APCD
AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

Air Pollution Control Board

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October 7, 2015

TO: Workshop Participants and Other Interested Parties

DRAFT PROPOSED AMENDMENTS TO NEW SOURCE REVIEW RULES

RULE 20.1 – GENERAL PROVISIONS
RULE 20.2 – NON-MAJOR STATIONARY SOURCES
RULE 20.3 – MAJOR STATIONARY SOURCES & PSD STATIONARY SOURCES
RULE 20.4 – PORTABLE EMISSION UNITS
RULE 20.6 – STANDARDS FOR PERMIT TO OPERATE AIR QUALITY ANALYSIS

On May 7, 2015, the San Diego County Air Pollution Control District (District) conducted a public workshop to receive comments on draft proposed amendments to the Air Pollution Control District's New Source Review (NSR) Rules 20.1, 20.2, 20.3 and 20.4. Comments were received before, during, and after the workshop. Additional comments were received from the U.S. EPA, including discussion of District proposed post-workshop rule revisions.

Enclosed are the Workshop Report with District responses to each comment received; an attachment to the Workshop Report detailing post-workshop changes to the proposed rules; and, currently proposed Rules 20.1 – 20.4. Also included are revisions to Rule 20.6, specifically to update that rule's references to Rules 20.1 – 20.4.

Many of the post-workshop changes to the proposed amended rules were in response to comments received from workshop participants, EPA and the California ARB. The District has included changes that should reduce the number of future projects at large permitted sites that would be subject to the new federal requirements being added to the rules.

If you have any questions or comments regarding the proposed rules or the Workshop Report, please contact Janet McCue at (858) 586-2712.

ROBERT C. REIDER, Deputy Director
Air Pollution Control District

RR:MRL:jlm

Attachments

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AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

DRAFT PROPOSED AMENDMENTS TO NEW SOURCE REVIEW RULES

RULE 20.1 – GENERAL PROVISIONS
RULE 20.2 – NON-MAJOR STATIONARY SOURCES
RULE 20.3 – MAJOR STATIONARY SOURCES & PSD STATIONARY SOURCES
RULE 20.4 – PORTABLE EMISSION UNITS

WORKSHOP REPORT

A workshop notice on the draft proposed amendments to the Air Pollution Control District's New Source Review (NSR) Rules 20.1, 20.2, 20.3 and 20.4 was mailed to all Permit and Registration Certificate holders in San Diego County. Notices were also mailed to all economic development corporations and chambers of commerce in San Diego County, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (ARB), and other interested parties.

The workshop was held on May 7, 2015, and was attended by 36 people, including representatives of local businesses, government agencies and other organizations. Verbal comments were received during the workshop. Written comments were received before and after the workshop. The comments and Air Pollution Control District (District) responses are provided below. Based on comments received, the District is proposing changes to the draft NSR rules considered at the workshop. A list of those changes is included as an attachment to this workshop report.

1. WORKSHOP COMMENT

The exemption in Rule 20.1, Subsection (b)(4), regarding emission units subject to District Rule 69, is being deleted. Is Rule 69 scheduled to be revised as well?

DISTRICT RESPONSE

The District has no plans to revise or delete Rule 69 at this time. Rule 69 was constructed to allow the single owner utility, operating all the large utility boiler power plants in San Diego County in the 1990's, to comply with an overall declining NOx emissions cap for the power plants. However, Rule 69 also prescribed Best Available Retrofit Control Technology emission limits for each power plant boiler for which ownership changed. In the early 2000's, ownership of all of the affected power plant boilers changed, and many of the previous utility boilers have since been removed and/or replaced. The Rule 69 boiler emission rate limits still apply to the remaining boilers. As the remaining power plant boilers regulated under Rule 69 are removed or replaced by new units subject to more stringent Best Available Control Technology (BACT) or Lowest Achievable Emission Rate (LAER) emission limits under the NSR regulations, and depending on available resources, the District may consider revising or deleting Rule 69.

2. WORKSHOP COMMENT

The District has expanded what it regulates with regard to Navy ships. Formerly, by policy, the District had not required permits or applied NSR requirements to shipboard maintenance painting operations conducted onboard ship by Navy forces. These have been on-going for many years. The District did require, and the Navy agreed to use, compliant paints and solvents. Now, the District is requiring permits for these operations conducted while the ship is docked, and considering them new and subject to NSR. This is creating a lot of turmoil for the Navy. The Navy is willing to put these onboard at-dock painting operations under District permit, but requesting that these not be considered new operations subject to NSR. While the Navy is concerned, specifically regarding this onboard ship painting matter, there may be other similar cases in the future where on-going operations that are exempted from permit by policy, rather than explicitly in Rule 11, are later required to obtain permits. The District should expand the exemption from NSR in Rule 20.1(b)(1), which applies to permit-exempt emission units that are required to obtain a permit due to a change in Rule 11, to include existing on-going operations that were not previously required to have a permit by District policy but are now required to have a permit due to a change in policy. The District may need to also consider the definition of "new" as it might apply to such cases.

DISTRICT RESPONSE

The District is not proposing to amend the exemption in Rule 20.1(b)(1) as requested by this comment. The suggested changes to Rule 20.1 would be a weakening of the current rule and as such are prohibited by State law (Cal. Health and Safety Code §42500 et. Seq. – SB 288). There has been some confusion concerning whether ships' force operations are regulated by the District. All ships' force operations, not just those mentioned in the comment, are considered part of the stationary source and require a District permit to operate, unless otherwise exempt by District Rule 11(d)(15). Ships' force operations that do not meet the exemption in District Rule 11 can be included under existing marine coating permits or a new permit to operate may be granted for these operations. All ships' force operations that require a permit and that have not been previously permitted will be evaluated as new emission units and will be subject to NSR, Toxic NSR, and all applicable prohibitory rules, such as Rule 67.18 (Marine Coating Operations).

See also response to Comment No. 34.

3. WORKSHOP COMMENT

The City of San Diego manages wastewater collection, treatment, disposal and water reclamation facilities that are not co-located but are connected by pipelines. How would these be treated under the proposed revised definition of "contiguous property" in Rule 20.1(c)?

DISTRICT RESPONSE

The District is now proposing to delete the definition of "contiguous property" from Rule 20.1 since it is already defined in District Rule 2. The initial draft revisions to the definition of "contiguous property" were intended to clarify existing APCD application of the definition and to clarify that sources connected solely by utility lines or pipelines are not considered to be a single stationary source. As such, the revised definition was not designed to change the way the facilities listed above are treated for purposes of stationary source determinations. For this reason, and to retain the internal consistency in the definitions in District rules, the District is proposing to delete this definition from Rule 20.1. The existing definition in Rule 2 is the same as the current definition in Rule 20.1. See also responses to Comment Nos. 32 and 33.

4. WORKSHOP COMMENT

Regarding the proposed revisions to the BACT definition in Rule 20.1(c), it looks like BACT could not be less stringent than if applied to an individual emission unit, but could be more stringent if BACT is evaluated and applied to more than one emission unit as a project. How does this relate to the BACT trigger levels? Would they be applied based on the emission increases for individual emission units or for a group of emission units?

DISTRICT RESPONSE

The District NSR rule BACT triggers would still be based on the emissions associated with individual emission units. Rules 20.2(d)(1)(v) and 20.3(d)(1)(vii) refer to the evaluation of BACT (or LAER) for projects consisting of multiple emission units required to be equipped with BACT (or LAER). In some cases, the District may determine that the feasibility, cost-effectiveness and emission control capability of emission controls applied to multiple emission units should be evaluated. While the District could do this previously, the revised BACT definition makes this authority explicit.

5. WORKSHOP COMMENT

Regarding the major stationary source or major modification definitions and emission thresholds in Rule 20.1(c), has the District changed or reduced any of those thresholds?

DISTRICT RESPONSE

The District has not proposed to lower any of the current major stationary source or major modification emission thresholds. The District is proposing to add definitions for "federal major stationary source" and "federal major modification" with higher VOC and NOx emission thresholds of 100 tons per year for a federal major stationary source and 40 tons per year for a federal major modification. These definitions will also contain provisions for automatically lowering the emission thresholds to 50 tons per year and 25 tons per year, respectively, if the San

Diego Air Basin is formally designated by EPA as a serious or severe ozone nonattainment area at some time in the future. There is some chance this may occur based on recent ozone air quality levels.

The current Rule 20.1 major stationary source/major modification emission thresholds for VOC and NOx remain at 50 tons per year and 25 tons per year. Those current thresholds cannot be increased as that would result in fewer projects being subject to existing, current rule requirements. State law prohibits any relaxation of current NSR requirements. The two proposed new definitions of federal major stationary source and federal major modification will be used to apply additional, *new* federal NSR requirements included in the rule revisions. These new requirements will then only apply to a few very large emission sources. The intent is to minimize the impact of these EPA-mandated requirements.

6. WORKSHOP COMMENT

Why was the definition of military tactical support equipment in current Rule 20.1(c)(36) deleted?

DISTRICT RESPONSE

A definition of military tactical support equipment is no longer needed in Rule 20.1. A definition of military tactical support equipment is already contained in District Rule 2 as the term is now used in several District rules. That definition is identical to the current definition in Rule 20.1 and applies for all District rules unless otherwise specified.

7. WORKSHOP COMMENT

The definition of "Contemporaneous Net Emissions Increase" is more extensive now. It is used in the definition of a major modification. How does this change how the rules apply? How does this apply when one does the 80 percent actual emissions to potential to emit test in the rules?

DISTRICT RESPONSE

The proposed revised definition of "Contemporaneous *Net* Emissions Increase" in Rule 20.1(c) is not being substantively changed from the current definition of "Contemporaneous Emissions Increase" in current Rule 20.1(c)(16). The proposed changes clarify, but do not change, the five-year contemporaneous emissions accounting period, and emphasize that both emission increases and emission decreases are accounted for within the contemporaneous period. Both under the current rules and the proposed revised rules, the contemporaneous emissions increase accounting is used to determine if a project constitutes a major modification, and under the proposed revised rules is used to determine if a project constitutes a *federal* major modification. The District is also proposing to allow an applicant for a modification at a federal major stationary source, as proposed in the revised rules, to use the EPA emissions increase test for purposes of applying the

new rule requirements that are specific to federal major stationary sources and federal major modifications. This would be at the option of the applicant and would be in addition to the requirement to use the current emissions increase tests, under the current and proposed rules, that are used to determine the applicability and extent of rule requirements for all projects.

The 80 percent test in current Rule 20.1 is a federal requirement that has been in effect for many years and will continue to apply under the revised rules at facilities that are already major stationary sources that are modifying an emissions unit, and where the modification will result in an emissions increase. If past actual emissions are less than 80 percent of the unit's pre-modification allowable emissions (i.e., pre-project potential to emit (PTE)), the emissions increase is based on the proposed new allowable emissions (post-project potential to emit) after the modification minus past actual emissions. If past actual emissions are equal to or more than 80 percent of the unit's pre-modification allowable emissions, then the emissions increase is based on the proposed new allowable emissions minus the pre-modification allowable emissions (i.e., a post-project PTE minus pre-project PTE calculation). (Note: to meet EPA requirements, past actual emissions may need to be further adjusted under the revised rules if the modified unit is located at a *federal* major stationary source, as newly defined.)

Once the emissions increase is determined after applying this 80 percent test, the emissions increase is added into the contemporaneous (net) emissions increase accounting to determine if the modified emission unit will constitute either a major modification (*current and proposed revised rule*) or a federal major modification (*proposed revised rule*).

The emissions increase test under EPA's NSR Reform regulations for most modification projects at federal major stationary sources compares past actual emissions (over a ten-year look-back period and adjusted to current applicable federal requirements) to future expected actual emissions as projected by the applicant. The emissions increase can then be adjusted downward to take into consideration what activity level the emissions units being modified could have accommodated without the proposed modification.

State law (SB288) precludes the District from changing its NSR rules to apply this new EPA emissions increase test across the board in the District's NSR rules because ARB considers EPA's method to be less stringent than the District's current methodology. Nevertheless, the District is proposing to allow an applicant for a modification at a federal major stationary source, as proposed in the revised rules, to use the EPA emissions increase test for purposes of applying the new rule requirements that are specific to federal major stationary sources and federal major modifications. This would be at the option of the applicant and would be in addition to the requirement to use the current emissions increase tests, under the current and proposed rules, that are used to determine the applicability and extent of rule requirements for all projects.

8. WORKSHOP COMMENT

Does the 80 percent test apply to each air pollutant individually or, if a source is a major source for any one pollutant, does that 80 percent test apply for all air pollutants at that facility? Does this test only apply if the modification is at an existing major source?

DISTRICT RESPONSE

The 80 percent test in the current and proposed rules applies to each air pollutant individually. Also, the 80 percent test applies only in the case of a proposed modified emission unit at an existing major stationary source. The opening sentence of current Rule 20.1(d)(1) states, "The potential to emit of each air contaminant shall be calculated on an hourly, daily and yearly basis". Thus, the 80 percent actual emissions to potential emissions test that follows in Rule 20.1(d)(1)(i)(C) applies on an air contaminant-specific basis. If a source is major for one air contaminant, for example VOC, then the 80 percent test would apply only to that one air contaminant. For air contaminants for which a facility is not a major stationary source, the 80 percent test would not apply and instead, for most cases, the emissions increase is based on a post-project potential to emit versus pre-project potential to emit comparison.

The proposed revisions to Rule 20.1 contain a more explicit statement to this effect in the new opening sentence to Rule 20.1(d) – "The emission calculation provisions and requirements of this Section (d) shall be applied on an air contaminant-specific basis."

9. WORKSHOP COMMENT

Can the 80 percent actual emissions to potential emissions test be applied on a project basis rather than to each individual emission unit for some future special projects? This might provide a facility with more flexibility for compliance with the rules.

DISTRICT RESPONSE

The 80 percent test in current District NSR Rule 20.1 cannot be revised to allow it to be applied on a project basis rather than on an emissions unit basis. The ARB would certainly determine that such a revision would constitute a relaxation of the NSR rule requirements. The 80 percent test in the current rule is used to determine the pre-project potential to emit of an emission unit located at an existing major stationary source. This pre-project potential to emit for the emission unit is then used in determining whether a modification to that unit results in an emissions increase. This then determines whether BACT applies to that unit and whether there is an air quality impact analysis required for the modified emission unit. BACT and air quality impact analysis requirements are core requirements of the NSR program, locally and under State law.

The current NSR rules (and the proposed revised rules) do consider the overall effects of a project in assessing air quality impacts, and in determining the amount of a contemporaneous net emissions increase. The latter is used to determine whether a major modification will occur and if emissions offsets and LAER technology is required.

10. WORKSHOP COMMENT

Regarding the NSR rules definition of portable emissions units, the definition is confusing and it seems the District determines what it wants to be portable and what it does not want to be portable. The District has developed policies and issued advisories that apply to portable emission units. These affect how portable units are regulated but these policies have not gone through a public review and comment process. These policies should be codified in the District's regulations so they can go through a public review process.

DISTRICT RESPONSE

The District disagrees with the suggestion that the District's policies be incorporated into the NSR rules. The Board-adopted rules apply generically to a wide variety of portable units. Incorporating such policies into the rules, which often are tailored to a specific category of portable units, would likely be counterproductive. Doing so would also complicate the process of obtaining rule approvals from ARB and EPA. Policies detailing specific local permitting procedures for specific types of equipment that are adopted into District rules and subsequently approved by EPA cannot be readily revised as circumstances change.

The District frequently issues policy documents and advisories to assist regulated entities with compliance. District policies often are tailored to specific industries or types of portable equipment but do not fundamentally change the underlying rule definitions. It is often necessary to develop policies dealing with unique circumstances. These documents may also be updated to provide additional examples or guidance, depending on changed circumstances. It would be impracticable and cumbersome to include these as part of the actual rule language since it would make the rules much longer, and it would require the District to obtain District Board, ARB and EPA approval prior to any changes in guidance, thus eliminating flexibility for regulated facilities.

The proposed revised Rule 20.1 definition of "portable emission unit" is not changing from the current Rule 20.1 definition, except that a phrase is added to make clear that portable emission units, for purposes of the NSR rules, are only those subject to the permit requirements of District Rule 10. The definition of "portable emission unit" in Rule 20.1 is nearly identical to that contained in ARB's portable equipment registration program regulation. ARB has a document on its website (http://www.arb.ca.gov/portable/perp/capcoa_document_3-12-14.pdf) which contains a California Air Pollution Control Officers Association (CAPCOA) summary of explanations and examples illustrating how air districts interpret and apply the portable equipment definition and registration program.

Other types of portable emission units that are not subject to Rule 10 permit requirements, in particular the many hundreds of portable units that are registered under District Rules 12 or 12.1 or under the California Air Resources Board Portable Equipment Registration Program (PERP), are not subject to the District's NSR rules, to the extent they are operated within the restrictions of those registration programs.

11. WORKSHOP COMMENT

The proposed revisions to the rules are very extensive and detailed. There has not been sufficient time to analyze the changes and to prepare comments.

DISTRICT RESPONSE

The District published and distributed the draft proposed rule revisions more than one month before the May 7, 2015, workshop and continued to accept comments on them following the workshop so those comments could be addressed in this workshop report. The District will consider, as appropriate, any additional comments received from affected facilities, members of the public, ARB and EPA before the revised rules are noticed for hearing before the Air Pollution Control Board, as well as any comments submitted prior to the hearing, as time permits.

12. WORKSHOP COMMENT

The Rule 20.1 definitions of "Contiguous Property" and "Stationary Source" use the phrase "*common ownership or common control*". Should it read, "*common ownership and common control*", as used by EPA?

DISTRICT RESPONSE

Changing the rule definitions to "*common ownership and common control*" or, equivalently, "*common ownership and entitlement to use*" would undercut the intent which is to prevent sources from attempting to avoid NSR requirements through contractual arrangements with third parties that, in effect, appear to reduce emissions attributable to the source without any real emission reduction at the source or which dilute responsibilities for compliance. Instead, the District is now proposing to delete both the definitions of "Contiguous Property" and "Stationary Source" from Rule 20.1, since both terms are already defined in District Rule 2. The Rule 2 definitions of "Contiguous Property" and "Stationary Source" are identical to the current definitions in Rule 20.1 and will apply to all District rules unless otherwise specified. Accordingly, these definitions are no longer needed in Rule 20.1.

The primary purpose of the initial draft amendments proposed by the District was to replace the existing Rule 20.1 wording "*common ownership or entitlement to use*" with the proposed new phrase "*common ownership or common control*" to bring it more in line with EPA's definition.

The EPA's definition uses the wording "…*under the common control of the same person (or persons under common control)*." No substantive change to the current District application of the phrases was intended.

13. WORKSHOP COMMENT

Under the proposed definition of "Stationary Source", is there a reason why the District added reference to the California Coastal Waters?

DISTRICT RESPONSE

The District is now proposing to delete the Rule 20.1 definition of "Stationary Source" in favor of the current definition in District Rule 2, as noted above in the response to Comment No. 12. The current Rule 20.1 definition of "Stationary Source" already requires that emission units located in California Coastal Waters be included as part of a stationary source. The proposed pre-workshop revision was to clarify that only those emission units in coastal waters that are under the same common ownership or common control as the stationary source will be included as part of the stationary source.

14. WORKSHOP COMMENT

The District does not define "common control." Is the term federally defined?

DISTRICT RESPONSE

There is not a federal definition of "common control" but it is the subject of several EPA determination letters explaining how EPA applies the term in specific cases under review. The District is no longer proposing to add this language to the definition. See also responses to Comment Nos. 32 and 33.

15. WORKSHOP COMMENT

Regarding the new requirement in Rule 20.1(d)(2)(iv) to adjust historic actual emissions, does that mean that if you had emissions in the past that did not include all current controls, you could not count all of those emissions? Would you determine emissions as if it was a new source?

