



Air Pollution Control Board

San Diego County Air Pollution Control District

AGENDA ITEM

Governing Body

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: April 4, 2012

AP01

TO: Air Pollution Control Board

SUBJECT: NOTICED PUBLIC HEARING – ADOPTION OF PROPOSED NEW RULE 20.3.1 (PREVENTION OF SIGNIFICANT DETERIORATION – FEDERAL REQUIREMENTS) AND AMENDMENTS TO RULES 1401 (GENERAL PROVISIONS), 1410 (PERMIT REQUIRED), 60.1 (LIMITING POTENTIAL TO EMIT AT SMALL SOURCES), AND 60.2 (LIMITING POTENTIAL TO EMIT – SYNTHETIC MINOR SOURCES) (DISTRICT: All)

SUMMARY:

Overview

The U.S. Environmental Protection Agency recently added greenhouse gases to the list of regulated compounds under the Clean Air Act. As a result, major stationary sources such as power plants and other facilities with large industrial boilers, turbines, or stationary engines are required to obtain federal permits based on their greenhouse gas emissions. These federal requirements are reflected in the proposed new and amended local rules, which are requested for adoption by the Air Pollution Control Board.

Today's requested action to adopt and amend local rules incorporating federal permit requirements will enable the Air Pollution Control District to assume authority for issuing the federal permits in lieu of the Environmental Protection Agency. Local administration of these federal requirements is generally preferred by regulated businesses as the permits will generally be issued more quickly and any appeals of permit decisions will be considered locally and more quickly than at the federal level.

Specifically, proposed Rule 20.3.1 requires federal construction permits to build new or expanded major stationary sources of greenhouse gas emissions or other regulated compounds. Proposed amendments to Rule 1401 require federal operating permits to operate major stationary sources of greenhouse gas emissions. Proposed amendments to Rule 1410 clarify the procedures for obtaining a significant modification of a federal operating permit. Proposed amendments to Rules 60.1 and 60.2 establish procedures for non-major greenhouse gas-emitting facilities to avoid federal permitting requirements. Additional proposed amendments provide clarifications and corrections.

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Recommendation(s)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of Rule 20.3.1 and amendments to Rules 1401, 1410, 60.1, and 60.2 is exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15268 as a ministerial action taken to implement prescribed federal regulations, and pursuant to California Code of Regulations Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment, and pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment.
2. Adopt the Resolution entitled RESOLUTION ADOPTING NEW RULE 20.3.1 (PREVENTION OF SIGNIFICANT DETERIORATION - FEDERAL REQUIREMENTS) AND AMENDING RULES 1401 (GENERAL PROVISIONS), 1410 (PERMIT REQUIRED), 60.1 (LIMITING POTENTIAL TO EMIT AT SMALL SOURCES), AND 60.2 (LIMITING POTENTIAL TO EMIT–SYNTHETIC MINOR SOURCES) OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT. |

Fiscal Impact

Funds for this request are included in the Fiscal Year 2011-12 Operational Plan in the Air Pollution Control District. If approved, this request will result in costs and revenue of \$8,400 in Fiscal Year 2012-13 to provide outreach and inform the regulated community of the new requirements. The funding source is permit fee revenue in the Air Pollution Control District fund. There will be no change in net General Fund cost and no additional staff years.

Business Impact Statement

The Air Pollution Control District's proposed new and amended rules do not impose requirements beyond existing applicable federal requirements. If the proposal is not adopted by the Board, the requirements for affected businesses to obtain federal permits still apply and will be administered by the U.S. Environmental Protection Agency instead of the Air Pollution Control District.

Local administration of federal requirements is preferred by regulated businesses. Businesses can maintain a local point of reference for air pollution control

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requirements, simplifying communication. Additionally, the length of time to obtain a federal permit will generally be shorter if the program is implemented locally. Furthermore, any appeals of permit decisions will be considered locally and more quickly by the Air Pollution Control District Hearing Board rather than the federal Environmental Appeals Board in Washington, D.C.

Affected businesses will be required to pay the Air Pollution Control District's costs associated with issuing the federal permits, pursuant to existing Rule 40 (Permit and Other Fees). The costs and corresponding fees will be site-specific, depending on the complexity of the source and the applicable federal requirements. These fees will be in lieu of any application fees required by the U.S. Environmental Protection Agency.

Businesses will incur costs to prepare their applications for federal permits. These costs will be incurred regardless of today's proposed action.

Staff conducted substantial outreach to potentially affected facilities and industrial groups during development of the proposed new and amended rules. If the new and amended rules are adopted by the Board, staff will conduct additional outreach and issue an advisory to further notify and inform potentially affected sources.

Advisory Board Statement

At its meeting on February 8, 2012, with a quorum present, the Air Pollution Control District Advisory Committee supported the Air Pollution Control District's recommendations by a vote of 4 to 1.

BACKGROUND:

Greenhouse Gases

The term "greenhouse gases" (GHGs) refers to airborne compounds that have heat-trapping properties. Some GHGs are emitted through both natural processes and human activities, while others are emitted solely through human activities. In 2007, the U.S. Supreme Court ruled that GHGs fit within the definition of an "air pollutant" under the Clean Air Act (CAA). This set in motion a regulatory process leading to federal regulation of GHG emissions from new motor vehicles and large industrial operations.

GHGs are defined by the U.S. Environmental Protection Agency (EPA) as the following gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Each gas has a different capacity for trapping heat. Therefore, the applicability of federal requirements is determined on a carbon dioxide-equivalent (CO₂e) basis, which is the sum of the mass of emissions of each gas adjusted for its potential to trap heat relative to carbon dioxide.

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Increased Permitting Thresholds for Greenhouse Gas Emissions

The proposed action addresses two federal permitting programs under the CAA, namely construction permits pursuant to Prevention of Significant Deterioration (PSD) provisions, and operating permits pursuant to Title V (Permits). As specified in the CAA, PSD permits are required to construct new or modified major stationary sources with a potential to emit more than 100 or 250 tons per year of a regulated pollutant, depending on the source type. Additionally, Title V permits are required to operate existing major stationary sources with a potential to emit more than 100 tons per year of a regulated pollutant.

The 100-ton and 250-ton emission thresholds specified in the CAA were based on traditional pollutants such as oxides of nitrogen and particulate matter and were not designed to be applied to GHGs. Carbon dioxide (CO₂), the most common GHG, is emitted in significantly larger quantities than other regulated pollutants. Consequently, the 100-ton and 250-ton thresholds would be exceeded by countless small businesses and multi-family residences, requiring them to obtain federal permits based on CO₂ emissions from their appliances, such as water heaters. To avoid this scenario, EPA issued a GHG Tailoring Rule in 2010 that significantly increases ("tailors") the thresholds for applicability of CAA permitting requirements to GHG-emitting facilities.

Pursuant to the Tailoring Rule, only the largest GHG-emitting facilities with potential to emit 100,000 tons/year of GHGs (CO₂e) for a new source, or with potential to increase emissions of GHGs (CO₂e) by 75,000 tons at an existing source, are required to obtain federal permits. Affected sources in San Diego County are primarily large stationary sources of fuel combustion such as power plants, large-scale manufacturing facilities, and other facilities operating large industrial boilers, turbines, or stationary engines for power production and heating.

Federal Construction Permits – Proposed District Rule 20.3.1

EPA currently administers the PSD permitting program for major industrial construction projects in San Diego County but has requested the Air Pollution Control District (District) to assume this responsibility. EPA has made similar requests to air districts throughout California, therefore most California air districts have adopted or are in the process of adopting local rules to administer the PSD permitting requirements.

The District has extensive experience processing air permits and working with local facilities and therefore is well suited to the task of PSD permitting. The Board's adoption of proposed new Rule 20.3.1 (Prevention of Significant Deterioration - Federal Requirements) and subsequent EPA approval will transfer authority for PSD administration to the District.

PSD construction permits must require installation of the "best available control technology" (BACT) for pollutants that exceed specified emission thresholds. BACT for GHG emissions is

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anticipated to involve equipment or operational designs that result in increased efficiency and therefore reduced fuel consumption and associated GHG emissions.

The applicability thresholds in the PSD permitting program are relatively high at 100,000 tons per year for GHG emissions (CO₂e) and 100 or 250 tons per year (depending on the source type) for non-GHG emissions. Therefore it is anticipated that one or two industrial construction projects per year, on average, will be required to obtain PSD construction permits. Some likely examples would include new power plants, large-scale manufacturing facilities, and other facilities that would propose large industrial boilers, turbines, or stationary engines for power production and heating.

If adopted by the Board, Rule 20.3.1 will be submitted through the California Air Resources Board (ARB) to EPA for approval and inclusion into the State Implementation Plan (SIP). The rule will take effect and be in force upon approval by EPA, as published in the Federal Register.

Federal Operating Permits – Proposed Amendments to District Rules 1401 and 1410

The District currently administers the Title V federal operating permit program for existing major stationary sources of non-GHG emissions such as oxides of nitrogen and volatile organic compounds. In fact, most California air districts administer a Title V federal permitting program (in lieu of EPA) in their respective region. The Title V permit application requirements and procedures for San Diego County are contained in existing District Rules 1401-1425 of Regulation XIV (Title V Operating Permits), which were initially adopted by the Board in 1994. A Title V operating permit does not impose any additional pollution control requirements. It identifies all federal requirements that apply to the source, including emissions limits and monitoring, record keeping, and reporting requirements.

To retain administrative authority of the Title V permitting program in San Diego County, the District is required to amend its Title V permitting rules to reflect the new requirements for GHG-emitting facilities. Accordingly, the proposed amendments to Rule 1401 (General Provisions) incorporate GHG-related definitions and applicability thresholds pursuant to federal requirements. If adopted by the Board, amended Rule 1401 will be submitted through ARB to EPA to replace existing Rule 1401 in the SIP. The amended rule will take effect and be in force upon approval by EPA, as published in the Federal Register. Within 12 months thereafter, existing sources that are newly subject to Title V permitting based on their GHG emissions will be required to apply for a Title V permit from the District. Additionally, future new sources exceeding the GHG applicability thresholds will be required to apply within 12 months of commencing operations. Title V permit renewals are required every five years.

Up to two dozen existing facilities not previously subject to Title V permits may be required to obtain such permits due solely to their GHG emissions (CO₂e) exceeding the 100,000 ton per year threshold. Affected sources include existing peaking power plants, large-scale

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manufacturing facilities, and other facilities operating large industrial boilers, turbines, or stationary engines for power production or heating. Additionally, sources that already hold Title V permits based on emissions of other regulated compounds will be required to include estimates of their GHG emissions in their next applications for Title V permit renewal.

Separate minor amendments to Rule 1410 (Permit Required) are also proposed. The amendments clarify the application requirements and procedures to significantly modify a federal operating permit. If adopted by the Board, the amended rule will be submitted through ARB to EPA for approval and inclusion into the SIP.

Opting Out of Federal Permitting – Proposed Amendments to District Rules 60.1 and 60.2

The applicability of federal permitting is based on a facility's "potential" emissions—assuming the facility continuously operates at maximum capacity—rather than its actual emissions. Consequently, a facility with actual emissions that are less than the applicability thresholds may be at risk of federal enforcement or citizen lawsuit to obtain a federal permit based on its potential emissions. To avoid this possibility, existing District Rule 60.1 (Limiting Potential to Emit at Small Sources) and Rule 60.2 (Limiting Potential to Emit – Synthetic Minor Sources) are voluntary rules that specify procedures to opt out of federal permitting requirements. The proposed amendments to these rules establish such procedures for GHG-emitting facilities.

Rule 60.1 is designed for sources with actual emissions below 50 percent of the applicability thresholds and specifies records and reports that must be maintained to be exempt from federal permitting. Rule 60.2 is designed for sources with actual emissions between 50 and 100 percent of the applicability thresholds and provides an exemption from federal permitting through enforceable permit conditions that limit potential emissions to less than the applicability thresholds. These rules and their proposed amendments were requested by local industry and were developed with concurrence from EPA.

Exemption for Biogenic Sources

"Biogenic" CO₂ emissions refers to CO₂ emitted from natural biological processes, such as that emitted during decomposition of organic material (originating from plants, animals or micro-organisms). EPA is conducting a detailed examination of biogenic CO₂ emissions from industrial sources such as landfills, wastewater treatment facilities, and biomass power plants to determine whether these sources add additional CO₂ to the atmosphere or instead are "carbon neutral" and therefore their CO₂ emissions should be exempt from federal permitting. While EPA's examination is underway, CO₂ emissions resulting from the combustion or decomposition of biologically-based material will be excluded when determining whether sources exceed the PSD and Title V applicability thresholds. The exclusion of biogenic CO₂ emissions is scheduled to expire on July 21, 2014, absent further EPA rulemaking.

Implementation with Existing Budgeted Positions

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If adopted by the Board, the new and amended District rules will be implemented with the existing budget. Beginning in Fiscal Year 2013-14, implementation of the new and amended rules is expected to require up to three additional staff years. These positions will be funded by permit fee revenue, which will increase following adoption of the new and amended rules as additional sources are required to obtain federal permits from the District.

Environmental Statement


The California Environmental Quality Act (CEQA) requires environmental review for certain actions. The District conducted a preliminary review of whether CEQA applies to the adoption of new Rule 20.3.1 and amendments to Rules 1401, 1410, 60.1, and 60.2. Adoption of the new and amended rules will implement existing applicable federal permitting requirements currently being administered by the EPA and will not result in new or the relaxation of existing air pollution control requirements. Therefore, the rulemaking is exempt from the provisions of CEQA pursuant to California Code of Regulations, Title 14, Section 15268 as a ministerial action taken to implement prescribed federal regulations, and pursuant to Section 15061(b)(3) since it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment, and pursuant to Section 15308 as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment. Pursuant to Section 15062, a Notice of Exemption will be prepared and filed upon adoption of the proposed new and amended rules.

Linkage to the County of San Diego Strategic Plan

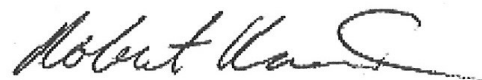
Today's proposed action supports the Environment Strategic Initiative in the County of San Diego's 2011-2016 Strategic Plan with objectives to protect air quality and reduce environmental risk through partnerships as well as regulation. Local adoption and enforcement of federal permitting requirements facilitates implementation and increases efficiency of air resources management through intergovernmental collaboration.

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Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer



ROBERT J. KARD
Air Pollution Control Officer

ATTACHMENTS

Attachment A – RESOLUTION ADOPTING NEW RULE 20.3.1 (PREVENTION OF SIGNIFICANT DETERIORATION - FEDERAL REQUIREMENTS) AND AMENDING RULES 1401 (GENERAL PROVISIONS), 1410 (PERMIT REQUIRED), 60.1 (LIMITING POTENTIAL TO EMIT AT SMALL SOURCES), AND 60.2 (LIMITING POTENTIAL TO EMIT– SYNTHETIC MINOR SOURCES) OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT

Attachment B – Workshop Report

Attachment C – Rule 1401 Change Copy

Attachment D – Rule 1410 Change Copy

Attachment E – Rule 60.1 Change Copy

Attachment F – Rule 60.2 Change Copy

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AGENDA ITEM INFORMATION SHEET |

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

August 13, 2003 (APCB #2), Amended Rules 1401, 1410, 1415, 1418, 1421, 1425, 60.1 and 60.2; May 23, 2001 (APCB #1), Amended Rules 1401, 1410, 1415; May 23, 2001 (APCB #2), Adopted new Rule 60.1; April 30, 1997 (APCB #2), Adopted new Rule 60.2; March 7, 1995 (APCB #4), Amending Regulation XIV - Title V Operating Permits; January 18, 1994 (APCB #2), Adopted new Regulation XIV - Title V Operating Permits.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Air Pollution Control District

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

ROBERT J. KARD

Name

ROBERT REIDER

Name

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

**RESOLUTION ADOPTING NEW RULE 20.3.1 (PREVENTION OF SIGNIFICANT
DETERIORATION - FEDERAL REQUIREMENTS) AND AMENDING RULES 1401
(GENERAL PROVISIONS), 1410 (PERMIT REQUIRED), 60.1 (LIMITING
POTENTIAL TO EMIT AT SMALL SOURCES), AND 60.2 (LIMITING POTENTIAL
TO EMIT- SYNTHETIC MINOR SOURCES) OF THE RULES AND REGULATIONS
OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT**

On motion of Member Cox, seconded by Member Jacob, 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 held relating to the
amendment of said Rules and Regulations pursuant to Section 40725 of the Health and Safety
Code; and

WHEREAS, pursuant to section 40727 of the Health and Safety Code, the San Diego
County Air Pollution Control Board makes the following findings:

- (1) (Necessity) The adoption of proposed new Rule 20.3.1 is necessary to ensure timely
and cost-effective application of federal Prevention of Significant Deterioration
requirements by transferring administrative authority from U.S. EPA to the District;
and amendments to Rules 60.1, 60.2, 1401 and 1410 are necessary in order to
implement the federal Prevention of Significant Deterioration and Title V Greenhouse
Gas Tailoring Rule, issued by U.S. EPA on June 3, 2010;
- (2) (Authority) The adoption of proposed new Rule 20.3.1 and amendments to Rules 60.1,
60.2, 1401 and 1410 are authorized by Health and Safety Code section 40702;
- (3) (Clarity) Proposed new Rule 20.3.1 and proposed amendments to Rules 60.1, 60.2,
1401 and 1410 can be easily understood by persons directly affected by it;
- (4) (Consistency) The adoption of proposed new Rule 20.3.1 and amendments to Rules
60.1, 60.2, 1401 and 1410 are in harmony with, and not in conflict with or contrary to,
existing statutes, court decisions, and State and federal regulations;

- (5) (Non-duplication) The adoption of proposed new Rule 20.3.1 and amendments to Rules 60.1, 60.2, 1401 and 1410 will not duplicate existing District or federal requirements;
- (6) (Reference) The Air Pollution Control Board, in adopting proposed new Rule 20.3.1 and amendments to Rules 60.1, 60.2, 1401 and 1410 references the following statutes: Clean Air Act Section §§160 *et seq.* (42 U.S.C. §§7470 *et seq.*, Prevention of Significant Deterioration), and Section 501 *et seq.* (42 U.S.C. §7661 *et seq.*, Permits);

WHEREAS, the Air Pollution Control Board has reviewed the proposed project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15002(k)(1) and has determined that the adoption of Rule 20.3.1 and amendments to Rules 1401, 1410, 60.1, and 60.2 is exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15268 as a ministerial action taken to implement prescribed federal regulations, and pursuant to California Code of Regulations Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment, and pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment; and

WHEREAS, the Health and Safety Code Section 40727.2 requires that the District prepare a written analysis of existing federal air pollution control requirements whenever it adopts or amends a rule imposing new control requirements. However, if the rule is a verbatim adoption or incorporation by reference of a federal standard, the District may comply with this requirement by making a finding that the proposed rule and rule amendments fall within subsection Health and Safety Code 40727.2(g). The District finds that the proposed rule and rule amendments constitute an adoption by reference of federal Tailoring Rule requirements, and that the proposed rule and rule amendments fall within Health and Safety Code Section 40727.2(g).

