

**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
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**DATE:** May 23, 2001

**TO:** San Diego Air Pollution Control Board

**SUBJECT:** ADOPTION OF NEW RULE 60.1 – LIMITING POTENTIAL TO EMIT AT SMALL SOURCES (District: All)

**SUMMARY:**

**Overview**

The 1990 federal Clean Air Act Amendments require states and local air districts to implement a federal permitting program, referred to as the Title V permit program, for all major stationary sources. The U.S. Environmental Protection Agency (EPA) defines a major source based on potential rather than actual emissions. EPA recently rescinded (effective June 30, 2001) a policy allowing facilities to be considered non-major by keeping records sufficient to demonstrate emissions below 50 percent of the major source thresholds. As a result, many small and medium-sized facilities could be forced by EPA or citizen lawsuits to obtain Title V permits at significant expense and burden, with no air quality benefit. However, EPA allows a rule like proposed new Rule 60.1, establishing emission limits allowing facilities with actual emissions less than 50 percent of major source thresholds, to avoid Title V permitting requirements, thereby protecting small and medium sources from Title V permitting requirements.

Accordingly, the proposed rule provides three methods for qualifying facilities to avoid Title V permits. A facility can demonstrate emissions are below 50 percent of all major source thresholds with specified recordkeeping and emissions reporting. Facilities can elect to accept alternative operating limits (e.g. limits on millions of cubic feet per year of natural gas or gallons per year of coatings) and maintain annual throughput records and reports. Very low emitting facilities can comply by maintaining records demonstrating that throughput, usage, or emissions are below specified de minimis levels (e.g. five tons per year or less of volatile organic compounds). Most facilities are expected to comply through this latter de minimis method, in many cases using records already required by existing District rules.

Approximately 3,800 facilities in San Diego will be affected by the rule. Facilities with permit conditions already limiting potential to emit to less than major source levels will not be affected. Of the 3,800 affected facilities, an estimated 3,500 facilities will be able to avoid a Title V permit by staying below the rule's de minimis throughput or emission levels, 150 facilities by staying below the alternative operating limits of the rule, and 150

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facilities by tracking emissions and reporting them annually. To demonstrate compliance, all facilities will need to keep records starting six months from the date of adoption.

A public workshop was held on February 15, 2001, to discuss the proposed rule. The workshop report is Attachment III.

**Recommendation(s)**

**AIR POLLUTION CONTROL OFFICER**

Adopt the resolution adding new Rule 60.1 to Regulation IV of the District's Rules and Regulations and make appropriate findings:

- (i) of necessity, authority, clarity, consistency, non-duplication and reference as required by Section 40727 of the State Health and Safety Code;
- (ii) that an analysis of existing requirements applicable to the sources affected by the proposed rule has been prepared pursuant to Health and Safety Code Section 40727.2;
- (iii) that an assessment of the socioeconomic impact of the proposed amendments is not required by Section 40728.5 of the State Health and Safety Code because the proposed amendments will not significantly affect air quality or emission limitations; and
- (iv) that it is certain there is no possibility that adopting Rule 60.1 may have a significant adverse effect on the environment, and this action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Sections 15061(b)(3).

**Fiscal Impact**

Adopting new Rule 60.1 will require the District to annually review information provided by affected businesses to determine the applicability of and compliance with the rule. The associated costs will be recovered through permit or emission fees on affected businesses. There will be no additional cost for about one-half the facilities already included in the District's emissions inventory program. For the remainder, the estimated additional annual District cost is \$15,000 to \$30,000.

**Business Impact Statement**

For affected businesses, there will be additional recordkeeping and, for some facilities, additional reporting requirements, as mandated by federal law. The District anticipates an annual cost of \$1,000 to \$8,000 for affected businesses required to keep additional records and do reporting. The lower cost is associated with complying with the rule's alternative operating limits. The higher cost may be incurred by a business preparing a complete emissions inventory to demonstrate compliance with the rule's emission limits.

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The District will continue to work with industry groups and interested parties to minimize the rule's impacts to the extent possible.

**Advisory Board Statement**

The Air Pollution Control Advisory Committee recommended adopting new Rule 60.1 at its April 25, 2001, meeting.

**BACKGROUND:**

Attachment I contains further information on new Rule 60.1.

**Additional Information**

Attachment II contains the Resolution adding Rule 60.1 to Regulation IV of the District's Rules and Regulations.

Attachment III contains the report for the workshop held on February 15, 2001.

Attachment IV contains a Comparative Analysis.

Respectfully submitted,

ROBERT R. COPPER  
Deputy Chief Administrative Officer

  
R. J. SOMMERVILLE  
Air Pollution Control Officer

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW

Written disclosure per County Charter  
Section 1000.1 required

[X] Yes

*Dutton 5/2/01*

☐ Yes

[X] No

GROUP/AGENCY FINANCE DIRECTOR

☐ Yes

[X] N/A

CHIEF FINANCIAL OFFICER

Requires Four Votes

☐ Yes

[X] N/A

☐ Yes

[X] No

GROUP/AGENCY INFORMATION  
TECHNOLOGY DIRECTOR

☐ Yes

[X] N/A

CHIEF TECHNOLOGY OFFICER

☐ Yes

[X] N/A

DEPARTMENT OF HUMAN RESOURCES

☐ Yes

[X] N/A

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: Air Pollution Control District County of San Diego

CONTACT PERSON(S):

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AUTHORIZED REPRESENTATIVE:

  
R. J. Sommerville, Air Pollution Control Officer

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SMALL SOURCES (District: All)**

**AGENDA ITEM INFORMATION SHEET**  
(continued)

**PREVIOUS RELEVANT BOARD ACTIONS:**

March 7, 1995 (4) Approved resolution amending Regulation XIV

January 19, 1994 (2) Approved resolution adding Regulation XIV – Title V Operating  
Permits to the Rules and Regulations of San Diego County Air Pollution Control District

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**CONTRACT NUMBER(S):**

N/A

## **ATTACHMENT I**

**SUBJECT:** ADOPTION OF NEW RULE 60.1 – LIMITING POTENTIAL TO EMIT AT SMALL SOURCES (District: All)

### **BACKGROUND**

The 1990 federal Clean Air Act Amendments require states and local air districts implement a nationwide, federal air pollution permit program, referred to as the Title V permit program, for all major stationary sources. In San Diego County (serious nonattainment area), a major source has actual or potential emissions of 50 tons per year or more of oxides of nitrogen or volatile organic compounds; 100 tons per year or more of PM10, carbon monoxide, or sulfur oxides; 10 tons per year or more of any federally-listed hazardous air pollutant; or 25 tons per year or more of any combination of any federally-listed hazardous air pollutants. Certain non-major sources are also subject to Title V permit requirements. EPA defines potential to emit (potential emissions) as the maximum capacity of a facility to emit a pollutant based on its physical and operational design.

Since EPA considers any source to be a major source based on potential rather than actual emissions, many small and medium-sized businesses whose actual emissions are less than the major source thresholds are at risk of EPA or citizen enforcement of the requirement to obtain a Title V permit. Currently, small and medium facilities can avoid Title V permit requirements by means of an EPA policy allowing facilities to be considered non-major sources by keeping records sufficient to demonstrate emissions below 50 percent of the major source thresholds. However, EPA rescinded this policy effective June 30, 2001. After that date, small and medium facilities could be required to obtain Title V permits based on potential emissions. However, EPA allows state and local air districts to adopt a rule, like proposed Rule 60.1, limiting emissions from small and medium facilities to less than 50 percent of any major source threshold, thereby protecting small and medium non-major sources from Title V permitting requirements.

Accordingly, the proposed rule provides three methods for facilities to avoid Title V permit program.

- (1) Demonstrate facility emissions are below 50 percent of all major source thresholds by complying with emission recordkeeping and reporting requirements.
- (2) Comply with alternative operating limits (e.g. limit gasoline dispensing facility throughput to less than 7,000,000 gallons per 12-month period) and demonstrate compliance with monthly throughput records and annual reports. Facilities may only elect to limit operations through an alternative operating limit if 90 percent of the total permitted emissions are from a single equipment category such as gasoline dispensing, solvent degreasing, coating operations, engines, boilers, or hot mix asphalt plants.

