>	<u>PM10</u>	<u>SOx</u>	<u>CO</u>
Type I	None	None	None	None	None
Type II	1.2: 1.0	1.2: 1.0	1:1None	1:1None	1:1
Type III	1.3:1.0	1.3:1.0	1:1	1:1	1:1

**TABLE 20.4-3A**  
**Emission Offset Ratios**  
**Federal Serious Ozone Non-Attainment Classification**

<u>Portable</u> <u>Emission Unit Type</u>	<u>Offset Ratio</u>				
	<u>NOx</u>	<u>VOC</u>	<u>PM10</u>	<u>SOx</u>	<u>CO</u>
Type I	None	None	None	None	None
Type II	1:1	1:1	1:1	1:1	1:1
Type III	1.2: 1.0	1.2: 1.0	1:1	1:1	1:1

**NOTE:** The offset ratios specified in this Table shall be used only if San Diego County has received final reclassification to a "serious" ozone non-attainment area by the federal Environmental Protection Agency. As of May 17, 1994, San Diego County was classified as a "severe" ozone nonattainment area by the federal Environmental Protection Agency.

**(i)(ii) RESERVED PM10 Waiver Provisions Emission Offsets - Type III**  
**Portable Emission Units**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any Type III portable emission unit unless emission offsets are provided on a pollutant specific basis for any emission increases of air contaminants and their precursors for which the District is designated as non-attainment with respect to a national ambient air quality standard. Emission offsets shall be provided at a ratio of 1.2 to 1.0 for VOC and for NOx emission increases, and at a ratio of 1.0 to 1.0 for CO emission increases. As provided for in Subsection (d)(5)(iv), interpollutant offsets may be used. The requirement for CO offsets shall no longer apply if the District is redesignated by the federal EPA as in attainment with respect to the national ambient air quality standard for CO.

~~To qualify for the AQIA waiver provisions of Subsection (d)(2)(iii), emission offsets for particulate matter (PM<sub>10</sub>) must be provided at a 2 to 1 offset ratio, regardless of portable emission unit Type.~~

(ii) (iii) **Waiver of CO Offset Requirements**

Notwithstanding the offset provisions of **this** Subsection (d)(5), if an applicant demonstrates to the satisfaction of the Air Pollution Control Officer, by means of an AQIA, that the new or modified Type III portable emission unit will not cause or contribute to a violation, nor interfere with the attainment or maintenance, of any state or the national ambient air quality standard for carbon monoxide (CO), emission offsets for ~~carbon monoxide~~ CO shall not be required.

(iii) (iv) **Interpollutant Offset Ratios**

The Air Pollution Control Officer may allow the use of interpollutant emission offsets at the ratios specified in Table 20.4 - 3 - 4 to satisfy the offset requirements of this Subsection (d)(5), provided the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the AQIA requirements of Subsection (d)(2), as applicable, are satisfied for the emission increase. The interpollutant ratios shall be multiplied by the emission offset ratios required by Subsection (d)(5) to determine the final offset ratio.

**TABLE 20.4 - 3 - 4**  
**Interpollutant Ratio**

Emission Increase	Decrease	Interpollutant Ratio
	PM <sub>10</sub>	1.0

Particulate Matter (PM <sub>10</sub> )	VOC	1.1
	NO <sub>x</sub>	1.1
	SO <sub>x</sub>	1.1
Oxides of Sulfur (SO <sub>x</sub> )	SO <sub>x</sub>	1.0
	PM <sub>10</sub>	1.1
	VOC	1.1
	NO <sub>x</sub>	1.1
Oxides of Nitrogen (NO <sub>x</sub> )	NO <sub>x</sub>	1.0
	VOC	2.0
Volatile Organic Compounds (VOC)	VOC	1.0
	NO <sub>x</sub>	1.0

(i)(v) **Alternative Offsetting**

Emission offsets required by Subsection (d)(5) may, instead of being provided on a unit by unit basis, be provided in the following manner.

(A) **Emission Offset Pool**

The owner or operator of a portable emission unit may satisfy the offset requirements of Subsection (d)(5) by the use of an emission offset pool. An emission offset pool shall consist of emission offsets which are designated for use by any number of portable emission units. Prior to renting, leasing or otherwise making portable emission units available for use, the owner or operator shall reserve the appropriate amount of offsets based on the portable emission unit Type. The following recordkeeping requirements shall apply:

(1) The owner of portable emission units shall maintain daily records containing sufficient information to ensure compliance with the provisions of this rule and compile these records into a log. The daily logs shall be kept and shall include the following information for each portable emission unit except those which are in a designated holding yard or in transit: the permit number, the portable equipment type, the date, the potential to emit of the unit (tons per year), the name of the stationary source where the unit is available for use, the stationary source's offset classification based on the stationary source's potential to emit (i.e. ~~less than 15 tons per year, 15 to 25 tons per year, 25 to 100 tons per year, or over 100 tons per year; if the federal Environmental Protection Agency reclassifies San Diego County as a "Serious" ozone non attainment area, the values are: less than 15 tons per year, 15 to 50 tons per year, or over 50 to 100 tons per year or more of VOC or NO<sub>x</sub>, or over 100 tons per year of CO~~) for ~~each such pollutant air contaminant emitted by the portable emission unit~~ VOC, NO<sub>x</sub> and CO, the sum of all portable

emission unit's potentials to emit which are available for use on that day, and a comparison between the sum of all portable emission units' potentials to emit, the required offset ratio, and the total amount of offsets (tons per year) in the offset pool.

(2) The owner shall summarize the daily logs into an annual compliance log and make the daily and annual logs and supporting documentation available to the District upon request.

(B) Temporary Limitation on Existing Emission Units

With the written concurrence of the permit holder, the Air Pollution Control Officer may place temporary limitations on the operation of any existing emission unit(s) at the stationary source where a portable emission unit is to be located in order to create temporary offsetting emission reductions. Temporary emission reductions shall be provided for the entire period of time that the portable emission unit is located at the stationary source. Emission reductions created by the temporary shutdown or curtailment of existing unit(s) at the stationary source shall be used to offset the portable emission unit's potential to emit provided the reductions satisfy the offset ratio requirements of Subsection (d)(5).

If a portable emission unit is brought onto a stationary source to remedy an immediately occurring emergency situation, notice of temporary credits to offset the portable emission unit emissions shall be made within 24 hours from the time the portable emission unit is made available for use at the affected stationary source.