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:

1. Proposed new Rule 20.3.1 is to read as follows:

**RULE 20.3.1 PREVENTION OF SIGNIFICANT DETERIORATION –
FEDERAL REQUIREMENTS** (Adopted *(date of adoption)*, Effective
(date of EPA approval))

(a) APPLICABILITY

This rule applies to any source subject to any requirement under 40 Code of Federal Regulations (hereinafter, CFR) Part 52.21 as incorporated into this rule.

(b) **INCORPORATION BY REFERENCE**

(1) Except as provided below, the provisions of 40 CFR 52.21, in effect on *(date of adoption)*, are incorporated herein by reference and made part of the District's Rules and Regulations.

(2) The following subsections of 40 CFR 52.21 are excluded: (a)(1), (b)(55-58), (f), (g), (p)(6-8), (q), (s), (t), (u), (v), (w), (x), (y), (z) and (cc).

(c) **DEFINITIONS REVISED**

(1) The following definitions found in 40 CFR 52.21(b) are revised as follows:

(i) The definition of "**Potential to Emit**" contained in 40 CFR 52.21(b)(4), is revised so that the phrase "is federally enforceable" shall read "is federally enforceable or enforceable as a practical matter."

(ii) The definition of "**Allowable Emissions**" contained in 40 CFR 52.21(b)(16), is revised so that:

(A) The phrase "unless the source is subject to federally enforceable limits which restrict the operating rate, or hours of operation, or both" shall read, "unless the source is subject to enforceable limits which restrict the operating rate, or hours of operation, or both."

(B) Paragraph (iii) shall read as follows: "The emissions rate specified as an enforceable permit condition, including those with a future compliance date."

(2) The following terms found in 40 CFR 52.21(b) are revised as follows:

(i) The term "administrator" means:

(A) "**Federal Administrator**" in 40 CFR 52.21(b)(17), (b)(37)(i), (b)(43), (b)(48)(ii)(c), (b)(50)(i), (b)(51), (l)(2) and (p)(2); and

(B) "**Air Pollution Control Officer**" elsewhere, as defined in Rule 2.

(ii) The phrase "paragraph (q) of this section" in 40 CFR 52.21(p)(1) is revised to read as follows: "the public notice and comment provisions of Subsection (e) of this rule".

(d) **REQUIREMENTS**

(1) An owner or operator must obtain a prevention of significant deterioration (PSD) permit pursuant to this rule before beginning actual construction of a new major

stationary source, a major modification, or a Plant-wide Applicability Limit (PAL) major modification, as defined in 40 CFR 52.21(b).

(2) Notwithstanding the provisions of any other District Rule or Regulation, including the provisions of Rule 18(b), the Air Pollution Control Officer shall require compliance with this rule prior to issuing a federal PSD permit pursuant to this rule, the Air Pollution Control Officer shall require permit as required by Clean Air Act (CAA) Section 165.

(3) The applicant shall pay the applicable fees specified in District Rule 40.

(e) PUBLIC NOTICE AND COMMENT

(1) After receipt of a complete application and at least 40 days prior to making a final determination regarding the issuance of a federal PSD permit pursuant to this rule, the Air Pollution Control Officer shall:

(i) Make a preliminary determination whether construction should be approved with conditions or disapproved.

(ii) Make available in at least one location in San Diego County a copy of all materials the applicant submitted, a copy of the preliminary determination, a copy of the proposed permit and a copy or summary of other materials, if any, considered in making the preliminary determination.

(iii) Notify the public, by advertisement in a newspaper of general circulation in San Diego County, of the application, the preliminary determination, the degree of increment consumption that is expected from the source or modification, the location of the materials specified in subsection (e)(1)(ii), and of the opportunity for written public comment.

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

(v) Send a copy of the notice of public comment to the applicant, EPA Region 9, any persons requesting such notice and any other interested parties such as: any other State or local air pollution control agencies, the chief executive of the city where the source would be located, any comprehensive regional land use planning agency, and any State, Federal Land Manager, or Tribal governing body whose lands may be affected by emissions from the source or modification.

(2) Upon request for a public hearing made during the comment period specified in (e)(1)(iv), at least 30 days after completion of the actions specified in subsection (e)(1), and at least 15 days prior to making a final determination regarding the issuance of a federal PSD permit pursuant to this rule, the Air Pollution Control Officer shall provide opportunity for a public hearing for persons to appear and submit written or oral comments on the air quality impact of the source, alternatives to it, the control technology required,

and other appropriate considerations, if in the Air Pollution Control Officer's judgment such a hearing is warranted.

(3) The Air Pollution Control Officer shall consider all written comments that were submitted during the public comment period and all comments received at any public hearing(s) in making a final decision on the approvability of the application and make all comments available for public inspection in the same locations where the District made available preconstruction information relating to the proposed source or modification.

(4) Upon making a final determination whether construction should be approved with conditions or disapproved, the Air Pollution Control Officer shall notify the applicant in writing of the final determination and make such notification available for public inspection at the same location where the District made available preconstruction information and public comments relating to the source.

2. Proposed amended Rule 60.1 is to read as follows:

RULE 60.1 - LIMITING POTENTIAL TO EMIT AT SMALL SOURCES

(Adopted & Effective 5/23/01; Rev. & Eff. 8/13/03; Rev. & Eff. *(date of adoption)*)

(a) APPLICABILITY

This rule applies to any stationary source which would otherwise meet the definition of major stationary source in Rule 1401 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 all of the emission limitations specified in Subsection (d)(1)(i) through (d)(1)(v); 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)(1).

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 (d)(2), (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) For oxides of nitrogen (NO_x) or volatile organic compounds (VOC), in accordance with the District's current federal ozone attainment status, as codified in 40 CFR 81.305, as follows: 5 tons per year of NO_x or VOC if the District is in Attainment or Subpart 1 Nonattainment, or has an ozone nonattainment classification of Marginal, Moderate, Serious, or Severe; 2 tons of NO_x or VOC per year if the District has a federal ozone nonattainment classification of Extreme; and

(B) 5 tons per year of any other regulated air pollutant except Hazardous Air Pollutants (HAPs) and greenhouse gases; 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 Environmental Protection Agency (EPA) may establish by rule; and

(F) 20,000 tons per year of greenhouse gases (expressed as CO₂e) or 20 tons per year of greenhouse gases on a mass basis (that is, not adjusting for global warming potential); or

(ii) For any District federal ozone classification except Extreme nonattainment, 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 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.

(iii) If the District has a federal ozone nonattainment classification of Extreme, in every 12-month period, a stationary source's throughput is less than or equal to 40% of the throughputs in (b)(1)(ii) above, with the exception of (b)(1)(ii)(C) for which 100% of the value applies, and at least 90 percent of the stationary source's emissions are associated with that throughput;

(iv) For sources with de minimis emissions as defined in Subsections (b)(1)(i), (b)(1)(ii), or (b)(1)(iii), 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). Calendar-year records may be used to substantiate the stationary source's emissions or throughput.

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

(i) Any stationary source whose actual emissions, throughput, or operation, at any time after May 23, 2001, is greater than the quantities specified in Subsections (d)(1) or (g)(1) 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 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)(1).

(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 greenhouse gases); and

(ii) 15 tons per year of VOC or NO_x if the District has a federal ozone nonattainment classification of Serious; and

(iii) 6.25 tons per year of VOC or NO_x if the District has a federal ozone nonattainment classification of Severe; and

(iv) 2.5 tons per year of VOC or NO_x if the District has a federal ozone nonattainment classification of Extreme; and

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

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

(vii) 25 percent of any lesser threshold for a single HAP as EPA may establish by rule; and

(viii) 24,999 tons per year of greenhouse gases (expressed as CO₂e) or 25 tons per year of greenhouse gases on a mass basis (that is, not adjusting for global warming potential).

A stationary source previously exempt 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)(viii).

For any stationary source subject to this rule, the District shall maintain and make available to the public, upon written request, 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 volatile organic compound (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 U. S. Environmental Protection Agency (EPA), California Air Resources Board (ARB), or District approved methods, including emission factors and assumptions.

(3) **"Air Contaminant"** means the same as defined in Rule 1401.

(4) **"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), Table I. With the concurrence of EPA, the Air Pollution Control Officer may revise Table I 30 days after public notice of the proposed changes is published in a newspaper of general circulation.

(5) **"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.

(6) **"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.

(7) **"Hazardous Air Pollutant (HAP)"** means any air contaminant listed pursuant to Section 112(b) of the federal Clean Air Act.

(8) **"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.

(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 the 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. Potential to emit includes fugitive emissions, except to the extent such emissions are excluded under the definition of major stationary source in Rule 1401.

(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) **"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.

(13) **"Non-road Engine"** means the same as defined in 40 Code of Federal Regulations, Part 89.

(d) STANDARDS

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

(i) 50 percent of the major source thresholds for regulated air pollutants (excluding HAPs and greenhouse gases);

(ii) 5 tons per year of a single HAP;

(iii) 12.5 tons per year of any combination of HAPs;

(iv) 50 percent of any lesser threshold for a single HAP as the EPA may establish by rule; and

(v) 50,000 tons per year of greenhouse gases (expressed as CO₂e) or 50 tons per year of greenhouse gases on a mass basis (that is, not adjusting for global warming potential).

For any category of air pollutant specified in (i), (ii), (iii), (iv), or (v) above for which a stationary source's emissions equal or exceed the limits specified in (i), (ii), (iii), (iv), or (v) above, such emissions shall be limited to less than major stationary source levels in accordance with the requirements of Rule 60.2 of these Rules and Regulations, or through legally and practicably enforceable limits established pursuant to Rule 21 of these Rules and Regulations.

(2) 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)(1), 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

The owner or operator of a stationary source newly subject to this rule shall comply with any applicable recordkeeping requirements in this section within 12 months after becoming subject to the rule. 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 of a facility or process identified in Table I may operate permitted emission units at a stationary source subject to this rule under an alternative operational limit listed in Table I, 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 alternative operational limits listed in Table I, and the following 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)(iv), 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 Recordkeeping Requirements

(i) The owner or operator of Gasoline Dispensing Facilities with Phase I and Phase II Vapor Recovery Systems, shall 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) The owner or operator of Degreasing or Solvent-Using Emission Unit(s) shall 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) The owner or operator of a Surface Coating Operation shall 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) The owner or operator of a Diesel-Fueled Emergency Standby Engine(s) with Output less than 1,000 Brake Horsepower shall 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) The owner or operator of a facility utilizing Sheet Fed (Non-Heatset) Offset Lithography, Non-Heatset Web Offset Lithography, or Screen Printers shall 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) The owner or operator of a facility utilizing Heatset Web Offset Lithography or Uncontrolled Flexography and Rotogravure Using Solvent-Based Inks shall 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) The owner or operator of Oil and Natural Gas-Fired Boilers, Process Heaters, and Steam Generators with Capacity that is no more than 100 Million Btu's Per Hour shall 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) The owner or operator of a Hot Mix Asphalt Plant shall 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)(1).

(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)(1).

Table I
Alternative Operational Limits (12-Month Period)

Type of Operation	District's Federal Ozone Classification		
	Attainment, Marginal, Moderate or Serious	Severe	Extreme
Gas-Dispensing Facilities with Phase I & Phase II Vapor Recovery Systems	7,000,000 gal	7,000,000 gal	7,000,000 gal
Degreasing or Solvent-Using Emission Unit(s) Contains no halogenated organic compounds identified as a HAP: Any one VOC-containing material. Combination of VOC-containing materials. Contains halogenated organic compound(s) identified as a HAP(s): Any one VOC-containing material. Combination of VOC-containing materials.	2,200 gal 5,400 gal 1,200 gal 2,900 gal	2,200 gal 5,400 gal 1,200 gal 2,900 gal	2,200 gal 2,700 gal 1,200 gal 2,900 gal
Surface Coating Operations, including but not limited to coatings, thinners, reducers, & cleanup solutions: VOC-containing materials without HAPs. VOC-containing materials that also contain any HAP.	4,000 gal 2,200 gal	4,000 gal 2,200 gal	2,600 gal 2,200 gal
Diesel-Fuled Emergency Standby Engines with Output less than 1,000 Brake Horsepower	2,600 hours, 133,000 gal fuel	1,300 hours, 66,000 gal fuel	520 hours, 26,400 gal fuel
Sheet Fed (Non-Heatset) Offset Lithography, Non-Heatset Web Offset Lithography, or Screen Printers: VOC-containing materials, including but not limited to, cleaning solvent and fountain solution additives. Materials containing a single HAP. Materials containing a combination of HAPs.	7,125 gal 1,300 gal 3,333 gal	3,550 gal 1,300 gal 3,333 gal	1,425 gal 1,300 gal 3,333 gal
Heatset Web Offset Lithography or Uncontrolled Flexography and Rotogravure Using Solvent-Based Inks: VOC-containing materials, including but not limited to ink, coatings, adhesives, dilution solvents, & cleaning solvents. Materials containing a single HAP. Materials containing a combination of HAPs.	50,000 lbs 1,300 gal 3,333 gal	50,000 lbs 1,300 gal 3,333 gal	50,000 lbs 1,300 gal 3,333 gal
Oil and Natural Gas-Fired Boilers, Process Heaters, and Steam Generators with Capacity that is no more than 100 Million BTU's Per Hour: Natural gas Distillate oil Residual oil Combined natural gas/distillate oil Combined natural gas/residual oil Combined natural gas/distillate oil and residual oil	360 MMcf 700,000 gal 160,000 gal 320 MMcf/ 260,000 gal 300m MMcf/ 160,000 gal 300 MMcf/ 160,000 gal	180 MMcf 700,000 gal 160,000 gal 160 MMcf/ 130,000 gal 150 MMcf/ 160,000 gal 150 MMcf/ 160,000 gal	71 MMcf 500,000 gal 160,000 gal 65 MMcf/ 52,000 gal 51 MMcf/ 51,000 gal 51 MMcf/ 51,000 gal
Hot Mix Asphalt Plants	250,000 tons	250,000 tons	250,000 tons

3. Proposed amended Rule 60.2 is to read as follows:

RULE 60.2. LIMITING POTENTIAL TO EMIT—SYNTHETIC MINOR SOURCES

(Adopted & Effective 4/30/97; Rev. & Eff. 8/13/03; Rev. & Eff. *(date of adoption)*)

(a) APPLICABILITY

This rule applies to any new or existing stationary source that would otherwise meet the definition of major stationary source in Rule 1401, but for which the owner or operator applies for synthetic minor source status in accordance with this rule or to any stationary source that is issued synthetic minor source status for a regulated air pollutant, pursuant to this rule. This rule shall not apply to any source subject to Regulation XIV for any reason other than being a major source.

Notwithstanding any provision of this rule, any new or modified stationary source or any new, modified, relocated, or replaced emission unit must obtain an Authority to Construct and/or a Permit to Operate in accordance with Regulation II, including Rules 20.1, 20.2, 20.3, 20.3.1, and 20.4, and Rule 1200, as applicable.

(b) EXEMPTIONS (RESERVED)

(c) DEFINITIONS

All terms used in this rule shall retain the definitions provided under Regulation XIV, unless otherwise defined herein. For the purposes of this rule the following definitions shall apply:

(1) **“Actual Emissions”** means the emissions of a regulated air pollutant from an emission unit, as approved by the Air Pollution Control Officer, including emissions during startup, shutdown, upset, and breakdown conditions and fugitive emissions, as applicable.

(2) **“Administratively Complete”** means a completed application form; a written certification signed by a responsible official that the contents of the application are true, accurate, and complete; a fee deposit sufficient to cover the estimated costs to the District to review, evaluate, and act on the application; and submittal of sufficient information as specified in Subsection (e)(1)(i) through (e)(1)(iv) to allow the District to begin processing the application.

(3) **“Aggregate Actual Emissions”** means the sum of actual emissions, including fugitive emissions as applicable, of a regulated air pollutant from a group of one or more emission units at a stationary source.

(4) **“Aggregate Allowed Emissions”** means the sum of the maximum emissions of a regulated air pollutant from a group of one or more emission units that are, or will be, allowed by legally and practicably enforceable permit limits.

(5) **"Air Pollution Control Device"** means any device that removes or destroys air contaminants prior to discharge to the ambient air and is not otherwise necessary for the proper functioning or operation of an emission unit or process. Air pollution control devices include, but are not limited to, electrostatic precipitators, filters, spray towers and scrubbers, thermal and catalytic oxidizers, flares, adsorbers, absorbers, steam or water injection, catalytic and noncatalytic reduction, chemical neutralization, and ozonation. For purposes of this rule, devices that are not air pollution control devices include, but are not limited to, modified furnace or burner designs; staged combustion; reduced combustion preheat; low excess air firing; low nitrogen or sulfur content fuel; air injection; ignition timing retardation; control of oxygen concentration in combustion air; process changes; lids, covers, or other solid enclosures; recovery of process gas; dust suppression by physical stabilization, traffic control, water spray, chemical stabilizers, or wetting agents; baffles; conservation vents; submerged or bottom filling; tank conversion to variable vapor space tank, floating roof tank, or pressurized tank or secondary seals for external floating roof tanks; underground tanks; white paint; low volatile organic compound (VOC), low hazardous air pollutant (HAP), powder, and waterborne coatings; low VOC or low HAP surface preparation or cleaning materials; and high transfer efficiency coating application methods.

(6) **"Compliance Timeframe"** means each clock hour, calendar day, calendar month, or a 12-month period, or other period as specified pursuant to Subsection (d)(1)(ii) of this rule.

(7) **"De Minimis Emissions"** means that emission rate of a regulated air pollutant that is 50% of the synthetic minor margin for that pollutant. In no case shall the de minimis emission rate of a regulated air pollutant exceed 10 percent of the applicable major source threshold for that pollutant.

(8) **"Fugitive Emissions"** means those quantifiable nonvehicular emissions from a stationary source that could not reasonably pass through a stack, chimney, flue, vent, or other functionally equivalent opening. Fugitive emissions shall be applicable when determining compliance with this rule for those pollutants and categories of stationary sources specified in the definition of major stationary source in Rule 1401.

(9) **"Hazardous Air Pollutant (HAP)"** means any substance listed in Section 112(b)(1) or listed pursuant to Section 112(b)(2) of the federal Clean Air Act unless the substance has been subsequently delisted pursuant to Section 112(b)(3) of the federal Clean Air Act.