## ATTACHMENT I

### Adoption Of New Rule 60.1 – Limiting Potential To Emit At Small Sources

- (3) Maintain monthly records demonstrating that throughput, usage, or emissions are below de minimis levels (e.g. maintain gasoline throughput less than 4,400,000 gallons per year) specified in the rule. Most affected facilities in San Diego County will likely comply using this method, in many cases using records already required by existing District rules.

Approximately 3,800 facilities in San Diego will be affected by the rule. Facilities with permit conditions already limiting potential to emit to less than major source levels will not be affected. Of the 3,800 affected facilities, an estimated 3,500 facilities will be able to avoid a Title V permit by staying below the rule's de minimis throughput or emission levels, 150 facilities by staying below the alternative operating limits of the rule, and 150 facilities by tracking emissions and reporting them annually. To demonstrate compliance, all facilities will need to keep records starting six months from the date of adoption.

Proposed Rule 60.1 will increase the administrative burdens on hundreds of facilities in San Diego County and the District while resulting in no air quality benefits. Affected facilities will be required to maintain additional records of throughput, usage, or emissions (although most facilities are already maintaining these records under existing District rules) and many will be required to submit annual reports to the District. However, these requirements are preferred by affected businesses over obtaining a Title V permit.

Other California air districts and other states are being required by the federal EPA to adopt similar rules or alternative permit programs.

#### Issues

The Rule 60.1 workgroup identified other source-specific categories for which alternative operating limits should be proposed. A proposal to add these limits to the rule will be made when the supporting documentation is developed and the limits and documentation are acceptable to EPA.

Workshop participants requested to be allowed to use calendar-year records to substantiate compliance with de minimis limits in lieu of a rolling, 12-month record. The District recommended the change to EPA because calendar-year records would be adequate to determine compliance with de minimis emission levels. However, EPA rejected the request on the basis that compliance is more likely assured with monthly records and rolling, 12-month limits.

#### Socioeconomic Impact Assessment

Section 40728.5 of the State Health and Safety Code requires the District to perform a socioeconomic impact assessment for new and revised rules and regulations significantly affecting air quality or emission limitations. Rule 60.1 will not affect air quality or emissions limitations. Therefore, a socioeconomic impact assessment is not required.

## **ATTACHMENT I**

### **Adoption Of New Rule 60.1 – Limiting Potential To Emit At Small Sources**

#### **Compliance with Board Policy on Adopting New Rules**

On February 2, 1993, the Board directed that, with the exception of a regulation requested by business or a regulation for which a socioeconomic impact assessment is not required, no new or revised regulation shall be implemented unless specifically required by federal or state law. New Rule 60.1 is required by federal law and thus is consistent with this Board directive. It has also been requested by local businesses.

#### **California Environmental Quality Act**

The California Environmental Quality Act (CEQA) requires an environmental review for certain actions. The District has conducted a preliminary review of whether the California Environmental Quality Act applies to new Rule 60.1. It is certain there is no possibility that adopting this new rule may have a significant adverse effect on the environment. Therefore, adopting new Rule 60.1 is exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15061(b)(3).

#### **Comparison to Existing Requirements**

Prior to adopting, amending, or repealing a rule or regulation, California Health and Safety Code Section 40727 requires findings of necessity, authority, clarity, consistency, non-duplication, and reference. As part of the consistency finding to ensure proposed rule requirements do not conflict with or contradict other District or federal regulations, Health and Safety Code Section 40727.2 requires the District to perform a written analysis identifying and comparing the air pollution control standards and other provisions of proposed new Rule 60.1 with existing or proposed District rules and guidelines and existing federal rules, requirements, and guidelines applying to the same source category.

Requirements of new Rule 60.1 have been compared with other District rules. The analysis is presented in Attachment IV.



## NEW RULE

Re Rules and Regulations of the)  
Air Pollution Control District . . )  
of San Diego County . . . . . )

RESOLUTION NO. 01-158

### RESOLUTION ADDING RULE 60.1 TO REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT

On motion of Member Cox, seconded by Member Slater, the following resolution is adopted:

**WHEREAS**, the San Diego County Air Pollution Control Board, pursuant to Section 40702 of the Health and Safety Code, adopted Rules and Regulations of the Air Pollution Control District of San Diego County; and

**WHEREAS**, said Board now desires to amend said Rules and Regulations; and

**WHEREAS**, notice has been given and a public hearing has been had relating to the amendment of said Rules and Regulations pursuant to Section 40725 of the Health and Safety Code.

**NOW THEREFORE IT IS RESOLVED AND ORDERED** by the San Diego County Air Pollution Control Board that the Rules and Regulations of the Air Pollution Control District of San Diego County be and hereby are amended as follows:

Proposed new Rule 60.1 is to read as follows:

#### **RULE 60.1 - LIMITING POTENTIAL TO EMIT AT SMALL SOURCES**

##### **(a) APPLICABILITY**

This rule applies to any stationary source which would have the potential to emit air contaminants equal to or in excess of the threshold for a major source of regulated air pollutants if it did not comply with the limitations set forth in this rule, and which meets one of the following conditions:

(1) In every 12-month period, the actual emissions of the stationary source are less than or equal to the emission limitations specified in Subsection (d)(1); or

(2) In every 12-month period, at least 90 percent of the actual emissions from the stationary source are associated with an operation limited by any one of the alternative operational limits specified in Subsection (g)(3).

This rule shall not relieve any stationary source from a requirement to comply with all terms or conditions of any applicable Authority to Construct permit, or a requirement to modify any applicable Authority to Construct, or any other provisions of these Rules and Regulations. This Section (a) does not preclude issuance of any Authority to Construct with conditions or terms necessary to ensure compliance with this rule.

**(b) EXEMPTIONS**

The owner or operator of a stationary source may take into account the operation of air pollution control equipment on the capacity of the source to emit an air contaminant if such equipment is required by Federal, State, or District rules and regulations or permit terms and conditions. The owner or operator of the stationary source shall maintain and operate such air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions.

(1) The following stationary sources with de minimis emissions or operations are exempt from the provisions in Sections (e), (f) and (g):

(i) In every 12-month period, the stationary source emits less than or equal to all of the following quantities of actual emissions:

(A) 5 tons per year of any regulated air pollutant for which the District is designated a serious nonattainment area (2.5 tons per year for severe nonattainment area); and

(B) 5 tons per year of any regulated air pollutant except Hazardous Air Pollutants (HAPs); and

(C) 2 tons per year of a single HAP; and

(D) 5 tons per year of any combination of HAPs; and

(E) 20 percent of any lesser threshold for a single HAP that the U.S. Environmental Protection Agency (EPA) may establish by rule; or

(ii) In every 12-month period, a stationary source's throughput is less than or equal to any of the following throughputs and at least 90 percent of the stationary source's emissions are associated with that throughput:

(A) 550 gallons of any one volatile organic compound (VOC)-containing material and 1,400 gallons of any combination of VOC-containing materials, provided that the materials do not contain any halogenated organic compound that is identified as a HAP; or

(B) 300 gallons of any one VOC-containing material and 750 gallons of any combination of VOC-containing materials that contains halogenated organic compounds that are identified as HAPs; or

(C) 550 gallons of any VOC-containing material also containing a single HAP, and 2,500 gallons of VOC-containing material, applied in a surface coating operation; or

(D) 4,400,000 gallons of gasoline dispensed from equipment with Phase I and II vapor recovery systems; or

(E) 470,000 gallons of gasoline dispensed from equipment without Phase I and II vapor recovery systems; or

(F) 1,400 gallons of gasoline combusted; or

(G) 16,600 gallons of diesel fuel combusted; or

(H) 500,000 gallons of distillate oil combusted; or

(I) 71,400,000 cubic feet of natural gas combusted.

Within 30 days of a written request by the District or the EPA, the owner or operator of a stationary source not maintaining records pursuant to Sections (e) or (g) shall demonstrate that the stationary source's emissions or throughput are not in excess of the applicable quantities set forth in Subsections (b)(1)(i) or (b)(1)(ii).

(2) The following stationary sources are exempt from this rule:

(i) Any stationary source whose actual emissions, throughput, or operation, at any time after (*the date of adoption*), are greater than the quantities specified in Subsections (d)(1) or (g)(3) and which meets both of the following conditions:

(A) The owner or operator has notified the District at least 30 days prior to any exceedance that such owner or operator will submit an application for a Title V permit, or otherwise obtain legally and practicably enforceable permit limits; and

(B) A complete Title V permit application is received by the District, or the permit action to otherwise obtain legally and practicably enforceable or federally enforceable limits is completed, within 12 months of the date of notification.