DISTRICT RESPONSE

If new federal requirements apply, past actual emissions might be reduced, but the existing unit being modified would not be treated as a new unit. The proposed Rule 20.1(d)(2)(iv) adjustment would be to current federal requirements applicable to the unit as an existing emission unit. The historic emissions would not have to be adjusted to current BACT or LAER technology emission

levels that apply to new units, but would be adjusted to levels that reflect current federally enforceable requirements that apply to the emission unit under review, as an existing emission unit. The term "federally enforceable requirement" is defined in Rule 20.1(c) and can include, but is not limited to, District rule requirements that are in the San Diego portion of the EPA-approved State Implementation Plan (SIP), any applicable federal New Source Performance Standards (NSPS) or National Emission Standards for Hazardous Air Pollutants (NESHAPs) requirements, and any past Authority to Construct conditions issued pursuant to a SIP-approved NSR rule.

Current District NSR rules do not apply this adjustment when accounting for past actual emissions. It has been included in the proposed Rule 20.1 revisions because it is required by EPA regulations.

This adjustment will only apply to emission units located at federal major stationary sources, as newly defined in proposed Rule 20.1. The District is also proposing that this adjustment apply only to (federal) non-attainment air contaminants and their precursors (at this time, only VOC and NOx). Also, an exception in EPA regulations for certain electric steam generating units will be added to the proposed new Rule 20.1(d)(2)(iv).

16. WORKSHOP COMMENT

Would the emissions of permit-exempt equipment at a stationary source be based on potential to emit? Are those emissions included in the stationary source's aggregate emissions?

DISTRICT RESPONSE

The emissions from permit-exempt emission units would be based on their actual emissions, not on their potential to emit. The potential to emit of such units will not have been previously established through a permit review, and would likely be unrepresentative of actual emissions from such units. The District has proposed language in revised Rule 20.1, Subsection (d)(1)(ii), that emissions from permit-exempt emission units would only be included in the stationary source aggregate potential to emit if those emissions would be determining as to whether the stationary source is a federal major stationary source. EPA has not yet agreed to this proposal.

EPA has stated that the Rule 20.1(d)(1)(ii) provisions for determining the aggregate potential to emit of a stationary source should not exclude permit-exempt equipment emissions. The District has not historically included those emissions because they can include a sizable number of very small emission sources and are difficult to quantify. Moreover, for most sources, they are not relevant in the application of the NSR rules. There is no need to account for emissions from permit-exempt emission units at large stationary sources with permitted emissions already over the federal major stationary source thresholds, nor for the many hundreds of smaller stationary sources with emissions well below federal major source thresholds. In both cases, the emissions from the permit-exempt units will not be a determining factor in whether the source is a federal major stationary source. There may be a few cases where the emissions from permitted

equipment puts a facility very close to the federal major stationary source threshold and where emissions from permit-exempt units, if included, would make a difference as to its federal major stationary source status.

17. WORKSHOP COMMENT

Is there opportunity to comment on the NSR rules proposal before EPA approves them?

DISTRICT RESPONSE

The District will consider, as appropriate, any additional comments received from affected facilities, members of the public, ARB and EPA prior to the revised rules being noticed for hearing before the Air Pollution Control Board, as well as any comments submitted prior to the hearing, as time permits. The proposed rules will be considered by the San Diego County Air Pollution Control Board in a public hearing noticed at least 30 days in advance. At some future date after the San Diego County Air Pollution Control Board (Board) approves the rules, they will be forwarded to ARB for approval, and then ARB will forward them to EPA. EPA will decide whether to fully approve, partially approve or disapprove the District's NSR rules. EPA will publish a *proposed* decision in the Federal Register, at which time comments can be provided to EPA. In the interim, the proposed changes to Rules 20.1, 20.2 and 20.3 will not go into effect until approved by the State ARB and federal EPA. Current Rules 20.1, 20.2 and 20.3, adopted in 1998, will continue to apply in the interim. The District is recommending that the proposed revisions to Rule 20.4, which are primarily to address local issues, become effective upon approval by the Board.

18. WORKSHOP COMMENT

Since the District's proposal would require that emission reduction credits be further adjusted when used as emission offsets for a new federal major source or a federal major modification, but would not require such an adjustment for offsets for non-federal major projects, will the District identify in its Banking Registry which credits are likely to be discounted and by how much?

DISTRICT RESPONSE

The District does not plan to evaluate all current credits and publish what their value would be in the small chance that they might be used for a project requiring this additional discounting.

District Rule 20.1(d)(5)(v) is a proposed new requirement that emission reduction credits be adjusted to account for current federal requirements at the time they are used as emission offsets. This is a federal EPA requirement and must be included in the District's NSR rules in order for those rules to be approved by EPA. However, in order to minimize the potential impact of such adjustments, the District is proposing that this new requirement only apply to emission offsets

for new federal major sources and federal major modifications, as newly defined in the proposed NSR rules. Hence, emission offsets provided for new major stationary sources or major modifications that are not new federal major stationary sources or federal major modifications would not be affected by the EPA requirements.

Regarding the emission reduction credit Banking Registry, the credits in the Banking Registry can potentially be used to provide offsets for both new major stationary sources/major modifications under the current NSR rules and new federal major stationary sources/federal major modifications under the proposed revised rules. Banked credits are often transferred among brokers or potential future applicants. Only credits used for federal major sources/federal major modifications are required to be further adjusted to reflect current federal requirements. The District is expecting that this will occur very infrequently. Moreover, since federal requirements can change over time, the amount of discounting can change as well.

When a federal major project is proposed and will need emission offsets, the applicant or its consultants will have to research the origin of the emission reduction credits they are considering to determine what impact, if any, the additional discounting will have on the quantity (and cost) of the emission offset.

19. WORKSHOP COMMENT

Can emission reduction credits be created from photovoltaic (solar electric) panels on houses?

DISTRICT RESPONSE

Theoretically, someone could propose to create credits from the aggregation of numerous residential, commercial or institutional photovoltaic systems, or from a large utility-level project, develop methods for quantifying emission reductions, and propose methods for ensuring that the emission reductions from use of the systems would be permanent (a minimum 30 year project life may be required) and enforceable over that life. Doing so would present significant costs and technical and contractual challenges. To be useable as an emission offsets for a new major stationary source or a major modification, an emission reduction must be real, surplus (of State and federal requirements), enforceable, quantifiable, and permanent. While the use of photovoltaic panels on a home will result in less air pollution from centralized power generation, quantifying the emission reductions and ensuring that they are permanent and enforceable would likely be very difficult. Further, those credits would have to be created in accordance with a future District rule, tailored to the specific proposal and which would have to be approved by ARB and EPA.

20. WORKSHOP COMMENT

Do the adjustments to emission reduction credits required by proposed Rule 20.1(d)(5)(v) include State and local rules or only federal rules?

DISTRICT RESPONSE

Emission reductions required by State law or State and District rules, regulations or orders which are approved into the SIP, or adopted and submitted to EPA for approval in the SIP, would be considered federal requirements and, therefore, used in the Rule 20.1(d)(5)(v) adjustments. State and local District laws, regulations, rules or orders not approved into the SIP, and not submitted to be approved, would not be considered federal requirements.

Proposed Rule 20.1(d)(5)(v) requires that emission reduction credits be "*surplus of federal requirements*" at the time they are proposed to be used as emission offsets for a federal major project. Proposed Rule 20.1 contains a definition of "*surplus of federal requirements*". Emission reductions required by State law or State and District rules, regulations or orders which are approved into the SIP, or adopted and submitted to EPA for approval in the SIP, would be considered federal requirements and, therefore, used in the Rule 20.1(d)(5)(v) adjustments. Any applicable federal emission standards would also be used in the adjustments.

21. WORKSHOP COMMENT

The Tables of Contents in Rules 20.2, 20.3 and 20.4 contain notes specifying that certain sections of the rules will not be submitted to federal EPA for inclusion in the SIP. Aren't all District rules included in the SIP? Is there a table identifying which District rules are in the SIP?

DISTRICT RESPONSE

Not all District rules are in the SIP. The District has a list of rules that have been approved or submitted to EPA for approval into the SIP, and can provide that information.

The District did not submit certain rules to EPA for inclusion in the SIP because those rules carry out State requirements that, to date, are not needed to meet federal requirements. In general, the rules not submitted contain more stringent air pollution control requirements and are sometimes technology-forcing. It can be very difficult to revise a rule that has been approved by EPA into the SIP if the District finds that some part of a technology-forcing rule requirement, and/or the application of the requirement to a subset of affected facilities, cannot be met and the rule must be revised.

22. WORKSHOP COMMENT

What is the closest Class I area?

DISTRICT RESPONSE

The closest Class I area is the Aqua Tibia Wilderness Area, located in San Diego County on the northern side of Palomar Mountain, east of Interstate 15.

23. WORKSHOP COMMENT

Landfills are unlike other permitted sources where actual emissions and potential emissions are known or well estimated. Actual permitted emissions from a landfill may not be fully realized until many years after the landfill has begun to operate. If the landfill is being modified, it is difficult to apply the 80 percent test when actual emissions associated with the existing permit for the landfill likely have not been fully realized and won't be until near the end of the landfill's waste disposal life. Moreover, estimates of potential future emissions from a landfill are necessarily somewhat uncertain since they depend on, among other things, the composition of the waste stream, which may substantially change over time. In California, the available information indicates that the amount of landfill gas generated per ton of waste received has declined significantly in the last twenty years – a trend that is likely to continue.

DISTRICT RESPONSE

The District will continue to evaluate how best to consider landfill expansion project emissions under the District's NSR rules. The evaluation approach may be specific to a given project and depend on factors such as whether an expansion is horizontal, vertical or both; whether landfill gas emission controls will be expanded also and on what schedule; and whether the expansion will result in an increase in the hourly, daily or annual emissions rates of any air contaminant.

The District is aware of the difficulties with applying NSR rules and procedures to municipal waste landfills when an operator proposes an expansion. The gases that result from decomposition of the waste develop over time as decomposition proceeds and as additional waste is deposited in a landfill. For virtually all other permitted sources, actual emissions commence as the emission unit begins operation, and occur when the unit operates and at a rate commensurate with utilization of the unit. By comparison, at a landfill, emissions increase gradually over many years and do not correlate with the waste deposition rate at any given time but rather the total amount of waste deposited over many years.

24. WORKSHOP COMMENT

If an existing gasoline station is shut down and removed, and a new gasoline station is built at the same location, is that treated as a new stationary source under the NSR rules? What if it is under new ownership?

DISTRICT RESPONSE

The proposed revisions to the NSR rules should not change how new, modified and replacement gasoline dispensing facilities are evaluated under the current rules.

For a simple change in ownership, NSR rules would not apply. If a change in ownership occurs at the same time that a new gasoline station is built, the District would treat the new gas station as a new stationary source and the NSR rules will apply. In the case where the ownership of an

existing gas station changes and subsequently the new owner shuts down and removes the existing station, then builds a new gas station at the same location, the District would treat the new gas station as a replacement source and the NSR rules will likely apply. In both cases, the new gas station would be subject to BACT under both the current and proposed revised NSR rules. However, compliance with current gasoline dispensing facility vapor recovery requirements contained in District Rules 61.3.1 and 61.4.1 would likely satisfy most BACT requirements of the NSR rules.

25. WORKSHOP COMMENT

It appears the District has exempted municipalities from emission offsets.

DISTRICT RESPONSE

That is incorrect. The District is proposing to delete the provisions of current Rule 20.3(d)(6). The District is also proposing to delete the Rule 20.1(c) definition of "Essential Public Services" as there would no longer be any references to that term in the proposed revised Rules 20.1-20.4.

There are provisions in the current NSR rules (Rule 20.3(d)(6)) which allows emissions offsets for an essential public service project, as defined in Rule 20.1(c), to be provided from emission reduction credits (ERCs) in a District Bank. However, that provision has not been exercised because first priority for use of District Bank ERCs, and any other unbanked emission reductions, has been to demonstrate compliance with the no-net-increase permit program provisions of the California Clean Air Act. Under that program, the District was able to revise its emission offset requirements in 1998 from applying to sources with emissions greater than 15 tons per year to instead apply only to sources greater than 50 tons per year. That removed a significant regulatory burden for many smaller emission sources. Since the emission reductions not banked by other persons will continue to be used by the District in its triennial demonstration to ARB in order to maintain the higher emission offset threshold, and not used to provide offsets for essential public services, the District is proposing to delete the provisions of current Rule 20.3(d)(6).

26. WORKSHOP COMMENT

In regards to the federal emission offset discounting requirement, are only the emission offsets needed for emissions above the federal offset threshold subject to the discounting?

DISTRICT RESPONSE

No. The adjustments to emission reductions and ERCs used as offsets required by EPA and contained in proposed Rule 20.1(d)(5)(v) apply to <u>all</u> of the emission offsets required for a new federal major stationary source or a federal major modification. For example, if a federal major modification at an existing federal major stationary source of VOC results in an emissions

increase of 65 tons of VOC per year, all of the required emission offsets (typically 65 tons per year multiplied by the required offset ratio of 1.2 to 1.0 or a total of 78 tons VOC per year of offsets) must be adjusted to be surplus of current federal requirements, not just the offsets for emissions above the federal major modification offset threshold of 40 tons per year.

27. WORKSHOP COMMENT

For Prevention of Significant Deterioration (PSD) program purposes, to determine whether you have a modification, you have to do an "actual emissions" to "potential emissions" comparison and not an "actual emissions" to "projected actual emissions" comparison as allowed by EPA regulations. Will the District be changing its emissions increase methodology for PSD projects? Once District Rule 20.3.1 is approved, which was adopted to meet current EPA PSD requirements, will PSD projects then be allowed to use EPA's methodology?

DISTRICT RESPONSE

State law (SB288) precludes the District from changing its emissions increase calculation methodology in the New Source Review rules, which contain existing requirements for new PSD sources and PSD modifications. The PSD program requirements, both under EPA regulations and under program elements contained in the District's current NSR rules, apply to only a very few, very large emission sources in San Diego County and not to the great majority of smaller permitted sources in the County. Those requirements were included in the NSR rules many years ago to meet previous EPA requirements. EPA has requested that the District not include PSD provisions in its NSR rules or, if the provisions must remain, they not be included in the portions of the rules that the District is requesting be approved into the SIP. ARB has stated that the District cannot rescind the PSD provisions in its NSR/PSD Rules 20.1-20.4 because it considers the current EPA version of those requirements to be less stringent. Accordingly, the PSD provisions in the current rules are being retained but will be excluded from the portion of the rules to be approved by EPA in the SIP.

The District does not currently have authority to implement the federal PSD program either by delegation from EPA or through an EPA approved rule and likely will not have such authority in the near future. To remedy this situation, the District adopted Rule 20.3.1 to implement the federal PSD program by reference to the appropriate EPA regulations and thereby, upon EPA approval, have an approved federal PSD program. An EPA-approved federal PSD program gives the District the permitting authority for federal PSD. However, Rule 20.3.1, which references EPA regulations as they exist on a specific date, is now significantly at variance with the current EPA PSD regulations both because EPA has changed its legal opinion regarding the precise statute to be referenced and because of court decisions that have revoked portions of EPA's PSD program regarding greenhouse gases and $PM_{2.5}$. The court decisions need to be addressed through further EPA rulemaking. It should be noted that Rule 20.3.1 would have become effective only upon EPA approval and, therefore, is not in effect and has no bearing on any permit actions by the District.

The District has requested that EPA withdraw Rule 20.3.1 from consideration for EPA approval. The District does not currently have authority to issue federal PSD permits and may not have such authority for some time. Unfortunately, under current requirements, any new PSD stationary source and any PSD modification at an existing PSD stationary source must obtain a PSD permit from the federal EPA under EPA's current regulations. The project applicant must also obtain an Authority to Construct from the District. An Authority to Construct can only be approved if compliance is demonstrated with all District rules, including the NSR and PSD program elements in the District's current NSR/PSD Rules 20.1-20.4 (or revised Rules 20.1-20.4 once approved by EPA).

As noted above, because of State law, the District cannot propose rule revisions that would allow the use of EPA's emissions increase calculation methodologies to apply current NSR/PSD rule requirements. However, the District is proposing to allow the use of the EPA emissions increase calculation methodologies, at the option of an applicant, for purposes of applying specific new NSR requirements applicable to federal major stationary sources and federal major modifications. This would be in addition to the use of the District's current emissions increase methodologies for purposes of applying all other requirements of the NSR rules.

28. WORKSHOP COMMENT

The District rules include fugitive emissions in determining if a stationary source is a PSD stationary source, where the federal PSD regulations do not include fugitive emissions except for a few categories of specific industries. Will the District revise its rules to be the same as the federal rules in regards to fugitive emissions?

DISTRICT RESPONSE

The District is proposing to include the EPA procedures with regards to fugitive emissions for purposes of determining whether a stationary source or project meets the new definitions of federal major stationary source and federal major modifications. Because the current NSR rules include fugitive emissions in all cases, State law (SB288) precludes the District from revising the current NSR/PSD rules to exclude fugitive emissions in the applicability determinations for PSD stationary source projects, (non-federal) major stationary source projects and non-major source projects.

29. WORKSHOP COMMENT

Does Rule 20.4 apply to all portable emission units?

DISTRICT RESPONSE

No. Many portable emission units are registered under the State Portable Equipment Registration Program (PERP) or under the District's registration rules. These units do not require permits and therefore are not subject to the District's current (nor proposed revised) NSR Rule 20.4, with a few limited exceptions. Also, the requirements of Rule 20.4 only apply to a new portable emissions unit requiring a District permit, to an existing permitted portable emission unit that is being modified (including permit modifications) where emissions will increase, or to a replacement portable emission unit that replaces an existing permitted portable unit. Existing, permitted portable emissions units that are not being modified or replaced are not subject to the NSR rules.

30. WORKSHOP COMMENT

Should the references in Rules 20.2, 20.3 and 20.4 to identical or like-kind replacements that, under Rule 11, do not require new or modified District permits be moved up to the Applicability sections of those rules?

DISTRICT RESPONSE

The District agrees and will make that change.

31. WORKSHOP COMMENT

Will the PSD provisions contained in Rules 20.1-20.4 go to the County Board of Supervisors for approval? With regard to the State law prohibiting NSR rule relaxations, could the District argue to ARB that since these PSD provisions were never approved by EPA, they should not be subject to the restrictions of SB288?

DISTRICT RESPONSE

Since the existing PSD provisions are in the current approved Rules 20.1-20.4 and have been applied by the District in the past, they are included in the revised rules that will go to the Air Pollution Control Board for consideration of approval. The current PSD provisions are a part of the District's NSR rules and became effective when they were approved by the Air Pollution Control Board many years ago. Their applicability was not contingent on EPA approval. The District has discussed with ARB whether some or all of the current PSD provisions can be removed from Rules 20.1-20.4. ARB responded that these existing provisions are part of the District's NSR program, have been applied by the District in the past and, under State law, must be retained regardless of whether they were ever approved by EPA.

32. WRITTEN COMMENT

The City of San Diego (City) has reviewed the District's proposed revisions to NSR Rules 20.1-20.4. The proposed rule amendments may have a detrimental effect on the City's ability to expand the Miramar Landfill's gas (LFG) collection and control system, which is necessary to comply with other federal, State and local regulations. The City has been attempting to permit additional LFG flares to enhance the LFG control capacity at the site. These proposed rules may present a significant obstacle to moving forward with the flare projects by increasing costs, delays and imposing additional requirements that will not improve air quality. Further, these proposed amendments threaten the viability of other future City projects at the Miramar Landfill. Such projects will handle the future solid waste streams of the City including separation, sorting and diversion, particularly as the Miramar Landfill reaches capacity. They will also threaten the viability of future City projects at the North City Water Reclamation Plant; such projects will address future reclaimed water and potable water needs of the City and are vitally important to the region.

The following comments (*itemized below following the initial District Response*) do not necessarily encompass all of the issues that may affect the City and its various departments, and the City reserves the right to submit further comments to the APCD prior to, or at, the adoption hearing for any proposed amendments to Rules 20.1, 20.2, 20.3 and 20.4.