(10) **"Insignificant Emission Unit"** means any emission unit not required to have a Permit to Operate pursuant to Rule 11 or having a Certificate of Exemption or a Certificate of Registration.

(11) **"Legally and Practicably Enforceable Permit Limits"** means 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:

(i) Contain any combination of operational, production, or verifiable emission limitations that limit the actual emissions of regulated air pollutant(s) during a specified compliance time frame; and

(ii) Are not in violation of any applicable provisions of these rules and regulations or state law; and

(iii) Require sufficient recordkeeping, reporting, and monitoring to determine ongoing compliance with the emission limitations; and

(iv) Incorporate a legally enforceable obligation for the permit owner to adhere to the terms and conditions.

(12) **"Major Source Threshold"** means the emission rates specified in the definition of major stationary source in Rule 1401.

(13) **"Modifications to Synthetic Minor Source Status"** means any physical or operational change at a source which necessitates a revision of any legally and practicably enforceable permit limits or associated reporting, monitoring, and recordkeeping permit conditions that were established pursuant to this rule, or by any other mechanism, and that establish synthetic minor source status for the source.

(14) **"Operational Limitation"** means a limit on a process's operating inputs, including, but not limited to, hours of operation, raw materials used, or fuel combusted, for which a technically accurate correlation exists between actual emissions and the operating inputs that are limited; or an air pollution control device with specified key operating parameters that assure a specified control efficiency combined with operational, production, or verifiable emission limitations, that limit the device's input emissions.

(15) **"Owner or Operator"** means any person who owns, operates, controls, or supervises a stationary source.

(16) **"Process Statement"** means a report from the owner or operator of a stationary source specifying process, product, material, operational, and other information the Air Pollution Control Officer determines is necessary to determine actual emissions. A process statement may include, but is not limited to, the identity, composition, and amount of each material used or consumed; the identity, composition and amount of each product produced; the hours of operation; continuous emission monitoring or continuous parametric emission monitoring data; and air pollution control device overall control efficiencies. A process statement shall include any additional information requested in writing by the Air Pollution Control Officer that are necessary to determine actual emissions from specified emission units for a specified time period.

(17) **"Production Limitation"** means a limit on a source's production rate for which a technically accurate correlation exists between the production rate and actual emissions.

(18) **"Quantifiable"** means that a reliable basis, as determined by the Air Pollution Control Officer, can be established for calculating the amount, rate, nature, and characteristics of actual emissions.

(19) **"Residual Actual Emissions "** means the aggregate actual emissions, determined without consideration of any emission reductions due to air pollution control devices, of any regulated air pollutant from all emission units that are not, or will not be, subject to legally and practicably enforceable permit limits that limit the actual emissions of that pollutant.

(20) **"Stationary Source's Aggregate Actual Emissions"** means the sum of actual emissions, including fugitive emissions as applicable, of a regulated air pollutant from all the emission units at a stationary source.

(21) **"Synthetic Minor Margin"** means that emission rate of a regulated air pollutant that is equal to the applicable major source threshold less the aggregate allowed emissions for that pollutant.

(22) **"Synthetic Minor Source"** means a stationary source which is subject to legally and practicably enforceable permit limits that limit the emissions of a specified regulated air pollutant such that in any 12-month period, the residual actual emissions of the pollutant are less than or equal to de minimis emissions and the stationary source's aggregate actual emissions and aggregate allowed emissions of the pollutant in any 12-month period are less than the applicable major source threshold.

(23) **"Technically Accurate"** means based on accepted scientific or engineering principles, reliable measurements, or information, policies, or procedures of the California Air Resources Board, U. S. Environmental Protection Agency, or the District as approved by the Air Pollution Control Officer.

(24) **"12-Month period"** means 12 consecutive calendar months.

(25) **"Verifiable Emission Limitation"** means an emission limitation which is verifiable by a continuous emission monitoring system or parametric emission monitoring system approved in advance by the Air Pollution Control Officer, an emission limitation on surface coating or solvent cleaning operations for which there is no emission control device and VOC and HAP emissions are calculated by assuming complete emission of all VOCs and HAPs present in any coatings and solvents used, or an emission limitation that is equal to an emission unit's potential to emit.

(26) **"Non-road Engine"** means the same as defined in 40 Code of Federal Regulations, Part 89.

(d) **STANDARDS**

The following standards shall apply to the owner or operator of any stationary source who submits an application to the Air Pollution Control Officer for, or is granted, synthetic minor source status.

(1) Ongoing compliance with legally and practicably enforceable permit limits shall be determined as follows:

(i) The first compliance timeframe shall begin on:

(A) the date on which application for synthetic minor source status is submitted, except as provided for in Subsection (d)(1)(i)(C), for clock hour or calendar day compliance timeframes; and

(B) the start of the calendar month in which application for synthetic minor source status is submitted, except as provided for in Subsection (d)(1)(i)(C) for calendar month or 12-month period compliance timeframes; or

(C) on a date different from the date specified in Subsections (d)(1)(i)(A) or (d)(1)(i)(B), as applicable, provided that the owner or operator and the Air Pollution Control Officer agree on such a date and the date is no later than the first day of the calendar month following the calendar month in which a Permit to Operate containing the compliance timeframe is issued in accordance with this rule.

(ii) Ongoing compliance shall be determined on:

(A) An hourly basis for a clock hour compliance timeframe; and

(B) A daily basis for a calendar day compliance timeframe; and

(C) A calendar month basis for a calendar month or 12-month period compliance timeframes; or

(D) Such other period up to but not exceeding a calendar quarter where the Air Pollution Control Officer determines that a shorter period to determine compliance or emissions is not feasible nor practical. In such case, the emissions at the stationary source associated with such other period shall be apportioned to each calendar month within the period using a procedure approved by the Air Pollution Control Officer.

(2) For purposes of District Rules and Regulations, a stationary source shall not be considered a major source for a regulated air pollutant if, as determined by the Air Pollution Control Officer:

(i) The source is in ongoing compliance with legally and practicably enforceable permit limits that establish synthetic minor source status for that pollutant; and

(ii) The source's residual actual emissions in the 12-month period beginning with the start of the first compliance timeframe and each 12-month period thereafter are less than the de minimis emissions for the source; and

(iii) The aggregate actual emissions in the 12-month period beginning with the start of the first compliance timeframe and each 12-month period thereafter of each regulated pollutant from all emission units at the stationary source do not exceed the applicable major source threshold; and

(iv) The aggregate allowed emissions in the 12-month period beginning with the start of the first compliance timeframe and each 12-month period thereafter of each regulated pollutant from all emission units at the stationary source that have legally and practicably enforceable permit limits do not exceed the applicable major source threshold; and

(v) The source has maintained sufficient records commencing with the first compliance timeframe and provided sufficient information to the Air Pollution Control Officer that the Air Pollution Control Officer deems adequate to allow a determination of compliance with Subsections (d)(2)(i) through (d)(2)(iv).

(3) An exceedance of any legally and practicably enforceable permit limit used to establish synthetic minor source status for that regulated air pollutant is deemed a violation of this rule.

(4) Within 30 calendar days, or a longer period of time if deemed necessary by the Air Pollution Control Officer, of a written request by the Air Pollution Control Officer, the owner or operator of a stationary source that is a synthetic minor source for a regulated air pollutant shall demonstrate that, for any 12-month period that begins on or after the start of the first compliance timeframe, residual actual emissions of that pollutant are less than de minimis emissions.

(5) If for any 12-month period that begins on or after the start of the first compliance timeframe, residual actual emissions of a regulated air pollutant for which synthetic minor source status has been established have exceeded de minimis emissions, or, as determined by the Air Pollution Control Officer, inadequate information has been provided by the source pursuant to Subsection (d)(4) to make such a determination, the source shall be deemed in violation of this rule.

(6) The owner or operator of a source that exceeds any emission limitations for a regulated air pollutant identified as legally and practicably enforceable shall report such

exceedances to the Air Pollution Control Officer within 30 calendar days of the occurrence of such exceedance.

(7) Except as provided in Subsection (d)(8), a source requesting synthetic minor source status shall not be relieved of the responsibility of complying with the application or other requirements of Regulation XIV until the District takes final action to issue a Permit to Operate in accordance with Section (f).

(8) If an administratively complete application, including applicable fees, is submitted requesting synthetic minor source status and by the application submittal date the source begins maintaining records in accordance with Subsection (h) (except that records of total quantities since the start of the first compliance timeframe shall be deemed as meeting requirements of Subsections (h)(1)(iv) and (h)(3)(ii)(C)) from the date of the application submittal the source shall not be considered a major stationary source for purposes of these Rules and Regulations unless the Air Pollution Control Officer cancels or denies the source's application for synthetic minor source status.

(9) Modifications to synthetic minor source status for a regulated air pollutant shall comply with all applicable requirements of these rules and regulations.

(10) For purposes of this rule, when determining actual emissions, any air pollution control device shall be deemed to have an overall emission control efficiency of zero percent unless it is part of an operational limitation that establishes a legally and practicably enforceable permit limit.

(11) Notwithstanding any permit terms or conditions established pursuant to this rule, all terms and conditions in any Permit to Operate, Authority to Construct, Temporary Authorization, Certificate of Exemption, Certificate of Registration, or Settlement Agreement otherwise established pursuant to these rules and regulations shall remain in force unless modified or removed in accordance with Regulation II, Regulation XIV, and Rule 1200.

(e) APPLICATION FOR SYNTHETIC MINOR SOURCE STATUS

A stationary source subject to this rule may apply for synthetic minor source status, or modification to such status, for any regulated air pollutant by submitting an application to modify some or all of the source's Permits to Operate or, with the approval of the Air Pollution Control Officer, an application for a new Permit to Operate in accordance with the following:

(1) Application Content

An application shall include:

(i) Specification of the regulated air pollutant(s) for which synthetic minor source status is requested; and

(ii) The identification and description of all existing emission units at the source emitting the specified pollutant(s), except for insignificant units unless deemed necessary by the Air Pollution Control Officer to determine the source's actual emissions; and

(iii) A demonstration to the satisfaction of the Air Pollution Control Officer that the stationary source's aggregate actual emissions of all regulated air pollutants will be less than the applicable major source thresholds for the 12-month period beginning with the month in which application for synthetic minor source status is made; and

(iv) Proposed legally and practicably enforceable permit limits which:

(A) identify the emission units or groups of emission units that such conditions shall be applied to; and

(B) limit the actual emissions of the specified regulated air pollutant(s) to a level such that the stationary source is a synthetic minor source for that pollutant(s); and

(v) A written certification signed by a responsible official that, based on information and belief formed after reasonable inquiry, the contents of the application are true, accurate, and complete; and

(vi) A fee deposit sufficient to cover the estimated costs to the District to review, evaluate, and act on the application; and

(vii) Any additional information requested by the Air Pollution Control Officer.

(2) Timely Application

An owner or operator of a stationary source who chooses to apply for synthetic minor source status shall make such a request within the following timeframes:

(i) For any stationary source that commences operating after March 6, 1997, the owner or operator shall apply for synthetic minor source status no later than 60 calendar days before an application is required under Regulation XIV; or

(ii) For any major stationary source that is operating in compliance with a Title V permit issued pursuant to Regulation XIV, the owner or operator shall request synthetic minor source status no later than eight calendar months prior to permit renewal; or

(iii) On a case-by-case basis, and with the agreement of the owner or operator of an affected stationary source, the Air Pollution Control Officer may establish an alternative date to the applicable dates in Subsections (e)(2)(i) and (e)(2)(ii) for submittal of an application for synthetic minor source status.

(f) DISTRICT PROCEDURES

(1) Action on Applications

The District shall take actions on applications for synthetic minor source status in accordance with Regulation II.

(2) Renewal of Synthetic Minor Source Status

Renewal of synthetic minor source status shall be made in accordance with permit renewals described in Rule 10 with renewal fees determined pursuant to Section (g) of this rule.

(3) Content of Synthetic Minor Source Permits

Permits to Operate issued or modified pursuant to this rule that establish synthetic minor source status shall:

(i) Include a statement that the source has synthetic minor source status for specified regulated air pollutants; and

(ii) Identify all permit conditions necessary to establish synthetic minor source status for a specified regulated air pollutant(s); and

(iii) Include legally and practicably enforceable permit limits that limit the actual emissions of individual emission units or groups of emission units such that the source meets the definition of a synthetic minor source for the specified regulated air pollutant(s); and

(iv) Include the initial start date of compliance timeframes; and

(v) Include recordkeeping requirements in accordance with Section (h); and

(vi) Include reporting requirements in accordance with Section (i); and

(vii) Specify any new monitoring requirements including analysis procedures, test methods and frequency, and recordkeeping designed to serve as monitoring that are sufficient to allow a determination of compliance with the legally and practicably enforceable permit limits for the relevant compliance timeframes.

(4) Compliance with Regulation XIV

If the Air Pollution Control Officer cancels an application for synthetic minor source status or denies an application for synthetic minor source status, the applicant shall be

deemed subject to the requirement to submit an application pursuant to Regulation XIV from the first day such an application was required under Regulation XIV.

(g) FEES

The owner or operator of a stationary source for which synthetic minor source status is applied for in accordance with this rule or a stationary source which is issued synthetic minor source status pursuant to this rule shall pay a fee sufficient to recover the actual costs incurred by the Air Pollution Control District to review, evaluate, and act upon applications for, or modifications to, such status and the actual costs associated with annual permit renewal and compliance determinations. The actual costs shall be the additional cost that the Air Pollution Control Officer determines are not otherwise recovered from other applicable fees prescribed in Rule 40. The actual costs shall be determined using the labor rates specified in Rule 40, Schedule 94.

(h) RECORDKEEPING

The recordkeeping requirements of this rule shall not supersede any recordkeeping requirements contained in any Authority to Construct, Temporary Permit to Operate, Permit to Operate, Certificate of Exemption, Certificate of Registration, or Settlement Agreement established pursuant to these rules and regulations; any District rules and regulations; or state law. The owner or operator of a stationary source that has applied for or received legally and practicably enforceable permit limits pursuant to this rule shall maintain records, as necessary to determine actual emissions, in accordance with the following:

(1) For each emission unit or group of emission units for which legally and practicably enforceable permit limits have established production limitations or operational limitations, not including air pollution control devices, the owner or operator shall maintain, as applicable, the following records:

(i) Information on the process and equipment including, but not limited to, the following: equipment type, description, make and model; maximum design process rate or throughput; type and description of any control device(s); and

(ii) Information on the identity and composition of each material used or consumed and product produced; and

(iii) Calendar month or daily records of operating hours, the identity and amount of each material used or consumed, and the identity and amount of each product produced; and

(iv) For emission units with limits having a 12-month period compliance timeframe, records of the total operating hours, the total amount of each material used or consumed, and the total amount of each product produced during each 12-month period; and

(v) Purchase orders, invoices, laboratory reports, material safety data sheets, and other documents necessary to support the information on material compositions and information in the monthly or daily records; and

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

(2) For air pollution control devices that are used to establish legally and practicably enforceable permit limits, the owner or operator shall maintain the following records, as applicable:

(i) Information identifying all key system operating parameters such as temperatures, pressures, and flow rates that are necessary to determine the overall control efficiency of the device; and

(ii) Daily records of key system operating parameters sufficient to document the overall control efficiency of the device on an ongoing basis; and

(iii) A daily log of hours of operation including notation of any control unit breakdowns, upsets, repairs, maintenance, and any other deviations from equipment design and key operating parameters.

(3) For verifiable emission limitations that are used to establish legally and practicably enforceable permit limits, the owner or operator shall maintain the following records, as applicable:

(i) Continuous emission monitoring or continuous parametric monitoring records as specified by the Air Pollution Control Officer; or

(ii) For all VOC and HAP containing materials:

(A) Information on the identity and VOC and HAP content of each material used; and

(B) Calendar month or daily records of the identity and amount of each material used; and

(C) For limits having a 12-month period compliance timeframe, records of the total amount of each material used during each 12-month period; and

(D) Purchase orders, invoices, laboratory reports, material safety data sheets, and other documents necessary to support the information on material compositions and information in the monthly or daily records; and

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

(4) For each emission unit or group of emission units that contributes to residual actual emissions the owner or operator shall maintain such records or upon request from the Air Pollution Control Officer provide other information necessary to demonstrate that residual actual emissions are less than de minimis emissions pursuant to Subsection (d)(4).

(5) All records shall be retained on site for at least three years and be made available to the District upon request.

(i) **REPORTING**

The owner or operator of any equipment or stationary source subject to the provisions of this rule shall submit by the submittal date of the Emissions Statement Form(s) required by Rule 19.3 for the year in which application for synthetic minor source status is requested, and each year thereafter, or on such other dates as specified by the Air Pollution Control Officer, a Process Statement for the preceding calendar year for all emission units with legally and practicably enforceable permit limits.

Documentation and calculations used to prepare the material presented in the Process Statement shall be maintained by the owner or operator for at least three years and shall be made available to the District upon request.

4. Proposed amended Rule 1401 is to read as follows:

REGULATION XIV. TITLE V OPERATING PERMITS

(Adopted 1/18/94, Revised 3/7/95 [EPA Approval 2/5/96, Effective 3/6/96])
(Revised 5/23/01 [EPA Approval 11/30/01, Effective 12/31/01])
(Revised 8/13/03; [EPA Approval 12/29/03, Effective 2/27/04])
(Revised *(date of adoption)* [EPA Approval *(date of EPA approval)*, Effective *(date of EPA effective date)*])

RULE 1401. GENERAL PROVISIONS

(a) **APPLICABILITY**

Notwithstanding the provisions of Rule 11, this regulation shall apply to any stationary source that is:

- (1) A major stationary source as defined in this regulation, or
- (2) Subject to a standard, limitation or other requirement under Section 111 of the federal Clean Air Act or Regulation X, Standards of Performance for New Stationary Sources (NSPS), except as provided in Subsection (b)(1) of this rule, or

(3) Subject to a standard, limitation or other requirement under section 112 of the federal Clean Air Act or Regulation XI, National Emission Standards for Hazardous Air Pollutants (NESHAPS), except as provided in Subsection (b)(1) of this rule, or

(4) Subject to the acid rain provisions of Title IV of the federal Clean Air Act, or

(5) A solid waste incineration unit required to obtain a permit pursuant to Section 129(e) of the federal Clean Air Act.

Terms and conditions of permits imposed pursuant to this regulation may be incorporated into permits to operate for emission units or for a group or groups of emission units at the stationary source. Terms and conditions imposed pursuant to this regulation that are applicable to more than one emission unit at the stationary source may, if appropriate, be incorporated into individual permits to operate by reference or through a common attachment.

Applicability of or exemption from this regulation does not constitute applicability of or exemption from any other provisions of these Rules and Regulations.