Notwithstanding the exemption provided by Subsection (b)(2)(i), the stationary source may be immediately subject to applicable federal requirements, including but not limited to, a maximum achievable control technology (MACT) standard or National Emission Standards for Hazardous Air Pollutants (NESHAP).

(ii) Any stationary source that has applied for a Title V permit in a timely manner and in conformance with Regulation XIV and is awaiting final action by the District and EPA.

(iii) Any stationary source required to obtain an operating permit under Regulation XIV for any reason other than being a major source.

(iv) Any stationary source with a valid Title V permit.

Notwithstanding Subsections (b)(2)(ii) and (b)(2)(iv), nothing in this section shall prevent any stationary source which has had a Title V permit from qualifying to comply with this rule upon rescission of a Title V permit or in lieu of maintaining an application for a Title V permit if the owner or operator of the stationary source demonstrates that the stationary source is in compliance with the emissions limitations in Subsection (d)(1) or an applicable alternative operational limit in Subsection (g)(3).

(3) Any stationary source which has a valid operating permit with legally and practicably enforceable or federally enforceable conditions or other legally and practicably enforceable or federally enforceable limits that limit its potential to emit to below the applicable threshold(s) for a major source is exempt from this rule.

(4) The provisions of Section (f) shall not apply to stationary sources that emit less than or equal to all of the following quantities in every 12-month period:

(i) 25 tons per year of any regulated air pollutant (excluding HAPs); and

(ii) 15 tons per year for a regulated air pollutant for which the District has a federal area designation of serious nonattainment; and

(iii) 6.25 tons per year for a regulated air pollutant for which the District has a federal area designation of severe nonattainment; and

(iv) 2.5 tons per year of a single HAP; and

(v) 6.25 tons per year of any combination of HAPs; and

(vi) 25 percent of any lesser threshold for a single HAP as EPA may establish by rule.

A stationary source previously exempted pursuant to Subsection (b)(4) from compliance with the provisions of Section (f) shall immediately comply with the provisions of Section (f) if the actual emissions from the stationary source exceed any of the quantities specified in Subsections (b)(4)(i) through (b)(4)(vi).

By *(three years from date of adoption)*, the District shall maintain and make available to the public, upon written request, for any stationary source subject to this rule, information identifying the provisions of this rule applicable to the source.

#### (c) **DEFINITIONS**

All terms shall retain the definitions provided in Regulation XIV and District Rule 2 unless otherwise defined herein.

(1) **“12-month Period”** means a period of 12 consecutive months determined on a rolling basis with a new 12-month period beginning on the first day of each calendar month.

(2) **“Actual Emissions”** means the emissions of a regulated air pollutant from a stationary source for every 12-month period. Valid continuous emission monitoring data or source test data shall be preferentially used to determine actual emissions. In the absence of valid continuous emissions data or source test data, the basis for determining actual emissions shall be: throughputs of process materials; throughputs of materials stored; usage of materials; data provided in manufacturer's product specifications; material VOC content reports or laboratory analyses; other information required by this rule and applicable District, State and Federal regulations; or information requested in writing by the Air Pollution Control Officer. All calculations of actual emissions shall use EPA, California Air Resources Board (ARB), or District approved methods, including emission factors and assumptions.

(3) **“Alternative Operational Limit”** means a limit on a measurable parameter, such as hours of operation, throughput of materials, use of materials, or quantity of product, as specified in Section (g).

(4) **“Emission Unit”** means any non-vehicular 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.

(5) **“Federal Clean Air Act”** means the federal Clean Air Act as amended in 1990 (42 U.S.C. section 7401 et seq.) and its implementing regulations.

(6) **“Hazardous Air Pollutant (HAP)”** means any air contaminant listed pursuant to section 112(b) of the federal Clean Air Act.

(7) **“Legally and Practicably Enforceable Limits”** means the provisions of these Rules and Regulations, and terms or conditions contained in any valid Authority to Construct, Temporary Permit to Operate, or Permit to Operate issued pursuant to these Rules and Regulations, that limit the actual emissions of an emission unit or group of emission units and that are permanent, technically accurate, quantifiable; have associated recordkeeping, reporting, and monitoring requirements sufficient to determine ongoing compliance with the emission limitation; are not in violation of any of these Rules or Regulations, State Law, or the State Implementation Plan; and there is a legal obligation to adhere to the terms and conditions of the emission limitation and associated requirements.

(8) **“Major Stationary Source”** means any stationary source which emits or has the potential to emit one or more air contaminants in amounts equal to or greater than any of the following emission rates:

- (i) 50 tons per year of VOC or oxides of nitrogen (NO<sub>x</sub>); or
- (ii) 10 tons per year of any federal HAP; or

(iii) 25 tons per year of any combination of federal HAPs; or

(iv) 100 tons per year or more of any regulated air pollutant (including any fugitive emission of any such pollutant, as determined by rule by the Administrator of the federal EPA). The fugitive emissions from the stationary source shall not be considered unless the stationary source belongs to one of the following categories of sources:

- |   |   |
|---|---|
| 1. All other stationary source categories regulated by a standard promulgated under Section 112 of the federal Clean Air Act, but only with respect to those air pollutants that have been regulated for that category. |   |
| 2. Fossil-fuel boilers (or combination thereof) totaling more than 250 million British thermal units (Btu) per hour heat input  |   |
| 3. Fossil-fuel-fired steam electric plants of more than 250 million British thermal units (Btu) per hour heat input   |   |
| 4. Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels   |   |
| 5. Municipal incinerators capable of charging more than 250 tons of refuse per day  |   |
| 6. Carbon black plants (furnace process)  | 17. Petroleum refineries                  |
| 7. Charcoal production plants   | 18. Phosphate rock processing plants      |
| 8. Chemical process plants  | 19. Portland cement plants                |
| 9. Coal cleaning plants (with thermal dryers)   | 20. Primary aluminum ore reduction plants |
| 10. Coke oven batteries   | 21. Primary copper smelters               |
| 11. Fuel conversion plants  | 22. Primary lead smelters                 |
| 12. Glass fiber processing plants   | 23. Primary zinc smelters                 |
| 13. Hydrofluoric, sulfuric, or nitric acid plants   | 24. Secondary metal production plants     |
| 14. Iron and steel mills  | 25. Sintering plants                      |
| 15. Kraft pulp mills  | 26. Sulfur recovery plants                |
| 16. Lime plants   | 27. Taconite ore processing plants        |

(9) **“Maximum Achievable Control Technology (MACT)”** means emission controls or limitations included in any Section 112 requirement of the federal Clean Air Act, including any implementing regulations of EPA, for any source class or category.

(10) **“Potential to Emit”** means the maximum capacity of a stationary source to emit a regulated air pollutant based on its physical and operational design. Any physical or operational limitation on the capacity of the stationary source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation is legally and practicably enforceable by the District or federally enforceable. Fugitive emissions of these pollutants shall be considered in calculating total emissions for stationary sources in accordance with Subsection (c)(8), Major Stationary Source.

(11) **“Process Statement”** means an annual report on permitted emission units from an owner or operator of a stationary source certifying, under penalty of perjury, the following: throughputs of process materials, throughputs of materials stored, usage of materials, fuel usage, any available continuous emissions monitoring data, hours of operation, and any other information required by this rule or requested in writing by the Air Pollution Control Officer.

(12) **“Regulated Air Pollutant”** means the following air pollutants:

- (i) NO<sub>x</sub> and VOC regulated as ozone precursors.
- (ii) Any pollutant for which a national ambient air quality standard has been promulgated pursuant to the federal Clean Air Act.
- (iii) Any pollutant subject to any standard promulgated pursuant to Section 111 of the federal Clean Air Act.
- (iv) Any ozone-depleting compound specified as a Class I or Class II substance pursuant to Title VI of the federal Clean Air Act.
- (v) Any HAP subject to any standard or requirement promulgated pursuant to Section 112 of the federal Clean Air Act.

(13) **“Title V Permit”** means an operating permit issued to a stationary source pursuant to Regulation XIV - Title V Operating Permits of these Rules and Regulations.