DISTRICT RESPONSE

The current and proposed revised NSR Rules 20.1-20.4 do not threaten current and future Miramar Landfill projects that are designed to comply with applicable air contaminant emission control requirements, and which will not adversely impact air quality for surrounding communities. In large measure, the District's rules reflect State and federal law and ARB and EPA regulations.

The Miramar Landfill, and its associated operations, is one of the largest stationary sources of air contaminant emissions in San Diego County. The issues associated with the City's comments partially arise from the impacts of current and future landfill gas emission collection and control systems. These systems rely on landfill gas flares and internal combustion engines fueled by landfill gas and generating electricity. Even though the proper design and operation of these devices are key to compliance of the Miramar landfill with District and federal air contaminant emission control requirements, the City has contracted with separate companies to operate and maintain these systems. While compliance will likely result in additional costs to the City, that is true for many other affected businesses and organizations in San Diego County and has been repeatedly found to be an acceptable impact in order to achieve and protect cleaner air and public health. Municipal waste landfills are a unique type of air contaminant emission source and the District will continue to work with representatives of the City to advance essential public projects that comply with applicable District rules and State and federal law.

33. SPECIFIC CITY COMMENT

The City is concerned with the proposed definition of "achieved in practice" in draft Rule 20.1, Section (c)(1). Under the proposed definition, a technology or emission limit may be deemed "achieved in practice" after demonstrating continuous compliance for only a period of six months. For many sources, six months would be considered part of the startup of the equipment and not reflective of the ability to achieve compliance on a long-term basis. This is especially true of landfill gas sources (e.g., flares, engines, etc.) where gas impurities affect the equipment and emissions change over time. Even with required cleaning, repair and maintenance, the equipment cannot maintain the emission levels achieved during startup and initial testing. The City recommends that the District add to the proposed definition of "achieved in practice" that the "period of at least six months" must begin after the applicable startup period for the control technology has been completed and a second performance test (subsequent to the initial testing) has demonstrated compliance. In addition, it should be clarified that "achieved in practice" cannot be based on experimental equipment or first time technology until it has been demonstrated in at least three similar installations. Further, no definition for "reliable" or "demonstrated" is provided, so it is unclear what criteria control technology would have to meet before it is deemed reliable or when a technology/emission limit is demonstrated.

DISTRICT RESPONSE

The proposed definition of "achieved in practice" was based on the District's current definition of "proven in field application" but reduced the demonstration period from at least one year to at least six months to conform to EPA guidance. The District recognizes that landfill gas emissions control has unique issues. The District has reconsidered its proposal and has decided not to rescind the current definition and use of the term "proven in field application" and not to add a definition of "achieved in practice". In actual application, the District looks for technologies that have been applied on more than one project and typically that have gone through a compliance determination more than once. However, inserting rule language which would codify these practices would likely raise disapproval issues with ARB and EPA, and could be counterproductive in the future application of BACT requirements.

Further, if an applicant believes that the District is inappropriately applying BACT requirements, it may request meetings with District staff and management to resolve the matter and/or appeal the District's decision to the Air Pollution Control District Hearing Board. Since BACT requirements for non-major sources were incorporated in the District's NSR rules in 1994, the District has made many hundreds of BACT determinations and few, if any, have been appealed by applicants to the Hearing Board. The District has historically worked collaboratively with applicants interested in ensuring the compliance of their projects.

Finally, there is no air quality interest in requiring applicants to install air contaminant emission control equipment that will not perform at the level expected. However, where installed air pollution controls cannot perform to the level expected, District Rule 20.6 may provide further protections to an applicant. If despite all reasonable efforts the emission control levels assumed in the analysis required for the Authority to Construct cannot be achieved, under Rule 20.6 the

Air Pollution Control Officer may make a new determination that BACT (or LAER) is, in fact, being used, provided an air quality impact analysis demonstrates that the actual emissions from the source may not be expected to result in the violation of any national ambient air quality standard or air quality increment, nor interfere with the attainment or maintenance of any (national or State) ambient air quality standard.

34. SPECIFIC CITY COMMENT

Draft Rule 20.1, Subsection (c)(13)(i)(A), partially defines BACT as the "most stringent emission limitation or the most effective emission control device or control technique, or combination thereof, which has been achieved in practice and which is cost-effective for such class or category of emission unit, *as determined by the Air Pollution Control Officer*.." (emphasis on added). The City is concerned that the Air Pollution Control Officer will have broad discretion to determine what falls within the existing terms for "class" or "category" which are not defined in the rule. If class or category is defined broadly, for example as just "engine", then BACT for a diesel engine could be defined as the lowest emitting engine which would be electric. Electric engines are not suitable for most activities at solid waste facilities, such as the Miramar Landfill, where mobility and power are critical. A broad definition by fuel type could result in "LFG sources" as being one category or class, which would limit the City's options for LFG control or energy recovery. The City recommends that the District provide clarification for the terms for "class" or "category", and support the use of narrow definitions that would encompass types of sources (e.g., engine, flare, turbine, etc.), fuel type (e.g., LFG, diesel, natural gas, etc.) capacity range and function. Emissions (and the ability to control them) vary significantly within these categories; therefore, BACT decisions should reflect this.

DISTRICT RESPONSE

The District will not propose to define "class" or "category" of emission units in the NSR rules. The NSR rules apply to many different types of air contaminant-emitting equipment, devices, processes and operations. Narrow definitions of these terms, as suggested by the commenter, would not be useful in the broad application of the rules. Nevertheless, the District has established BACT Guidance that includes BACT determinations for classes and categories of the most frequently permitted emission units. A review of this guidance, available on the District's website, demonstrates that the District, when determining BACT for a category of emission unit such as an internal combustion engine, considers factors such as fuel type, size and type of use. This is also the case when the District evaluates BACT for landfill gas-fueled flares and engines.

As noted above, if an applicant believes the District is incorrectly applying its BACT requirements to a project, the applicant can ask for meetings with the District to resolve the matter and can appeal the District's decision to the Air Pollution Control District Hearing Board.

In the example provided by the commenter, an electric motor might be considered briefly for certain applications seeking a permit for an internal combustion engine. In fact, some facilities have replaced their existing IC engines with electric motors in order to create marketable

emission reduction credits. However, if an electric motor will not satisfy the functional requirements for a project (e.g. portability, LFG emission control, etc.) or is not technically feasible, it would not be considered as BACT.

35. SPECIFIC CITY COMMENT

The City is also very concerned that the addition of "…as determined by the Air Pollution Control Officer…" within the BACT definition, in Rule 20.1(c)(13)(i)(A), gives the District the discretion to require lower-emitting alternatives, changes in fuels, and/or substitution of equipment without any defined criteria as to when/how such decisions can be made. Applicants are in a better position to determine whether a proposed alternative will be equivalent. Significant operational concerns will exist if the District may decide unilaterally that a certain alternative, even one transferred from another source category, is BACT for a proposed emission unit.

DISTRICT RESPONSE

The proposed phrase "…as determined by the Air Pollution Control Officer…" was added to emphasize that the class or category of emission unit is determined by the District. Nevertheless, the phrase is somewhat redundant of the District's approval authority embedded in Rule 20 and will be withdrawn from the proposal. Under District Rule 20, the Air Pollution Control Officer cannot issue an Authority to Construct or Permit to Operate if an applicant does not show that the project under review can be expected to comply with the District's NSR rules. It is incumbent on the applicant to make that demonstration but the District must determine that the demonstration is correct and sufficient. In the matter of a BACT requirement in the current and proposed NSR rules, the District must make a determination that what the applicant has proposed as BACT meets the requirements of the NSR rules. In the particular example cited, the District must find that what is proposed by the applicant as BACT is the lowest emitting of any of the four subcategories of BACT specified in Rule 20.1(c)(13)(i)(A) through (D), and meets the other provisions of the BACT definition. It should be noted also that the paragraph (A) that is the subject of this City comment ends with the provision that the applicant can demonstrate that a particular emission limit, device, control technique or combination that has been achieved in practice for the same class or category of emission unit (e.g., LFG-fueled IC engine) is not technologically feasible for the applicant's specific project.

36. SPECIFIC CITY COMMENT

The City believes that the proposed BACT cost-effectiveness value for SO_x, contained in revised Rule 20.1(c)(20), is unreasonably high. The San Diego area is not a non-attainment area for SO_x and the City is unaware of any major issues with SO_x emissions in the region. The City understands that there is a concern with SO_x as a precursor to PM_{10}/$PM_{2.5}$; however, if this is the case, then the City recommends that the District instead use a BACT cost threshold of $3.33/lb for SO_x, equivalent to that of PM_{10}.

DISTRICT RESPONSE

The District disagrees. The District arrived at the proposed cost-effectiveness threshold value ($9.00/lb) for SO_x emission sources using two approaches. The cost-effectiveness values ($5.00/lb – $9.15/lb) used by the five other large California air districts (South Coast, San Joaquin, Bay Area, Sacramento and Ventura) were reviewed to determine if a correlation could be drawn between those values and background air quality for PM_{10} and $PM_{2.5}$ in those air districts. Little or no correlation was apparent. A similar analysis was done regarding each air district's emissions inventory – in particular, the type and distribution of SO_x emission sources. Again, no correlation was apparent. The District then chose the median of the cost-effectiveness values of those five air districts. This value was then divided by 1.5, the larger of the BACT cost-effectiveness multipliers used by the District, to arrive at the benchmark value of $6.00/lb proposed in Rule 20.1.

The District would also note that, when SO_x, expressed as SO_2, is converted to PM_{10} in the atmosphere, it is expected to be primarily in the form ammonium sulfate and ammonium bisulfate. One pound of SO_2, when converted to PM_{10}, results in approximately two pounds of PM_{10} if in the form of ammonium sulfate and 1.75 pounds of PM_{10} if in the form of ammonium bisulfate. As a consequence, one pound of SO_2 converted to PM_{10} in the atmosphere has roughly twice the impact of one pound of directly emitted PM_{10} on a mass basis. This further supports a higher cost-effectiveness benchmark for SO_x than PM_{10}.

37. SPECIFIC CITY COMMENT

Table 20.1-4 in draft Rule 20.1 proposed a BACT cost multiplier for sources with a potential to emit above and below 15 tons per year (tpy). However, no justification or rationale is provided for applying a cost multiplier, and no justification is provided for the multiplier chosen or why it increases significantly after 15 tpy. As long as the source remains a minor source, then there should be no difference in the multiplier applied. In particular, the 1.5 multiplier presents significant difficulties because individuals would be forced to accept any limit that is up to 50% more expensive than what is currently achieved. So unless the limit is greater than this amount, a particular technology or emission limit would still be considered cost-effective. Further, this could apply a more stringent standard than that used for some of the pollutants for which numeric BACT thresholds are provided and for which the District is in non-attainment. That is, the District is non-attainment for ozone; therefore, the BACT thresholds for NOx and VOC are

the highest, which is expected. However, at a 1.5 multiplier, it is possible that the ultimate cost threshold for an attainment area pollutant could end up higher than $6/lb, which seems disproportionate and unfair.

DISTRICT RESPONSE

Under State law (SB288), the District cannot lower these BACT cost multipliers from their current values.

The BACT Cost Multipliers specified in Rule 20.1, Table 20.1-4, are the current Rule 20.1 values which have been in effect since 1994. These values were arrived at through a collaborative process involving representatives from affected businesses, government agencies and other interested parties. The members representing businesses and agencies requested that the rule be more specific as to how cost-effectiveness values were to be determined. Prior to 1994, the NSR rules specified that the cost-effectiveness threshold for BACT determinations was that it not be *"…substantially greater than the cost (in terms of dollars per unit of contaminant controlled) of other control measures for the same air contaminant that are required to meet stationary source and motor vehicle emission standards…"* Prior to the 1994 NSR rule revisions, the District had used a 1.5 multiplier by policy to implement the "significantly greater" provision.

Accordingly, a specific multiplier of 1.5 was included in the adopted 1994 NSR rules. The 1994 NSR rules also included a lower BACT cost multiplier of 1.1 for smaller sources emitting less than 15 tons per year because this was also the threshold for triggering emission offsets under a new State law at the time. Prior to that date, the BACT threshold in the District's NSR rules was 100 pounds per day (approximately 15 tons per year) but under the 1994 revisions, many smaller sources were now subject to BACT because of that same new State law. The 1.1 (vs 1.5) multiplier was an effort to reduce the economic impact of the new BACT requirements for these smaller sources.

38. SPECIFIC CITY COMMENT

The District is proposing to add a requirement of "common ownership or common control" to the definition of "contiguous property" in Rule 20.1(c)(19). The City does not necessarily object to the proposed definition of "contiguous property"; however, the City would appreciate clarification as to how the change affects the definition of "Stationary Source". Specifically, the City would like confirmation that multiple emission units will not be deemed part of the same stationary source just because they sit on property that is under common ownership or control. Rather, as required by the "Stationary Source" definition, the property housing the units and the units themselves must be under common control to be considered part of the same (stationary) source.

DISTRICT RESPONSE

As noted in the response to Comment No. 12, the District is now proposing to delete the definitions of "Contiguous Property" and "Stationary Source" from Rule 20.1 in order to maintain internal consistency in the District rules. The definitions in Rule 2, which apply to all other District rules unless otherwise noted, are identical to the current definitions of these terms in Rule 20.1. The initial draft changes to these definitions in Rule 20.1 were intended to clarify District application of the definitions and to make the District terminology more closely match EPA terminology. As such, these draft rule amendments were not intended to result in any changes to the District application of the definition of "Stationary Source". To be considered as one stationary source, multiple emission units must be under common ownership or entitlement to use and be located on the same or contiguous properties.

39. SPECIFIC CITY COMMENT

In the revised definition of "Stationary Source" in Rule 20.1(c)(77), the District has proposed replacing the phrase "entitlement to use" with "common control". The City is concerned that "common control" will be interpreted too broadly and might subject the City to penalties for operations it has no practical ability to manage. The City urges the District to retain the phrase "entitlement to use" because it provides a clear, fair test while the proposed language would lead to confusion and conflict. Under the existing "ownership or entitlement to use" test, there is little room for interpretation. If an entity owns or has the right to operate a new emission unit, they are responsible for complying with regulations applicable to that unit. Under a "common control" test, however, it is entirely unclear how much "control" is enough to make a permittee responsible for emission units installed and operated by a wholly separate entity. If "common control" is used in proposed Rule 20.1(c)(77), the City recommends a very narrow and explicit definition for that term that clarifies under what conditions operations located on the same or contiguous properties would be considered under common control and thus part of the same stationary source. Co-location of one facility upon another facility's property should not be a key determinant in the common control determination. Rather, the City suggests a common sense approach that focuses on the ability of one entity to exert real and demonstrative operational control over the other's facilities, equipment, and management.

DISTRICT RESPONSE

The District now proposes to eliminate the definitions of "Contiguous Property" and "Stationary Source" from Rule 20.1 in order to maintain internal rule consistency. The existing definitions in Rule 2 will apply.

The District does not see a substantive difference between the phrase "entitlement to use" and "common control". Rather, the District intended to make its definition more consistent with EPA terminology. "Entitlement to use" can also involve contractual relationships which allow one party to exert control over the operations of another (i.e., common control). If this was not the case, regulated entities could artificially divide a stationary source by simply hiring

contractors or establishing separate smaller companies to perform parts of an operation, and claiming no ability to "use" the other entities' equipment. For this reason, multiple EPA determination letters establish criteria for assessing common control in making stationary source determinations. In fact, contrary to the suggestion of the comment, co-location of one facility upon another facility's property leads to a presumption of common control for purposes of identifying a stationary source.

40. SPECIFIC CITY COMMENT

The APCD is proposing to eliminate the exclusion of PM_{10} emissions from area-wide fugitive sources from the Air Quality Impact Analysis (AQIA), i.e., air dispersion modeling. These emissions generally include fugitive dust sources for which no direct measurement methods exist and air modeling can be very problematic. This change is defined as being required to satisfy an EPA requirement. The City is not aware of any federal requirement to model area-wide fugitive emissions, and in fact, most federal programs exempt fugitive emissions from regulations unless the sources are in one of the specified source categories. The City has no sources in the listed categories as defined under 40 Code of Federal Regulations, Section 51.165(a)(1)(iv)(C), and therefore is concerned about this more stringent regulation of fugitive emissions and how this can be required by federal/EPA requirements. Other major air districts in California (e.g., South Coast AQMD, Bay Area AQMD, San Joaquin Valley APCD, etc.) have rules that allow the regulation of fugitive emissions but none of them require air dispersion modeling of fugitive dust sources of PM_{10} as part of their AQIA requirements. For example, when modeling requirements were triggered at the San Joaquin Valley APCD for a LFG engine project, the modeling only included stack emissions for particulate matter less than 10 microns (PM_{10}), excluding dust. This is despite the fact that the San Joaquin Valley APCD does have the regulatory authority to regulate fugitive emissions. Similar experiences have occurred in the South Coast AQMD and Bay Area AQMD for landfills in those jurisdictions. As such, it is not apparent to the City why the District would be obligated to require inclusion of area-wide fugitive sources, which would be a more stringent position than taken in other districts. Furthermore, the City does not believe that accurate emission estimates and modeling can be conducted for such sources, which would render any results of such an AQIA meaningless.

DISTRICT RESPONSE

The District is proposing to remove the exclusion of area fugitive emissions increases of PM_{10} from the air quality impacts analysis requirements of Rules 20.2, 20.3 and 20.4 because the federal EPA has objected to that exclusion. In order to obtain EPA approval of the revised rules, the current explicit exclusion of fugitive PM_{10} emissions from air quality impact analyses must be removed from the rules. EPA commented that, under its regulations, all PM_{10} emissions including area fugitive emissions must be included in the air quality impacts analysis. EPA staff assured the District that other California air districts were doing so.

In the example cited in the comment, where a landfill gas-fueled engine was proposed in the Bay Area AQMD, only stack emissions for PM_{10} were apparently included in the air quality impact analysis. This is not surprising since such a project would not be expected to result in an increase in area fugitive emissions of PM_{10} and only emission increases are typically subject to AQIA requirements. Moreover, the Bay Area AQMD's thresholds for conducting an air quality impact analysis are different than those in this District's current NSR rules.

The District will continue to evaluate how other California air districts approach this matter and will develop procedures for the implementation of this change.

41. WRITTEN COMMENT

Thank you for the opportunity to provide comments regarding the proposed amendments to the NSR rules, specifically Rule 20.1. The City of San Diego's Public Utilities Department (PUD) supports the continuation of improving air quality and additional prevention measures that are practical, cost-effective and have scientific or engineering data documenting their effectiveness.

The PUD operates and maintains the San Diego water distribution and sewerage system by providing an essential public service that ensures the quality, reliability, and sustainability of water, wastewater, and recycled water services for the benefit of the ratepayers and citizens. We serve 2.4 million residents within the City and 15 municipalities over a 450 square mile area. We have approximately 150 permits to operate issued by the District for facilities and equipment within the Department.

Please note the following concerns regarding the subject rule:

a. **Contiguous Property** (NSR Rule 20.1, Section (c)(19)) – the definition of "contiguous property" allows for extreme interpretations that could view that all PUD facilities are connected by a process line or stationary materials-handling equipment. The definition, as written, does not take into account the inherent nature of a water distribution system and a wastewater conveyance system because, in essence, pipelines and facilities are interconnected throughout a 450 square mile area and under common ownership and control. A clear delineation or exemption needs to be written into this definition for municipalities that operate extensive water and wastewater conveyance systems.

b. **Metro Biosolids Center (MBC)** – The PUD operates this solids handling facility at Convoy Street and I-52; it dewaters and disposes of approximately 100 tons of dewatered biosolids on a daily basis. MBC is located adjacent to the Miramar Landfill; the PUD has no control over the operation of the landfill because the facilities are funded by different sources and managed by entirely different departments. MBC has extremely low emissions but is mandated to comply with the

Federal Title V program due to the contiguous property definition. It is fiscally imprudent to use tax payers dollars for Title V participation at MBC because the site does not trigger any major source emissions thresholds and compliance does not result in any emissions reduction at the site. For these reasons, we propose the District re-evaluate their interpretation of "contiguous property."

c. **North City Water Reclamation Plant (NCWRP)** – The PUD operates this water reclamation plant that reclaims approximately 15 million gallons per day of wastewater. It is located at I-805 and Miramar Road. We are in receipt of written documentation from District engineering staff that they view the Miramar Landfill, the NCWRP and the privatized energy provider, Fortistar (located adjacent to MBC) as one facility. This interpretation of "contiguous property" is not only impractical but also flawed because Fortistar is not owned or controlled by the City of San Diego. The interpretation could significantly impact Pure Water San Diego which is a 20 year program to provide a safe, reliable and drought-proof local drinking water supply for San Diego. NCWRP is a critical site in the initial phase of this program that will eventually account for one third of San Diego's future water supply.