(b) EXEMPTIONS

The provisions of Regulation XIV shall not apply to any of the following:

(1) Emission units at stationary sources that are not major stationary sources, until the federal Environmental Protection Agency (federal EPA) completes rulemaking that requires any such source to have a permit under Title V of the federal Clean Air Act.

(2) Stationary sources, source categories or emission units that would be required to obtain a permit solely because they are subject to 40 CFR Part 60 Subpart AAA, Residential Wood Heaters.

(3) Stationary sources, source categories, or emission units that would be required to obtain a permit solely because they are subject to 40 CFR Part 61 Subpart M, Asbestos Demolition and Renovation.

(4) Insignificant emission units as specified in Rule 1411 provided that such unit or units are not subject to any applicable requirement other than District Rules 50 and 51. This exemption shall not exclude the emissions from such insignificant emission units in determining the applicability of or fees associated with any provisions of this regulation or of Title V of the federal Clean Air Act to any stationary source.

(c) DEFINITIONS

For purposes of Regulation XIV, the following definitions shall apply.

(1) **"Abrasive Blasting Cabinet"** means an enclosure used to contain abrasive media that can only be entered through ports for gloved arms and hands when abrasive blasting is conducted.

(2) **"Actual Annual Emissions"** means emissions from any stationary source established according to information gathered by means of annual emission inventory and confirmed accurate by the Air Pollution Control Officer.

(3) **"Administrative Permit Amendment"** means changes to the terms and conditions of a permit, which have been approved pursuant to this regulation. [See Rule 1410(i).]

(4) **"Affected Source (Acid Rain)"** means any emission unit that is subject to emission reduction requirements or limitations under Title IV of the federal Clean Air Act as amended in 1990.

(5) **"Affected State"** means any state that:

(i) is contiguous with California and whose air quality may be affected by a permit action, or

(ii) is within 50 miles of the source for which a permit action is being proposed.

For purposes of this rule, affected state includes any federally recognized eligible Indian tribe.

(6) **"Aggrieved Person"** means any person, including a person or group representing the interest of the public in air quality, who alleges that the issuance of a Permit to Operate will infringe upon or deny such person's legal rights or the legal rights of the general public in respect to air quality.

(7) **"Air Contaminant(s)"** means any substance discharged, released, or otherwise propagated into the atmosphere and includes, but is not limited to, any combination of the following: volatile organic compounds, exempt compounds, oxides of nitrogen, particulate matter, gaseous sulfur compounds, carbon monoxide, greenhouse gases, smoke, charred paper, dust, soot, grime, carbon, noxious acids, fumes, gases, odors, and federal hazardous air pollutant, including hazardous air pollutants identified in Section 112 of the federal Clean Air Act. Also included are Class I and Class II ozone depleting substances under Title VI of the federal Clean Air Act, any pollutant for which a national ambient air quality standard has been promulgated, and any substance subject to a standard promulgated under Sections 111 or 112 of the federal Clean Air Act.

(8) **"Alternative Operating Scenario"** means each coordinated set of alternative operational parameters and permit conditions proposed by an operator in a permit application and approved and implemented pursuant to this regulation.

(9) **"Appeared, Submitted Written Testimony, or Otherwise Participated"** means communicated specific substantive or procedural air pollution issues to the Air Pollution Control District (District) staff members who were responsible for permit to operate issuance, communicated with the Air Pollution Control Officer or his designee in the context of a formal public participation process, or testified before the Hearing Board in a formal proceeding. The term does not include mere expression of general interest or concern or oral communication outside of a formal public forum, whether by telephone or otherwise, with District staff members who were not directly responsible for issuance of the permit to operate. A party may show that it has otherwise participated in a matter by contemporaneous written documentation, or by declaration under oath.

(10) **"Applicable Requirements"** means:

(i) all federally enforceable requirements applicable to a stationary source prior to issuance of a permit to operate; and

(ii) any new federally enforceable requirements that become effective during the term of a permit.

(11) **"Application Shield"** means the protection from enforcement of the requirement to have a permit provided pursuant to Rule 1410(a).

(12) **"Architectural Surface Coating"** means any coating applied to stationary structures and their appurtenances coated onsite or in close proximity to the intended installed location, to mobile homes, to pavement, or to curbs.

(13) **"Carbon Dioxide Equivalent (CO₂e)"** means the sum of the adjusted emissions of each of the six greenhouse gases, as listed in the definition of Greenhouse Gas below, where the adjusted emissions for each individual greenhouse gas are equal to the mass emissions of that gas multiplied by the global warming potential of that gas, as listed in 40 CFR § 98, Subpart A, Table A-1, Global Warming Potentials. For purposes of this paragraph, the mass of the greenhouse gas carbon dioxide shall consider carbon dioxide emissions resulting from bioenergy and other biogenic sources consistent with 40 CFR 70.2 (definition of "Subject to regulation").

(14) **"Complete Application"** means an application for which the applicant has provided all information required under Rule 1414(f) or an application determined to be complete pursuant to Rule 1418(a).

(15) **"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-adjoining parcels of land separated solely by bodies of water designated "navigable" by the U. S. Coast Guard shall not be considered contiguous properties.

(16) **"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.

(17) **"Exempt Compound"** means the same as defined in Rule 2.

(18) **"Federal Hazardous Air Pollutant"** means any air pollutant which is listed pursuant to Section 112 of the federal Clean Air Act.

(19) **"Federal Non-Attainment Pollutant"** means any air pollutant for which San Diego County, or portion thereof, has been designated as not meeting a national ambient air quality standard (NAAQS) by the federal EPA.

(20) **"Federally Enforceable Requirement"** for purposes of this regulation, means all of the following as they apply to emission units at a stationary source. Requirements that have been promulgated or approved by the federal EPA through rule making at the time a permit to operate is issued, but which have future effective compliance dates, are federally enforceable requirements if listed below:

(i) Any standard or other requirement provided for in the State Implementation Plan (SIP), including any revisions approved or promulgated by the federal EPA through rule making 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 any federally mandated non-attainment new source review (NSR) or federally mandated prevention of significant deterioration (PSD) regulation.

(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.

(v) Any requirements established pursuant to Section 504(b) or Section 114(a)(3) of the federal Clean Air Act (enhanced monitoring and compliance certifications).

(vi) Any standard or other requirement governing solid waste incineration under Section 129 of the federal Clean Air Act.

(vii) Any standard or other requirement for consumer and commercial products under Section 183(e) of the federal Clean Air Act.

(viii) Any standard or other requirement for tank vessels under Section 183(f) of the federal Clean Air Act.

(ix) Any standard or other requirement of the program to control air pollution from outer continental shelf sources, under Section 328 of the federal Clean Air Act.

(x) Any standard or other requirement of the regulations promulgated to protect stratospheric ozone under of the federal Clean Air Act unless the Administrator of the federal EPA has determined that such requirements need not be contained in a permit to operate.

(xi) Any national ambient air quality standard or air quality increment or visibility requirement under Part C of Title I of the federal Clean Air Act, but only as it would apply to temporary sources permitted pursuant to Section 504(e) of the federal Clean Air Act.

(21) **"Federally Mandated Non-attainment New Source Review (NSR)"** means NSR requirements derived from 40 CFR 51.165, as required by the approved State Implementation Plan (SIP).

(22) **"Federally Mandated Prevention of Significant Deterioration (PSD) Regulation"** means the PSD requirements derived from 40 CFR 51.166, or that is delegated to the District or administered directly by the federal EPA pursuant to 40 CFR 52.21.

(23) **"Final Permit Action"** means a decision by the Air Pollution Control Officer to grant, deny or cancel an application for a permit to operate, modification or renewal; solely for purposes of seeking judicial review, a failure by the Air Pollution Control Officer to take action on an application within the time periods specified in this regulation; a decision by the Hearing Board altering a permit action by the District; or a decision by the federal EPA to veto a permit or to modify, terminate or revoke a permit or to issue a permit that differs from the permit proposed for issuance by the Air Pollution Control Officer.

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

(25) **"Global Warming Potential"** means the relative capacity of an individual greenhouse gas to cause a warming effect in the earth's atmosphere as compared to the capacity of carbon dioxide (CO₂) to cause such warming effect. For the purposes of this rule, the global warming potential of a greenhouse gas shall be as listed in 40 CFR § 98, Subpart A, Table A-1, Global Warming Potentials.

(26) **"Greenhouse Gas (GHG)"** means a gas that has the capacity to create a warming effect in the earth's atmosphere. For the purposes of the rule, carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), designated hydrofluorocarbons (HFCs), or designated perfluorocarbons (PFCs), as determined by the

federal EPA and as listed in 40 CFR § 98, Subpart A, Table A-1, Global Warming Potentials are considered GHG.

(27) **"Hearing Board"** means the Hearing Board of the Air Pollution Control District of San Diego County as authorized by the California Health and Safety Code.

(28) **"In-Scope Permit Actions"** means actions not inconsistent with applicable permit conditions, including alternative conditions under any approved alternative operating scenario during the period for which the operator has designated that scenario as applicable.

(29) **"Insignificant Unit"** means any of the equipment as specified in Rule 1411 and listed in Appendix A of this regulation. An insignificant unit shall not include any unit subject to an applicable requirement other than District Rules 50 and 51.

(30) **"Major Stationary Source"** means any stationary source, excluding any non-road engines, 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) 10 tons per year of any federal hazardous air pollutant, including fugitive emissions.

(ii) 25 tons per year of any combination of federal hazardous air pollutants, including fugitive emissions.

(iii) 100 tons per year or more of any regulated air pollutant except those described in Subsection (c)(30)(i) – (ii) above, and except greenhouse gases.

(iv) 100,000 tons per year of greenhouse gases expressed as CO₂e and 100 tons per year of greenhouse gases on a mass basis (that is, not adjusted for global warming potential).

(v) Fugitive emissions shall not be included to determine the emission rates for affected contaminants listed in Subsections (c)(30)(iii) – (iv) above except as determined by federal rule by the Administrator of the federal EPA, or unless the stationary source belongs to one of the following source categories:

1. All other stationary source categories regulated by a standard promulgated under Sections 111 and 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. Coal cleaning plants (with thermal dryers)

7. Kraft pulp mills
8. Portland cement plants
9. Primary zinc smelters
10. Iron and steel mills
11. Primary aluminum ore reduction plants
12. Primary copper smelters
13. Hydrofluoric, sulfuric, or nitric acid plants
11. Primary aluminum ore reduction plants
12. Primary copper smelters
13. Hydrofluoric, sulfuric, or nitric acid plants
14. Petroleum refineries
15. Lime plants
16. Phosphate rock processing plants
17. Coke oven batteries
18. Sulfur recovery plants
19. Carbon black plants (furnace process)
20. Primary lead smelters
21. Fuel conversion plants
22. Sintering plants
23. Secondary metal production plants
24. Chemical process plants, with the exception of ethanol production facilities that produce ethanol by natural fermentation included in NAICS codes 325193 or 312140.
25. Taconite ore processing plants
26. Glass fiber processing plants
27. Charcoal production plants

(31) **"Minor Permit Modification"** means any modification to a permit issued pursuant to this regulation that would not trigger federally-mandated non-attainment new source review or PSD. A permit modification shall not qualify as minor if the permit modification:

- (i) Causes a violation of any applicable requirement;
- (ii) Involves significant relaxation to monitoring, recordkeeping, or reporting requirements;
- (iii) Requires the establishment of, or requires a change in an existing federally-mandated source-specific emission limitation or standard (e.g., a case-by-case determination of control requirements for federal hazardous air pollutants under Section 112 of the federal Clean Air Act), or a federally-mandated source-specific determination for temporary sources of ambient impacts on air quality, or a visibility or air quality increment analysis;
- (iv) Changes permit terms and conditions (e.g., a voluntary emissions cap) for which there is no applicable requirement(s), but which terms and conditions the source accepted in order to qualify as exempt from an otherwise applicable requirement;

(v) Is a "modification" under any provision of Title I of the federal Clean Air Act, or results in an emissions increase that would trigger federally-mandated non-attainment new source review or PSD; or

(vi) Is a change involving a federal hazardous air pollutant that is subject to review and required to install Maximum Achievable Control Technology (MACT) under Section 112(g) of the federal Clean Air Act.

(32) **"Modification"** means any physical or operational change in any emission unit, or the addition of an emission unit at a stationary source, which would result in increased emissions of any air contaminant currently emitted, or emissions of air contaminants not previously emitted, except:

(i) Identical replacement in whole or in part of any emission unit at a stationary source, where a permit to operate has previously been granted for such emission unit, is not a modification.

(ii) The addition of an insignificant unit or units is not a modification.

(iii) The following changes shall not be considered modifications provided that such changes are not contrary to any permit conditions intended to limit emissions, to any emission limit established in the permit or implied by a permit condition, or to any applicable requirement of these Rules and Regulations:

(A) an increase in production rate and/or an increase in hours of operation;

(B) use of an alternate raw material;

(C) use of an alternate production method that reduces the generation of or allows for the reuse or recycling of wastes;

(D) actions pursuant to a temporary authorization issued under Subsection (b)(2) of Rule 1410 are not modifications for so long as the temporary authorization is effective, or

(E) relocation of equipment, designated as portable on the permit to operate, from one stationary source to another.

For purposes of this regulation, a modification does not have the same meaning as a permit amendment or permit modification. A modification may, but does not necessarily, require a permit amendment or permit modification and a permit amendment or permit modification may be required even if the change does not qualify as a modification.

(33) **"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.

(34) **"Non-Vehicular"** as used in this regulation means the same as "non-vehicular sources" as defined in Section 39043 of the California Health and Safety Code.

(35) **"Organic Compound"** means the same as volatile organic compound.

(36) **"Organic Solvent"** means organic materials which are liquids at standard conditions and which are used as dissolvers, viscosity reducers, extractants, or cleaning agents, or are reactants or products in manufacturing processes except materials which exhibit an initial boiling point of 450°F (232°C) or higher at 760 mm Hg, unless these materials are exposed to temperatures exceeding 200°F (93.3°C).

(37) **"Oxides of Nitrogen (NOx)"** means the sum of all oxides of nitrogen, except for nitrous oxide, collectively expressed as nitrogen dioxide.

(38) **"Particulate Matter (PM₁₀)"** means particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns as measured by an applicable reference test method or methods found in Article 2, Subchapter 8, Title 17, of the California Code of Regulations Section 94100 et seq.

(39) **"Permit to Operate"** means authorization to operate an emission unit or combination of emission units as specified and issued by the Air Pollution Control Officer on a form or forms prescribed by the Air Pollution Control Officer. Unless otherwise specified, the term permit to operate refers to permits issued pursuant to this regulation.

(40) **"Permit"** means the same as permit to operate.

(41) **"Permit Shield"** means the protection from enforcement of certain applicable requirements in the manner and to the extent provided in Rule 1410(p).

(42) **"Potential to Emit"** means the capacity of a stationary source to emit air pollutants, based on its physical and operational design, taking into consideration any federally-enforceable requirements applicable to the source. Potential to emit includes fugitive emissions, except to the extent such emissions are excluded under the definition of "major stationary source" in this regulation.

(43) **"Quantifiable"** means that a reliable basis for calculating the amount, rate, nature and characteristics of an emission reduction can be established.

(44) **"Regulated Air Pollutant"** means any of the following:

- (i) Oxides of nitrogen and volatile organic compounds.

(ii) Any pollutant for which a national ambient air quality standard has been promulgated pursuant to Section 109 of the federal Clean Air Act.

(iii) Any pollutant subject to a new source performance standard promulgated pursuant to Section 111 of the federal Clean Air Act and as identified in 40 CFR Part 50.

(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 federal hazardous air pollutant subject to a standard or requirement promulgated pursuant to Section 112 of the federal Clean Air Act.

(vi) Greenhouse gases if the source has a potential to emit 100 tons per year or more on a mass basis and 100,000 tons per year or more measured as CO₂e. However, greenhouse gases shall no longer be considered a regulated pollutant pursuant to this Rule in the event that the federal regulations requiring Title V permits for stationary sources of greenhouse gases are stayed, withdrawn, or rendered invalid for any reason.

(45) **"Related Emission Units"** means emission units, where the operation of one emission unit is dependent upon, or affects the process or operation (which may include duration of operation) of another emission unit, as determined by the Air Pollution Control Officer.

(46) **"Reopening of the Permit to Operate"** means reconsideration of a permit to operate or modification of a permit to operate as provided in Rule 1410(o).

(47) **"Responsible Official"** means, for each source required to have a permit, any one of the following:

(i) For a corporation:

(A) corporation president,

(B) corporation secretary,

(C) corporation treasurer,

(D) corporation vice-president,

(E) any other person who performs policy or decision-making functions for the corporation similar to (A), (B), (C) or (D), or

(F) a duly authorized designated representative of any of the above persons if the representative is responsible for the overall operation of one or

more manufacturing, production, or operating facilities applying for or subject to a permit and either:

(1) the facility employs more than 250 persons or has gross annual sales or expenditures exceeding \$25 million (in second quarter 1980 dollars); or

(2) the delegation of authority to such representatives is approved in advance by the permitting authority.

(ii) For a partnership or sole proprietorship:

(A) a general partner, or

(B) the proprietor, respectively.

(iii) For a municipality, state, federal, or other public agency:

(A) the principal executive officer, or

(B) a ranking elected official.

For the purposes of this paragraph, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a Regional Administrator of the federal EPA).

(iv) For affected sources (Acid Rain):

(A) the designated representative for purposes of actions, standards, requirements, or prohibitions under Title IV of the federal Clean Air Act or regulations promulgated thereunder, as they exist on January 18, 1994; and

(B) the designated representative for any other purposes under these rules and regulations or 40 CFR Part 70 as it exists on January 18, 1994.

(48) **"Section 502(b)(10) Change"** means a change, pursuant to Section 502(b)(10) of the federal Clean Air Act, that contravenes the express terms and conditions of a permit to operate, but which does not violate any applicable requirement or a federally-enforceable permit term establishing monitoring, recordkeeping, reporting or compliance certification requirements.

(49) **"Significant Permit Modification"** means any modification to a permit issued pursuant to this regulation that is not an administrative amendment or a minor modification, or any modification to such permit which:

(i) Causes a violation of any applicable requirement; or

(ii) Involves significant change in existing monitoring permit terms or conditions or relaxation to monitoring, recordkeeping, or reporting requirements; or

(iii) Requires the establishment of, or requires a change in, an existing federally-mandated source-specific emission limitation or standard (e.g., a case-by-case determination of control requirements for federal hazardous air pollutants under Section 112 of the federal Clean Air Act), or a federally-mandated source-specific determination for temporary sources of ambient impacts on air quality, or a visibility or air quality increment analysis; or

(iv) Changes permit terms and conditions (e.g., a voluntary emissions cap) for which there is no applicable requirement(s), but which terms and conditions the source accepted in order to qualify as exempt from an otherwise applicable requirement; or

(v) Is a "modification" under any provision of Title I of the federal Clean Air Act, or results in an emissions increase that would trigger federally-mandated new source review; or

(vi) Is a change involving a federal hazardous air pollutant that is subject to review and required to install Maximum Available Control Technology (MACT) under Section 112(g) of the federal Clean Air Act.