(d) **STANDARDS**

(1) Unless the owner or operator has chosen to operate the stationary source under an alternative operational limit specified in Subsection (g)(3), a stationary source subject to this rule shall emit less than all of the following in every 12-month period:

- (i) 50 percent of the major source thresholds for regulated air pollutants (excluding HAPs); and
- (ii) 5 tons per year of a single HAP; and
- (iii) 12.5 tons per year of any combination of HAPs; and
- (iv) 50 percent of any lesser threshold for a single HAP as the EPA may establish by rule.

(2) Except for those stationary sources that qualify as de minimis under Subsection (b)(1) of this rule, the Air Pollution Control Officer shall annually evaluate a stationary source's compliance with the emission limitations in Subsection (d)(1). In performing this evaluation, the Air Pollution Control Officer shall consider any annual process statement submitted pursuant to Section (f). In the absence of valid continuous emission monitoring data or source test data, actual emissions shall be calculated using emission factors approved by the EPA, ARB, or the Air Pollution Control Officer.

(3) Unless the owner or operator has chosen to operate the stationary source under an alternative operational limit specified in Subsection (g)(3), the owner or operator of a stationary source subject to this rule shall obtain any necessary permits prior to commencing any physical or operational change or activity which will result in actual emissions that exceed the limits specified in Subsection (d)(1).

### (e) RECORDKEEPING REQUIREMENTS

Effective (*six months from date of adoption*), the owner or operator of a stationary source subject to this rule shall comply with any applicable recordkeeping requirements in this section. However, for a stationary source operating under an alternative operational limit pursuant to Section (g), the owner or operator shall instead comply with the applicable recordkeeping and reporting requirements specified in Section (g). The recordkeeping requirements of this rule shall not replace any recordkeeping requirement contained in any operating permit or in any District, State, or Federal rule or regulation.

(1) A stationary source previously exempted pursuant to Subsection (b)(1) shall comply with the applicable provisions of Sections (e), (f) and (g) if the actual emissions from the stationary source exceed any of the quantities specified in Subsection (b)(1)(i).

(2) The owner or operator shall keep and maintain records for each permitted emission unit or groups of permitted emission units sufficient to determine actual emissions. Such information shall be summarized in a monthly log, maintained on-site for two years and maintained to be available for five years, and shall be made available to the Air Pollution Control Officer, ARB, or EPA upon request. Such records shall include but are not limited to:

#### (i) Surface Coating Operations or Solvent Emission Units

The owner or operator of a stationary source that contains a surface coating or solvent emission unit or uses a coating, solvent, ink or adhesive shall keep and maintain the following records:

(A) A current list of all coatings, solvents, inks and adhesives in use. This list shall include: information on the manufacturer, brand, product name or code, VOC content per volume of material (in grams per liter or pounds per gallon), HAP content per volume of material (in grams per liter or pounds per gallon), or manufacturer's product specifications, material VOC content reports or laboratory analyses providing this information;

(B) A description of any equipment used during and after coating/solvent application, including type, control device(s) type and description (if any), and a description of the coating/solvent application/drying method(s) employed;

(C) A monthly log of the consumption of each VOC (including organic solvents used in cleanup and surface preparation), coating, ink and adhesive used; and

(D) All purchase orders, invoices, and other documents to support information in the monthly log.



(ii) VOC Liquid Storage Units

The owner or operator of a stationary source that contains a permitted VOC liquid storage unit shall keep and maintain the following records:

(A) A monthly log identifying the liquid stored and monthly throughput; and

(B) Information on the tank design and specifications including air pollution control equipment.

(iii) Combustion Emission Units

The owner or operator of a stationary source that contains a combustion emission unit shall keep and maintain the following records:

(A) Information on equipment type, make and model, maximum design process rate or maximum power input or output, minimum operating temperature (for thermal oxidizers), and capacity, type and description of any air pollution control systems or devices, and all source test information; and

(B) A monthly log of hours of operation, fuel type, fuel usage, fuel heating value (in BTU per standard cubic foot or BTU per gallon for non-fossil fuels), and sulfur content by weight of fuel oil used.

(iv) Emission Control Units

The owner or operator of a stationary source that has any emission control units shall keep and maintain the following records:

(A) Information on equipment type and description, make and model, pollutants controlled, and emission units served by the emission control unit; and

(B) Information on equipment design and key process parameters such as temperatures, pressures, and flow rates necessary to evaluate ongoing control effectiveness, maximum design or rated capacity, inlet and outlet temperatures, and concentrations for each pollutant controlled; catalyst data (type, material, life, volume, space velocity, ammonia injection rate and temperature); baghouse data (design, cleaning method, fabric material, flow rate, air/cloth ratio); electrostatic precipitator data (number of fields, cleaning method, and power input); scrubber data (type, design, sorbent type, pressure drop); other design data as appropriate; and

(C) All source test information; and

(D) A monthly log of hours of operation including notation of any control unit breakdowns, upsets, repairs, maintenance and any other deviations from equipment design process parameters.

(v) General Emission Units

The owner or operator of a stationary source subject to this rule that contains an emission unit not included in Subsections (e)(2)(i), (e)(2) (ii), or (e)(2) (iii) shall keep and maintain the following records as necessary to determine actual emissions:

(A) Information on the process and equipment including the following: equipment type, description, make and model, maximum design process rate or throughput, if available, type and description of any control device(s); and

(B) A monthly log of operating hours, each raw material used and its amount, each product produced and its production rate; and

(C) Purchase orders, invoices, and other documents to support information in the monthly log; and

(D) Any additional information requested in writing by the Air Pollution Control Officer.

(f) **REPORTING REQUIREMENTS**

(1) At the time of annual renewal of a permit to operate or such other annual date specified by the Air Pollution Control Officer, the owner or operator of a stationary source subject to this rule shall submit to the District a process statement that contains:

(i) All information necessary to verify the source's actual emissions including, but not limited to, applicable information on continuous emissions monitoring data, source test data, throughputs of process materials, throughputs of materials stored, usage of materials, materials VOC and HAP contents, fuel usage, hours of operation, any other information required by this rule and applicable District, State and Federal regulations, and information requested in writing by the Air Pollution Control Officer; and

(ii) A signed statement by the owner or operator certifying that the information contained in the process statement is true, accurate, and complete.

(2) Any additional information requested by the Air Pollution Control Officer under Subsection (f)(1) above shall be submitted to the Air Pollution Control Officer within 30 days of the date of request.

**(g) ALTERNATIVE OPERATIONAL LIMITS AND REQUIREMENTS**

An owner or operator may operate permitted emission units at a stationary source subject to this rule under an alternative operational limit, provided that at least 90 percent of the stationary source's actual emissions in every 12-month period are associated with the operation(s) limited by the alternative operational limit. Upon choosing to operate a stationary source subject to this rule under an alternative operational limit, the owner or operator shall operate the stationary source in compliance with the following alternative operational limits and requirements unless otherwise limited by existing permit conditions or these Rules and Regulations:

**(1) General Reporting Requirements**

(i) The owner or operator shall report within 30 days to the Air Pollution Control Officer any exceedance of the alternative operational limit.

(ii) The owner or operator shall submit an annual summary of the monthly log as specified in Subsections (g)(3)(i) through (g)(3)(viii), as applicable, to the Air Pollution Control Officer at the time of annual permit renewal and the owner or operator shall certify in writing that the log is accurate and true.

**(2) General Recordkeeping Requirements**

(i) The owner or operator shall maintain all purchase orders, invoices, and other documents to support information required to be maintained in a monthly log.

(ii) All records shall be maintained on-site for two years and maintained to be available for five years, and shall be made available to the District, ARB or EPA upon request.

**(3) Source Specific Operational Limits and Recordkeeping Requirements**

As applicable, the owner or operators of gasoline dispensing facilities with Phase I and Phase II vapor recovery systems, degreasing or solvent using emission units, surface coating operations, and diesel-fueled emergency standby engine(s) with output less than 1,000 brake horsepower shall:

(i) For Gasoline Dispensing Facility Equipment with Phase I and II Vapor Recovery Systems

(A) Dispense no more than 7,000,000 gallons of gasoline in every 12-month period; and

(B) maintain a monthly log of gallons of gasoline dispensed in the preceding month and a monthly calculation of the total gallons dispensed in the previous 12 months.