In brief, the Public Utilities Department urges the District to re-evaluate their interpretation of "contiguous property" with respect to water distribution and sewerage systems because it does not take into account the inherent nature of the connectivity of these systems that provide an essential public service to millions of residents and businesses.

DISTRICT RESPONSE

The District is now proposing not to revise the definition of “contiguous property” but instead is proposing to delete this definition entirely from Rule 20.1, since it is already defined in District Rule 2. The existing definition in Rule 2 is the same as the current definition in Rule 20.1. The proposed revisions to the definition of “contiguous property” were intended to clarify, consistent with existing APCD application of the definition, that otherwise unrelated sources connected solely by serving utilities’ electrical, water, or sewer lines are not considered to be a single stationary source. The revised definition was not designed to change the way the City of San Diego PUD facilities are treated for purposes of stationary source determinations.

Individual stationary source determinations will continue to be made on a case-by-case basis consistent with District rule definitions, EPA guidance and determinations, and relevant legal authority. As noted in Response to Comment 32, to be considered as one stationary source, multiple emission units must be under common ownership or entitlement to use and be located on the same or contiguous properties. As such, emission units under different ownership may be considered a single stationary source in some circumstances.

Aggregation of sources for purposes of Title V is done in accordance with Regulation XIV, which contains a separate definition of "contiguous property," which the District is not proposing to change. The City may apply under Regulation XIV to have the District reevaluate its determinations regarding the MBC and Title V.

42. WRITTEN COMMENT

We at the Navy thank you for the opportunity to comment on potential changes to the District's NSR rules. As addressed during the public workshop on May 7, 2015, the Navy seeks an amendment to Rule 20.1 with regards to shipboard emission units and activities performed by uniformed personnel. Specifically, the Navy seeks to add the following exemption to Rule 20.1(b):

> "(7) Existing emission units and routine operational and maintenance activities performed by uniformed personnel onboard naval vessels, including routine maintenance painting performed by uniformed personnel."

Additionally, the Navy seeks the following exemption to Rule 20.1(b):

> "(8) Any emission unit for which a permit is required solely due to a change in district permitting policy, provided the unit was operated in San Diego County at any time prior to December 17, 1997"

The definition of "new emission unit" would comport with the ordinary definition of a new source – the construction or modification of an emission unit – and not merely a new policy to permit. This suggested language takes into account that Navy sailors have been performing routine operations and maintenance on ships in San Diego County for decades and therefore the associated emissions should not be considered a new source.

As you may be aware, the Navy is currently negotiating a permit for shipboard marine coating operations at Naval Base San Diego (NBSD). This draft permit is the first attempt to permit the marine coatings applied by active duty, uniformed sailors on operational naval vessels. Our active duty sailors are engaged in touch-up maintenance that is incidental to their daily duties when or if painting might be necessary. This is separate and distinct from any marine coatings that are applied when a vessel is out of operational status and subject to a maintenance overhaul. That work is performed by civilian contractors and is already subject to a permit. The civilian contractors are professional painters who are contracted by the Navy to perform larger-scale maintenance functions. By contrast, our active duty personnel have other primary duties that are unrelated to professional painting. Those sailors perform smaller-scale maintenance only when required between professional overhauls.

The Navy is not seeking an exemption from the permit itself. Instead, the Navy is seeking an exemption from NSR application to emissions that have historically existed in the air basin and undertaken by sailors onboard ships in support of the Navy's national defense missions. NSR

should not apply to routine maintenance activities such as marine coating performed by uniformed personnel as such activities have been ongoing for decades. Rule 20.1 should be amended accordingly as this is not a new source of emissions for San Diego. San Diego has been host to Navy vessels since NBSD was established in 1922 and such maintenance activities aboard naval vessels have been routinely conducted in San Diego since that time. NBSD has expanded and contracted several times during its history but has been within its current footprint for many decades. Applying NSR to an existing source is incongruous with the context of NSR rules which address increase of air pollutants due to new construction or modification. Here, there is no new construction and no modification; this is an existing source. The only new circumstance is the request for a permit on a source of emissions that has existed in its current form for decades.

The requested amendments to Rule 20.1 are not a relaxation or reduction that would result in increased air pollution. Exempting existing and routine maintenance ships' force marine coating from NSR does not undermine air quality in San Diego and does not violate the Protect California Air Act of 2003 (CA Health and Safety Code Section 4255-42507). The goal of that statute is to not further undermine air quality and not to impede the State's ability to adopt its own permitting program. An exemption for long-standing routine operational and maintenance activities by ships' force does not undermine those goals. Again, the context of the statute emphasizes new construction, significant modification and the permitting of increased emissions. The underlying message is that the district is constrained from authorizing an increase in air pollution that could undermine the current air quality. The estimated emissions provide for no significant impact to current air quality. Not only does the permit now under negotiation represent no net increase in air emissions over the status quo, but total volume that would be regulated by the draft permit is less than the threshold for PSD modification (less than 40 tons) and less than the threshold for major source modification (less than 25 tons). There is no increase in emissions being considered.

The Navy is committed to ensuring compliance with air quality rules and regulations. It is important to the Navy to work collaboratively with the District to develop an approach to regulation that preserves our ability to meet our operational requirements, comply with the law, and improve the air quality in San Diego.

DISTRICT RESPONSE

The changes proposed by the comment would be prohibited by State law (SB 288), codified at California Health and Safety Code Section 42500 et. seq. The Act provides that, “No air quality management district or air pollution control district may amend or revise its new source review rules or regulations to be less stringent than those that existed on December 30, 2002.” Cal. Health and Safety Code Sec. 42504(a). Simply put, the revisions suggested by the comment would render the District’s rules less stringent because ships’ force painting would be exempted from NSR, and sources which the District sought to bring into the permit system would be exempt unless they were previously listed specifically in Rule 11.

The District is not only regulating the Navy's ships' force painting, but also all other similar sources which do not fall under the exemption from permitting at Rule 11(d)(15). The operation described by the comment required a permit since the time at which its emissions exceeded those thresholds in Rule 11. The fact that the District may have been unaware that those thresholds were exceeded and were of a significant magnitude at some point in the past is immaterial to whether a permit was required. At the point at which the thresholds were exceeded, the operation was required to be permitted. This is the same for any source which is no longer exempt under the terms of Rule 11.

The proposed potential to emit from the operation referred to in this comment is greater than 17 tons per year of VOC. Other ships' force painting operations in San Diego County are also likely to be of a significant magnitude. As such, the District must require permits for these sources, and the requirements of NSR ensure that the emissions from those sources are adequately controlled to ensure that District progress towards attainment is not hindered.

See also the District's response to Comment No. 2.

43. <u>WRITTEN COMMENT</u>

Under the proposed definition of "Contemporaneous Net Emission Increase" in Rule 20.1, creditable emission reductions must occur within a five-year period that includes the year a new permit unit will begin operation and the four years prior to that year. The actual emission calculations in Rule 20.1(d)(ii) links the baseline emission calculations for existing units to the actual emissions during the five years prior to submitting a permit application (for example, a permit application to replace existing units with new units). NRG requests that the District clarify in the revised regulation that the baseline emissions for existing units and the corresponding creditable emission reductions for the shutdown of this equipment remains linked to the actual emissions occurring during the five years prior to submitting a permit application for a given project. In other words, these baseline emissions/creditable emission reductions would remain unchanged even if two or three years passed between submitting a permit application for an equipment replacement project (that would include emission reductions for the shutdown of existing equipment) and when the new unit(s) are constructed and begin operation. We also request that the District clarify that this regulatory change does not apply to permitting projects for which the District has already issued a Final Determination of Compliance (FDOC) and/or an Authority to Construct (ATC).

<u>DISTRICT RESPONSE</u>

The contemporaneous period being specified in the proposed rule definition is being clarified but not changed from the current Rule 20.1 definition. The contemporaneous period is the calendar year in which the proposed new, modified, relocated or replacement emissions unit is expected to commence operation and the four years preceding that calendar year. The proposed revisions to the definition of "Contemporaneous <u>Net</u> Emissions Increase" in Rule 20.1(c)(18) were in response to EPA objections to the current Rule 20.1 definition. EPA's NSR regulation at 40

CFR 51.165 (a)(1)(vi)(A)(2) requires that, in order to be used to reduce a contemporaneous net emissions increase total, an emissions decrease must be contemporaneous with the emissions increase under review (i.e., must occur within the contemporaneous period) and be otherwise creditable.

This is a different five-year period than the review period used to determine actual emissions of an existing emission unit. For purposes of determining actual emissions in order to quantify the pre-project potential to emit of an existing emissions unit, the review period is the five years preceding the date of receipt of the application to modify, relocate or replace the emission unit, as specified in Rule 20.1(d)(2)(i). For purposes of determining actual emissions in order to quantify an actual emissions reduction from an existing emissions unit, the review period is, again, the five years preceding the date of receipt of the application to create the emission reduction, as specified in Rule 20.1(d)(2)(ii).

In the case of a replacement of an existing emission unit with a new emission unit, Rule 20.1(d)(3)(iv) specifies that the emissions increase from a replacement unit is calculated as the replacement emission unit's post-project potential to emit minus the existing emission unit's pre-project potential to emit. The pre-project potential to emit of the existing emission unit being replaced is determined from *either* the unit's permitted emissions, if located at a non-major stationary source; *or*, if located at a major stationary source, the pre-project potential to emit is based on the unit's actual emissions, as specified in Rule 20.1(d)(2)(i), during the most representative two years within the five year period preceding receipt of the application to replace the unit. Once the emissions increase is determined, then that increase is included in the five-year contemporaneous net emissions increase period specified in Rule 20.1(c)(18).

44. WRITTEN COMMENT

Rule 20.3(d)(5), emission offsets for federal major stationary sources and federal major modifications – Under the proposed change to Rule 20.3(d)(5), for new federal major stationary sources and federal major modifications, the amount of ERCs must be adjusted to current federal regulatory requirements at the time of use. We request that the District clarify what is meant by "surplus of federal requirements at the time such emissions reductions and ERCs are used as offsets." Specifically, NRG requests that the District identify the types of federal regulatory actions (i.e., federal new source performance standards, federal maximum achievable control technology standards, etc.) that must be reviewed as part of the ERC surplus analysis. We also request that the District clarify that this regulatory change does not apply to permitting projects for which the District has already issued a FDOC and/or ATC.

DISTRICT RESPONSE

A new definition of "Surplus of Federal Requirements" is proposed in Rule 20.1(c)(79). The definition specifically includes measures in the San Diego portion of the SIP; measures adopted by the Board and submitted for approval into the SIP; standards and requirements promulgated under Sections 111 (NSPS) or 112 (NESHAPs) of the Clean Air Act; standards or requirements

of the Acid Rain Program under Title IV of the Clean Air Act or regulations promulgated thereunder; District or State laws, rules, regulations or orders that carry out stationary source emission reduction measures contained in the SIP, the Clean Air Act or federal law; terms or conditions of an Authority to Construct imposed pursuant to 40 CFR Parts 60, 61, 63, 52.21 or 51, Subpart I; and, emission reductions already approved as ERCs or otherwise committed for air quality purposes, including as emission offsets. (Note: the preceding list is an abridged version of the proposed rule definition.)

The proposed revisions to District NSR Rules 20.1 – 20.3 do not affect the standing of any Final Determination of Compliance or Authority to Construct issued under current Rule 20.1. This is provided for in Rule 20.1, Subsection (e)(1). Moreover, the District will be recommending to the Air Pollution Control Board that the proposed revisions to Rules 20.1, 20.2 and 20.3 only become effective upon approval by EPA into the San Diego portion of the SIP.

45. WRITTEN COMMENT

Rule 20.3(d)(2)(ii), AQIA must include both directly emitted $PM_{10}/PM_{2.5}$ and $PM_{10}/PM_{2.5}$ that will condense after discharge to the atmosphere – Under this proposed change to Rule 20.3, permitting projects will be required to include the modeling of condensable $PM_{10}/PM_{2.5}$ impacts as part of the air quality impact analysis prepared for a new project. Since the proposed new requirement in Rule 20.3(d)(2)(ii) to model condensable $PM_{10}/PM_{2.5}$ impacts appears to be linked to a May 20, 2014, EPA guidance regarding $PM_{2.5}$ modeling for projects that trigger PSD permitting, NRG requests that the District revise the regulation to make it clear that this new modeling requirement is applicable only to new federal major stationary sources and federal major modifications. In addition, because the EPA $PM_{2.5}$ modeling guidance is often times too general to be useful, we request that as part of this regulatory change the District prepare a detailed modeling guidance showing the acceptable approaches that can be followed when performing a condensable $PM_{10}/PM_{2.5}$ modeling analysis. We also request that the District clarify that this regulatory change does not apply to permitting projects for which the District has already issued a FDOC and/or ATC.

DISTRICT RESPONSE

The District does not consider proposed new Subsection (d)(2)(ii) of Rule 20.3 to be a new requirement. Rule 20.3(d)(2)(ii) is a proposed new provision required by EPA (see 40 CFR 51.165(a)(1)(xxxviii)(D)) that replaces current Rule 20.3(d)(2)(i), (ii), and (iii) wording that specifies, "If a PM_{10} AQIA is required, the AQIA shall include both directly emitted PM_{10} and PM_{10} which would be formed by precursor air contaminants prior to discharge to the atmosphere." The District has already been using emissions increases that include the condensable fractions of PM_{10} and $PM_{2.5}$ emissions in AQIA for some time. The District's test method for determining compliance with permit conditions that specify PM_{10} or $PM_{2.5}$ emission rates include the condensable fractions in the test results and has done so for many years.

As noted above, Rule 20.1(e)(1) – Continuity of Existing Permits, provides that conditions of any Authority to Construct (an FDOC has the same standing as an Authority to Construct) or Permit to Operate issued prior to the rule adoption date shall remain valid and enforceable for the life of the Authority to Construct or Permit to Operate, unless specifically modified by the District. Moreover, the changes to Rule 20.3 will not become effective until approved by EPA into the SIP.

46. WRITTEN COMMENT

Rule 20.3(e)(3), requirement for a Class I visibility analysis for federal major stationary sources and federal major modifications – This proposed rule change requires the analysis of Class I visibility impacts for new stationary sources and federal major modifications. Because these types of visibility impact analyses can oftentimes be difficult to perform, we request that the District include an exemption from this analysis based on the distance from a proposed project to the nearest Class I area. An example of such an exemption from Class I visibility impact analyses is included in SCAQMD Rule 1303(b)(5)(C). We also request that the District clarify that this regulatory change does not apply to permitting projects for which the District has already issued a FDOC and/or ATC.

DISTRICT RESPONSE

Since screening procedures and EPA guidance can evolve over time, the District does not believe it is appropriate to codify a screening procedure in its NSR rules. A screening procedure for sources located more than 50 kilometers from a Class I area is found in the report "**Federal Land Managers' Air Quality Related Values Work Group (FLAG),** *Phase I Report—Revised (2010)*, Natural Resource Report NPS/NRPC/NRR—2010/232, provided by EPA Region 9. The procedure calculates a ratio of the aggregate annual emissions (based on 24-hour maximum allowable emissions) of SO_2, NOx, PM_{10} and H_2SO_4, in tons per year (Q), divided by the distance (D), in kilometers, from the Class I area. If the (Q/D) ratio is equal to or less than 10, the project is not expected to impair visibility in the Class I area and no additional visibility analysis is required. If more than 10, additional visibility impact analysis is required – approaches are discussed in the same "FLAG 2010" report.

Given the federal major source and federal major modification emission thresholds proposed in the revisions to Rule 20.1, the District expects few projects will trigger this new federal requirement for a Class I Area visibility impairment analysis.

The Class I Area visibility impairment analysis requirement contained in new Subsection (e)(5) of revised Rule 20.3 will not apply to projects for which an Authority to Construct or Final Determination of Compliance has already been issued (see Rule 20.1(e)(1)) unless the project is modified by the applicant, or the ATC or FDOC is modified by the District, subsequent to revised Rule 20.3 becoming effective. The revisions to Rule 20.3, including the new visibility impairment analysis requirement in proposed Rule 20.3(e)(3), will not become effective until Rule 20.3 is approved by EPA into the SIP.

47. WRITTEN COMMENT

The City of San Diego (City) attended the May 7, 2015, San Diego County Air Pollution Control District (APCD) "Workshop for Discussion of Proposed Amendments to New Source Review Rules 20.1, 20.2, 20.3, and 20.4." The City submitted written comments prior to the workshop and has the following additional comments for the District's consideration.

The City has reviewed the draft rules in the context of their potential impacts on those facilities owned and operated by the City's Environmental Services Department (ESD) and upon ESD's operations, including those at the Miramar Landfill. The City's comments focus on those amendments that will have the greatest impact on the City's ability to provide cost-effective waste management services to its residents. At the present, the proposed rule amendments may have a detrimental effect on the City's ability to expand the Miramar Landfill's landfill gas (LFG) collection and control system, which is necessary to comply with other federal, State, and local regulations for LFG emission control. The City has been attempting to permit additional LFG flares to enhance the LFG control capacity at the site. These proposed rules may present a significant obstacle to moving forward with the flare project by increasing costs, delays, and imposing additional requirements that will not improve air quality.

Further, these proposed amendments threaten the viability of other future City projects at the Miramar Landfill. Such projects will handle the future solid waste streams of the City including separation, sorting, and diversion, particularly as the Miramar Landfill reaches capacity. They also threaten the viability of future City projects at the North City Water Reclamation Plant. Such projects will address future reclaimed water and potable water needs of the City and are vitally important to the region.

The below comments do not necessarily encompass all of the issues that may affect the City and its various departments, and the City reserves the right to submit further comments to the District prior to or at the adoption hearing for any proposed amendments to Rules 20.1, 20.2, 20.3, and 20.4. The City's comments are identified by rule number, and then section number within each rule.

DRAFT RULE 20.1

- Section (a) – Applicability: Please add the following language to the end of the paragraph: "Identical and like-kind replacements as specified in Rule 11, and subject to the limitations contained in Rule 11, shall not be considered subject to the requirements of Rules 20.1, 20.2, 20.3 and 20.4 applicable to a replacement emission unit." Due to nature of operations at the City landfills, equipment is periodically replaced. In many cases, these are like-kind replacements. This rule clarification would help establish that these replacements would not be subject to NSR requirements.

- Section (c) – Definitions: As defined, "Project" could include open applications for entirely unrelated operations. Please modify this definition to clarify that a project only includes open applications that are related by being part of the same process, construction timeframe, planning document, or funding mechanism. At any given time, a landfill may have a number of applications pending for unrelated processes. These open applications should not be considered part of one project and should not trigger additional requirements unless they are otherwise connected.

- Section (d)(1)(i)(C): Please clarify that the "Calculation of Pre-Project Potential to Emit for Modified Emission Units Located at Major Stationary Sources" applies only to the pollutant(s) for which the facility is major. As currently written, this provision may apply to all pollutants whether or not they are pollutants for which the facility is major. For example, a typical landfill may be major for VOCs and may operate many NOx sources, such as tub grinders, generators, etc., that need to be replaced or modified from time to time. The procedures in Section (d)(l)(i)(C) would result in an overestimated emission increase if the unit's actual emissions are much lower than its potential to emit. This would make sense for the pollutant(s) for which the facility is major, but seems overly conservative (and inconsistent with Rule 20.2) for pollutants for which the facility is non-major.