Any relaxation of monitoring, reporting or recordkeeping requirements at a source required to have a permit to operate (e.g., a change from daily to monthly recordkeeping) shall be a significant modification.

(50) **"Source"** means any emission unit; any combination of emission units; any owner or operator of an emission unit, combination of emission units, or stationary source; or any applicant for a permit to operate for any emission unit, or combination of emission units.

(51) **"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.

(52) **"Timely Application"** means a permit application that has been received or postmarked on or prior to the required submission date. The use of reliable non-Governmental mail carriers that provide documentation of verifiable delivery, similar to the postmark provided by the U.S. Postal Service, or alternative means of delivery, including the use of electronic media, is acceptable for establishing the date of submittal.

(53) **"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.

(54) **"Non-road Engine"** means the same as defined in 40 Code of Federal Regulations, Part 89.

(d) REQUIREMENT FOR AUTHORITY TO CONSTRUCT

Nothing in this regulation shall provide relief from the requirement of Rule 10 of these Rules and Regulations to obtain an authority to construct.

RULE 1402 THROUGH 1409 RESERVED

5. Proposed amended Rule 1410 is to read as follows:

RULE 1410. PERMITS REQUIRED (Adopted 1/18/94; Revised 3/7/95)
(Rev. 5/23/01: Eff. 12/31/01)
(Rev. 8/13/03: Eff. 2/27/04)
(Rev. (date of adoption): Eff. (date of EPA approval))

(a) APPLICATION SHIELD

Any source that submits a timely and complete application for permit issuance or renewal under this regulation shall not be in violation of the requirement to have a permit to operate under this rule until the Air Pollution Control Officer takes final permit action on the permit application or the permit expires. If a timely and complete application is submitted and the Air Pollution Control Officer does not issue a permit renewal prior to the expiration of the term of the existing permit, then the permit shall not expire and the terms and conditions of the permit, including any permit shield, shall remain in effect until the permit renewal is issued or denied. These protections shall cease to apply if, subsequent to the permit application being determined to be complete or being deemed complete, the applicant fails to submit by the deadline specified in writing by the Air Pollution Control Officer, pursuant to Rule 1414 (h), any additional information identified as being needed to process the application.

(b) **PERMIT TO OPERATE**

Except as provided in Section (a) above and Subsection (b)(2) below, no source subject to this regulation may operate after the time that it is required to submit a timely and complete application for a permit to operate unless the source is operating in compliance with permit(s) issued pursuant to this regulation.

(1) **Multiple Emission Unit Permits to Operate and Multiple Permits to Operate.** Nothing in these Rules and Regulations shall prohibit the Air Pollution Control Officer from issuing more than one permit to operate to a stationary source or from grouping more than one emission unit under a single permit to operate, which will supersede any permits to operate previously issued to the affected emission units, provided the Air Pollution Control Officer determines that:

- (i) Such units or groupings of units comply with the applicable requirements of these Rules and Regulations,
- (ii) The units or grouping of units included under a single permit to operate are adequately and clearly described,
- (iii) The applicability of particular conditions within such a permit to operate to one or more units is clearly specified, for all alternative operating scenarios applicable to the source,
- (iv) All conditions of such a permit to operate are reasonably enforceable, and
- (v) All emission units, excluding insignificant units, are covered by a permit to operate or a timely application for a permit to operate.

The Air Pollution Control Officer shall group units into a single permit to operate if such a grouping is proposed by the applicant for a permit to operate, unless the Air Pollution Control Officer determines that such grouping will violate the conditions set forth above, or will not facilitate operational flexibility at the source, or will result in violation of any applicable requirement of these Rules and Regulations.

(2) **Temporary Authorizations, Duration.** The Air Pollution Control Officer may grant a temporary authorization to operate any new or modified emission unit for which a complete application for a Title V permit to operate must be submitted within 12 months after operation has been commenced pursuant to Rule 1414(c) provided all of the following have been met:

- (i) Construction or modification has been completed in accordance with an Authority to Construct issued pursuant to Rule 10.
- (ii) Construction or operation of the new or modified unit is not prohibited by any existing permit issued pursuant to this regulation.

(iii) The Air Pollution Control Officer finds that operation of the new or modified emission unit is expected to comply with all applicable requirements of these Rules and Regulations and all terms and conditions of the Authority to Construct.

(iv) The operator submits a complete application for a permit to operate that includes new applicable permit terms and conditions, or if the operator otherwise demonstrates to the satisfaction of the Air Pollution Control Officer that the proposed new terms and conditions create a need for research and development, or additional testing or evaluation, before the proposed terms and conditions can be approved. A temporary authorization may also be issued to a source that is subject to this regulation to allow development, advancement and field testing of technology to meet pending and anticipated regulations or best available control technology (BACT) standards.

An application for a permit to operate shall not be found to be incomplete solely because research and development, testing or evaluation is determined to be necessary before a permit can be issued, and any source whose application for a permit to operate is otherwise timely and complete shall have the benefit of the application shield set forth in Section (a) of this rule. If the Air Pollution Control Officer determines that additional information is needed to take final permit action on an application that was determined or deemed to be complete, the Air Pollution Control Officer may request such information and require the applicant to furnish the information within a reasonable time. The ability of a source to operate under an application shield shall cease to be in effect if the source fails to provide the required information within the specified time.

Issuance of a temporary authorization shall not relieve the owner or operator of a source from the obligation to file a timely and complete application for a permit to operate or a permit revision, nor from the obligation to comply with all federally enforceable requirements.

A temporary authorization issued pursuant to this regulation shall expire on the date that a timely and complete application for a permit to operate or modification is due.

(3) **Availability and Effects of Appeals.** An owner or operator may appeal any permit action proposed by the Air Pollution Control Officer in response to an application for a permit to operate or modification. Appeals shall be made to the Hearing Board in accordance with Rule 1425, before the proposed permit action is noticed for public review and comment or before it is forwarded to the federal EPA and affected states for consideration. A proposed permit to operate shall not be noticed for public review or forwarded to the federal EPA and affected states for review while any permit action or proposed permit action is being appealed before the Hearing Board. No final permit to operate shall be issued during this period or during the time for public review and comment and the federal EPA review set forth in Rule 1415. An appeal to the Hearing Board shall be resolved in a timely manner and in no case shall an appeal delay final permit action on a

permit beyond 45 days from receipt of a request for an administrative permit amendment, 60 days for a minor permit modification, or 18 months for a significant permit modification, initial permit, permit reopening or permit renewal.

In the case of an appeal of any permit action for equipment proposed to be installed in conjunction with existing equipment operating under a permit to operate to comply with new requirements of District Rules and Regulations or other applicable law, District enforcement of the new requirements shall be deferred until the appeal is resolved. This paragraph applies only to any permit action taken before the effective date of the new requirements.

In the case of an appeal of any permit terms and conditions proposed to be deleted from or added to permits to operate, such permit actions and District enforcement thereof shall be deferred until the appeal is resolved.

(c) POSTING OF PERMIT TO OPERATE

A person who has been granted a valid permit to operate shall firmly affix such permit, a true copy of such permit, or other approved identification bearing the permit number upon the emission unit in such a manner as to be clearly visible and accessible. In the event that the emission unit is so constructed or operated that the permit to operate cannot be so placed, the permit shall be mounted so as to be clearly visible in an accessible place within 25 feet of the emission unit, or maintained readily available at all times on the operating premises.

(d) ALTERATION OF PERMIT

A person shall not willfully deface, alter, forge, counterfeit or falsify any permit issued under these Rules and Regulations.

(e) RESERVED

(f) EXISTING REQUIREMENTS

The terms and conditions of permits to operate shall be maintained in the permit, except as provided in Rule 1420(b).

(g) CONTROL EQUIPMENT

Nothing in this rule shall be construed to authorize the Air Pollution Control Officer to require the use of machinery, devices or equipment of a particular type or design, if the required emission standard may be met by machinery, device, equipment, product or process changes otherwise available unless a regulation promulgated by the federal EPA and required to be enforced through this regulation specifies the use of specific machinery, device, equipment, product or process change.

(h) RENEWAL OF PERMITS TO OPERATE

A permit to operate issued under this regulation shall have a life of five years from the date of issuance. Permits to operate shall be renewed upon approval of the Air Pollution Control Officer in accordance with the procedures in this rule every five years on a staggered schedule to be determined by the Air Pollution Control Officer.

In addition to this five-year renewal the permit to operate will be subject to annual review in accordance with Rule 10(h) of these Rules and Regulations.

An application for renewal of a permit to operate issued must be submitted at least 12 months, but not more than 18 months, prior to permit expiration, on forms prescribed by the Air Pollution Control Officer. The application and any necessary certification of compliance must be submitted by a responsible official of the source.

Permits to operate may be renewed only upon:

- (1) Submission of a complete application for permit, including required statements and certifications, as set forth in Rule 1414.
- (2) Payment of appropriate renewal fees as prescribed in Rule 40.
- (3) Annual submittal of a supplemental statement certified by a responsible official setting out the status of the source with respect to past and current compliance with substantive requirements of the existing permit to operate, as evidenced by monitoring or other compliance reports (including progress reports if any are required under an applicable schedule of compliance).
- (4) Determination by the Air Pollution Control Officer that the source can be operated in compliance with the terms and conditions of the proposed renewed permit to operate, taking into account any compliance schedule that will be a part of that permit.
- (5) Completion of a 30-day public comment period and a 45-day review period for affected states and the federal EPA.
- (6) There being no objection to the renewal of the permit from the Administrator of the federal EPA. If the Administrator objects within the 45-day period, a permit shall not be renewed until the Administrator has withdrawn the objection.

(i) ADMINISTRATIVE PERMIT AMENDMENTS

Administrative permit amendments are changes that can be made to a permit which has been granted pursuant to this regulation as follows:

- (1) Address changes that do not result in physical relocation of equipment.

(2) Correction of typographical errors and updates to information such as phone numbers.

(3) Incorporation of Prevention of Significant Deterioration (PSD) or New Source Review (NSR) permits issued through an Authority to Construct pursuant to federal EPA approved new source review and prevention of significant deterioration rules, provided that such Authority to Construct has been issued in accordance with the provisions of Section (q) of this rule.

(4) Any emission unit that is the subject of a permit to operate and which is transferred from one person to another shall not be operated until application is made to the Air Pollution Control Officer for a revised permit and such permit is issued unless a temporary authorization pursuant to Rule 1410(b)(2) has been issued to the new owner or operator. Such revisions shall be administrative permit amendments. The revision shall specify a date for the transfer of permit responsibility, coverage and liability between the prior and the new permittee. If such transfer is accompanied by modification of the emission unit, which modification is not exempt under this regulation, an application for permit modification shall be required.

Any permit or written authorization issued hereunder shall not be transferable, by operation of law or otherwise, from one piece of equipment to another.

(5) A change to require more frequent monitoring or reporting by the permittee;

(6) Revisions to conditions identified as District-only enforceable requirements.

Administrative permit amendments will be recorded by the Air Pollution Control Officer upon request from the applicant for such amendment, are not subject to any notice requirements of this regulation unless otherwise specified in this Section, and may be implemented by the applicant upon filing of the application with the Air Pollution Control Officer.

The Air Pollution Control Officer shall act on a request for an administrative amendment within the time specified in Rule 1418. If the administrative amendment is approved, the Air Pollution Control Officer shall issue an amended permit or, in the case of an Enhanced Authority to Construct issued pursuant to Section (q) of this rule, may determine in writing that the terms and conditions of the final Enhanced Authority to Construct constitute the amended permit. In such case, the permittee shall affix the final Enhanced Authority to Construct to the portions of the permit being amended. The Air Pollution Control Officer shall provide the federal EPA with a copy of the amended permit at the time of approval.

(j) MINOR PERMIT MODIFICATIONS

The owner or operator of any emission unit that is the subject of a permit to operate may make changes in the operation and physical characteristics of the subject equipment if the owner or operator first applies for and obtains any Authority to Construct, Permit to Operate, or Determination of Compliance required pursuant to Rule 10 of these Rules and Regulations, the changes qualify as a minor permit modification, and the following requirements are met:

(1) Minor permit modifications are subject to the following procedural requirements:

(i) The application may be approved with or without public notification, as requested by the applicant. Minor permit modifications shall not be eligible for the permit shield provided by Rule 1410(p). However, any permit shield specified in permit terms or conditions that are not affected by an application for minor permit modification shall remain intact.

(ii) An application for a minor permit modification shall include all information consistent with Rule 1414(f) for each emission unit being modified and for each emission unit affected by the modification. The application shall also include:

(A) a description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;

(B) the source's suggested draft permit;

(C) certification by a responsible official of the source stating that, based on information and belief formed after reasonable inquiry, the proposed modification meets the criteria for use of minor permit modification and that the statements and information contained in the application in support of this determination are true, accurate, and complete, and a request that such procedure be used; and

(D) completed forms for the District to use to notify the federal EPA and affected States.

(iii) The applicant may make the change as soon as a complete application is filed. If the source makes a change prior to a permit action, and until the District takes final permit action on the change, the source must comply with both the applicable requirements governing the change and the terms and conditions proposed by the source. During this time period the source need not comply with existing permit terms and conditions it seeks to modify. However, if the source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions the source seeks to modify may be enforced against it.

(iv) The Air Pollution Control Officer must notify affected states and the federal EPA within five days of receipt of a complete application.

(v) A preliminary decision by the Air Pollution Control Officer to approve a minor permit modification shall be subject to a 45-day period for comments or objection by the federal EPA.

(vi) The Air Pollution Control Officer must act on a complete application within 90 days of receipt, or within 15 days of the expiration of the federal EPA's 45-day review period, whichever is later. An application for a minor modification shall remain pending until action is taken on the application, or the application is canceled or withdrawn.

(2) A change that would otherwise be processed as a minor permit modification under this section but which has been approved in an Authority to Construct in accordance with the procedures prescribed in Section (q) of this rule, may be processed as an administrative permit amendment.

(3) If a source implements a minor permit modification without waiting for final approval, and the permit modification is disapproved, the source shall be subject to enforcement action for operating outside the terms and conditions of its permits to operate while the proposed permit modification was under review.

(4) Nothing in this Section (j) shall provide immunity from enforcement of any applicable requirement (whether the requirement arises under an applicable permit, these Rules and Regulations, or state or federal law), for operations that are not the subject of an application for a minor permit modification, or if the application for a minor permit modification is denied.

(k) SIGNIFICANT PERMIT MODIFICATION

(1) Procedures for Significant Permit Modifications.

(i) Permit terms and conditions that otherwise would be significant permit modifications but have been approved through the enhanced procedures for Authorities to Construct specified in Section (q) of this rule shall be incorporated into the permit to operate as administrative permit amendments. Any significant permit modification that is not subject to enhanced procedures for Authorities to Construct shall be subject to all provisions of this regulation for an initial permit to operate, including provisions for application, completion of form used by the Air Pollution Control Officer to notify the federal EPA and affected states, public notice and comment, review by affected states, and review by the federal EPA, as prescribed for initial permit issuance.

(ii) A modification that would be a significant permit modification under this regulation that is also subject to new source review shall first be processed under the new source review rules. This process shall include an opportunity for public review and

comment, and notice and review by the federal EPA and affected states, whether or not such procedures would otherwise be required under the new source review rules.

(iii) If the proposed modification does not contravene the terms or conditions of the existing permit, a person may make the proposed modification upon issuance of an Authority to Construct, and submit an application for a significant permit modification within 12 months of making the modification, in accordance with Subsection (b)(2). If the proposed modification contravenes the terms or conditions of an existing permit a person shall not make the proposed modification until such modification is authorized by the Air Pollution Control Officer and such modification is made a part of the permit to operate.

(iv) Applications for significant permit modifications shall remain pending until approved, canceled, or denied.

(2) **Action on Significant Permit Modifications.** The Air Pollution Control Officer shall make every effort to act on a complete application for a significant modification within 12 months of receipt but in no case shall final permit action be taken more than 18 months from the date a complete application is received or an application is deemed complete.

(3) **Change of Location.** Any person who possesses a permit to operate any emission unit at a source that is subject to this regulation and desires to change the location of such emission unit shall first apply to the Air Pollution Control Officer for a significant modification to the permit to operate pursuant to this section. The provisions of this paragraph shall not apply to any change of location for any portable emission unit provided such change will not violate a term or condition of the permit or cause or exacerbate violation of any national ambient air quality standard, air quality increment, or visibility requirement and the owner or operator has notified the Air Pollution Control Officer at least 10 days in advance of each change in location. Any change of location of a non-portable emission unit within a contiguous parcel of land in the possession of, or owned by, or recorded as the property of, the same person shall not be considered a change of location.

(1) **OPERATIONAL FLEXIBILITY: SECTION 502(b)(10) CHANGES**

The owner or operator of any emission unit that has a permit to operate issued pursuant to this Regulation may make changes in the operation and physical characteristics of the subject equipment, without seeking or receiving approval for modification to such permit, provided the owner or operator first applies for and obtains any Authority to Construct, Permit to Operate, or Determination of Compliance required pursuant to Rule 10 of these Rules and Regulations, and such operational or physical changes:

(1) Are not "modifications" under any provision of Title I of the federal Clean Air Act, and

(2) Do not cause a violation of any applicable requirements, and

(3) Do not contravene federally enforceable requirements that are monitoring, recordkeeping, reporting, or compliance certification requirements, including requirements related to test methods, and

(4) Do not result in exceedance of emissions allowed under the permit, whether expressed therein as a rate of emissions or in terms of total emissions, or implied by a specific permit term that has the effect of limiting emissions from one or more emission units at the source.

For each such change, notification shall be provided to the Air Pollution Control Officer and the EPA Regional Administrator at least 7 days prior to implementation of such operational or physical changes. This notice shall be in writing and must include a brief description of the change, the date on which the change will occur, any change in emissions, and a listing of any permit term or condition affected. The notice shall be attached to copies of affected permits to operate maintained by the source.

A source may make a change 7 days after notice to the Air Pollution Control Officer and the EPA Regional Administrator provided such change meets the requirements of this section. If the Air Pollution Control Officer subsequently determines that the change does not qualify as a Section 502 (b)(10) change, enforcement action may be taken against the source for making the change without prior approval. If the operator requests an affirmative determination by the Air Pollution Control Officer that the proposed change qualifies as a Section 502(b)(10) change, and agrees not to implement that change until a determination is made, the Air Pollution Control Officer shall make a determination and notify the operator within 60 days of receipt of notice of the proposed change.