(ii) For Degreasing or Solvent-Using Emission Unit(s)

(A) Use no more than 2,200 gallons of any one VOC-containing material and no more than 5,400 gallons of any combination of VOC-containing materials in every 12-month period, provided that the materials do not contain any halogenated organic compound that is identified as a HAP; or

(B) Use no more than 1,200 gallons of any one VOC-containing material and no more than 2,900 gallons of any combination of VOC-containing materials that contain halogenated organic compounds that are identified as HAPs in every 12-month period; and

(C) Maintain a monthly log of amount and type of VOC used in the preceding month with a monthly calculation of the total gallons used in the previous 12 months.

(iii) For Surface Coating Operations

(A) Use no more than 4,000 gallons of VOC-containing materials, nor more than 2,200 gallons of VOC-containing materials that also contain any HAP, including, but not limited to, coatings, thinners, reducers, and cleanup solution, in every 12-month period; and

(B) Maintain a monthly log of the gallons of VOC-containing materials used in the preceding month with a monthly calculation of the total gallons used in the previous 12 months.

(iv) For Diesel-Fueled Emergency Standby Engine(s) with Output less than 1,000 Brake Horsepower.

(A) Operate the emergency standby engine(s) no more than 2,600 hours in every 12-month period and use no more than 133,000 gallons of diesel fuel in every 12-month period; and

(B) Maintain a monthly log of hours of operation, gallons of fuel used, and a monthly calculation of the total hours operated and gallons of fuel used in the previous 12 months.

(v) For Sheet Fed (Non-Heatset) Offset Lithography, Non-Heatset Web Offset Lithography, or Screen Printers

(A) Use no more than 7,125 gallons of VOC-containing materials, including, but not limited to, cleaning solvent and fountain solution additives, in every 12-month period; and

(B) Maintain a monthly log of the gallons of VOC-containing materials used in the preceding month with a monthly calculation of the total gallons used in the previous 12 months.

(vi) For Heatset Web Offset Lithography or Uncontrolled Flexography and Rotogravure Using Solvent Inks

(A) Use no more than 50,000 pounds of VOC-containing materials, including, but not limited to, ink, coatings, adhesives, dilution solvents, and cleaning solvents, in every 12-month period; and

(B) Maintain a monthly log of the pounds of VOC-containing materials used in the preceding month with a monthly calculation of the total pounds used in the previous 12 months.

(vii) For Oil and Natural Gas-Fired Boilers, Process Heaters, and Steam Generators with Capacity that is no more than 100 Million Btu's Per Hour

(A) Use no more than any of the following in every 12-month period:

(1) 360 million cubic feet of natural gas,

(2) 700,000 gallons of distillate oil,

(3) 160,000 gallons of residual oil,

(4) a combination of 320 million cubic feet of natural gas and 260,000 gallons of distillate oil,

(5) a combination of 300 million cubic feet of natural gas and 160,000 gallons of residual oil, or

(6) a combination of 300 million cubic feet of natural gas and 160,000 gallons of distillate and residual oil; and,

(B) Maintain a monthly log of the usage of natural gas, distillate oil and residual oil in the preceding month with a monthly calculation of the total usage in the previous 12 months.

(viii) For Hot Mix Asphalt Plants

(A) Produce no more than 250,000 tons of hot mix asphalt, in every 12-month period; and

(B) Maintain a monthly log of the tons of hot mix asphalt produced in the preceding month with a monthly calculation of the total tons produced in the previous 12 months.

(4) Physical and Operational Changes

The owner or operator of a stationary source subject to this rule shall obtain any necessary permits prior to commencing any physical or operational change or activity which will result in an exceedance of an applicable operational limit specified in Subsection (g)(3).

(h) COMPLIANCE

(1) Failure to comply with any of the applicable provisions of this rule shall constitute a violation. Each day during which a violation of this rule occurs is a separate offense.

(2) A stationary source subject to this rule shall be subject to all applicable federal requirements for a major source, including Regulation XIV, commencing on the first day following any 12-month period in which the stationary source exceeds a limit specified in Subsection (d)(1) and any applicable alternative operational limit specified in Subsection (g)(3).

(3) A stationary source subject to this rule shall be subject to all applicable federal requirements for a major source, including Regulation XIV, commencing on the first day following any 12-month period in which the owner or operator can not demonstrate that the stationary source is in compliance with the limits in Subsection (d)(1) or any applicable alternative operational limit specified in Subsection (g)(3).

**IT IS FURTHER RESOLVED AND ORDERED** that the subject added new Rule 60.1 to Regulation IV shall take effect upon adoption.

APPROVED AS TO FORM AND LEGALITY  
COUNSEL  
BY Dutton  
SENIOR DEPUTY

PASSED AND ADOPTED by the Members of the Air Pollution Control Board of San Diego County, State of California, this 23<sup>RD</sup> day of May, 2001, by the following vote:

AYES: Cox, Jacob, Slater, Roberts, Horn

NOES: None

ABSENT: None

I hereby certify that the foregoing is a full, true and correct copy of the Original Resolution which is now on file in my office.

THOMAS J. PASTUSZKA  
Clerk of the San Diego County  
Air Pollution Control Board

By *L. Monteleone*  
Lorena Monteleone, Deputy



AIR POLLUTION CONTROL DISTRICT  
COUNTY OF SAN DIEGO

**WORKSHOP REPORT**

**RULE 60.1 - LIMITING POTENTIAL TO EMIT AT SMALL SOURCES**

A notice for a workshop for proposed Rule 60.1 was mailed to all District Permit to Operate holders in San Diego County. Notices were also mailed to affected industry associations, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (ARB), and other interested parties. The workshop was held on February 15, 2001. Oral and written comments were received during and after the workshop from affected businesses. The comments and District responses are as follows:

1. **WORKSHOP COMMENT**

The majority of my facility NOx emissions are from boilers and the permits for the boilers have limits on natural gas usage. How do the limits of the rule apply to my facility and what must I be aware of in complying with the rule?

**DISTRICT RESPONSE**

If all facility permits have limiting conditions which keep, in total, the facility potential to emit below the Title V major source thresholds, the rule would not apply to you. If not all permits are limited, you would look at the fuel usage limits that define de minimis and alternative operational limits in comparison to your actual fuel usage. For example, the facility usage would be de minimis if your facility usage were less than 71.4 million cubic feet of natural gas. The facility would then be exempt from the rule recordkeeping and reporting requirements and you would only have to provide fuel usage information if requested by the District, if your boiler emissions account for 90 percent of the facility's total emissions from permitted equipment.

2. **WORKSHOP COMMENT**

The use of a low NOx burner results in lower emissions for the same fuel usage with a standard burner. Would that require stack testing to determine actual emissions to show compliance with the rule?

**DISTRICT RESPONSE**

If facility fuel usage is less than 71.4 million cubic feet of natural gas per year regardless of whether you switch to low NOx burners, you've demonstrated compliance with the rule. If facility fuel usage is less than 360 million cubic feet of natural gas per year, you can comply with the rule using this alternative operational limit but you still will be required to keep records and submit an annual report. If natural gas usage is above those levels you would need to show that your NOx emissions were below 25 tons per year to comply with the rule.



In this case, source testing might be required. The quickest way to determine whether source testing is needed is to determine if fuel usage exceeds the rule limits.

**3. WORKSHOP COMMENT**

What are the options for facilities if the potential to emit would be greater than 50% of the major source thresholds?

**DISTRICT RESPONSE**

A facility could accept enforceable, emission-limiting conditions on the applicable District permits, apply for a synthetic minor source permit pursuant to Rule 60.2, obtain a Title V permit to limit potential to emit, or, with some degree of liability, elect not to propose any enforceable permit limits. In the latter case, the facility runs the risk of citizen suits and EPA and District enforcement actions.

**4. WORKSHOP COMMENT**

I already have a synthetic minor source permit for NO<sub>x</sub>. Should I look at this new rule in regard to all of the other pollutants?

**DISTRICT RESPONSE**

One option would be to take additional emission-limiting conditions in the synthetic minor source permit. The operator must be able to show that emissions are below major source levels for the all regulated pollutants. Alternatively, a facility can keep its current synthetic minor source permit and, in addition, comply with the applicable recordkeeping and reporting requirements of Rule 60.1 that apply to other pollutants.