- Section (d)(2)(i)(A): Please add to the end of the paragraph: "…, unless the applicant can demonstrate, to the satisfaction of the APCO, that another time period would be more representative of the facility's actual emissions."

- Section (d)(3)(iii): Please add "Identical and like-kind replacements as specified in Rule 11, and subject to the limitations contained in Rule 11 are excluded."

DRAFT RULES 20.2, 20.3 AND 20.4

Many of the Definitions and General Provisions of Rule 20.1 are used in draft Rules 20.2, 20.3, and 20.4. The City has the same comments as above on the Definitions and General Provisions that are carried over from Rule 20.1.

- Rules 20.2, 20.3 and 20.4: Please move the Identical and like-kind replacements exclusion to the "Applicability" section.

- Rules 20.2(d)(1) and 20.3(d)(1): Please clarify the intended effect of adding "and project" to the sentence "The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit and project subject to this rule...". Does this change indicate that BACT applicability will be evaluated based on the project's potential to emit instead of the individual emission unit's potential to emit? If so, this change could make BACT applicable to very low emitting operations that may be part of the same overall project. Please explain the basis for this requirement in the context of the permit program, which is based on permitting individual emission units or processes. The change also seems to indicate that the District will deny an Authority to

Construct and a Permit to Operate for an entire project where only one unit does not meet the listed requirements. Is that the intention?

DISTRICT RESPONSE

The Miramar Landfill, and its associated operations, is one of the largest stationary sources of air contaminant emissions in San Diego County. The issues associated with the City's comments partially arise from the impacts of current and future landfill gas emission collection and control systems. These systems rely on landfill gas flares and internal combustion engines fueled by landfill gas and generating electricity. Even though the proper design and operation of these devices are keys to the compliance of the Miramar Landfill with District and federal air contaminant emission control requirements, the City has contracted with separate companies to operate and maintain these systems and in the past persuaded the District to treat them as separate sources.

The current and proposed revised NSR Rules 20.1-20.4 do not threaten current and future Miramar Landfill projects that are designed to comply with applicable air contaminant emission control requirements, and which will not adversely impact air quality for surrounding communities. In large measure, the District's rules reflect State and federal law and ARB and EPA regulations. While compliance with current District rules will likely result in costs to the City, that is true for many other affected businesses and organizations in San Diego County and has been repeatedly found to be an acceptable impact in order to achieve and protect cleaner air and public health. The District recognizes that municipal waste landfills are a unique type of air contaminant emission source and will continue to work with representatives of the City to advance essential public projects that comply with applicable District rules and State and federal law.

The following responds to the City of San Diego's specific comments:

DRAFT RULE 20.1

- *Section (a), Applicability: Please add the following language to the end of the paragraph: "Identical and like-kind replacements as specified in Rule 11, and subject to the limitations contained in Rule 11, shall not be considered subject to the requirements of Rules 20.1, 20.2, 20.3 and 20.4 applicable to a replacement emission unit."*

  The District agrees and will implement the suggested change. See also the response to Workshop Comment No. 30.

- *Section (c), Definitions: As defined, "Project" could include open applications for entirely unrelated operations. Please modify this definition to clarify that a project only includes open applications that are related by being part of the same process, construction timeframe, planning document, or funding mechanism.*

The District will not make the suggested change to the Rule 20.1(c) definition of the term "Project". The current Rule 20.1 definition of project has been in place for many years. The change proposed by the City would almost certainly be viewed by ARB as a rule relaxation and contrary to State law. Projects are evaluated under the current and proposed NSR rules for several reasons, including: to ensure that the aggregated emission increases will not cause adverse air quality impacts; to include the aggregated emission increases in the contemporaneous net emissions increase tally for major stationary sources; and, under the proposed revised rules, to determine whether the emissions of the same air contaminant from multiple emission units could be controlled more effectively by a common emission control device. The first case is appropriate to protect air quality and public health even if equipment/operations emitting the same air contaminant are physically separated, are not operationally related, or do not commence operations at the same time. Aggregating emission increases (and certain qualified decreases) occurring at the same stationary source within the contemporaneous period (five years in the case of the District's current and revised regulations) is required by federal EPA regulations. As to the application of air contaminant emission control technology to multiple emission units under District permit review as part of a project, this would only be required if the evaluation concludes that the control of multiple emission units is technologically feasible, lowest emitting and cost-effective. The District is unlikely to reach such a conclusion in the case of unrelated emission units that are located some distance apart, are operationally independent and emitting different air contaminants.

- *Section (d)(1)(i)(C): Please clarify that the "Calculation of Pre-Project Potential to Emit for Modified Emission Units Located at Major Stationary Sources" applies only to the pollutant(s) for which the facility is major.*

  The District does not believe this change is needed. Section (a) – Applicability, of Rule 20.1, will include proposed new language stating, "Except as specified herein, the provisions and requirements of this rule shall be applied on an air contaminant – specific basis." Also, the proposed revised Rule 20.1, Section (d) – Emission Calculations, already includes new introductory language stating, "The emission calculation provisions and requirements of this Section (d) shall be applied on an air contaminant-specific basis." These proposed Rule 20.1 revisions should be sufficient to ensure that Rule 20.1(d)(1)(i)(C) is applied on an air contaminant-specific basis.

- *Section (d)(2)(i)(A): Please add to the end of the paragraph: "…, unless the applicant can demonstrate, to the satisfaction of the APCO, that another time period would be more representative of the facility's actual emissions."*

  The District disagrees with the change requested by this comment. This change would likely be considered a relaxation of existing NSR rule requirements and contrary to state law. Proposed Rule 20.1(d)(2)(i)(A) refers to cases where actual emissions are used to determine the pre-project potential to emit of an emissions unit and derives from an existing provision in current Rule 20.1. Specifically, current Rule 20.1(d)(2)(i)(B)

provides (in the case of an existing unit with no permit conditions that limit emissions) that, "The Air Pollution Control Officer may base the pre-project potential to emit on the highest level of emissions occurring during a one-year period within the five-year period preceding the receipt date of the application…". This provision was relocated to proposed revised Rule 20.1(d)(2)(i)(A) and modified slightly to refer to "…the highest level of hourly, daily and yearly emissions, respectively, occurring during a twenty-four consecutive month period representative of normal operations within the five-year period preceding the receipt date of the application." The City's requested addition to (d)(2)(i)(A) appears to suggest using actual emissions data for a unit from more than five years prior to the date of application. The District's NSR rules have used the five-year look back period for determining past actual emissions for many years. Considering emission levels from more than five years prior to filing an application would likely only be chosen by an applicant if those older emission levels were higher, thus giving a lower calculated emissions increase for the modification to the unit. This would be unrepresentative of the proposed modification's impact on current air quality and, again, would be considered a rule relaxation prohibited by State law.

- *Section (d)(3)(iii): Please add "Identical and like-kind replacements as specified in Rule 11, and subject to the limitations contained in Rule 11 are excluded."*

  The District does not believe this change is needed. The District has already proposed similar new language in Rule 20.1, Section (c), for the definition of "Replacement Emission Unit". Also, the District will add the Rule 11 replacement unit exclusion to Sections (a) – Applicability of Rules 20.1, 20.2, 20.3 and 20.4.

DRAFT RULES 20.2, 20.3 AND 20.4

- *Rules 20.2, 20.3 and 20.4: Please move the Identical and like-kind replacements exclusion to the "Applicability" section.*

  The District agrees and will make this change. See also Workshop Comment No. 30.

- *Rules 20.2(d)(1) and 20.3(d)(1): Please clarify the intended effect of adding "and project" to the sentence "The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit and project subject to this rule…". Does this change indicate that BACT applicability will be evaluated based on the project's potential to emit instead of the individual emission unit's potential to emit? If so, this change could make BACT applicable to very low emitting operations that may be part of the same overall project. Please explain the basis for this requirement in the context of the permit program, which is based on permitting individual emission units or processes. The change also seems to indicate that APCD will deny an Authority to Construct and a Permit to Operate for an entire project where only one unit does not meet the listed requirements. Is that the intention?*

The intent of adding "and project" to the opening sentences of Rule 20.2(d)(1) and 20.3(d)(1) is to refer to the BACT-for-projects provisions of Rule 20.2(d)(1)(v) and the BACT/LAER-for-projects provisions of Rule 20.3(d)(1)(vi). BACT applicability will continue to be based on each emission unit's potential to emit and emission increases, not on a project's potential to emit. The proposed new Subsection (d)(1)(v) of Rule 20.2 applies where a project "…consists of multiple….emission units required by this Subsection (d)(1) to be equipped with BACT…" This language was used to make clear that the project BACT provision would only apply to units in the project already required to comply with BACT. BACT would not be extended to other units in the project that would not individually trigger BACT. Similar language is used in Rule 20.3(d)(1)(vii), the proposed new BACT/LAER-for-projects provision.

The project BACT (and BACT/LAER) provisions were added to make explicit that in cases where multiple similar emission units with similar discharge characteristics are being permitted concurrently, the District has the authority to evaluate whether emission control technologies can be applied effectively to multiple units. Neither the evaluation, nor application of a common/shared control technology, would necessarily change the structure of the permitting. Units could still receive separate permits, each containing provisions applicable to the shared control technology.

As to the denial of an entire project if one emission unit cannot meet the rule requirements, it is not clear whether such a situation would arise. If the District determines that an individual unit can meet unit-specific BACT but it is not technologically feasible or not lowest emitting to include the unit in a common emission control technology being considered as part of project-BACT, then the evaluation and permitting can certainly reflect this. However, if an individual unit cannot comply with unit-specific BACT, the permit for that unit would be denied. An applicant can certainly propose a revision to the project that does not include the non-complying emission unit.

48. WRITTEN COMMENT

Calpine's affiliate, Otay Mesa Energy Center LLC, operates an approximately 619-megawatt ("MW") natural gas-fired combined cycle power plant known as Otay Mesa Energy Center ("OMEC"), which constitutes a major stationary source within the District. Calpine is concerned that, in responding to EPA's reported comments on the District's existing rules by eliminating a paragraph from the calculation methodologies for major stationary sources, the proposed revisions to Rule 20.1 would cause many minor changes to existing emissions units to trigger the requirements of prevention of significant deterioration (PSD) and New Source Review (NSR) in circumstances where the change would not trigger PSD or NSR under either the District's existing rules or the corresponding federal PSD and nonattainment NSR regulations.

Because the current version of District Rule 20.1 predates the Protect California Air Act of 2003, otherwise known as "Senate Bill (SB) 288", we would strongly encourage the District to retain this paragraph and respond to EPA's comments by instead adding a federal "backstop" provision to Rule 20.1, which would prevent major stationary sources from relying upon the calculation method authorized by this paragraph where the change would constitute a "major modification" under the federal regulations. Another California air district has recently adopted a similar federal backstop provision in response to EPA comments that the applicability tests and calculation procedures reflected by that district's existing rules could allow federal major modifications to escape PSD/NSR review. Importantly, the addition of such a federal backstop is fully consonant with the requirements of SB 288, as it would in no way represent a relaxation of the calculation methods or applicability procedures that existed in the District's NSR program as of December 30, 2002, but would in fact increase the stringency of the existing NSR program.

DISTRICT RESPONSE

The District agrees with the request to reinstate the existing last paragraph of Rule 20.1(d)(1)(i)(C), with a backstop provision to address EPA's concerns. That paragraph was deleted at EPA's request as there is no similar provision in EPA's regulations. The deletion of this paragraph will be withdrawn. Instead, the District will propose the following revisions to the paragraph, which will become paragraphs (3) and (4) under Subsection (d)(1)(i)(C):

> (3) Notwithstanding paragraphs (1) and (2) above, if an Authority to Construct has previously been issued for an emission unit pursuant to New Source Review rules for the District, and the previous emission increases that resulted from that emission unit were offset in accordance with the New Source Review rules in effect at that time, the emission unit's pre-project potential to emit shall be as calculated pursuant to Subsection (d)(1)(i)(A) and (B).
>
> (4) The provisions of paragraph (3) above shall not apply to a modified emission unit which constitutes a federal major modification for an air contaminant, or its precursors, for which the San Diego Air Basin is designated as nonattainment of a national ambient air quality standard. In such case, the pre-project potential to emit of the modified emission unit shall equal the unit's actual emissions.

MRL:jlm
10/07/15

ATTACHMENT TO WORKSHOP REPORT
NEW SOURCE RULES 20.1-20.4

Post-Workshop Changes

1. Include the proposed new (clarifying) exclusion for identical and like-kind replacement units that are exempt from Authority to Construct and modified Permit to Operate requirements (under District Rule 11) into Rule 20.1, Section (a) – Applicability. Delete similar new wording included in the Section (c) definition of "Replacement Emission Unit".

2. Withdraw the proposed definition at Rule 20.1(c)(1) and use of "*achieved in practice*" in the determination of BACT, and leave in place the existing Rule 20.1(c)(56) definition and use of "*proven in field application*". Restore the "*proven in field application*" definition as currently exists. Achieved in practice would continue to be referenced in the LAER definition but not defined, as is the case with existing Rule 20.1.

3. Revise the proposed definition of Best Available Control Technology (BACT) in Rule 20.1(c)(13). Specifically, withdraw the proposed new phrase *"…, as determined by the Air Pollution Control Officer,…"* that immediately follows the phrase *"…*such class or category of emission unit*…"*.

4. In proposed new paragraph (vi) of the BACT definition at Rule 20.1(c)(13), add the phrase, "…*subject to BACT under these Rules 20.1-20.4*…" immediately following the phrase "…a project consisting of multiple new, modified, relocated or replacement emission units…" in the opening sentence of the paragraph. This is to clarify that this paragraph only applies to units subject to BACT requirements under Rules 20.2 or 20.3.

5. Delete the existing Rule 20.1 definitions at (c)(17) "Contiguous Property" and (c)(67) "Stationary Source", and withdraw the May 7, 2015, workshop proposed revised Rule 20.1 definitions (c)(19) and (c)(77) for these terms. Instead, the definitions already contained in District Rule 2, which are identical to the existing Rule 20.1 definitions, will apply for the NSR rules.

6. Delete the existing Rule 20.1(c)(25) definition of "Essential Public Service", and withdraw the proposed revised definition of that term at (c)(28), as it is no longer needed. There are no references to this term in proposed revised Rules 20.1-20.4.

7. Revise the proposed Rule 20.1(c) definitions of "Federal Major Stationary Source" and "Federal Major Modification" to include new, additional emission thresholds of 50 tons per year and 25 tons per year, respectively, for emission increases of NOx and VOC. These new thresholds would only apply if the San Diego Air Basin is formally designated by EPA in the future as either a serious or severe ozone nonattainment area. A District review of recent ozone ambient air quality data indicates a leveling out of previously declining ozone levels. This could result in a future decision by EPA to revise San Diego's ozone

nonattainment designation. Making this proposed change to these definitions now would avoid the need to reopen the New Source Review rules again in the next few years should San Diego be re-designated. Unless and until San Diego is formally designated as a serious or severe ozone nonattainment area, the originally proposed emission thresholds of 100 tons per year and 40 tons per year, respectively, would apply.

8. Revise the proposed Rule 20.1(c) definition of "Federal Major Modification" to incorporate EPA's two-part test: a modification, at a federal major stationary source, that results in an emissions increase of 40 tons per year or greater (VOC or NOx) and a contemporaneous net emissions increase of 40 tons per year or greater. **Note**: the current Rule 20.1 one-part test for (non-federal) major modifications, based on only the contemporaneous net emissions increase, will continue to apply for purposes of NSR rule requirements being carried through in the revised NSR rules. The definition is further clarified regarding how it applies on an air contaminant-specific basis, and that fugitive emission increases are included in determining whether a change is a federal major modification (per EPA requirements).

9. Revise the proposed Rule 20.1(c) definition of "Federal Major Stationary Source" to exclude fugitive emissions (typically PM and VOC) from the determination of whether the emission thresholds for those air contaminants are triggered. However, for EPA's ~27 specified source categories, fugitives must be included in the determination. Once a source is determined to be a federal major stationary source, fugitive emissions must be included in determining if a change is a federal major modification, and in applying the NSR rule requirements (BACT/LAER, AQIA, PSD, visibility impacts, etc). **Note**: fugitive emissions will continue to be included in determining whether a stationary source is a (non-federal) major stationary source as defined by the current and proposed revised rules.

10. Revise the proposed amended Rule 20.1(c) definition of "Lowest Achievable Emission Rate (LAER) to add a reference in paragraph (iii) to 40 CFR Part 63 (National Emission Standards for Hazardous Air Pollutants).

11. Revise the Rule 20.1(c) proposed revised definition of "Modified Emission Unit" to add the phrase "…*or in the production rate*." to subparagraph (iii).

12. Clarify the Rule 20.1(c) definition of "New Emission Unit" regarding when such a unit is no longer new and considered existing. Specifically, add the following proposed new language:

> "A new emission unit shall no longer be considered a new emission unit, and shall be considered an existing emission unit, on and after the earlier of: (a) two years after the date that such unit first operated pursuant to an Air Pollution Control District Authority to Construct; or (b) the date when the Air Pollution Control Officer has:

(iv) determined that construction is complete;

(v) determined that any required initial emissions and performance testing has been completed and the results reported and approved;

(vi) determined that the operation of the unit is in compliance with all conditions of the Authority to Construct relevant to the construction and operation of the unit; and,

(vii) issued a temporary or final Permit to Operate."

Note: If modifications to the new emission unit, or changes to the operations or conditions associated with the new unit, are requested prior to it becoming an existing emission unit under this definition, such modifications will be evaluated as an amendment to the original application and the unit will continue to be considered as new under the amended application. If modifications are requested after the date the unit has become an existing emission unit under this definition, such modifications will generally be evaluated as a modification to an existing emission unit, unless the District determines that a violation of District Rule 60 – Circumvention has occurred.

13. Reinstate the last paragraph of existing Rule 20.1(d)(1)(i)(C), which provides that a previously fully offset emission unit at a major stationary source would not be subject to the 80 percent actual emissions to potential emissions test. The existing paragraph will be clarified and become paragraph (3) under (d)(1)(i)(C). A new paragraph (4) will provide that the 80 percent test will not apply to a modified emission unit which constitutes a federal major modification for federal nonattainment air contaminants/precursors. The latter is needed to meet EPA requirements. The proposed new paragraphs will read as follows:

(3) Notwithstanding paragraphs (1) and (2) above, if an Authority to Construct has previously been issued for an emission unit pursuant to New Source Review rules for the District, and the previous emission increases that resulted from that emission unit were offset in accordance with the New Source Review rules in effect at that time, the emission unit's pre-project potential to emit shall be as calculated pursuant to Subsection (d)(1)(i)(A) and (B).

(4) The provisions of paragraph (3) above shall not apply to a modified emission unit which constitutes a federal major modification for an air contaminant, or its precursors, for which the San Diego Air Basin is designated as nonattainment of a national ambient air quality standard. In such case, the pre-project potential to emit of the modified emission unit shall equal the unit's actual emissions.

14. Revise the proposed Rule 20.1(d)(2)(iv) provision requiring past actual emissions (of a proposed modified emissions unit at a federal major stationary source) to be adjusted for current federally applicable requirements. The revisions would specify that the adjustment:

- would only apply to federal non-attainment air contaminants and their precursor air contaminants (currently VOC and NOx), and

- would not apply to modifications to existing electric utility steam generating units meeting EPA's regulatory definition at 40 CFR 51.165 (a)(1)(xx) (generally, more than one third of output capacity and greater than 25 MW to utility system grid for sale).

15. Revise the proposed Rule 20.1(d) Emissions Calculations provisions, at Subsection (d)(3)(vii), to allow applicants the option of using EPA's emissions increase calculation methodologies in determining whether a project is a federal major modification or a new federal major stationary source. This will be an additional emissions increase calculation. The existing Rule 20.1 emissions increase calculation provisions, with the proposed revisions, will continue to be applied in all cases. A federal major stationary source applicant opting to use this additional methodology will need to calculate the emissions increase for the unit/project and compile a contemporaneous net emissions increase accounting under both the current emissions increase methodology (as revised) and under the EPA emissions increase methodology. The former would be used to determine if a project is a (non-federal) major modification or new (non-federal) major stationary source under the current rule provisions; and the latter would be used to determine if a project is a federal major modification or new federal major stationary source as newly defined in the proposed revised rules. This option may allow a project to avoid the new rule provisions required by EPA for new federal major stationary sources and federal major modifications.