The permit shield if any provided pursuant to Section (p) of this rule, shall not be applicable to changes made pursuant to this Section (l).

The Air Pollution Control Officer may determine that a planned or implemented Section 502(b)(10) change does not meet the requirements of this section at any time. Any such determination must be in writing setting out the specific reason or reasons that the change does not qualify as a Section 502(b)(10) change. Any determination by the Air Pollution Control Officer that a proposed change is not a Section 502(b)(10) change may be appealed to the Hearing Board. If notice of an adverse determination is received by the operator from the Air Pollution Control Officer before the 7-day notice period has expired, the operator may not implement the proposed change, unless an appeal is taken to the Hearing Board and resolved in favor of the operator. If notice is received by the operator after the 7-day period for notice has expired and after the change has been implemented, and if the operator appeals the Air Pollution Control Officer's determination to the Hearing Board within 30 days of notice by the Air Pollution Control Officer, the change may remain in place until the matter is decided upon by the Hearing Board. In no case shall an appeal to the Hearing Board or decision by the Hearing Board affect or abridge the authority of EPA to object to a change or to determine that a change does not qualify as a Section 502 (b)(10) change.

Nothing in this section shall prohibit an operator from applying for a revision to a permit or the Air Pollution Control Officer from revising a permit to reflect the change made. Any such permit application shall be processed pursuant to the applicable permit processing provisions of this regulation. If the permit affected by a Section 502(b)(10) change is subsequently renewed or revised pursuant to the provisions of this regulation, the Air Pollution Control Officer shall incorporate any new or revised terms and conditions necessary to reflect all Section 502(b)(10) changes that have not yet been incorporated into the permit. In the case of a significant permit modification, reopening of the permit to operate, or renewal of the permit to operate, the permit shield, if any provided to a source pursuant to Section (p) of this rule, may thereafter apply to the revised permit.

Where an operational or physical change has been made under the provisions of this Section (l) and such change qualifies as a Section 502(b)(10) change, any compliance certifications, monitoring summaries or deviation reporting required by the Title V permit pursuant to Rule 1421 shall be based on the Section 502(b)(10) change to the extent such change affects the terms and conditions of the permit.

(m) OPERATIONAL FLEXIBILITY: TRADING UNDER AN EMISSIONS CAP

An applicant that has sought and received permit terms and conditions to allow internal trading of emissions solely for the purpose of complying with a federally enforceable emissions cap established independent of otherwise applicable requirements, may make any trade that is consistent with those permit terms and conditions upon seven days notice to the Air Pollution Control Officer.

This notice shall be in writing and must include a brief description of the trade, the date or dates on which the trade will occur, and information on any change in emissions.

The Air Pollution Control Officer may determine that a planned trade is not within the scope of the applicable permit at any time. Any such determination must be in writing setting out the specific reason or reasons that the proposed trade is not within the scope of the permit. Upon such a determination, the trade shall not proceed.

(n) OPERATIONAL FLEXIBILITY: ALTERNATIVE OPERATING SCENARIOS

Any applicant that identifies alternative operating scenarios in an application for permit pursuant to this regulation may exercise such alternative operating scenarios without prior notice to the Air Pollution Control Officer provided:

(1) The Air Pollution Control Officer determines during issuance of the permit to operate that such alternative operating scenarios do not violate any provisions or standards of these Rules and Regulation or of state, or federal law.

(2) Each alternative operating scenario is identified in all affected permits to operate.

(3) The applicant maintains current operating logs, in the manner and form prescribed by the Air Pollution Control Officer, identifying which alternative operating scenario the operation is under, and all information necessary to determine compliance as specified in the permit to operate.

(o) REOPENING OF A PERMIT TO OPERATE

Any permit to operate issued pursuant to this regulation shall be reopened prior to expiration following written notice of intent by the Air Pollution Control Officer to the permit holder at least 30 days prior to reopening, if any of the following occur:

(1) Additional requirements promulgated under the federal Clean Air Act become applicable for a major stationary source with at least three years remaining on the permit term. Such reopening shall be completed within 18 months after promulgation of the applicable requirement.

(2) Additional requirements (including excess emissions requirements) become applicable under the federal Clean Air Act Acid Rain Program.

(3) The Air Pollution Control Officer or the Administrator of the federal EPA determines that the permit must be revised or revoked:

(i) to correct a material mistake, or because inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit; or

(ii) to assure compliance with all applicable requirements.

The procedures for reopening and revising or reissuing a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists.

Reopenings by the Administrator of the federal EPA shall be performed in accordance with Section 70.7 (g) of 40 CFR Part 70.

Any source whose permit is partially reopened may request that the entire permit be reopened and reissued for a new five-year term.

In-scope permit actions, Section 502(b)(10) changes, trades under an emissions cap, administrative permit amendments, and minor permit modifications shall not require the use of permit reopening procedures.

(p) PERMIT SHIELD

Any source seeking a permit pursuant to this regulation may request that a permit shield be provided, to preclude enforcement of specific enumerated requirements where the Air Pollution Control Officer has determined in writing that such requirements are not applicable to the source

and summarized the determination in the permit, or to limit enforcement to permit conditions for specified applicable requirements where the Air Pollution Control Officer has determined that compliance with such conditions may be deemed compliance with the underlying specified applicable requirements and the requirements are specifically identified as such in the permit.

No shield may apply to requirements promulgated after the permit to operate is issued nor to permit modifications or Section 502(b)(10) changes implemented without public notice and comment and an opportunity for review by the federal EPA and affected states.

A permit shield shall exist only as stated in the permit to operate. A permit shield shall not be in effect if the source is not in compliance with the terms and conditions of the permit that provide the permit shield.

The Air Pollution Control Officer may grant or deny permit shields, or limit the scope of such shields. District determinations may be based on the applicant's circumstances, the level of effort that would be required to identify or verify all requirements applicable to a source, the state of the law in the area where the shield is proposed, and other relevant considerations.

Nothing in this section shall alter or affect the following:

(1) The provisions of Section 303 of the federal Clean Air Act including the authority of the Administrator under that section,

(2) The liability of a source for any violation of applicable requirements prior to or at the time of permit issuance,

(3) The applicable requirements of the acid rain program consistent with Section 408 (a) of the federal Clean Air Act, and

(4) The ability of EPA to obtain information from a source pursuant to Section 114 of the federal Clean Air Act.

(q) ENHANCED PROCEDURES FOR AUTHORITIES TO CONSTRUCT

At the request of an applicant, the Air Pollution Control Officer shall process applications for permit modifications that would otherwise be considered minor permit modifications or significant permit modifications to a permit to operate, issued pursuant to this regulation, using the Administrative Permit Amendment procedures prescribed in Rule 1410(i) provided that the change for which the permit modification is sought has been previously approved by the Air Pollution Control Officer by issuance of an Authority to Construct as required by Rule 10 and provided that:

(1) The application for Authority to Construct includes:

(i) A compliance plan containing the elements specified in Rule 1414(f)(3)(viii) for any new or modified emission units. For new units, the

compliance plan shall address those applicable requirements which will apply to the unit during and after construction. For a modification of an existing emission unit or modification of the permit terms or conditions for an existing emission unit, the compliance plan shall address both the current applicable requirements and those applicable requirements that will apply after modification.

(ii) A description of the methods the applicant proposes to use to determine compliance of the new or modified units with any applicable requirements, including descriptions of monitoring, recordkeeping and reporting requirements and test methods. Such compliance determination methods shall not be less stringent than the minimum standards contained in any applicable requirements.

(iii) A schedule for submission of initial compliance certifications for each new or modified unit. Such compliance certifications shall be submitted not later than one-year after construction or modification of a unit is completed or sooner if specified by an applicable requirement or by the Air Pollution Control Officer.

(iv) Any other information deemed necessary by the Air Pollution Control Officer to determine compliance with all applicable requirements.

(2) The Authority to Construct includes:

(i) For each new or modified unit not in compliance with an applicable requirement or for which an applicable requirement becomes effective before issuance of a modified permit, a compliance schedule specifying the increments of progress under which the new or modified units will be brought into compliance and containing the elements specified in Rule 1421(b)(2)(ii). The compliance schedule shall also require periodic compliance progress reports to the Air Pollution Control Officer, to be submitted not less frequently than semi-annually.

(ii) A requirement for submission of initial compliance certifications for each new or modified unit consistent with the elements specified in Rule 1421 (b)(2)(iii). Such compliance certifications shall be submitted not later than one year after construction or modification of a unit is completed or sooner if specified by an applicable requirement or by the Air Pollution Control Officer. Each compliance certification shall contain a description of the monitoring methods, data, records, reports and test methods used to determine compliance.

(iii) A requirement that representatives of the District shall be allowed access to the source and all required records pursuant to State Health and Safety Code Section 41510.

(iv) Requirements for monitoring, recordkeeping, testing and reporting as specified by applicable requirements or by these Rules and Regulations, or as determined necessary by the Air Pollution Control Officer to ensure compliance with

all applicable requirements, and consistent with the elements specified in Rule 1421(b)(1)(iii).

(3) Prior to issuance of the Authority to Construct, the Air Pollution Control Officer has done all of the following:

(i) Publicly noticed the proposed issuance of an Authority to Construct and made available a draft of the proposed Authority to Construct for public review and comment for 30 days, following the procedures specified in Sections (a), (d), (e), (j) and (k) of Rule 1415 as if the Authority to Construct were a permit to operate.

(ii) Conducted a public hearing when, as a result of a petition from the public, the Air Pollution Control Officer has determined that there is reasonable cause to hold such a hearing. All public hearings shall be publicly noticed at least thirty days prior to the hearing. The public notice shall contain all of the information specified in Rule 1415(d) as if the Authority to Construct were a permit to operate.

(iii) Submitted a draft of the proposed Authority to Construct to any affected states and to the federal EPA Region IX, for a period of 45 days for review and comment. In the event the proposed Authority to Construct is substantively changed after submittal to EPA, such changes shall be resubmitted to EPA for a new 45-day review and comment period.

(4) All comments received from the public, affected states and federal EPA notification procedures described above and which comments are relevant to the permit review and areas appropriate for public comment as identified pursuant to Subsection (q)(3)(i) of this rule have been considered and responded to by the Air Pollution Control Officer.

(5) The Administrator of the federal EPA has not objected to the issuance of the proposed Authority to Construct within the review periods prescribed in Subsection (3)(iii) above.

(6) The applicant may commence operation under the terms of the Authority to Construct provided such operation is in compliance with all applicable requirements, all requirements of these Rules and Regulations, and all terms and conditions of the Authority to Construct and provided that, upon completion of construction or modification, the applicant has submitted an application for an Administrative Amendment of the Title V permit pursuant to Section (i) of this rule.

(7) The provisions of Rule 1425 with regard to appeals to the Hearing Board, petitions to the Administrator of the federal EPA and judicial review shall also apply to the granting of such Authority to Construct.

IT IS FURTHER RESOLVED AND ORDERED that the proposed amendments to Rules 60.1 and 60.2 shall take effect upon adoption.

IT IS FURTHER RESOLVED AND ORDERED that proposed new Rule 20.3.1 and proposed amendments to Rules 1401 and 1410 shall take effect and be in force upon approval by the U.S. Environmental Protection Agency, as published in the Federal Register.

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

BY: _____

SENIOR DEPUTY

The foregoing Resolution was passed and adopted by the Air Pollution Control Board, County of San Diego, State of California, on this 4th day of April, 2012, by the following vote:

AYES: Cox, Jacob, Slater-Price, Roberts, Horn

- - -

STATE OF CALIFORNIA)
County of San Diego)^{SS}

I hereby certify that the foregoing is a full, true and correct copy of the Original Resolution entered in the Minutes of the Air Pollution Control Board.

THOMAS J. PASTUSZKA
Clerk of the Air Pollution Control Board

By: *Catherine Santos*
Catherine Santos, Deputy



Resolution No. 12-055
Meeting date: 4/04/12 (AP1)

**AIR POLLUTION CONTROL DISTRICT
SAN DIEGO COUNTY**

**PROPOSED NEW RULE 20.3.1 – PREVENTION OF SIGNIFICANT DETERIORATION
– FEDERAL REQUIREMENTS, AND PROPOSED AMENDMENTS TO
REGULATION XIV – TITLE V OPERATING PERMITS, RULE 60.1 – LIMITING
POTENTIAL TO EMIT AT SMALL SOURCES, AND RULE 60.2 – LIMITING
POTENTIAL TO EMIT – SYNTHETIC MINOR SOURCES**

WORKSHOP REPORT

A workshop notice was sent to businesses, industry associations, and government agencies in San Diego County that may be affected by the proposed rulemaking. Notices were also provided to the California Air Resources Board (ARB) and the U.S. Environmental Protection Agency (EPA).

The workshop was held on November 17, 2011, and was attended by 20 people. The comments and San Diego County Air Pollution Control District (District) responses are as follows:

1. WORKSHOP COMMENT

Will ARB have a role in administration of the federal Prevention of Significant Deterioration (PSD) permitting program for local stationary sources of greenhouse gases (GHGs)?

DISTRICT RESPONSE

ARB will not have a formal role in the administration of the PSD permitting program in San Diego County. However, ARB participated with California air districts and EPA in developing a "model rule" for local district administration of PSD requirements, on which the District's proposed Rule 20.3.1 is based. Additionally, pursuant to state law (SB 288, Stats. 2003), ARB is responsible for ensuring that air districts do not relax their PSD and new source review rules, as they existed on December 30, 2002. The District's longstanding local PSD requirements in existing Rule 20.3(d)(3) remain in effect for this reason. In addition, proposed PSD permits will be sent to ARB for their review and comment.

2. WORKSHOP COMMENT

Will the District provide GHG emission calculation procedures?

DISTRICT RESPONSE

Yes, GHG emission calculation procedures, or a link to appropriate federal or state procedures, will be made available on the District's website.

3. WORKSHOP COMMENT

The proposed PSD Rule 20.3.1 incorporates corresponding sections of the federal PSD regulation by reference. Has the proposed rule been tailored to meet local conditions?

DISTRICT RESPONSE

Yes, some sections of the federal regulation are specifically excluded from the proposed District rule because they do not apply to San Diego County. Additionally, the public review process was modified for consistency with other District rules.

4. WORKSHOP COMMENT

There is no mention of PM₁₀ in the Title V rules. It would be helpful if the rule specified clearly what pollutants are considered in the definition of a major source.

DISTRICT RESPONSE

The District agrees. Proposed Rule 1401 has been amended to indicate where to find the federal standards for all regulated pollutants included under the "major source" definition.

5. WORKSHOP COMMENT

If a source has a pending Title V application, do the new GHG provisions in Regulation XIV apply retroactively, and if so, what is the procedure for amending a submitted application?

DISTRICT RESPONSE

A Title V application must contain enough emission information to determine major source status and determine the applicability of existing and potential future applicable requirements. This is the only generally applicable requirement for GHGs. The only other existing potential requirement is Prevention of Significant Deterioration (PSD) requirements, which only apply to new or modified sources. To facilitate determining applicability of potential future requirements, the District will likely request all facilities with renewal or significant permit modification applications under review after the District adopts the revised Title V rule, to provide

information necessary to determine major source status with respect to GHGs. In rare cases, the District may request GHG emission information for permits finalized before rule adoption, if a new or modified facility is potentially subject to PSD requirements for GHGs. For other facilities, GHGs will be addressed in the initial Title V application or at time of renewal.

6. WORKSHOP COMMENT

If a source is found to be a major source of GHG emissions, would federal control requirements be imposed?

DISTRICT RESPONSE

Federal control requirements, namely GHG Best Available Control Technology (BACT), will be required only for proposed new or modified sources exceeding the respective GHG thresholds in proposed new PSD Rule 20.3.1. Currently, there are no other federal requirements to control GHG emissions.

7. WORKSHOP COMMENT

Our facility currently has a Synthetic Minor permit for oxides of nitrogen (NO_x) emissions and therefore, is not a major source under the current definition. However, pursuant to proposed amended Rule 1401, the facility will be a major source of GHG emissions. Will we have a Title V application shield if we apply for a Title V permit?

DISTRICT RESPONSE

An application shield is provided for timely and complete Title V permit applications, and protects the source from enforcement action due to not having a Title V permit during the time the permit application is being processed. An existing Synthetic Minor permit may be cancelled once the application shield is in place.

8. WORKSHOP COMMENT

Once we have obtained the application shield and dropped our Synthetic Minor permit for NO_x emissions, may we increase our NO_x emissions above the limit specified in the former Synthetic Minor permit?

DISTRICT RESPONSE

It is possible that the facility's NOx emissions may increase, consistent with all New Source Review requirements and after modification of the Permit to Operate, if necessary. Prior to increasing NOx emissions, facility representatives are encouraged to discuss the specific circumstances with District staff.

9. WORKSHOP COMMENT

Are there any National Ambient Air Quality Standards (NAAQS) for GHGs?

DISTRICT RESPONSE

No, EPA has not established NAAQS for GHGs.

10. WORKSHOP COMMENT

PSD applications have to address impacts on NAAQS for the criteria pollutants. Since EPA has not developed NAAQS for GHGs, does that mean there is no similar analysis required for GHGs?

DISTRICT RESPONSE

That is correct.

11. WORKSHOP COMMENT

When will EPA classify the San Diego Air Basin as a Serious nonattainment area for the 1997 ozone standard, and what are the implications for the Title V permitting program?

DISTRICT RESPONSE

EPA is currently intending to issue the Serious classification rulemaking in early 2012. Upon classification as a Serious nonattainment area, the Title V permit applicability threshold will be reduced from a potential to emit 100 tons per year of VOC or NOx to 50 tons per year. The District must submit to EPA, within 180 days after the classification is effective, a Rule 1401 amendment lowering the applicability threshold. Then, EPA has to review and approve the rule amendment. Facilities that have a potential to emit between 50 and 100 tons per year of VOC or NOx would then be required to submit Title V permit applications, within one year after the effective date of EPA's approval of the District's rule amendment.

Meanwhile, however, other upcoming EPA rulemaking actions could limit the impact of the Serious classification on Title V permitting requirements. San Diego County has now attained the 1997 ozone standard, based on 2009-2011 air quality data. Therefore, the District intends to submit to EPA, in the summer of 2012, a request for EPA to redesignate San Diego County as an attainment area. Upon the effective date of EPA's redesignation of the County to attainment, the Title V permit applicability threshold will revert back to 100 tons per year. Thus, Title V permits would be required for facilities that have a potential to emit between 50 and 100 tons per year of VOC or NO_x, only if EPA approves the aforementioned rule amendment lowering the Title V applicability threshold prior to redesignating San Diego County to attainment. Further, Title V permits would be required for that group of sources only until EPA completes the redesignation to attainment.