**5. WORKSHOP COMMENT**

What is a severe nonattainment area? Is that a geographical area?

**DISTRICT RESPONSE**

It is a geographical area. In San Diego, it would essentially be San Diego county. Whether an area is a serious or severe non-attainment area depends on ambient ozone levels and a classification specified by the federal EPA. San Diego is currently classified as a serious federal ozone non-attainment area. Should San Diego experience multiple exceedances of the federal ozone standard and is reclassified by EPA in the future to a severe non-attainment area, the major source emission thresholds for NO<sub>x</sub> and VOC ratchet down. Rule 60.1 specifies the thresholds for both serious and severe non-attainment areas.

**6. WORKSHOP COMMENT**

If the federal EPA reclassifies San Diego as a severe non-attainment area, would we then be out of compliance?

**DISTRICT RESPONSE**

If the San Diego air basin is reclassified from serious to severe ozone non-attainment area, the major source thresholds for NO<sub>x</sub> and VOC drop from 50 tons per year to 25 tons per year. Should this happen, the District would alert facilities of the change in designation and its effect on the rule thresholds. If a facility was de minimis under a serious classification but no longer under a severe classification, the operator may need to either accept lower emission or alternative operational limit or demonstrate that emissions are still below major source levels. If a facility's emissions are seven tons per year of NO<sub>x</sub>, it may be subject to additional recordkeeping or need to agree to stay below an alternative operating limit. The District is not expecting to be reclassified, but the limits for a severe classification are included in the rule in case that should happen.

**7. WORKSHOP COMMENT**

In Section (b)(1)(i), it indicates that if the stationary source emissions exceed the threshold quantity for one pollutant than you must keep records for all of them.

**DISTRICT RESPONSE**

This is incorrect. The specific recordkeeping and reporting requirements in Section (e) and (f) of the rule would apply only to the pollutant which exceeds the threshold quantity.

**8. WORKSHOP COMMENT**

What does the term "maximum achievable control technology" mean? Does "maximum achievable control technology" have a price tag?

**DISTRICT RESPONSE**

Maximum achievable control technology is required for certain categories of sources under federal EPA regulations for hazardous air pollutants (HAPs). The District has adopted these standards for sources such as dry cleaners, chrome plating operations, commercial sterilizing operations, and others. The control technology required in these regulations is generally referred to as MACT (maximum achievable control technology) and has a specific definition in the federal regulation. The District has added a definition of MACT to the rule. The District is unaware of any single, specified cost for MACT. Certainly, sources face additional costs to comply with a federal MACT regulation if it is applicable.

9. **WORKSHOP COMMENT**

In a large facility we may have a coating line or operation that is regulated by rule. We also may have architectural coatings that go on various locations throughout the facility. Do we need to track every gallon, every can of paint thinner that might be used somewhere in the facility?

**DISTRICT RESPONSE**

Only paint used in conjunction with permitted operations must be tracked. Painting done in permit-exempt operations is considered to be an insignificant source of VOC emissions.

10. **WORKSHOP COMMENT**

What is the purpose of Section (b)(1)(i)(E)?

**DISTRICT RESPONSE**

Federal Title V permit regulations allow EPA to require Title V permits for non-major sources regardless of their potential to emit. For example, EPA could decide that sources which emit less than 10 tons per year of hexavalent chrome, although not major sources of HAP, must have Title V permits. Section (b)(1)(i)(E) allows sources that have emissions below new thresholds that EPA may establish avoid Title V permit requirements.

11. **WORKSHOP COMMENT**

In tracking to comply with the 4,000 gallon per year alternative operation limit for coating operations, would we count only coating used in permitted equipment?

**DISTRICT RESPONSE**

Yes. A facility may just keep track of only coating usage for permitted operations.

12. **WORKSHOP COMMENT**

Are large sources that have many laboratories required to keep records of every bit of every chemical being used?

**DISTRICT RESPONSE**

No. The records the facility must maintain are only for materials associated with permitted equipment and operations. Laboratory equipment is typically exempt from permitting because of the small emissions.

**13. WORKSHOP COMMENT**

Is it preferable in keeping records of Btu value of natural gas to use the utility value? Can you use the District's default value for natural gas?

**DISTRICT RESPONSE**

For a facility using natural gas, the District would accept the Btu value from the utility. If a facility believes the District default value for natural gas is representative that would also be acceptable. However, if the facility is using a natural gas supply other than the utility and the Btu value of the natural gas might be significantly different, the facility should maintain records of the Btu value available for review by the District.

**14. WORKSHOP COMMENT**

Records are kept in separate departments at my facility. Do these records need to be kept compiled ready for examination or just available to be able to generate a report? Can we rely on our gas bill for quantity of natural gas and Btu value?

**DISTRICT RESPONSE**

The utility bill is likely a record of the combined gas usage for both permitted and permit-exempt equipment. This can be an acceptable record if facility usage totals are below the de minimis limit or operational limit, as applicable. If the total exceeds those limits, the operator must be able to demonstrate, through separate metering or other acceptable methods, what portion of the total is associated with permitted equipment.

**15. WORKSHOP COMMENT**

Will a facility that every other year does an emissions inventory change to an annual inventory under this rule?

**DISTRICT RESPONSE**

The rule requires an annual process statement if emissions exceed a de minimis limit. Most likely an annual emission inventory will be the easiest way to meet the requirement. This does not rule out the option for a facility to submit a process statement rather than an emission inventory to meet the reporting requirement of Rule 60.1.

**16. WORKSHOP COMMENT**

What are the categories for which there are alternative operational limits (AOL)? Will there be a way to amend the list in the future, for example, to add rock plants?

**DISTRICT RESPONSE**

The AOL categories specified in Subsection (g)(3) of the rule. The District will consider requests for other categories at a later date and, if appropriate, propose amendments to the rule. The EPA-mandated schedule for adoption of the current proposed rule does not allow for additional categories to be adequately evaluated and justified to EPA.

**17. WORKSHOP COMMENT**

Does the 90 percent of emissions for the AOL need to be from one permitted emission unit?

**DISTRICT RESPONSE**

No. The rule requires only that 90 percent of the emissions of one pollutant be from a category of equipment. For example, if 90 percent of all facility VOC emissions are from coating operations, the facility could demonstrate compliance with the AOL.

**18. WORKSHOP COMMENT**

Does the usage of low VOC content materials count toward the alternative operation limits of Sections (g)(3)(ii) and (iii) for VOC-containing materials? The District should consider an exemption for low VOC content materials.

**DISTRICT RESPONSE**

For the sake of simplicity in the rule, material limits contained in Section (g) are single values and do not vary based on VOC content. The usage of low VOC content materials when used in permitted emission units contribute to the overall facility total. The District believes that EPA would require more extensive VOC content records of all VOC-containing materials if an exemption were added for low VOC content materials and, therefore, has not proposed such an exemption. However, if all VOC-containing materials used in an operation are sufficiently low-emitting that the operation is exempt from permits, those materials would not be subject to the rule requirements. In the future, the District may reconsider such the suggested exemption if it will result in reduced requirements and can be successfully justified to EPA.

**19. WORKSHOP COMMENT**

What's the advantage of complying through the use of an alternative operational limit (AOL)?

**DISTRICT RESPONSE**

The provisions allowing alternative operational limits can simplify recordkeeping and reporting requirements for many businesses. For example, a gas station with an annual throughput greater than 4.4 million gallons but less than 7 million gallons per year, can

comply with the applicable AOL and is only required to keep records of the gasoline throughput on a monthly basis and annually report its throughput to the District to show compliance with the limit. If, however, the gas station has an annual throughput greater than 7 million gallons, it doesn't qualify for the AOL and the annual demonstration of compliance would be similar to an emission inventory.

**20. WORKSHOP COMMENT**

Is the 90 percent determined by summing emissions from all permitted sources?

**DISTRICT RESPONSE**

Yes, so long as the emissions of the pollutant are from the same category of equipment. However, in cases where some of the facility VOC emissions are from combustion sources, others are from process equipment and surface coating, and none of these individually account for 90 percent of the VOC emissions, the facility doesn't qualify under the AOL and would be subject to a more detailed recordkeeping and reporting.

**21. WORKSHOP COMMENT**

Can you qualify for alternative operational limits for NOx but do reporting requirements for HAPs?