16. Clarify proposed new Rule 20.1(d)(4)(iv) – Emission Reduction Credits (ERCs) to ensure there is a tie to actual emission reductions by revising paragraph (A) to state:

    (A) An emission reduction credit may be approved by the Air Pollution Control Officer upon determining that *the actual emission reduction that is the basis of* such credit meets the applicable requirements of this Rule 20.1, and of these Rules and Regulations, in effect at the time that such credit is approved.

17. Add a new provision to Rule 20.1(d)(5)(v) regarding emission reductions (and emission reduction credits – ERCs) used to meet emission offset requirements for a new federal major stationary source or a federal major modification. The proposed new provision would require that the emissions, which were the basis of any emission reductions or ERCs resulting from a past shutdown or curtailment in production and/or operating hours of an existing emission unit or stationary source, must have been included in the District's most recent attainment planning emissions inventory. EPA has requested that Rule 20.1 contain this provision to carry out the requirements of their regulations at 40 CFR 51.165(a)(3)(ii)(C)(1)(ii). The District already includes banked emission reduction credits in its attainment planning emissions inventory – therefore, there should be no impact from this proposed change.

18. Relocate the proposed new (clarifying) exclusion for identical and like-kind replacement units that are exempt from Authority to Construct and modified Permit to Operate requirements (under District Rule 11) from Rule 20.2 (d)(1)(iii) to Rule 20.2(a) – Applicability.

19. Clarify the BACT-for-projects provisions in Rule 20.2(d)(1)(v) that an evaluation of project-BACT may be required by the Air Pollution Control Officer. The initial proposed language could be read to require such evaluations in all cases. Revise the proposed (d)(1)(v) wording as follows:

    "BACT shall be evaluated for each such emission unit pursuant to (d)(1)(i) through (iv).~~,~~ The Air Pollution Control Officer may require that BACT be also ~~and~~ evaluated for combinations of such emission units."

20. Relocate the proposed new (clarifying) exclusion for identical and like-kind replacement units that are exempt from Authority to Construct and modified Permit to Operate requirements (under District Rule 11) from Rule 20.3 (d)(1)(iii) to Rule 20.3(a) – Applicability.

21. Clarify the BACT/LAER-for-projects provisions in Rule 20.3(d)(1)(vii) that an evaluation of project-BACT/LAER may be required by the APCO. The initial proposed wording could be read to require such evaluations in all cases. Revise the proposed (d)(1)(vii) wording as follows:

    "…BACT or LAER, as applicable, shall be evaluated for each such emission unit. The Air Pollution Control Officer may require that BACT or LAER, as applicable, be also ~~and~~ evaluated for combinations of such emission units."

22. Revise the wording of Rule 20.3(e)(1) – Compliance Certification to remove reference to any new or modified stationary source and instead refer only to any new federal major stationary source or federal major modification.

23. Relocate the proposed new (clarifying) exclusion for identical and like-kind replacement units that are exempt from Authority to Construct and modified Permit to Operate requirements (under District Rule 11) from Rule 20.4 (b)(2) to Rule 20.4(a) – Applicability.

24. Rule 20.4(d)(5)(ii)(A) – Add "*as applicable*" after the reference to VOC or NOx emissions. For clarity.

25. Rule 20.4(d)(5)(ii)(B) – Withdraw the proposed 10% discounting of leased ERC's for portable equipment.

26. Rule 20.6 – Update the references to the proposed revised NSR Rules 20.1-20.4 in existing Rule 20.6 – Standards for Permits to Operate Air Quality Analysis.

ERRATA (revised to include post-workshop corrections)

A. Pre-Workshop Errata

- Rule 20.1(d)(4)(iv): Page 46 – Add "(ERCs)" to title of subsection.

- Rule 20.2(d)(2)(i)(B): Page 5, last paragraph (just before Table 20.2 – 1) – Strike existing wording, '~~If a PM10 AQIA is required,…discharge to the atmosphere.~~' Replaced by new language in (d)(2)(ii).

- Rule 20.2(d)(2)(ii): Page 6 – Add 'condense' to new first sentence so it will read, '…and PM2.5 and PM10 which would condense after discharge to the atmosphere.'

- Rule 20.3(d)(2)(i)(B)(2): Page 7 – Reference to Subsection (d)(2)(iii) changed to read Subsection (d)(2)(v).

- Rule 20.3(d)(2)(ii): Page 8 – Add "condense" to new first sentence so it will read,'…and $PM_{2.5}$ and PM_{10} which would condense after discharge to the atmosphere.'

- Rule 20.3(d)(3)(i)(B)(2): Page 14 – Add 'area' to new first sentence so it will read, '(2) a significant impact on any Class II area where the Class II area is…'

- Rule 20.4(a): Page 1, first sentence – Reference to Subsection (d)(2)(iv) changed to read Subsection (d)(2)(v).

- Rule 20.4(b)(1): Page 1 – Reference to Subsection (d)(2)(iv) changed to read Subsection (d)(2)(v).

- Rule 20.4(d)(5)(ii)(A) and (B): Page 15 – Reference to Subsection (d)(5)(i) changed to read Subsection (d)(5)~~(i)~~.

B. Post-Workshop Errata:

- Rule 20.1, title: Change last line of title from "Rev. Adopted & Effective (*date of adoption*)" to " Rev. Adopted (*date of adoption*); Effective (*date of EPA approval into SIP*)".

- Rule 20.1(a): Last sentence (new). Change the term "pollutant-specific" to "air-contaminant-specific". Consistency.

- Rule 20.1, Table 20.1-4: The second item should have the equal to or greater than (≥) symbol, as it appears in the current adopted Rule 20.1, Table 20.1-4. The underline is missing in the workshop draft.

- Rule 20.1(c): Definition of "Air Contaminant Emission Control Project" – reformat to improve clarity.

- Rule 20.1(c): Definition of "Contemporaneous Net Emissions Increase" – revise the last paragraph, last line to replace "any residual" with "the", so the final phrase will now state, "…the contemporaneous net emissions increase for the subject air contaminant or precursor shall thereafter not include the emission increase from such emission unit or project." This does not change the effect but should be clearer than reference to any residual emission increase.

- Rule 20.1(c): Definition of "Emission Offsets" – replace "meeting" with "which meet".

- Rule 20.1(c): Definition of "Emission Reduction Credit (ERC)" – reword slightly to clarify, "means <u>a credit for</u> an actual emission reduction….determining that such credit <u>and emission reduction</u> meet the applicable requirements…"

- Rule 20.1(c)(51): Definition of "New Federal Major Stationary Source", second sentence – change "*(date of adoption)*" to "*(effective date of revised rule)*".

- Rule 20.1(c): Definition of "PSD Modification", add <u>"listed in Table 20.1-8"</u> after "non-criteria pollutant emissions significance level".

- Rule 20.1(c)(78): Definition of "Surplus", first sentence – add the phrase "<u>, as defined herein,</u>" immediately after the phrase "<u>surplus of federal requirements</u>". Clarity. Paragraph (i) – insert "<u>, including those</u>" after "…any District rule regulation, or order..." For clarity.

- Rule 20.1(c): Definition of "Surplus of Federal Requirements", paragraph (v), delete "the San Diego portion of the SIP," This is redundant as it is already included under paragraph (i) of that definition.

- Rule 20.1(d)(5)(i)(D): Revise wording slightly for clarity. No substantive change.

- Rule 20.1(d)(5)(vii): Revise wording slightly for clarity. No substantive change.

- Rule 20.1(e)(1): change "*(date of adoption)*" to rule "*(effective date of revised rule)*".

- Rule 20.2, title: Change last line of title from "<u>Rev. Adopted & Effective (*date of adoption*)</u>" to " <u>Rev. Adopted (*date of adoption*); Effective (*date of EPA approval into SIP*)</u>".

- Rule 20.3, title: Change last line of title from "Rev. Adopted & Effective (*date of adoption*)" to "Rev. Adopted (*date of adoption*); Effective (*date of EPA approval into SIP*)".

- Rule 20.4, Table of Contents, page i, rule title: Change last line of title from "Rev. Adopted and Effective (*date of adoption*)" to " Rev. Adopted (*date of adoption*); Effective (*date of EPA approval into SIP*)".

- Rule 20.4, page 1, rule title: Change last line of title from "Rev. Adopted & Effective (*date of adoption*)" to " Rev. Adopted (*date of adoption*); Effective (*date of EPA approval into SIP*)".

- Rule 20.4(d)(1)(ii): End of first sentence – change reference from "…as provided in (A), (B) or (C) below." to instead read "…as provided in (A) or (B) below".

- Rule 20.4(d)(1)(ii)(B): End of paragraph – change "…same stationary source, do not constitute…" to "…same stationary source, does not constitute…"

- Rule 20.4(d)(5)(ii)(A): Beginning of paragraph – change reference to Subsection (d)(5)(i) to just Subsection (d)(5), for clarity.

- Rule 20.4(d)(5)(ii)(A): Add ", as applicable," after the phrase "…major stationary source of VOC or NOx emissions", for clarity.

- Rule 20.4(d)(5)(ii)(B): Beginning of paragraph – change reference to Subsection (d)(5)(i) to just Subsection (d)(5), for clarity.

MRL:jlm
10/07/15

RULE 20.1
NEW SOURCE REVIEW - GENERAL PROVISIONS
(ADOPTED AND EFFECTIVE 5/17/94)
(REV. ADOPTED AND EFFECTIVE 5/15/96)
(REV. ADOPTED AND EFFECTIVE 12/17/97)
(REV. ADOPTED 11/4/98; EFFECTIVE 12/17/98)
(REV. ADOPTED (date of adoption); EFFECTIVE *(date of EPA approval into SIP)*

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RULE 20.1. NEW SOURCE REVIEW - GENERAL PROVISIONS

(Adopted & Effective 5/17/94; Rev. Adopted & Effective 5/15/96; Rev. Adopted & Effective 12/17/97)
(Rev. Adopted 11/4/98; Effective 12/17/98)

(Rev. Adopted *(date of adoption)* & Effective *(date of ~~adoption~~EPA approval into SIP)*

(a) **APPLICABILITY**

Except as provided in Rule 11, ~~or~~ Section (b) of this Rule, or Subsections (d)(1)(ii)(B) or (d)(4)(iii)(C) of this rule, this rule applies to any new or modified emission unit, any replacement emission unit, any relocated emission unit or any portable emission unit for which an Authority to Construct or Permit to Operate is required pursuant to Rule 10, or for which a Determination of Compliance is required pursuant to Rule 20.5. This rule does not apply to identical or like-kind replacement emission units exempt from Authority to Construct and modified Permit to Operate requirements pursuant to these Rules and Regulations. Except as specified herein, the provisions and requirements of this rule shall be applied on an ~~pollutant~~air contaminant-specific basis. Compliance with this rule does not relieve a person from having to comply with other applicable requirements in these ~~r~~Rules and ~~r~~Regulations, or state and federal law.

(b) **EXEMPTIONS**

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

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

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

(i) Repair or routine maintenance of an existing emission unit.

(ii) A change of ownership.

(iii) An increase in the hours of operation.

(iv) Use of alternate fuel or raw material.

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

~~(4) Oxides of nitrogen (NOx) emission increases from new, modified or replacement emission units subject to the requirements of Rule 69(d)(6) shall not be subject to the offset provisions of Subsection (d)(5) of Rule 20.2 or of Subsections (d)(5) and (d)(8) of Rule 20.3. Only those NOx emission increases in compliance with Rule 69 and associated with generating capacity which the California Energy Commission or California Public Utilities Commission or their successor, as applicable, has determined a need for shall be eligible for this exemption.~~

(~~5~~4) Piston engines used at airplane runways at military bases and which engines are used exclusively for purposes of hoisting cable to assist in the capture of errant aircraft during landings. This exemption shall not apply to any new, modified, relocated or replacement piston engine emission unit, or project consisting of one or more such units, that results in an emissions increase which, by itself, constitutes a new federal major stationary source or a federal major modification.

(~~6~~5) Air compressors used exclusively to pressurize nuclear reactor containment domes, provided the compressors are not operated more than 50 hours over any two-year period, and that the compressors satisfy the Air Quality Impact Analysis (AQIA) provisions of Subsections (d)(2) of Rules 20.2 and 20.3, as applicable.

(~~7~~6) Applications for modified Authority to Construct or modified Permit to Operate which are for the sole purpose of reducing an emission unit's potential to emit and which will not result in a modified emission unit, a modified stationary source or an actual emission reduction calculated pursuant to Rule 20.1(d)(4)(ii) shall be exempt from the Best Available Control Technology (BACT), Lowest Achievable Emission Rate (LAER), AQIA and Emission Offset provisions of Rules 20.1, 20.2, 20.3 and 20.4.

(c) **DEFINITIONS**

For purposes of Rules 20.1, 20.2, 20.3, 20.4 and 20.5, the following definitions shall apply~~:~~. For terms not defined herein, the definitions in Rule 2 shall apply.

~~(1) "**Achieved in Practice**" means demonstrated in field application to be reliable, in continuous compliance, and maintaining a stated emissions or emissions reduction level for a period of at least six months.~~

(~~12~~1) "**Actual Emissions**" means the emissions of an emission unit calculated pursuant to Subsection (d)(2) of this rule.

(~~23~~2) "**Actual Emission Reductions**" means emission reductions which are real, surplus, enforceable, ~~and~~ quantifiable and ~~may be~~ permanent ~~or temporary in duration~~. Actual emission reductions shall be calculated pursuant to Subsection (d)(4) of this rule.

(~~34~~3) "**Aggregate Potential to Emit**" means the sum of the ~~post-project~~ potential to emit of all emission units at the stationary source, calculated pursuant to Section (d) of this rule.

(~~45~~4) "**Air Contaminant Emission Control Project**" means any activity or project undertaken at an existing emission unit which, as its primary purpose, reduces emissions of air contaminants from such unit in order to comply with a District, California Air Resources Board (ARB) or federal Environmental Protection Agency (EPA) emission control requirement.

(i) Such activities or projects do not include:

(A) the replacement of an existing emission unit with a newer or different unit;~~, or the reconstruction of an existing emission unit,~~; ~~or~~

(B) a modification or replacement of an existing emission unit to the extent that such replacement~~, reconstruction,~~ or modification results in an increase in capacity of the emissions unit~~,~~; ~~or~~

(C) any air contaminant emission control project for a new or modified emission unit which project is proposed to meet these New Source Review Rules 20.1, 20.2, 20.3 ~~and~~or 20.4~~,~~; or, ~~Banking Rules 26.0 through 26.10~~

(D) any air contaminant emission control project for an existing emission unit proposed to create an actual emission reduction or emission reduction credit in order to meet a requirement of these New Source Review Rules 20.1-20.4.

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

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

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

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

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

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

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

(~~56~~5) "**Air Quality Impact Analysis (AQIA)**" means an analysis of the air quality impacts of the air contaminant emissions from an emission unit, a project, or a stationary source, as applicable, conducted by means of modeling as defined herein and as approved by the Air Pollution Control Officer. Methods other than modeling may be used, as the Air Pollution Control Officer and the federal EPA may approve. An AQIA shall be based on the emission exhaust system design and discharge characteristics but not on an exhaust stack height greater than good engineering practice stack height. This provision shall not be applied to limit actual stack height. ~~An AQIA shall include an analysis of the impacts on State and National Ambient Air Quality Standards.~~

(~~67~~6) "**Air Quality Increment**" means any of the following maximum allowable cumulative increases in air contaminant concentration over the minor source baseline

concentration from all increment consuming and increment expanding sources (see Tables 20.1-1 and 20.1-2).

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

Air Contaminant	Increment
Nitrogen Dioxide (NO_2)	
Annual arithmetic mean	2.5 µg/m^3
Sulfur Dioxide (SO_2)	
Annual arithmetic mean	2.0 µg/m^3
24-hr. maximum	5.0 µg/m^3
3-hr. maximum	25.0 µg/m^3
Particulate Matter ~~(PM_{10})~~	
PM_{10} Annual arithmetic mean	4.0 µg/m^3
PM_{10} 24-hr. maximum	8.0 µg/m^3
$PM_{2.5}$ Annual arithmetic mean	1.0 µg/m^3
$PM_{2.5}$ 24-hr. maximum	2.0 µg/m^3

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

Air Contaminant	Increment
Nitrogen Dioxide (NO_2)	
Annual arithmetic mean	25.0 µg/m^3
Sulfur Dioxide (SO_2)	
Annual arithmetic mean	20.0 µg/m^3
24-hr. maximum	91.0 µg/m^3
3-hr. maximum	512.0 µg/m^3
Particulate Matter ~~(PM_{10})~~	
PM_{10} Annual arithmetic mean	17.0 µg/m^3
PM_{10} 24-hr. maximum	30.0 µg/m^3
$PM_{2.5}$ Annual arithmetic mean	4.0 µg/m^3
$PM_{2.5}$ 24-hr. maximum	9.0 µg/m^3

(~~78~~7) "**Area Fugitive Emissions of PM_{10}**" means fugitive emissions of ~~particulate matter (~~PM_{10}~~)~~ which occur as a result of earth moving operations such as drilling, blasting, quarrying, stockpiling, and front end loader operations, and on-site vehicular travel ~~of~~on haul roads used to move materials to, from or within a stationary source.

(~~89~~8) "**Attainment**" means designated as attainment of the National Ambient Air Quality Standards (NAAQS) pursuant to Section 107(d) of the federal Clean Air Act or of

the State Ambient Air Quality Standards (SAAQS) pursuant to Section 39608 of the California Health and Safety Code, as applicable. For the purposes of these Rules 20.1, 20.2, 20.3 and 20.4, attainment of a NAAQS means also designated as attainment or unclassifiable by EPA in 40 CFR Section 81.305.

(~~910~~9) "**Baseline Concentration**" means the ambient concentration of an air contaminant for which there is an air quality increment, which existed in an impact area on the major and ~~non-major~~ minor source baseline dates. ~~As specified by 40 CFR §52.21(b)(13), t~~The baseline concentration includes the impact of actual emissions from any stationary source in existence on the baseline date and the impacts from the potential to emit of Prevention of Significant Deterioration (PSD) stationary sources which commenced construction but were not in operation by the baseline date. The baseline concentration excludes impacts of actual emission increases and decreases at any stationary source occurring after the baseline date and actual emissions from any PSD stationary source which commenced construction after January 6, 1975. There are two baseline concentrations for any given impact area, a baseline concentration as of the major source baseline date and a baseline concentration as of the ~~non-major~~ minor source baseline date.

(~~1011~~10) "**Baseline Date**" means either the major source baseline date or ~~non-major~~ minor source baseline date, as applicable.

(~~12~~11) **"Begin Actual Construction"** means initiation of physical on-site construction activities on an emission unit which are of a permanent nature. Such activities include, but are not limited to, installation of building supports and foundations, laying of underground pipework, and construction of permanent storage structures. With respect to a modified emission unit resulting from an operational change, begin actual construction means those on-site activities, other than preparatory activities, which mark the initiation of the change.

