

RULE 60.1 - LIMITING POTENTIAL TO EMIT AT SMALL SOURCES

(Adopted and Effective 5/23/01)

(a) APPLICABILITY

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

- (1) In every 12-month period, the actual emissions of the stationary source are less than or equal to the emission limitations specified in Subsection (d)(1); or
- (2) In every 12-month period, at least 90 percent of the actual emissions from the stationary source are associated with an operation limited by any one of the alternative operational limits specified in Subsection (g)(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) 5 tons per year of any regulated air pollutant for which the District is designated a serious nonattainment area (2.5 tons per year for severe nonattainment area); and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (v) 6.25 tons per year of any combination of HAPs; and
- (vi) 25 percent of any lesser threshold for a single HAP as EPA may establish by rule.

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

By May 23, 2004 the District shall maintain and make available to the public, upon written request, for any stationary source subject to this rule, information identifying the provisions of this rule applicable to the source.

(c) **DEFINITIONS**

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

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

(2) **“Actual Emissions”** means the emissions of a regulated air pollutant from a stationary source for every 12-month period. Valid continuous emission monitoring data or source test data shall be preferentially used to determine actual emissions. In the absence of valid continuous emissions data or source test data, the basis for determining actual emissions shall be: throughputs of process materials; throughputs of materials stored; usage of materials; data provided in manufacturer's product specifications; material 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 EPA, California Air Resources Board (ARB), or District approved methods, including emission factors and assumptions.

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

(4) **“Emission Unit”** means any non-vehicular article, machine, equipment, contrivance, process or process line, which emit(s) or reduce(s) or may emit or reduce the emission of any air contaminant.

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

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

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

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

(i) 50 tons per year of VOC or oxides of nitrogen (NO_x), or

(ii) 10 tons per year of any federal HAP, or

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

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

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| 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 head 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 |

(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, for any source class or category.

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

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

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

(i) NO_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.

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

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

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

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

- (i) Surface Coating Operations or Solvent Emission Units

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

- (A) A current list of all coatings, solvents, inks and adhesives in use. This list shall include: information on the manufacturer, brand, product name or code, VOC content per volume of material (in grams per liter or pounds per gallon), HAP content per volume of material (in grams per liter or pounds per gallon), or manufacturer's product specifications, material VOC content reports or laboratory analyses providing this information,
- (B) A description of any equipment used during and after coating/solvent application, including type, control device(s) type and description (if any), and a description of the coating/solvent application/drying method(s) employed,
- (C) A monthly log of the consumption of each VOC (including organic solvents used in cleanup and surface preparation), coating, ink and adhesive used; and
- (D) All purchase orders, invoices, and other documents to support information in the monthly log.

(ii) VOC Liquid Storage Units

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

- (A) A monthly log identifying the liquid stored and monthly throughput; and
- (B) Information on the tank design and specifications including air pollution control equipment.

(iii) Combustion Emission Units

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

- (A) Information on equipment type, make and model, maximum design process rate or maximum power input or output, minimum operating temperature (for thermal oxidizers), and capacity, type and description of any air pollution control systems or devices, and all source test information; and
- (B) A monthly log of hours of operation, fuel type, fuel usage, fuel heating value (in BTU per standard cubic foot or BTU per gallon for non-fossil fuels), and sulfur content by weight of fuel oil used.

(iv) Emission Control Units

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

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

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

(C) All source test information; and

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

(v) General Emission Units

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

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

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

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

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

(f) REPORTING REQUIREMENTS

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

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

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

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

(g) ALTERNATIVE OPERATIONAL LIMITS AND REQUIREMENTS

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

(1) General Reporting Requirements

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

(ii) The owner or operator shall submit an annual summary of the monthly log as specified in Subsections (g)(3)(i) through (g)(3)(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

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

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

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

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

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

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

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

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

(iii) For Surface Coating Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) 360 million cubic feet of natural gas,

(2) 700,000 gallons of distillate oil,

(3) 160,000 gallons of residual oil,

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

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

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

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

(viii) For Hot Mix Asphalt Plants

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

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

(4) Physical and Operational Changes

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

(h) **COMPLIANCE**

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

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