In light of the above, the District has revised the proposed rule that was workshopped by eliminating the proposed amendments that would have affected the applicability threshold based on ozone classifications.

12. WORKSHOP COMMENT

Is there a conflict between designations under the 1-hour and 8-hour ozone standards (i.e., does reaching attainment for the 1-hour standard affect the District's nonattainment designation under the 8-hour standard)?

DISTRICT RESPONSE

The region's designation as an attainment area for the former 1-hour ozone standard does not impact the region's attainment status for the 8-hour ozone standard.

13. WORKSHOP COMMENT

Would an affected source be assessed the entire Title V permit application fee if the ozone designation or classification changes while the application is being reviewed by the District, such that a Title V permit application is no longer required?

DISTRICT RESPONSE

If a source would no longer be subject to Title V requirements due to an improvement in the region's ozone nonattainment designation or classification, then District review of a Title V permit application for that source would be discontinued immediately and any unspent funds would be refunded. Moreover, the District would minimize the time spent reviewing a Title V permit application if we anticipated that an imminent change in ozone designation or classification would nullify the requirement for the permit.

14. WORKSHOP COMMENT

Will the amount of the Title V permit application fee change as a result of the proposed amendments to Regulation XIV?

DISTRICT RESPONSE

No changes to the Title V permit fee structure are anticipated at this time. The Clean Air Act requires the District to fully recover its costs to administer the Title V permitting program. Accordingly, the District's standard application fee requires a deposit of \$20,000, with an adjustment upward or downward to the final fee amount, depending on the depth of review required for a particular application.

15. WORKSHOP COMMENT

Will the District's timeline for reviewing and approving an application for a Title V permit change as a result of the proposed amendments to Regulation XIV?

DISTRICT RESPONSE

No change in the processing time for Title V permits is anticipated at this time.

16. WORKSHOP COMMENT

Who will make the determination that a source meets the definition of a major source of GHGs?

DISTRICT RESPONSE

Each facility is responsible for knowing whether they are required to apply for a Title V permit as a result of GHG emissions and knowing what requirements apply based on the facility's potential to emit GHGs. Nevertheless, the District is currently updating its emissions inventory information and preparing a list of facilities that are likely major with respect to GHGs, and may be required to apply for Title V permits based solely on GHG emissions (i.e., they are not subject to Title V for other reasons). This emission information will be made available to facilities. The District will also issue a general advisory on the implications of the revised Title V rule and the need for affected facilities to submit an application for a Title V permit. For facilities that already have a Title V permit, GHGs will be addressed during the renewal process or during a significant permit modification, whichever occurs first. For facilities that have applied for, or will apply for, an initial Title V permit before the revised Title V rule becomes effective (i.e., those facilities

subject to Title V for other reasons), GHGs will be addressed during the application evaluation as warranted. [Please also see response to Comment No. 5]

There were no ARB comments on the proposed rulemaking.

There were no EPA comments on the proposed rulemaking.

AH:jl
02/01/12

CHANGE COPY

RULE 60.1 - LIMITING POTENTIAL TO EMIT AT SMALL SOURCES

(Adopted ~~&and~~ Effective 5/23/01); (Rev. ~~&and~~ Eff. 8/13/03); Rev. & Eff. *(date of adoption)*)

(a) **APPLICABILITY** (Rev. and Eff. 8/13/03)

This rule applies to any stationary source which would otherwise meet the definition of major stationary source in Rule 1401 ~~have the potential to emit any regulated air pollutants 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 ~~any~~ all of the emission limitations specified in Subsection (d)(1)(i) through (d)(1)(iv); 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)(1).

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 (d)(2), (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) For oxides of nitrogen (NOx) or volatile organic compounds (VOC), in accordance with the District's current federal ozone attainment status, as codified in 40 CFR 81.305, as follows: 5 tons per year of NOx or VOC if the District is in Attainment or Subpart 1 Nonattainment, or has an ozone nonattainment classification of Marginal, Moderate, Serious, or Severe; any-regulated air pollutant for which 2 tons of NOx or VOC per year if the District is designated a serious-has a federal ozone nonattainment area-classification of Extreme (2.5 tons per year for severe nonattainment area); and

(B) 5 tons per year of any other regulated air pollutant except Hazardous Air Pollutants (HAPs) and greenhouse gases; 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 Environmental Protection Agency (EPA) may establish by rule; ~~or~~ and

(F) 20,000 tons per year of greenhouse gases (expressed as CO2e) and/or 520 tons per year of greenhouse gases on a mass basis (that is, not adjusting for global warming potential); or

(ii) For any District federal ozone classification except Extreme nonattainment, 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.

(iii) If the District has a federal ozone nonattainment classification of Extreme, in every 12-month period, a stationary source's throughput is less than or equal to 40% of the throughputs in (b)(1)(ii) above, with the exception of (b)(1)(ii)(C) for which 100% of the value applies, and at least 90 percent of the stationary source's emissions are associated with that throughput;

(iv) For sources with de minimis emissions as defined in Subsections (b)(1)(i), (b)(1)(ii), or (b)(1)(iii), ~~Within~~ 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). Calendar-year records may be used to substantiate the stationary source's emissions or throughput.

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

(i) Any stationary source whose actual emissions, throughput, or operation, at any time after May 23, 2001, is greater than the quantities specified in Subsections (d)(1) or (g)(1) 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 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)(1).

(3) Any stationary source ~~is exempt~~ 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 greenhouse gases); and

(ii) 15 tons per year ~~for a regulated air pollutant for which~~ of VOC or NOx if the District has a federal ~~area designation~~ ozone nonattainment classification of ~~serious~~ Serious ~~nonattainment~~; and

(iii) 6.25 tons per year of VOC or NOx if ~~for a regulated air pollutant for which~~ the District has a federal ~~area designation~~ ozone nonattainment classification of ~~Severe~~ severe ~~nonattainment~~; and

(iv) 2.5 tons per year of VOC or NOx if the District has a federal ozone nonattainment classification of Extreme; and

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

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

(vii) 25 percent of any lesser threshold for a single HAP as EPA may establish by rule; and;

(viii) 24,999 tons per year of greenhouse gases (expressed as CO₂e) or 25 tons per year of greenhouse gases on a mass basis (that is, not adjusting for global warming potential).

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~~)(viii).

~~By May 23, 2004, For any stationary source subject to this rule,~~ 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** ~~(Rev. and Eff. 8/13/03)~~

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

(1) **“~~12-month~~ 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 volatile organic compound (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 U. S. Environmental Protection Agency (EPA), California Air Resources Board (ARB), or District approved methods, including emission factors and assumptions.

(3) **“Air Contaminant”** means the same as defined in Rule 1401.

(34) **“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), Table I. With the concurrence of EPA, the Air Pollution

Control Officer may revise Table I 30 days after public notice of the proposed changes is published in a newspaper of general circulation.

(45) **“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.

(56) **“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.

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

(78) **“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, excluding any non-road engines, 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) 10 tons per year of any federal HAP, including fugitive emissions, or~~

~~(ii) 25 tons per year of any combination of federal HAPs, including fugitive emissions, or~~

~~(iii) 100 tons per year or more of any regulated air pollutant excluding fugitive emission of any such pollutant except as determined by rule by the Administrator of the federal EPA and except that the fugitive emissions from the stationary source shall be considered if 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 the ~~U.S. Environmental Protection Agency~~ 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.~~ Potential to emit includes fugitive emissions, except to the extent such emissions are excluded under the definition of major stationary source in Rule 1401.

(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_x 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.

~~(14)~~ **“Non-road Engine”** means the same as defined in 40 Code of Federal Regulations, Part 89.

(d) **STANDARDS** ~~(Rev. and Eff. 8/13/03)~~

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

(i) 50 percent of the major source thresholds for regulated air pollutants (excluding HAPs and greenhouse gases);

(ii) 5 tons per year of a single HAP;

(iii) 12.5 tons per year of any combination of HAPs;

(iv) 50 percent of any lesser threshold for a single HAP as the EPA may establish by rule; and

(v) 50,000 tons per year of greenhouse gases (expressed as CO₂e) ~~and~~ or 50 tons per year of greenhouse gases on a mass basis (that is, not adjusting for global warming potential).

For any category of air pollutant specified in (i), (ii), (iii), ~~or (iv)~~, or (v) above for which a stationary source's emissions equal or exceed the limits specified in (i), (ii), (iii), ~~or (iv)~~, or (v) above, such emissions shall be limited to less than major stationary source levels in accordance with the requirements of Rule 60.2 of these Rules and Regulations, or through legally and practicably enforceable limits established pursuant to Rule 21 of these Rules and Regulations.

(2) 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)(1), 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 November 23, 2001, t~~The owner or operator of a stationary source newly subject to this rule shall comply with any applicable recordkeeping requirements in this section within 12 months after becoming subject to the rule. 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 of a facility or process identified in Table I may operate permitted emission units at a stationary source subject to this rule under an alternative operational limit listed in Table I, 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 listed in Table I, and the following ~~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)(iv), 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

(i) ~~As applicable, the owner or operators of gasoline-Gasoline dDispensing fFacilities with Phase I and Phase II vapor-Vapor fRecovery sSystems, 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~~ 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.:

(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) The owner or operator For of Degreasing or Solvent-Using Emission Unit(s) shall 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.

~~(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) The owner or operator of a For Surface Coating Operations shall 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.

~~(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) The owner or operator of a ~~For~~ Diesel-Fueled Emergency Standby Engine(s) with Output less than 1,000 Brake Horsepower shall 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.

~~(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) The owner or operator of a ~~For~~ facility utilizing Sheet Fed (Non-Heatset) Offset Lithography, Non-Heatset Web Offset Lithography, or Screen Printers shall 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.

~~(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) The owner or operator of a facility utilizing ~~For~~ Heatset Web Offset Lithography or Uncontrolled Flexography and Rotogravure Using Solvent-Based Inks shall 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.

~~(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) The owner or operator of 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 shall 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.

~~(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) The owner or operator of a For Hot Mix Asphalt Plant shall 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.

~~(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)(1).

(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)(1).

Table I
Alternative Operational Limits (12-Month Period)

<u>Type of Operation</u>	<u>District's Federal Ozone Classification</u>		
	<u>Attainment, Marginal, Moderate or Serious</u>	<u>Severe</u>	<u>Extreme</u>
<u>Gas-Dispensing Facilities with Phase I & Phase II Vapor Recovery Systems</u>	<u>7,000,000 gal</u>	<u>7,000,000 gal</u>	<u>7,000,000 gal</u>
<u>Degreasing or Solvent-Using Emission Unit(s)</u> Contains no halogenated organic compounds identified as a HAP: <u>Any one VOC-containing material.</u> <u>Combination of VOC-containing materials.</u> Contains halogenated organic compound(s) identified as a HAP(s): <u>Any one VOC-containing material.</u> <u>Combination of VOC-containing materials.</u>	<u>2,200 gal</u> <u>5,400 gal</u> <u>1,200 gal</u> <u>2,900 gal</u>	<u>2,200 gal</u> <u>5,400 gal</u> <u>1,200 gal</u> <u>2,900 gal</u>	<u>2,200 gal</u> <u>2,700 gal</u> <u>1,200 gal</u> <u>2,900 gal</u>
<u>Surface Coating Operations, including but not limited to coatings, thinners, reducers, & cleanup solutions:</u> <u>VOC-containing materials without HAPs.</u> <u>VOC-containing materials that also contain any HAP.</u>	<u>4,000 gal</u> <u>2,200 gal</u>	<u>4,000 gal</u> <u>2,200 gal</u>	<u>2,600 gal</u> <u>2,200 gal</u>
<u>Diesel-Fueled Emergency Standby Engines with Output less than 1,000 Brake Horsepower</u>	<u>2,600 hours,</u> <u>133,000 gal fuel</u>	<u>1,300 hours,</u> <u>66,000 gal fuel</u>	<u>520 hours,</u> <u>26,400 gal fuel</u>
<u>Sheet Fed (Non-Heatset) Offset Lithography, Non-Heatset Web Offset Lithography, or Screen Printers:</u> <u>VOC-containing materials, including but not limited to, cleaning solvent and fountain solution additives.</u> <u>Materials containing a single HAP.</u> <u>Materials containing a combination of HAPs.</u>	<u>7,125 gal</u> <u>1,300 gal</u> <u>3,333 gal</u>	<u>3,550 gal</u> <u>1,300 gal</u> <u>3,333 gal</u>	<u>1,425 gal</u> <u>1,300 gal</u> <u>3,333 gal</u>
<u>Heatset Web Offset Lithography or Uncontrolled Flexography and Rotogravure Using Solvent-Based Inks:</u> <u>VOC-containing materials, including but not limited to ink, coatings, adhesives, dilution solvents, & cleaning solvents.</u> <u>Materials containing a single HAP.</u> <u>Materials containing a combination of HAPs.</u>	<u>50,000 lbs</u> <u>1,300 gal</u> <u>3,333 gal</u>	<u>50,000 lbs</u> <u>1,300 gal</u> <u>3,333 gal</u>	<u>50,000 lbs</u> <u>1,300 gal</u> <u>3,333 gal</u>
<u>Oil and Natural Gas-Fired Boilers, Process Heaters, and Steam Generators with Capacity that is no more than 100 Million BTU's Per Hour:</u> <u>Natural gas</u> <u>Distillate oil</u> <u>Residual oil</u> <u>Combined natural gas/distillate oil</u> <u>Combined natural gas/residual oil</u> <u>Combined natural gas/distillate oil and residual oil</u>	<u>360 MMcf</u> <u>700,000 gal</u> <u>160,000 gal</u> <u>320 MMcf/</u> <u>260,000 gal</u> <u>300m MMcf/</u> <u>160,000 gal</u> <u>300 MMcf/</u> <u>160,000 gal</u>	<u>180 MMcf</u> <u>700,000 gal</u> <u>160,000 gal</u> <u>160 MMcf/</u> <u>130,000 gal</u> <u>150 MMcf/</u> <u>160,000 gal</u> <u>150 MMcf/</u> <u>160,000 gal</u>	<u>71 MMcf</u> <u>500,000 gal</u> <u>160,000 gal</u> <u>65 MMcf/</u> <u>52,000 gal</u> <u>51 MMcf/</u> <u>51,000 gal</u> <u>51 MMcf/</u> <u>51,000 gal</u>
<u>Hot Mix Asphalt Plants</u>	<u>250,000 tons</u>	<u>250,000 tons</u>	<u>250,000 tons</u>

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RULE 60.2. LIMITING POTENTIAL TO EMIT—SYNTHETIC MINOR SOURCES

(Adopted & Effective: 4/30/97); ~~(Rev. & Eff. 8/13/03); Rev. & Eff. (date of adoption))~~

(a) APPLICABILITY

This rule applies to any new or existing stationary source that would otherwise meet the definition of major stationary source in Rule 1401, but for which the owner or operator applies for synthetic minor source status in accordance with this rule or to any stationary source ~~which~~that is issued synthetic minor source status for a regulated air pollutant, ~~as defined herein,~~ pursuant to this rule. This rule shall not apply to any source subject to Regulation XIV for any reason other than being a major source.

Notwithstanding any provision of this rule, any new or modified stationary source or any new, modified, relocated, or replaced emission unit must obtain an Authority to Construct and/or a Permit to Operate in accordance with Regulation II, including Rules 20.1, 20.2, 20.3, 20.3.1, and 20.4, and Rule 1200, as applicable.

(b) EXEMPTIONS (RESERVED)**(c) DEFINITIONS** ~~(Rev. and Eff. 8/13/03)~~

All terms used in this rule shall retain the definitions provided under Regulation XIV, unless otherwise defined herein. For the purposes of this rule the following definitions shall apply:

(1) **“Actual Emissions”** means the emissions of a regulated air pollutant from an emission unit, as approved by the Air Pollution Control Officer, including emissions during startup, shutdown, upset, and breakdown conditions and fugitive emissions, as applicable.

(2) **“Administratively Complete”** means a completed application form; a written certification signed by a responsible official that the contents of the application are true, accurate, and complete; a fee deposit sufficient to cover the estimated costs to the District to review, evaluate, and act on the application; and submittal of sufficient information as specified in Subsection (e)(1)(i) through (e)(1)(iv) to allow the District to begin processing the application.

(3) **“Aggregate Actual Emissions”** means the sum of actual emissions, including fugitive emissions as applicable, of a regulated air pollutant from a group of one or more emission units at a stationary source.

(4) **“Aggregate Allowed Emissions”** means the sum of the maximum emissions of a regulated air pollutant from a group of one or more emission units that are, or will be, allowed by legally and practicably enforceable permit limits.

(5) **“Air Pollution Control Device”** means any device that removes or destroys air contaminants prior to discharge to the ambient air and is not otherwise necessary for the proper functioning or operation of an emission unit or process. Air pollution control devices include, but are not limited to, electrostatic precipitators, filters, spray towers and scrubbers, thermal and catalytic oxidizers, flares, adsorbers, absorbers, steam or water injection, catalytic and noncatalytic reduction, chemical neutralization, and ozonation. For purposes of this rule, devices that are not air pollution control devices include, but are not limited to, modified furnace or burner designs; staged combustion; reduced combustion preheat; low excess air firing; low nitrogen or sulfur content fuel; air injection; ignition timing retardation; control of oxygen concentration in combustion air; process changes; lids, covers, or other solid enclosures; recovery of process gas; dust suppression by physical stabilization, traffic control, water spray, chemical stabilizers, or wetting agents; baffles; conservation vents; submerged or bottom filling; tank conversion to variable vapor space tank, floating roof tank, or pressurized tank or secondary seals for external floating roof tanks; underground tanks; white paint; low volatile organic compound (VOC), low hazardous air pollutant (HAP), powder, and waterborne coatings; low VOC or low HAP surface preparation or cleaning materials; and high transfer efficiency coating application methods.

(6) **“Compliance Timeframe”** means each clock hour, calendar day, calendar month, or a 12-month period, or other period as specified pursuant to Subsection (d)(1)(ii) of this rule.

(7) **“De Minimis Emissions ”** means that emission rate of a regulated air pollutant that is 50% of the synthetic minor margin for that pollutant. In no case shall the de minimis emission rate of a regulated air pollutant exceed 10 percent of the applicable major source threshold for that pollutant.

(8) **“Fugitive Emissions ”** means those quantifiable nonvehicular emissions from a stationary source that could not reasonably pass through a stack, chimney, flue, vent, or other functionally equivalent opening. Fugitive emissions shall be applicable when determining compliance with this rule for those pollutants and categories of stationary sources specified in the definition of major stationary source ~~threshold in Subsection (e)(12) of this rule~~ Rule 1401.