(~~113~~12) "**Best Available Control Technology (BACT)**" means and is applied as follows:

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

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

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

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

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

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

(iii) For modified emission units, not including any relocated or replacement emission units, the entire emission unit's post-project potential to emit shall be subject to BACT, except ~~as follows~~that BACT shall apply to the emissions increase associated with the modification and not the emission unit's entire potential to emit if: ~~The provisions of this Subsection (c)(11)(ii) shall not apply to relocated or replacement emission units.~~

(A) ~~BACT applies to the emissions increase associated with the modification and not the emission unit's entire potential to emit, if~~ control

technology, an emission limit or other emission controls meeting ~~the~~ BACT ~~definition~~ was previously applied to the unit; and ~~if the project's emission increase is less than the major modification thresholds of Table 20.1-5.~~

(B) the emissions increase associated with the modification is less than 25 percent of the emission unit's pre-project potential to emit; and ~~BACT applies to the emission unit's entire post-project potential to emit, if the emission unit was previously subject to BACT but BACT was determined to not be cost-effective, technologically feasible or proven in field application.~~

(C) the project's emission increase is less than the major modification thresholds of Table 20.1-~~5~~6a. ~~BACT applies to the emissions increase associated with the emission unit and not the emission unit's entire potential to emit if the emissions increase associated with the modification is less than 25 percent of the emission unit's pre-project potential to emit and if the project's emission increase is less than the major modification thresholds of Table 20.1-5.~~

(~~iii~~iv) In no event shall application of BACT result in the emission of any air contaminant which would exceed the emissions allowed by any District rule or regulation, or by any applicable standard under 40 CFR Part 60 (New Source Performance Standards) or 40 CFR Part 61 or Part 63 (National Emission Standards for Hazardous Pollutants). ~~Whenever feasible, the Air Pollution Control Officer may stipulate an emission limit as BACT instead of specifying control equipment. In making a BACT determination, the Air Pollution Control Officer shall take into account those environmental and energy impacts identified by the applicant.~~

(~~iv~~v) Whenever feasible, the Air Pollution Control Officer may stipulate an emission limit as BACT instead of specifying control equipment.

(~~v~~vi) In making a BACT determination, the Air Pollution Control Officer shall take into account those environmental and energy impacts identified by the applicant.

(~~vi~~vii) In the case of a project consisting of multiple new, modified, relocated or replacement emission units subject to BACT under these Rules 20.1-20.4, BACT shall be determined for each such emission unit. The Air Pollution Control Officer may also require BACT be evaluated for combinations of such emission units. The ~~APCO~~ Air Pollution Control Officer may determine that BACT for the project is the lowest emitting, technologically feasible combination of emission limitations, control devices, control techniques, or process modifications applied to individual emission

units and/or combinations of such emission units. BACT applied to a combination of emission units shall not result in less stringent BACT for any emission unit in the combination than BACT determined for that emission unit individually.

(~~1214~~13) "**Class I Area**" means any area designated as Class I under Title I, Part C of the federal Clean Air Act. As of ~~May 17, 1994~~*(date of adoption)*, the Agua Tibia National Wilderness Area was the only area so designated within San Diego County. As of ~~May 17, 1994~~*(date of adoption)*, the following were the only designated Class I areas within 100 km of San Diego County (see Table 20.1-3):

TABLE 20.1 - 3
Class I Areas

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

(~~1315~~14) "**Class II Area**" means any area not designated as a Class I area.

(~~1416~~15) "**Commenced Construction**" means that the owner or operator of a stationary source has an Authority to Construct or a Determination of Compliance issued pursuant to these rules and regulations and either has:

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

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

(~~1517~~16) "**Construction**" means any physical change or change in the method of operation, including fabrication, erection, installation, demolition or modification of an emission unit, which would result in a change in ~~actual~~ emissions.

(~~1618~~17) "**Contemporaneous Net Emissions Increase**" means the sum of emission increases from new, ~~or~~ modified, relocated or replacement emission units occurring at a stationary source within a five-year contemporaneous period consisting of the calendar year in which the subject emission unit(s) is expected to commence operation and the ~~preceding~~ four calendar years preceding that calendar year, including all other emission units with complete applications under District review and which are expected to commence operation

within such calendar years. The sum of emission increases may be reduced by the following:

(i) Actual emission reductions occurring at the stationary source within the five-year contemporaneous period and which have not been used to create an emission reduction credit or to offset an emission increase under these rules, and

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

When an emissions increase from a new, ~~or~~ modified, relocated or replacement emission unit or project has been determined to be subject to, and approved as in compliance with, the ~~LAER and/or federal~~ emission offset requirements of Rules 20.1 and 20.3 or Rule 20.4, the contemporaneous net emissions increase for the subject air contaminant or precursor shall thereafter not include ~~any residual~~ the emission increase from such ~~new or modified~~ emission unit or project.

~~(17~~19) ~~"**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 which are under common ownership or common control and which are connected by a process line, conveyors or other stationary materials-handling equipment under the same common ownership or common control and which serve only those same non-adjoining parcels shall be considered to be contiguous property. Notwithstanding the foregoing, non-adjoining parcels of land separated by bodies of water designated "navigable" by the U.S. Coast Guard shall not be considered contiguous properties.~~

(~~18~~~~20~~18) "**Cost-Effective**" means that the annualized cost in dollars per pound of emissions of an air contaminant~~(s)~~ reduced does not exceed $6.00 per pound for NOx, $6.00 per pound for VOC, $3.33 per pound for PM_{10}, and $6.00 per pound for SOx, multiplied by the applicable BACT Cost Multiplier specified in Table 20.1 – 4 below. For all other air contaminants subject to BACT requirements by Rules 20.1-20.4, cost-effective means that the annualized cost in dollars per pound of emissions of an air contaminant

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

TABLE 20.1 - 4
BACT Cost Multiplier

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

(~~19~~~~21~~19) "**Emergency Equipment**" means an emission unit used exclusively to drive an electrical generator, an air compressor or a pump in emergency situations, except for operations up to 52 hours per calendar year for non-emergency purposes. Emission units used for supplying power for distribution to an electrical grid shall not be considered emergency equipment.

(~~20~~~~22~~20) "**Emergency Situation**" means an unforeseen electrical power failure from the serving utility or of on-site electrical transmission equipment such as a transformer, an unforeseen flood or fire, or a life-threatening situation. In addition, operation of emergency generators at Federal Aviation Administration licensed airports for the purpose of providing power in anticipation of a power failure due to severe storm activity shall be considered an emergency situation. Emergency situations do not include operation for purposes of supplying power for distribution to an electrical grid, operation for training purposes, or other foreseeable event.

(~~21~~~~23~~21) "**Emission Increase**" means an increase in the potential to emit, calculated pursuant to Subsection (d)(3).

(~~23~~~~24~~22) "**Emission Offsets**" means actual emission reductions used to mitigate emission increases~~, calculated pursuant to~~ and ~~meeting~~which meet the applicable requirements of Rules 20.1, 20.3 and 20.4 of these Rules and Regulations ~~Subsection (d)(5)~~.

(~~25~~23) "**Emission Reduction Credit (ERC)**" means a credit for an actual emission reduction which has been approved by the Air Pollution Control Officer upon determining that such credit and emission reduction meet~~s~~ the applicable requirements of these Rules and Regulations in effect at the time that such credit is approved.

(~~22~~~~26~~24) "**Emission Unit**" means any article, machine, equipment, contrivance, process or process line, which emit(s) or reduce(s) or may emit or reduce the emission of any air contaminant.

(~~24~~~~27~~25) "**Enforceable**" means capable of being enforced by the District, including but not limited to, through either the SIP or ~~inclusion of~~ legally and practicably enforceable limits, including limits contained in conditions ~~on~~of an Authority to Construct, Permit to Operate, Determination of Compliance or Emission Reduction Credit (ERC) Certificate.

~~(25~~28) ~~"**Essential Public Services**" means any of the following:~~

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

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

(~~29~~26) **"Existing"** means the configuration of an emission unit, aggregation of emission units or a stationary source prior to, and without consideration of, the project under review.

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

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

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

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

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

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

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

(~~27~~30~~27~~) "**Federal Land Manager**" means the National Park Service's Western Regional Director, the U.S. Forest Service's Pacific Southwest Regional Air Program Manager and the U.S. Fish and Wildlife Service.

(~~31~~28) **"Federally Enforceable Requirement"** means all of the following as they apply to emission units at a stationary source, including requirements that have been promulgated or approved by the federal EPA through rulemaking but which have future effective compliance dates:

(i) Any standard, emission reduction measure or other requirement provided for in the State Implementation Plan (SIP).

(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 new source review (NSR) or prevention of significant deterioration (PSD) rule or regulation which has been approved or promulgated by the federal EPA into the SIP.

(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 combustion 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 Title VI 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.

(xii) Requirements capable of being enforced by the federal EPA including through either the SIP, terms and conditions of a Permit to Operate, an Authority to Construct, a Determination of Compliance, or an ERC that are for purposes of creating, approving and/or using creditable actual emission reductions to meet federal emission offset requirements and that are necessary to ensure the validity of the emission reductions and compliance with those portions of these Rules and Regulations approved into the SIP.

This subsection shall not preclude enforcement of federally-enforceable requirements by the Air Pollution Control Officer.

(~~32~~29) "**Federal Major Modification**" means ~~the same as a major modification as defined herein except that the modification is occurring at an existing federal major stationary source and except that the applicable contemporaneous net emission increase rates in Table 20.1-5 for oxides of nitrogen (NOx) and volatile organic compounds (VOC) shall each be equal to or greater than 40 tons per year.~~ a physical or operational change at an existing federal major stationary source which results, or may result, for an air contaminant for which the stationary source is a federal major stationary source, in both: (1) an emissions increase, including fugitive emission increases, equal to or greater than any of the significant

emissions increase rates listed below in Table 20.1-5a; and, (2) a contemporaneous net emissions increase, including fugitive emission increases, equal to or greater than any of the significant emissions increase rates listed below in Table 20.1 – 5a.

TABLE 20.1 – 5a

Federal Major Modification

Air Contaminant:	Significant Emissions Increase (Ton/yr)
Fine Particulate Matter ($PM_{2.5}$)	10
Particulate Matter (PM_{10})	15
Oxides of Nitrogen (NOx)	
>NOx, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a marginal or moderate ozone nonattainment area:	40
>NOx, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a serious or severe ozone nonattainment area:	25
Volatile Organic Compounds (VOC)	
>VOC, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a marginal or moderate ozone nonattainment area:	40
>VOC, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a serious or severe ozone nonattainment area:	25
Oxides of Sulfur (SOx)	40
Carbon Monoxide (CO)	100
Lead (Pb)	0.6

(~~33~~30) "**Federal Major Stationary Source**" means ~~the same as a major stationary source as defined herein except that the applicable emission rates in Table 20.1-6 for oxides of nitrogen (NOx) and volatile organic compounds (VOC) shall each be equal to or greater than 100 tons per year.~~ any emission unit, project or stationary source which has, or

will have after issuance of an Authority to Construct or modified Permit to Operate, an aggregate potential to emit one or more air contaminants in amounts equal to or greater than any of the emission rates listed below in Table 20.1 – 5b. Fugitive emissions shall not be included in determining the aggregate potential to emit for purposes of applying this definition unless the emission unit, project or stationary source, as applicable, belongs to one of the following source categories:

(i) Coal cleaning plants (with thermal dryers);

(ii) Kraft pulp mills;

(iii) Portland cement plants;

(iv) Primary zinc smelters;

(v) Iron and steel mills;

(vi) Primary aluminum ore reduction plants;

(vii) Primary copper smelters;

(viii) Municipal incinerators capable of charging more than 250 tons of refuse per day;

(ix) Hydrofluoric, sulfuric or nitric acid plants;

(x) Petroleum refineries;

(xi) Lime plants;

(xii) Phosphate rock processing plants;

(xiii) Coke oven batteries;

(xiv) Sulfur recovery plants;

(xv) Carbon black plants (furnace process);

(xvi) Primary lead smelters;

(xvii) Fuel conversion plants;

(xviii) Sintering plants;

(xix) Secondary metal production plants;

(xx) Chemical process plants, but not including ethanol production facilities that produce ethanol by natural fermentation included in included in NAICS codes 325193 or 312140;

(xxi) Fossil-fuel boilers, or combination thereof, totaling more than 250 million British thermal units per hour heat input;

(xxii) Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels;

(xxiii) Taconite ore processing plants;

(xxiv) Glass fiber processing plants;

(xxv) Charcoal production plants;

(xxvi) Fossil fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input;

(xxvii) Any other stationary source category which, as of August 7, 1980, is being regulated under Sections 111 or 112 of the federal Clean Air Act.

TABLE 20.1 – 5b

Federal Major Stationary Source

Air Contaminant:	Emission Rate (Ton/yr)
Fine Particulate Matter ($PM_{2.5}$)	100
Particulate Matter (PM_{10})	100
Oxides of Nitrogen (NOx)	
>NOx, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a marginal or moderate ozone nonattainment area:	100
>NOx, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a serious or severe ozone nonattainment area:	50
Volatile Organic Compounds (VOC)	
>VOC, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a marginal or moderate ozone nonattainment area:	100
>VOC, if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as a serious or severe ozone nonattainment area:	50
Oxides of Sulfur (SOx)	100
Carbon Monoxide (CO)	100
Lead (Pb)	100

(~~34~~31) "**Federally-mandated New Source Review (NSR)**" means those portions of these Rules and Regulations applicable to the permitting of new and modified stationary

sources and which are contained in the San Diego Air Basin portion of the approved State Implementation Plan.

(~~28~~~~35~~32) "**Fugitive Emissions**" means those quantifiable emissions which could not reasonably pass through a stack, chimney, flue, vent or other functionally equivalent opening.

(~~36~~33) "**Good Engineering Practice Stack Height**" means the same term as defined in 40 CFR §51.100.

(~~29~~~~37~~34)"**Impact Area**" means the circular area with the emission unit as the center and having a radius extending to the furthest point where a significant impact is expected to occur, not to exceed 50 kilometers.

(~~30~~~~38~~35) "**Increment Consuming**" means emission increases which consume an air quality increment. Emission increases which consume increment are those not accounted for in the baseline concentration, including:

(i) Actual emission increases occurring at any major stationary source after the major source baseline date, and

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

(~~31~~~~39~~36) "**Increment Expanding**" means actual emission reductions which increase an available air quality increment. Actual emission reductions which increase available increment include:

(i) Actual emission reductions occurring at any major stationary source after the major source baseline date, and

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

(~~40~~37) "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.

(~~32~~~~41~~38)"**Lowest Achievable Emission Rate (LAER)**" means and is applied as follows:

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

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

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

(C) Best Available Control Technology (BACT).

(ii) For modified emission units subject to the LAER requirements of these rules, the entire emission unit's post-project potential to emit shall be subject to LAER.

(iii) In no event shall application of LAER result in the emission of any air contaminant which would exceed the emissions allowed by any District Rule or Regulation, or by any applicable standard under 40 CFR Part 60 (New Source Performance Standards) or 40 CFR Parts 61 and 63 (National Emission Standards for Hazardous Air Pollutants).

(~~33~~42~~2~~39) "**Major Modification**" means a physical or operational change which results, or may result, in a contemporaneous net emissions increase at an existing major stationary source which source is major for the ~~pollutant~~ air contaminant for which there is a contemporaneous net emissions increase, equal to or greater than any of the emission rates listed in Table 20.1 – ~~5~~6a.

TABLE 20.1 – ~~5~~6a

Major Modification

Air Contaminant:	Emission Rate (Ton/yr)
Fine Particulate~~s~~ Matter ($PM_{2.5}$)	10
Particulate Matter (PM_{10})	15
Oxides of Nitrogen (NOx)	25
Volatile Organic Compounds (VOC)	25
Oxides of Sulfur (SOx)	40

Carbon Monoxide (CO)	100
Lead (Pb)	0.6

(~~34~~~~43~~40) "**Major Source Baseline Date**" means, for all of San Diego County, January 6, 1975 for sulfur dioxide (SO_2) and particulate matter (PM_{10}), ~~and~~ February 8, 1988 for nitrogen dioxide (NO_2), and October 20, 2010 for $PM_{2.5}$.

(~~35~~~~44~~41) "**Major Stationary Source**" means any emission unit, project or stationary source which has, or will have after issuance of an Authority to Construct or modified Permit to Operate ~~a permit,~~ an aggregate potential to emit one or more air contaminants, including fugitive emissions, in amounts equal to or greater than any of the emission rates listed in Table 20.1 – 6b.

TABLE 20.1 – 6b

Major Stationary Source
~~Federal Serious Ozone Non-attainment Area~~

Air Contaminant:	Emission Rate (Ton/yr)
Fine Particulate~~s~~ Matter ($PM_{2.5}$)	100
Particulate Matter (PM_{10})	100
Oxides of Nitrogen (NOx)	50
Volatile Organic Compounds (VOC)	50
Oxides of Sulfur (SOx)	100
Carbon Monoxide (CO)	100
Lead (Pb)	100

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

(~~45~~42) "**Minor Source Baseline Date**" means for all of San Diego County, December 8, 1983~~,~~ for sulfur dioxide (SO_2), October 1, 1999~~.~~ for particulate matter (PM_{10}) and nitrogen dioxide (NO_2), and June 14, 2012 for fine particulates ($PM_{2.5}$).

(~~37~~~~46~~43)"**Modeling**" means the use of an applicable ~~ARB or~~ federal EPA-approved air quality model to estimate ambient concentrations of air contaminants or to evaluate other air quality related data. Applicable ~~state or~~ federal guidelines, including those contained in 40 CFR Part 51, Appendix W - Guideline on Air Quality Models, shall be followed when performing modeling to determine air quality impacts relative to the national ambient air quality standards, a significant impact, or an air quality increment. Where an air quality model specified in Appendix W is inappropriate, the model may be modified or another

model substituted. Such a modification or substitution of a model may be made on a case-by-case basis or, where appropriate, on a generic basis for purposes of these Rules and Regulations. Written approval of the federal EPA Region 9 Administrator shall be obtained for any such modification or substitution. The use of a modified or substitute model shall be identified in the applicable public notice and opportunity for public comment required in Subsections (d)(4) of Rules 20.2-20.4, unless use on a generic basis has been previously subject to an equivalent public and government agency notice and comment period.

(~~38~~~~47~~44) "**Modified Emission Unit**" means any physical or operational change, including but not limited to a permit condition change, which results or may result in an increase in an existing emission unit's potential to emit, including those air contaminants not previously emitted. The following shall not be considered a modified emission unit, provided such a change is not contrary to any permit condition, and the change does not result in an increase in the potential to emit of any air contaminant:

(i) The movement of a portable emission unit from one stationary source to another.

(ii) Repair or routine maintenance of an existing emission unit.

(iii) An increase in the hours of operation or in the production rate.

(iv) Use of alternate fuel or raw material.

(~~39~~~~48~~45) "**Modified Stationary Source**" means an existing stationary source where a new, ~~or~~ modified, relocated or replacement emission unit is, or will be, located or where a change in the aggregation of emission units occurs, including, but not limited to, the movement of a relocated emission unit to or from a stationary source or where a modification of an existing unit occurs. The following shall not be considered a modification of a stationary source:

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

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

(~~40~~~~49~~46) "**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 ~~(see Table 20.1 - 7)~~.