**DISTRICT RESPONSE**

Yes. You can comply using a combination of an AOL for NOx and a mass emission limit for HAPs.

**22. WORKSHOP COMMENT**

The rule requires the facility to obtain permits prior to commencing any physical or operational change or activity which will result in an exceedance of an applicable operational limit. Are there guidelines for how long the permit modification process would take?

**DISTRICT RESPONSE**

The maximum amount of time that the District has to process an application is 180 days. In general, most applications are processed much sooner and in the majority of cases the temporary authorization to make the change is normally completed in about 60 days. The length of time depends on how complicated the application is, what is being changed, what the effect of that change is, whether any new requirements apply that previously did not, which if any provisions of new source review (NSR) apply or whether there are any associated public health consequences that can extend the process.

**23. WORKSHOP COMMENT**

Is there a method to cover the facility for an interim period for such a change?

**DISTRICT RESPONSE**

District rules provide for a temporary authorization to operate if it appears that the operational change will comply with all applicable rules and a complete application has been received. This does not apply to physical or operational changes requiring issuance of an Authority to Construct.

**24. WORKSHOP COMMENT**

Is there the same type of temporary mechanism for relief from this rule for a change which would cause emissions to exceed de minimus levels?

**DISTRICT RESPONSE**

No. The rule requires a facility meet the applicable recordkeeping and reporting requirements if a de minimis level is exceeded.

**25. WORKSHOP COMMENT**

What is the consequence of a violation?

**DISTRICT RESPONSE**

If a facility does not maintain records needed to determine compliance, make required reports, or has emissions in excess of the rule limits, the District can issue a notice of violation with associated fines and penalties. If a facility exceeds an alternative operational limit or rule emission limit, it may be subject to requirements for a Title V or synthetic minor source permit. If the exceedance is temporary, a facility may be able to obtain a variance from the Air Pollution Control District Hearing Board.

**26. WORKSHOP COMMENT**

A definition of permitted emission unit should be added or the applicability should state this applies to permitted emission units.

**DISTRICT RESPONSE**

The District will address this by this workshop report and in its implementation advisory and procedures. An explicit limitation in the rule, as suggested, might be objected to by EPA.

**27. WORKSHOP COMMENT**

The workshop notice contained a major source threshold of 10 tons per year. The rule has a de minimis limit of 5 tons per year. Is the de minimis level 50 percent of the major source threshold?

**DISTRICT RESPONSE**

No. The major source threshold for a single hazardous air pollutant (HAP) is 10 tons per year. The corresponding de minimis limit for a single HAP is 20 percent of this threshold or two tons per year. The five-tons per year limit in the rule is the de minimis limit for pollutants other than HAPs.

**28. WORKSHOP COMMENT**

Can the exemptions in Section (b)(1)(i) and (ii) be substantiated using calendar-year records? The District should also consider calendar-year reports to meet other sections of the rule.

**DISTRICT RESPONSE**

The District has discussed the use of calendar-year records with EPA. They have indicated this approach would only be acceptable for Sections (b)(1)(i) or (ii). The District has revised the rule to allow for the use of calendar-year emission or usage records in those circumstances.

**29. ARB COMMENT**

Section (b)(1)(ii)(C) exempts surface coating operations from recordkeeping and reporting provisions, if such operations do not exceed a VOC-containing material usage limit of 2,500 gallons per 12-month period. This criterion could allow the recordkeeping and reporting exemption to apply to stationary sources with VOC emissions exceeding 5 tons per year (TPY) agreed upon by the U.S. Environmental Protection Agency (U.S. EPA), ARB, and districts as a result of extensive negotiations. Moreover, Section (b)(1)(ii)(C) does not recognize VOC-containing materials which are HAPs. Rule 60.1 Section (b)(1)(i) indicates that sources exempt from recordkeeping and reporting requirements should have emissions of no more than 2 TPY of a single HAP or 5 TPY of any combination of HAPs. We recommend that the District revise the exemption criterion in Section (b)(1)(ii)(C) to 1,400 gallons of VOC-containing material per 12-month period. In addition, a usage limit for material predominantly comprised of a single VOC that is also a HAP should be identified as 550 gallons per year.

**DISTRICT RESPONSE**

The District does not agree that a lower annual usage limit for VOC-containing materials is necessary. The rule 2,500 gallon per year usage limit provides reasonable certainty that a



surface coating operation will remain below the 5 TPY emission rate. The District agrees a coating usage limit of 550 gallons per year, when a coating contains a hazardous air pollutant, more closely reflects a single HAP emission rate of 2 TPY and has added this limit of Section (b)(1)(ii)(C).

**30. ARB COMMENT**

Section (b)(4) identifies the criteria for exempting stationary sources from reporting requirements. Subsections (i) through (iii) identify emission limits for regulated pollutants other than HAPs, and Subsections (iv) through (vi) identify emission limits for HAPs. We recommend that Subsections (ii) and (iii) be revised as follows: "...regulated air pollutant (excluding HAPs) for which ...."

**DISTRICT RESPONSE**

The District believes the section provides sufficient clarity with regard to both HAP and regulated air pollutant limits and has not revised this section.

**31. ARB COMMENT**

Section (c) (7), the definition of "Legally and Practicably Enforceable Limits," suggests that such limits occur solely in authorities to construct, temporary permits to operate, and permits to operate. We recommend that the District clarify that all limits in Rule 60.1, and in other District rules, are also legally and practicably enforceable.

**DISTRICT RESPONSE**

The District agrees. Legally and practicably enforceable limits may be derived directly from District rules. Section (c)(7) will be revised accordingly.

**32. ARB COMMENT**

Section (c) (9), the definition of "Potential to Emit," indicates that "any physical or operational limitation on the capacity of the stationary source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation is legally and practicably enforceable or federally enforceable." For clarification, we suggest that the District revise the second sentence of Section (c) (9) as follows: "... only if the limitation is legally and practicably enforceable by the District or federally enforceable." Alternatively, the District could revise the sentence as follows: "... only if the limitation is legally and practically enforceable ~~or federally enforceable~~ by U.S. EPA and citizens or by the District."

**DISTRICT RESPONSE**

The District agrees and has added "by the District" to the definition of "Potential to Emit."

**33. ARB COMMENT**

The first paragraph of Section (e) requires owners or operators to begin keeping records to demonstrate compliance with Rule 60.1 "6 months from date of adoption." Rule 60.1 is intended to limit the potential to emit of small sources so they are not subject to Title V, and the Title V transition policy addressing these sources expired on December 31, 1999. Because these sources should already have potential to emit limits in place, we recommend that Rule 60.1 requirements, including recordkeeping requirements for demonstrating compliance, become effective immediately upon adoption.

**DISTRICT RESPONSE**

The District disagrees. The six-month time period is necessary for affected facilities to implement the recordkeeping and reporting requirements of the rule. EPA has not objected to this provision of Rule 60.1.

**34. ARB COMMENT**

Section (e)(2)(i)(C) identifies recordkeeping requirements for surface coating operations or solvent emission units. We recommend that the District also require actual production rate data in order to verify VOC consumption data.

**DISTRICT RESPONSE**

The District disagrees. The data required by the section are sufficient to determine compliance with the rule and are typical for this source category.

**35. ARB COMMENT**

Section (e)(2)(iv)(B) sets forth recordkeeping requirements for emission control units. We recommend that the District also require data on control efficiency of emission control units in order to verify annual emissions reports when source test data is not available.

**DISTRICT RESPONSE**

The District believes that control efficiency or any other required design information can be obtained as necessary from the facility under this section. Therefore, this change has not been made.

**36. ARB COMMENT**

The first paragraph of Section (g) introduces alternative operational limits and requirements. In the last sentence of the paragraph the phrase "unless otherwise limited by existing permit conditions or these Rules and Regulations:" is confusing. Section (b)(3) of Rule 60.1 already

exempts sources with legally and practicably enforceable limits that would restrict emissions to levels below major source thresholds. Therefore, we recommend that the District delete the phrase "unless otherwise limited by existing permit conditions or these Rules and Regulations:" from the introductory paragraph of Section (g).

**DISTRICT RESPONSE**

The District disagrees. A facility may have permits with limits to ensure compliance with specific rules and older permits without such limits and, therefore, is not exempt under Section (b)(3). The phrase ensures that a facility continues to comply with any existing District permit limits that are more stringent than the alternative operational limits in the rule.