(9) **“Hazardous Air Pollutant (HAP)”** means any substance listed in Section 112(b)(1) or listed pursuant to Section 112(b)(2) of the federal Clean Air Act unless the substance has been subsequently delisted pursuant to Section 112(b)(3) of the federal Clean Air Act.

(10) **“Insignificant Emission Unit”** means any emission unit not required to have a Permit to Operate pursuant to Rule 11 or having a Certificate of Exemption or a Certificate of Registration.

(11) **“Legally and Practicably Enforceable Permit Limits”** means 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:

- (i) Contain any combination of operational, production, or verifiable emission limitations that limit the actual emissions of regulated air pollutant(s) during a specified compliance time frame; and
- (ii) Are not in violation of any applicable provisions of these rules and regulations or state law; and
- (iii) Require sufficient recordkeeping, reporting, and monitoring to determine ongoing compliance with the emission limitations; and
- (iv) Incorporate a legally enforceable obligation for the permit owner to adhere to the terms and conditions.

(12) **“Major Source Threshold”** means the ~~following emission rates from a~~ specified in the definition of major stationary source in Rule 1401., ~~excluding any non-road engines:-~~

- ~~(i) 10 tons during any 12 month period of any HAP; or~~
- ~~(ii) 25 tons during any 12 month period of any combination of HAPs; or~~
- ~~(iii) 100 tons during any 12 month period of any regulated air pollutant, excluding fugitive emission of any such pollutant except as determined by rule by the Administrator of the federal EPA and except that the fugitive emissions from a stationary source shall be considered if 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

(13) **“Modifications to Synthetic Minor Source Status”** means any physical or operational change at a source which necessitates a revision of any legally and practicably enforceable permit limits or associated reporting, monitoring, and recordkeeping permit conditions that were established pursuant to this rule, or by any other mechanism, and that establish synthetic minor source status for the source.

(14) **“Operational Limitation”** means a limit on a process’s operating inputs, including, but not limited to, hours of operation, raw materials used, or fuel combusted, for which a technically accurate correlation exists between actual emissions and the operating inputs that are limited; or an air pollution control device with specified key operating parameters that assure a specified control efficiency combined with operational, production, or verifiable emission limitations, that limit the device’s input emissions.

(15) **“Owner or Operator”** means any person who owns, operates, controls, or supervises a stationary source.

(16) **“Process Statement”** means a report from the owner or operator of a stationary source specifying process, product, material, operational, and other information the Air Pollution Control Officer determines is necessary to determine actual emissions. A process statement may include, but is not limited to, the identity, composition, and amount of each material used or consumed; the identity, composition and amount of each product produced; the hours of operation; continuous emission monitoring or continuous parametric emission monitoring data; and air pollution control device overall control efficiencies. A process statement shall include any additional information requested in writing by the Air Pollution Control Officer that are necessary to determine actual emissions from specified emission units for a specified time period.

(17) **“Production Limitation”** means a limit on a source’s production rate for which a technically accurate correlation exists between the production rate and actual emissions.

(18) **“Quantifiable”** means that a reliable basis, as determined by the Air Pollution Control Officer, can be established for calculating the amount, rate, nature, and characteristics of actual emissions.

~~(19) **“Regulated Air Pollutant”** means any of the following:~~

~~(i) NO_x and VOCs.~~

~~(ii) Any pollutant for which a national ambient air quality standard has been promulgated pursuant to Section 109 of the federal Clean Air Act.~~

~~(iii) Any pollutant subject to new source performance standards 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 a standard or requirement promulgated pursuant to Section 112 of the federal Clean Air Act.~~

(2019) **“Residual Actual Emissions”** means the aggregate actual emissions, determined without consideration of any emission reductions due to air pollution control devices, of any regulated air pollutant from all emission units that are not, or will not be, subject to legally and practicably enforceable permit limits that limit the actual emissions of that pollutant.

(2120) **“Stationary Source’s Aggregate Actual Emissions”** means the sum of actual emissions, including fugitive emissions as applicable, of a regulated air pollutant from all the emission units at a stationary source.

(2221) **“Synthetic Minor Margin”** means that emission rate of a regulated air pollutant that is equal to the applicable major source threshold less the aggregate allowed emissions for that pollutant.

(2322) **“Synthetic Minor Source”** means a stationary source which is subject to legally and practicably enforceable permit limits that limit the emissions of a specified regulated air pollutant such that in any 12-month period, the residual actual emissions of the pollutant are less than or equal to de minimis emissions and the stationary source’s aggregate actual emissions and aggregate allowed emissions of the pollutant in any 12-month period are less than the applicable major source threshold.

(2423) **“Technically Accurate”** means based on accepted scientific or engineering principles, reliable measurements, or information, policies, or procedures of the California Air Resources Board, U. S. Environmental Protection Agency, or the District as approved by the Air Pollution Control Officer.

(2524) **“12-Month period”** means 12 consecutive calendar months.

(2625) **“Verifiable Emission Limitation”** means an emission limitation which is verifiable by a continuous emission monitoring system or parametric emission monitoring system approved in advance by the Air Pollution Control Officer, an emission limitation on

surface coating or solvent cleaning operations for which there is no emission control device and VOC and HAP emissions are calculated by assuming complete emission of all VOCs and HAPs present in any coatings and solvents used, or an emission limitation that is equal to an emission unit's potential to emit.

(2726) **“Non-road Engine”** means the same as defined in 40 Code of Federal Regulations, Part 89.

(d) **STANDARDS** ~~(Rev. and Eff. 8/13/03)~~

The following standards shall apply to the owner or operator of any stationary source who submits an application to the Air Pollution Control Officer for, or is granted, synthetic minor source status.

(1) Ongoing compliance with legally and practicably enforceable permit limits shall be determined as follows:

(i) The first compliance timeframe shall begin on:

(A) the date on which application for synthetic minor source status is submitted, except as provided for in Subsection (d)(1)(i)(C), for clock hour or calendar day compliance timeframes, ~~the date on which application for synthetic minor source status is made~~; and

(B) the start of the calendar month in which application for synthetic minor source status is submitted, except as provided for in Subsection (d)(1)(i)(C) for calendar month or 12-month period compliance timeframes, ~~the start of the calendar month in which application for synthetic minor source status is made~~; or

(C) on a date different from the date specified in Subsections (d)(1)(i)(A) or (d)(1)(i)(B), as applicable, provided that the owner or operator and the Air Pollution Control Officer agree on such a date and the date is no later than the first day of the calendar month following the calendar month in which a Permit to Operate containing the compliance timeframe is issued in accordance with this rule.

(ii) Ongoing compliance shall be determined on:

(A) An hourly basis for a clock hour compliance timeframe; and

(B) A daily basis for a calendar day compliance timeframe; and

(C) A calendar month basis for a calendar month or 12-month period compliance timeframes; or,

(D) Such other period up to but not exceeding a calendar quarter where the Air Pollution Control Officer determines that a shorter period to determine compliance or emissions is not feasible nor practical. In such case, the emissions at the stationary source associated with such other period shall be apportioned to each calendar month within the period using a procedure approved by the Air Pollution Control Officer.

(2) For purposes of District Rules and Regulations, a stationary source shall not be considered a major source for a regulated air pollutant if, as determined by the Air Pollution Control Officer:

(i) The source is in ongoing compliance with legally and practicably enforceable permit limits that establish synthetic minor source status for that pollutant; and

(ii) The source's residual actual emissions in the 12-month period beginning with the start of the first compliance timeframe and each 12-month period thereafter are less than the de minimis emissions for the source; and

(iii) The aggregate actual emissions in the 12-month period beginning with the start of the first compliance timeframe and each 12-month period thereafter of each regulated pollutant from all emission units at the stationary source do not exceed the applicable major source threshold; and

(iv) The aggregate allowed emissions in the 12-month period beginning with the start of the first compliance timeframe and each 12-month period thereafter of each regulated pollutant from all emission units at the stationary source that have legally and practicably enforceable permit limits do not exceed the applicable major source threshold; and

(v) The source has maintained sufficient records commencing with the first compliance timeframe and provided sufficient information to the Air Pollution Control Officer that the Air Pollution Control Officer deems adequate to allow a determination of compliance with Subsections (d)(2)(i) through (d)(2)(iv).

(3) An exceedance of any legally and practicably enforceable permit limit used to establish synthetic minor source status for that regulated air pollutant is deemed a violation of this rule.

(4) Within 30 calendar days, or a longer period of time if deemed necessary by the Air Pollution Control Officer, of a written request by the Air Pollution Control Officer, the owner or operator of a stationary source that is a synthetic minor source for a regulated air pollutant shall demonstrate that, for any 12-month period that begins on or after the start of the first compliance timeframe, residual actual emissions of that pollutant are less than de minimis emissions.

(5) If for any 12-month period that begins on or after the start of the first compliance timeframe, residual actual emissions of a regulated air pollutant for which synthetic minor source status has been established have exceeded de minimis emissions, or, as determined by the Air Pollution Control Officer, inadequate information has been provided by the source pursuant to Subsection (d)(4) to make such a determination, the source shall be deemed in violation of this rule.

(6) The owner or operator of a source that exceeds any emission limitations for a regulated air pollutant identified as legally and practicably enforceable shall report such exceedances to the Air Pollution Control Officer within 30 calendar days of the occurrence of such exceedance.

(7) Except as provided in Subsection (d)(8), a source requesting synthetic minor source status shall not be relieved of the responsibility of complying with the application or other requirements of Regulation XIV until the District takes final action to issue a Permit to Operate in accordance with Section (f).

(8) If an administratively complete application, including applicable fees, is submitted requesting synthetic minor source status and by the application submittal date the source begins maintaining records in accordance with Subsection (h) (except that records of total quantities since the start of the first compliance timeframe shall be deemed as meeting requirements of Subsections (h)(1)(iv) and (h)(3)(ii)(C)) from the date of the application submittal the source shall not be considered a major stationary source for purposes of these Rules and Regulations unless the Air Pollution Control Officer cancels or denies the source's application for synthetic minor source status.

(9) Modifications to synthetic minor source status for a regulated air pollutant shall comply with all applicable requirements of these rules and regulations.

(10) For purposes of this rule, when determining actual emissions, any air pollution control device shall be deemed to have an overall emission control efficiency of zero percent unless it is part of an operational limitation that establishes a legally and practicably enforceable permit limit.

(11) Notwithstanding any permit terms or conditions established pursuant to this rule, all terms and conditions in any Permit to Operate, Authority to Construct, Temporary Authorization, Certificate of Exemption, Certificate of Registration, or Settlement Agreement otherwise established pursuant to these rules and regulations shall remain in

force unless modified or removed in accordance with Regulation II, Regulation XIV, and Rule 1200.

(e) APPLICATION FOR SYNTHETIC MINOR SOURCE STATUS

A stationary source subject to this rule may apply for synthetic minor source status, or modification to such status, for any regulated air pollutant by submitting an application to modify some or all of the source's Permits to Operate or, with the approval of the Air Pollution Control Officer, an application for a new Permit to Operate in accordance with the following:

(1) Application Content

An application shall include:

- (i) Specification of the regulated air pollutant(s) for which synthetic minor source status is requested; and
- (ii) The identification and description of all existing emission units at the source emitting the specified pollutant(s), except for insignificant units unless deemed necessary by the Air Pollution Control Officer to determine the source's actual emissions; and
- (iii) A demonstration to the satisfaction of the Air Pollution Control Officer that the stationary source's aggregate actual emissions of all regulated air pollutants will be less than the applicable major source thresholds for the 12-month period beginning with the month in which application for synthetic minor source status is made; and
- (iv) Proposed legally and practicably enforceable permit limits which:
 - (A) identify the emission units or groups of emission units that such conditions shall be applied to; and
 - (B) limit the actual emissions of the specified regulated air pollutant(s) to a level such that the stationary source is a synthetic minor source for that pollutant(s); and
- (v) A written certification signed by a responsible official that, based on information and belief formed after reasonable inquiry, the contents of the application are true, accurate, and complete; and
- (vi) A fee deposit sufficient to cover the estimated costs to the District to review, evaluate, and act on the application; and
- (vii) Any additional information requested by the Air Pollution Control Officer.

(2) Timely Application

An owner or operator of a stationary source who chooses to apply for synthetic minor source status shall make such a request within the following timeframes:

~~(i) For any stationary source that is not a synthetic minor source and is operating or is scheduled to commence operating on or before March 6, 1997, the owner or operator shall apply for synthetic minor source status no later than 60 calendar days before an application is required under Regulation XIV or March 6, 1997, whichever is later; or~~

(ii) For any stationary source that commences operating after March 6, 1997, the owner or operator shall apply for synthetic minor source status no later than 60 calendar days before an application is required under Regulation XIV; or

(iii) For any major stationary source that is operating in compliance with a Title V permit issued pursuant to Regulation XIV, the owner or operator shall request synthetic minor source status no later than eight calendar months prior to permit renewal; or

~~(iii)~~ On a case-by-case basis, and with the agreement of the owner or operator of an affected stationary source, the Air Pollution Control Officer may establish an alternative date to the applicable dates in Subsections (e)(2)(i) ~~through and~~ (e)(2)(iii) for submittal of an application for synthetic minor source status.

(f) DISTRICT PROCEDURES

(1) Action on Applications

The District shall take actions on applications for synthetic minor source status in accordance with Regulation II.

(2) Renewal of Synthetic Minor Source Status

Renewal of synthetic minor source status shall be made in accordance with permit renewals described in Rule 10 with renewal fees determined pursuant to Section (g) of this rule.

(3) Content of Synthetic Minor Source Permits

Permits to Operate issued or modified pursuant to this rule that establish synthetic minor source status shall:

- (i) Include a statement that the source has synthetic minor source status for specified regulated air pollutants; and
- (ii) Identify all permit conditions necessary to establish synthetic minor source status for a specified regulated air pollutant(s); and
- (iii) Include legally and practicably enforceable permit limits that limit the actual emissions of individual emission units or groups of emission units such that the source meets the definition of a synthetic minor source for the specified regulated air pollutant(s); and
- (iv) Include the initial start date of compliance timeframes; and
- (v) Include recordkeeping requirements in accordance with Section (h); and
- (vi) Include reporting requirements in accordance with Section (i); and
- (vii) Specify any new monitoring requirements including analysis procedures, test methods and frequency, and recordkeeping designed to serve as monitoring that are sufficient to allow a determination of compliance with the legally and practicably enforceable permit limits for the relevant compliance timeframes.

(4) Compliance with Regulation XIV

If the Air Pollution Control Officer cancels an application for synthetic minor source status or denies an application for synthetic minor source status, the applicant shall be deemed subject to the requirement to submit an application pursuant to Regulation XIV from the first day such an application was required under Regulation XIV.

(g) FEES

The owner or operator of a stationary source for which synthetic minor source status is applied for in accordance with this rule or a stationary source which is issued synthetic minor source status pursuant to this rule shall pay a fee sufficient to recover the actual costs incurred by the Air Pollution Control District to review, evaluate, and act upon applications for, or modifications to, such status and the actual costs associated with annual permit renewal and compliance determinations. The actual costs shall be the additional cost that the Air Pollution Control Officer determines are not otherwise recovered from other applicable fees prescribed in Rule 40. The actual costs shall be determined using the ~~application-related indirect cost multiplier and~~ labor rates specified in Rule 40, Schedule 94, ~~except that the costs associated with~~

~~annual permit renewals and compliance determinations shall be determined using the permit-related indirect cost multiplier.~~

(h) **RECORDKEEPING**

The recordkeeping requirements of this rule shall not supersede any recordkeeping requirements contained in any Authority to Construct, Temporary Permit to Operate, Permit to Operate, Certificate of Exemption, Certificate of Registration, or Settlement Agreement established pursuant to these rules and regulations; any District rules and regulations; or state law. The owner or operator of a stationary source that has applied for or received legally and practicably enforceable permit limits pursuant to this rule shall maintain records, as necessary to determine actual emissions, in accordance with the following:

(1) For each emission unit or group of emission units for which legally and practicably enforceable permit limits have established production limitations or operational limitations, not including air pollution control devices, the owner or operator shall maintain, as applicable, the following records:

(i) Information on the process and equipment including, but not limited to, the following: equipment type, description, make and model; maximum design process rate or throughput; type and description of any control device(s); and

(ii) Information on the identity and composition of each material used or consumed and product produced; and

(iii) Calendar month or daily records of operating hours, the identity and amount of each material used or consumed, and the identity and amount of each product produced; and

(iv) For emission units with limits having a 12-month period compliance timeframe, records of the total operating hours, the total amount of each material used or consumed, and the total amount of each product produced during each 12-month period; and

(v) Purchase orders, invoices, laboratory reports, material safety data sheets, and other documents necessary to support the information on material compositions and information in the monthly or daily records; and

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

(2) For air pollution control devices that are used to establish legally and practicably enforceable permit limits, the owner or operator shall maintain the following records, as applicable:

- (i) Information identifying all key system operating parameters such as temperatures, pressures, and flow rates that are necessary to determine the overall control efficiency of the device; and
 - (ii) Daily records of key system operating parameters sufficient to document the overall control efficiency of the device on an ongoing basis; and
 - (iii) A daily log of hours of operation including notation of any control unit breakdowns, upsets, repairs, maintenance, and any other deviations from equipment design and key operating parameters.
- (3) For verifiable emission limitations that are used to establish legally and practicably enforceable permit limits, the owner or operator shall maintain the following records, as applicable:
- (i) Continuous emission monitoring or continuous parametric monitoring records as specified by the Air Pollution Control Officer; or
 - (ii) For all VOC and HAP containing materials:
 - (A) Information on the identity and VOC and HAP content of each material used; and
 - (B) Calendar month or daily records of the identity and amount of each material used; and
 - (C) For limits having a 12-month period compliance timeframe, records of the total amount of each material used during each 12-month period; and
 - (D) Purchase orders, invoices, laboratory reports, material safety data sheets, and other documents necessary to support the information on material compositions and information in the monthly or daily records; and
 - (E) Any additional information requested in writing by the Air Pollution Control Officer.
- (4) For each emission unit or group of emission units that contributes to residual actual emissions the owner or operator shall maintain such records or upon request from the Air Pollution Control Officer provide other information necessary to demonstrate that residual actual emissions are less than de minimis emissions pursuant to Subsection (d)(4).
- (5) All records shall be retained on site for at least three years and be made available to the District upon request.

(i) **REPORTING**

The owner or operator of any equipment or stationary source subject to the provisions of this rule shall submit by the submittal date of the Emissions Statement Form(s) required by Rule 19.3 for the year in which application for synthetic minor source status is requested, and each year thereafter, or on such other dates as specified by the Air Pollution

Control Officer, a Process Statement for the preceding calendar year for all emission units with legally and practicably enforceable permit limits.

Documentation and calculations used to prepare the material presented in the Process Statement shall be maintained by the owner or operator for at least three years and shall be made available to the District upon request.