**37. ARB COMMENT**

Section (g)(1)(i) specifies that the owner or operator report any exceedance of an alternative operational limit "within 30 days." We recommend that the District require that any exceedance be reported within two hours (consistent with District Rule 98) or no later than 24 hours after occurrence.

**DISTRICT RESPONSE**

The District disagrees. Thirty days reflects the time necessary to discover and report such exceedances within the framework of maintaining a rolling 12-month record of usage or throughput.

**38. ARB COMMENT**

Section (g)(2)(ii) specifies that records be "maintained on-site for two years and maintained for five years." Section (e)(2) of Rule 60.1 requires that similar records "be maintained on-site for five years." We recommend that the District revise Rule 60.1 to make record retention requirements consistent throughout.

**DISTRICT RESPONSE**

The District agrees and has made this revision.

**39. ARB COMMENT**

Section (g)(3)(iii) specifies an alternative usage limit of 4,000 gallons of VOC-containing materials for surface coating operations. Such a usage limit may result in acceptable emissions of 15 TPY of VOC that is not a HAP. However, such emissions could exceed the 10 TPY major source threshold for a VOC that is also a HAP. We recommend that alternative usage limits assure that emissions do not exceed about 80 percent of the major source threshold for a HAP and, therefore, a second criteria of 2,200 gallons of any material containing VOC that is also a HAP be added.

**DISTRICT RESPONSE**

The District agrees a coating usage limit of 2,200 gallons per year more closely reflects 80 percent of the single HAP major source threshold of 10 TPY and has added this limit to Section (g)(3)(iii).

**ATTACHMENT IV**  
**NEW RULE 60.1 COMPARATIVE ANALYSIS**

<b>NEW RULE 60.1 REQUIREMENT</b>		
<b>Rule</b>		<b>Requirement</b>
60.1	(e)	Maintain monthly log for 5 years sufficient to determine actual emissions: 5 – 25 tons per year of oxides of nitrogen (NO <sub>x</sub> ) or volatile organic compound (VOC), 2 - 5 tons per year of a single hazardous air pollutant (HAP), 5 – 12.5 tons per year of a combination of HAPs, 5 – 50 tons per year of other regulated air pollutant
	(f)	Annually submit a process statement if actual emissions are in the following ranges: 15 – 25 tons per year of NO <sub>x</sub> or VOC, 2.5 - 5 tons per year of a single HAP, 6.25 – 12.5 tons per year of a combination of HAPs, 25 – 50 tons per year of other regulated air pollutant
<b>EXISTING RULE REQUIREMENTS</b>		
<b>Rule</b>		<b>Requirement</b>
19.3	(c)(7)	Maintain supporting information for emission inventory and retain for 3 years
	(c)(4)	May be required to submit and emission inventory if emissions are greater than 5 tons per year
50		No recordkeeping or reporting requirements
51		No recordkeeping or reporting requirements
52		No recordkeeping or reporting requirements
53		No recordkeeping or reporting requirements
54		No recordkeeping or reporting requirements
58		No recordkeeping or reporting requirements
59	(e)(7)	Maintain specified records for 2 years
	(f)(1)	Submit an air quality assessment at District specified intervals
59.1	(e)	Keep specified records submit reports once every 12 months
61.1	(d)(7)	Keep specified records submit reports upon District request
61.2		No recordkeeping or reporting requirements
61.3		No recordkeeping or reporting requirements
61.4		No recordkeeping or reporting requirements
61.5		No recordkeeping or reporting requirements
61.7		No recordkeeping or reporting requirements
61.8		No recordkeeping or reporting requirements
62		No recordkeeping or reporting requirements
64		No recordkeeping or reporting requirements
66	(o)	Maintain specified records for 3 years
67		No recordkeeping or reporting requirements
67.2	(e)	Maintain purchase and daily processing records for 3 years
67.3	(f)	Maintain specified records on a daily or monthly basis for 3 years

Attachment IV  
New Rule 60.1 Comparative Analysis

Rule		Requirement
67.4	(f)	Maintain specified records, on a daily or monthly basis, for 3 years
67.5	(e)	Maintain specified records, on a daily basis, for 3 years
67.6		No recordkeeping or reporting requirements
67.7	(e)	Maintain specified records for 3 years
67.8	(e)	Maintain purchase and daily processing records for 3 years
67.9	(f)	Maintain daily and monthly specified records for 3 years
67.10	(e)	Maintain daily specified records for 5 years
67.11	(f)	Maintain daily or monthly specified records for 3 years
67.12	(f)	Maintain daily or monthly specified records for 3 years
67.15		No recordkeeping or reporting requirements
67.16	(e)	Maintain daily or monthly specified records for 3 years
67.17		No recordkeeping or reporting requirements
67.18	(f)	Maintain monthly specified records for 3 years
67.19	(f)	Maintain calendar year specified records for 3 years
67.20	(f)	Maintain daily or monthly specified records for 3 years
67.21	(e)	Maintain daily or monthly specified records for 3 years
67.22	(f)	Maintain monthly specified records for 3 years
67.24	(f)	Maintain annual production records for 3 years
68	(e)	Maintain specified records for 3 years
69.2	(e)	Maintain specified records for 3 years
69.3.1	(e)	Maintain specified records for 3 years
69.4.1	(g)	Maintain specified records for 3 years
69.5	(g)	Maintain test and certification records for as long as the model is offered for sale
69.6	(e)	Maintain test and certification records for as long as the model is offered for sale
70		No recordkeeping or reporting requirements
71		No recordkeeping or reporting requirements
Subpart A	260.7	Maintain all specified records for 2 years
Subpart I		No recordkeeping or reporting requirements other than general Subpart A.
Subpart Ka		Maintain gap measurement for 2 years
Subpart Kb		Maintain gap measurement for 2 years
Subpart L		No recordkeeping or reporting requirements other than general Subpart A
Subpart DD		No recordkeeping or reporting requirements other than general Subpart A
Subpart EE	260.315	Maintain calendar month usage records for 2 years
Subpart GG		No recordkeeping or reporting requirements other than general Subpart A
Subpart QQ	260.434	Maintain calendar month or four consecutive week usage records for 2 years
Subpart SS	260.455	Maintain calendar month usage records for 2 years
Subpart TT	260.465	Maintain calendar month usage records for 2 years
Subpart BBB	260.545	Maintain calendar month usage records for 2 years
	260.546	Report exceedances every 6 months

Attachment IV  
New Rule 60.1 Comparative Analysis

Rule	Requirement
Subpart FFF 260.584 260.585	Maintain continuous emission or parametric monitoring records Report exceedances every 6 months
Subpart JJJ	No recordkeeping or reporting requirements other than general Subpart A
Subpart OOO 260.767	Maintain process parameter record and report exceedances every 6 months
Subpart A 361.09	Notification on startup
Subpart C	No recordkeeping or reporting requirements other than general Subpart A
Subpart D	No recordkeeping or reporting requirements other than general Subpart A
Subpart E	No recordkeeping or reporting requirements other than general Subpart A
Subpart F 361.71	Record of releases and relief discharges for 2 years
1201	No recordkeeping or reporting requirements
1202	No recordkeeping or reporting requirements
1203 (e)	Maintain monthly usage amounts for 3 years
1204 (e)	Maintain material content for 7 years
1205 (e)	Maintain daily processing records for 2 years
Subpart R 40CFR63 63.428 "	Maintain specified records for 5 years Submit an exceedance report semiannually
Subpart T 40CFR63 63.467 63.468	Maintain monthly consumption amounts for 5 years Submit annual report
Subpart DD 40CFR63 63.645 "	Record gap measurements Submit summary report semiannually
Subpart GG 40CFR63 63.752	Maintain all specified records for 5 years
Subpart II 40CFR63 63.788 "	Maintain specified records monthly for 5 years Submit semiannual reports
Subpart JJ 40CFR63 63.806 63.807	Maintain specified records monthly for 5 years Submit semiannual report
Subpart Dc 40CFR60 60.48 "	Maintain daily records of fuel usage and all specified records for 2 years Submit quarterly report
Subpart WWW 40CFR60 60.757 60.758	Maintain all specified records for 5 years Submit annual reports
Best Available Control Technology	Pending evaluation on case-by-case basis. No specific requirement.