TABLE 20.1 – 7 (RESERVED)

~~California and National Ambient Air Quality Standards~~

		~~California Standards~~		~~National Standards~~		
~~Pollutant~~	~~Averaging Time~~	~~Concentration~~	~~Method~~	~~Primary~~	~~Secondary~~	~~Method~~
~~Ozone~~	~~1 Hour~~	~~0.09 ppm~~	-	~~0.12 ppm (235 µg/m^3)~~	~~Same as Primary~~	~~Ethylene Chemiluminescence~~
~~Carbon Monoxide~~	~~8 Hour~~	~~9.0 ppm (10 mg/m^3)~~	~~Non-Dispersive Infrared Spectrascopy (NDIR)~~	~~9 ppm (10 mg/m^3)~~	-	~~Non-Dispersive Infrared Spectrascopy (NDIR)~~
	~~1 Hour~~	~~20 ppm (23 mg/m^3)~~		~~35 ppm (40 mg/m^3)~~		
~~Nitrogen Dioxide~~	~~Annual Average~~	-	~~Gas Phase Chemiluminescence~~	~~0.053 ppm (100 µg/m^3)~~	~~Same as Primary Standards~~	~~Gas Phase Chemiluminescence~~
	~~1 Hour~~	~~0.25 ppm (470 µg/m^3)~~		-		
~~Sulfur Dioxide~~	~~Annual Average~~	-	~~Ultraviolet Fluorescence~~	~~80 µg/m^3 (0.03 ppm)~~	-	~~Pararosaniline~~
	~~24 Hour~~	~~0.04 ppm (105 µg/m^3)~~		~~365 µg/m^3 (0.14 ppm)~~	-	
	~~3 Hour~~	-		-	~~1300 µg/m^3 (0.5 ppm)~~	
	~~1 Hour~~	~~0.25 ppm (655 µg/m^3)~~		-	-	
~~Suspended Particulate Matter (PM10)~~	~~Annual Mean~~	~~30 µg/m^3~~	~~Size Selective Inlet High Volume Sampler~~	~~50 µg/m^3~~	-	~~High Volume Sampling~~
	~~24 Hour~~	~~50 µg/m^3~~		~~150 µg/m^3~~		
~~Sulfates~~	~~24 Hour~~	~~25 µg/m^3~~	~~Turbidimetric Barium Sulfate~~	-	-	-
~~Lead~~	~~30-Day Average~~	~~1.5 µg/m^3~~	~~Atomic Absorption~~	-	-	~~Atomic Absorption~~
	~~Calendar Quarter~~	-		~~1.5 µg/m^3~~	~~Same as Primary~~	
~~Hydrogen Sulfide~~	~~1 Hour~~	~~0.03 ppm (42 µg/m^3)~~	~~Cadmium Hydroxide Stractan~~	-	-	-
~~Vinyl Chloride (Chloroethene)~~	~~24 Hour~~	~~0.010 ppm (26 µg/m^3)~~	~~Tedlar Bag Collection, Gas Chromatography~~	-	-	-
~~Visibility Reducing Particles~~	~~1 Observation~~	~~In sufficient amount to produce an extinction coefficient of 0.23 per kilometer due to particles when relative humidity <70%. Measurement in accordance with ARB Method V.~~		-	-	-

~~Notes to Table 20.1-7~~

1. ~~California standards, other than ozone, carbon monoxide, sulfur dioxide (1 hour), nitrogen dioxide, and particulate matter (PM10), are values that are not to be equaled or exceeded. The ozone, carbon monoxide, sulfur dioxide (1 hour), nitrogen dioxide, and particulate matter (PM10) standards are not to be exceeded.~~
2. ~~National standards, other than ozone and those based on annual averages or annual geometric means, are not to be exceeded more than once a year. The ozone standard is attained when the expected number of days per calendar year with maximum hourly average concentrations above standard is equal to or less than one.~~
3. ~~Concentration expressed first in units in which it was promulgated. Equivalent units given in parentheses are based upon a reference temperature of 25°C and a reference pressure of 760 mm of mercury. All measurements of air quality are to be corrected to a reference temperature of 25°C and a reference pressure of 760 mm of mercury (1,013.2 millibar). Ppm in this table refers to ppm by volume or micromoles of pollutant per mole of gas.~~
4. ~~Any equivalent procedure that can be shown to the satisfaction of the Air Resources Board to give equivalent results at or near the level of the air quality standard may be used.~~
5. ~~National Primary Standards: The levels of air quality necessary, with an adequate margin of safety, to protect the public health. Each state must attain the primary standards within a specified number of years after that state's implementation plan is approved by the Environmental Protection Agency (EPA).~~
6. ~~National Secondary Standards: The levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant. Each state must attain the secondary standards within a "reasonable time" after the implementation plan is approved by the EPA.~~
7. ~~Reference method as described by the EPA: An "equivalent method" of measurement may be used but must have a "consistent relationship to the reference method" and must be approved by the EPA.~~
8. ~~Prevailing visibility is defined as the greatest visibility that is attained or surpassed around at least half of the horizon circle but not necessarily in continuous sector.~~
9. ~~The annual PM10 state standard is based on the geometric mean of all reported values taken during the year. The annual PM10 national standard is based on averaging the quarterly arithmetic means.~~

(~~41~~50~~47~~) "**New Emission Unit**" means any of the following:

(i) Any emission unit not constructed or installed in San Diego County as of ~~December 17, 1997~~*(date of adoption).*

(ii) Except as provided in Subsection (b)(1) of this rule, any emission unit which was constructed, installed or operated at its current location without a valid Authority to Construct or Permit to Operate from the District~~, except as provided for in Subsection (b)(1)~~.

(iii) Any emission unit which was inactive for a one-year period or more and which did not hold a valid Permit to Operate during that period.

(iv) A new emission unit shall no longer be considered a new emission unit, and shall be considered an existing emission unit, on and after the earlier of: (a) two years after the date that such unit first operated; or (b) the date when the Air Pollution Control Officer has

(A) determined that construction is complete;

(B) determined that any required initial emissions and performance testing has been completed and the results reported and approved;

(C) determined that the operation of the unit is in compliance with all conditions of the Authority to Construct relevant to the construction and operation of the unit; and,

(E) issued a temporary or final Permit to Operate.

(~~51~~48) "**New Federal Major Stationary Source**" means a new emission unit, new project or new stationary source which will be a federal major stationary source, or a modification of an existing stationary source which modification itself constitutes a federal major stationary source. On and after *(effective date of ~~adoption~~revised rule)*, if an existing previously permitted stationary source will become a federal major stationary source solely due to a relaxation of a permit limitation on the capacity of the stationary source to emit an air contaminant, such as a limit on emissions, hours of operation, process rates or fuel use, the stationary source shall be considered a new federal major stationary source and the requirements of these Rules 20.1, 20.2, 20.3 and 20.4 shall apply as if construction of the stationary source had not yet commenced.

(~~42~~52~~49~~) "**New Major Stationary Source**" means a new emission unit, new project or new stationary source which will be a major stationary source, or a modification of an existing stationary source which modification itself constitutes a major stationary source.

(~~43~~53~~50~~) "**New Stationary Source**" means a stationary source which, prior to the project under review, did not contain any ~~other~~ permitted equipment, excluding portable emission units.

(~~54~~51) **"Nonattainment"** means designated as not in attainment of a National Ambient Air Quality Standard (NAAQS) pursuant to Section 107(d) of the federal Clean Air Act or of a State Ambient Air Quality Standard (SAAQS) pursuant to Section 39608 of the California Health and Safety Code, as applicable. For the purposes of these Rules 20.1, 20.2, 20.3 and 20.4, nonattainment of a NAAQS means also designated as nonattainment by EPA in 40 CFR Section 81.305.

(~~44~~55~~52~~) "**Non-Criteria Pollutant Emissions Significance Level**" means a contemporaneous net emissions increase occurring at any new or modified PSD stationary source, equal to or greater than the amounts listed in Table 20.1 - 8.

TABLE 20.1 - 8
Non-Criteria Pollutant Emissions Significance Levels

Air contaminant:	Emission Rate (Ton/yr)
~~Asbestos~~	~~0.007~~
~~Beryllium~~	~~0.0004~~
Fluorides	3
Hydrogen Sulfide (H_2S)	10
Mercury	0.1
Reduced Sulfur Compounds	10
Sulfuric Acid Mist	7
~~Vinyl Chloride~~	~~1~~
~~Trichlorofluoromethane (CFC-11)~~	~~100~~
~~Dichlorodifluoromethane (CFC-12)~~	~~100~~
~~Trichlorotrifluoromethane (CFC-113)~~	~~100~~
~~Dichlorotetrafluoroethane (CFC-114)~~	~~100~~
~~Chloropentafluoroethane (CFC-115)~~	~~100~~
~~Bromochlorodifluoromethane (Halon - 1191)~~	~~100~~
~~Bromotrifluoromethane (Halon - 1301)~~	~~100~~
~~Dibromotetrafluoroethane (Halon - 2402)~~	~~100~~

~~(45) "**Non-Major Source Baseline Date**" means December 8, 1983, for sulfur dioxide (SO_2). For particulate matter (PM_{10}) and nitrogen dioxide (NO_2), the non-major source baseline date is the date after August 7, 1977, or February 8, 1988, respectively, when the first Authority to Construct application for any stationary source which will be a PSD Major Stationary Source for PM_{10} or NOx or which is a PSD Major Modification for PM_{10} or NOx as applicable, is deemed completed. As of May 17, 1994, neither the particulate matter nor the nitrogen dioxide non-major source baseline date have been established.~~

(~~56~~53) "**Non-Major Stationary Source**" means any emission unit, project or stationary source which has, or will have after issuance of an Authority to Construct or modified Permit to Operate, an aggregate potential to emit, including fugitive emissions, of each air contaminant listed in Table 20.1-6b less than the applicable emission rates specified in Table 20.1-6b.

(~~465~~754) "**Offset Ratio**" means the required proportion of emission offsets to emission increases, as specified in Rules ~~20.2,~~ 20.3 or 20.4.

~~(47) "**Particulate Matter or Particulate Matter (**PM10**)**" means particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns. For non-fugitive~~

~~emissions, any applicable test method approved by the federal EPA, the state ARB and the Air Pollution Control Officer shall be used to measure PM10. The Air Pollution Control Officer may require the use of an applicable test method prior to final approval by EPA and ARB if the Officer determines that the method is consistent with these rules, or results in an improved measure of PM10 emissions, and has received written initial concurrence from ARB and EPA for use of the method~~.

(~~485~~~~58~~55) "**Permanent**" means enforceable and which will exist for an unlimited period of time.~~ For purposes of meeting the emission offset requirements of Rules 20.3 and 20.4, permanent means also federally enforceable.~~

(~~59~~56) "**Permit Limitation on Potential to Emit**" means an enforceable permit condition that restricts, or will restrict, the maximum potential emissions from an emission unit or aggregation of emission units and that does not violate any District, state or federal law, rule, regulation, order, or permit condition.

(~~496~~~~60~~57) "**Portable Emission Unit**" means an emission unit that is subject to the permit requirements of Rule 10 of these Rules and Regulations, and is designed to be and capable of being carried or moved from one location to another. Indicia of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer or platform. For the purposes of this regulation, dredge engines on a boat or barge are considered portable. An emission unit is not portable if any of the following apply:

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

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

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

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

The Air Pollution Control Officer may determine, on a case-by-case basis, that ~~E~~emission units which exceed the above time limits will be considered as relocated equipment and will be subject to the applicable requirements for relocated emission units contained in Rules 20.1, 20.2~~,~~ and 20.3.

(~~50~~~~61~~58) "**Post-Project Potential to Emit**" means an emission unit's potential to emit after issuance of an Authority to Construct for the proposed project, calculated pursuant to Section (d).

(~~51~~~~62~~59) "**Potential to Emit**" means the maximum quantity of air contaminant emissions, including fugitive emissions, that an emission unit is capable of emitting or permitted to emit, calculated pursuant to Section (d).

(~~52~~~~63~~60) "**Precursor Air Contaminants**" means any air contaminant which forms or contributes to the formation of a secondary air contaminant for which an ambient air quality standard exists. For purposes of this rule, the precursor relationships are listed in Table 20.1 - 9.

TABLE 20.1 - 9
Precursor Air Contaminants

Precursor Air Contaminant	Secondary Air Contaminant
NOx	NO_2 PM_{10} $PM_{2.5}$ Ozone
VOC	PM_{10} Ozone
SOx	SO_2 PM_{10} $PM_{2.5}$

(~~53~~~~64~~61) "**Pre-Project Actual Emissions**" means an emission unit's actual emissions prior to issuance of an Authority to Construct for the proposed project, calculated pursuant to Section (d).

(~~54~~~~65~~62) "**Pre-Project Potential to Emit**" means an emission unit's potential to emit prior to issuance of an Authority to Construct for a proposed project, calculated pursuant to Section (d).

(~~55~~~~66~~63) "**Project**" means an emission unit or aggregation of emission units for which an application or combination of applications for one or more Authorit~~y~~ies to Construct or modified Permits to Operate is under District review.

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

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

(~~576~~~~7~~65) "**PSD Modification**" means a contemporaneous net emissions increase occurring at a modified PSD stationary source equal to or greater than the amounts listed in Table 20.1 - 10 or any non-criteria pollutant emissions significance level listed in Table 20.1-8.

TABLE 20.1 - 10
PSD Modification

Air contaminant:	Emission Rate (Ton/yr)
Particulate Matter (PM_{10})	15
Oxides of Nitrogen (NOx)	40
Volatile Organic Compounds (VOC)	40
Oxides of Sulfur (SOx)	40
Carbon Monoxide (CO)	100
Lead and Lead Compounds (Pb)	0.6

(~~586~~~~8~~66) "**PSD Stationary Source or Prevention of Significant Deterioration Stationary Source**" means any stationary source, as specified in Table 20.1 - 11, which has, or will have after issuance of a permit, an aggregate potential to emit one or more air contaminants in amounts equal to or greater than any of the emission rates listed in Table 20.1 - 11.

TABLE 20.1 - 11
PSD Stationary Sources and Trigger Levels

For stationary sources consisting of:
1. Fossil fuel fired steam electrical plants of more than 250 MM Btu/hr heat input
2. Fossil fuel boilers or combinations thereof totaling more than 250 MM Btu/hr of heat input
3. Municipal incinerators capable of charging more than 250 tons of refuse per day
4. Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels

5. Charcoal production plants	17. Phosphate rock processing plants
6. Chemical process plants	18. Petroleum refineries
7. Coal cleaning plants with thermal dryers	19. Primary aluminum ore reduction plants
8. Coke oven batteries	20. Primary copper smelters
9. Fuel conversion plants	21. Primary lead smelters
10. Furnace process carbon black plants	22. Primary zinc smelters
11. Glass fiber processing plants	23. Portland cement plants
12. Hydrofluoric acid plants	24. Secondary metal production plants
13. Iron and steel mill plants	25. Sintering plants
14. Kraft pulp mills	26. Sulfuric acid plants
15. Lime plants	27. Sulfur recovery plants
16. Nitric acid plants	28. Taconite ore processing plants

The following emission rates:

Air Contaminant	(Ton/yr)
Particulate Matter (PM_{10})	100
Oxides of Nitrogen (NOx)	100
Volatile Organic Compounds (VOC)	100
Oxides of Sulfur (SOx)	100
Carbon Monoxide (CO)	100

For all other stationary sources:

Air Contaminant	(Ton/yr)
Particulate Matter (PM_{10})	250
Oxides of Nitrogen (NOx)	250
Volatile Organic Compounds (VOC)	250
Oxides of Sulfur (SOx)	250
Carbon Monoxide (CO)	250

(~~59~~~~69~~67) "**Quantifiable**" means that a reliable basis to estimate emission reductions in terms of both their amount and characteristics can be established, as determined by the Air Pollution Control Officer. Quantification may be based upon emission factors, stack tests, monitored values, operating rates and averaging times, process or production inputs, mass balances or other reasonable measurement or estimating practices.

(~~60~~~~70~~68) "**Real**" means actually occurring and which will not be replaced, displaced or transferred to another emission unit at the same or other stationary source within San Diego County, as determined by the Air Pollution Control Officer.

(~~61~~~~71~~69) "**Reasonably Available Control Technology" or "RACT"** means the lowest emission limit that a particular source is capable of meeting by the application of control technology that is reasonably available, as determined by the Air Pollution Control Officer pursuant to the federal Clean Air Act, considering technological and economic feasibility.

(~~62~~~~72~~70) "**Relocated Emission Unit**" means a currently permitted emission unit or grouping of such units which is to be moved within San Diego County from one stationary source to another stationary source. The moving of a portable emission unit shall not be considered a relocated emission unit.

(~~63~~~~73~~71) "**Replacement Emission Unit**" means an emission unit which supplants another emission unit where the replacement emission unit serves the same function and purpose as the emission unit being replaced, as determined by the Air Pollution Control Officer. ~~Identical and like-kind replacements as specified in Rule 11, and subject to the limitations contained in Rule 11, shall not be considered subject to the requirements of Rules 20.1, 20.2, 20.3 and 20.4 applicable to a replacement emission unit.~~

(~~64~~~~74~~72) "**Secondary Emissions**" means emissions which would occur as a result of the construction, operation or modification of a PSD stationary source, but which are not directly emitted from any emission unit at the stationary source. Except as provided below, secondary emissions exclude emissions which come directly from mobile sources, such as emissions from the tailpipe of a motor vehicle. Secondary emissions include, but are not limited to:

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

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

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

(~~65~~~~75~~73) "**Significant Impact**" means an increase in ambient air concentration, resulting from emission increases at a new or modified stationary source, equal to or greater than any of the levels listed in Tables 20.1 - 12 and 20.1 - 13.

TABLE 20.1 - 12
Stationary Sources Impacting Any Class I Area

Air Contaminant	Significant Impact (24-hour Maximum)
Particulate Matter (PM_{10})	1.0 µg/m^3
Nitrogen Dioxide (NO2)	1.0 µg/m^3

Sulfur Dioxide (SO2)	1.0 µg/m^3
Carbon Monoxide (CO)	1.0 µg/m^3

TABLE 20.1 - 13
Stationary Sources Impacting Any Class II Area

Air Contaminant	Significant Impact
Particulate Matter (PM_{10})	
Annual arithmetic mean	1.0 µg/m^3
24-hr. maximum	5.0 µg/m^3
Nitrogen Dioxide (NO2)	
Annual arithmetic mean	1.0 µg/m^3
Sulfur Dioxide (SO2)	
Annual arithmetic mean	1.0 µg/m^3
24-hr. maximum	5.0 µg/m^3
Carbon Monoxide (CO)	
8-hr. maximum	500.0 µg/m^3
1-hr. maximum	2000.0 µg/m^3

(~~66~~~~76~~74) "**State Ambient Air Quality Standards (SAAQS)**" means the maximum allowable ambient air concentrations for specified air contaminants and monitoring periods as established by the California Air Resources Board (ARB) ~~(see Table 20.1 - 7)~~.

~~(67~~~~77~~~~) "**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 common control. Stationary sources also include those emission units or aggregation of emission units which are under common ownership or common control and which are located in the California Coastal Waters.~~

(~~68~~~~78~~75) "**Surplus**" means ~~the same as defined in Rule 26.0.~~any emission reduction which is surplus of federal requirements, as defined herein, and is also in excess of:

(i) Any stationary source emission reduction measure contained in the San Diego Regional Air Quality Strategy, California Clean Air Act requirements, or state law, and any District rule, regulation, or order, including those which carry out such

emission reduction measures. A variance issued by the Air Pollution Control District Hearing Board is not an order within the meaning of this subsection~~;~~.

(~~79~~76) "**Surplus of Federal Requirements**" means any emission reduction which is in excess of:

(i) Any standard, emission reduction measure or other requirement contained in the San Diego portion of the California SIP;

(ii) The most recent version of any standard, emission reduction measure or other requirement adopted by the Air Pollution Control Board and submitted for EPA approval into the SIP;

(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 stationary source emission reduction measure contained in ~~the San Diego portion of the SIP,~~ the federal Clean Air Act or federal law, and any District or state law, rule, regulation, or order which carry out such emission reduction measures. A variance issued by the Air Pollution Control District Hearing Board is not an order within the meaning of this subsection;

(vi) Any term or condition of an Authority to Construct issued pursuant to these rules and regulations which term or condition is imposed pursuant to 40 CFR Parts 60 or 61, 40 CFR Part 63, 40 CFR Part 52.21 or 40 CFR Part 51, Subpart I; and

(vii) Emission reductions which have already been approved as ERCs or otherwise committed for air quality purposes, including but not limited to as emission offsets.

(~~69~~~~80~~77) "**Temporary**" means enforceable, existing and valid for a specified, limited period of time. ~~For purposes of meeting the federal emission offset requirements of Rules 20.3 and 20.4, temporary means also federally enforceable.~~

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

(~~81~~78) "**Yearly**" means twelve consecutive months.

(d) **EMISSION CALCULATIONS**

The emission calculation provisions and requirements of this Section (d) shall be applied on an air contaminant-specific basis.

(1) **POTENTIAL TO EMIT**

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

(i) **Calculation of Pre-Project and Post-Project Potential to Emit**

Except as provided in Subsections (d)(1)(i)(A) ~~, (B), and (C)~~through (F), the pre-project and post-project potential to emit of each emission unit shall be calculated based on the maximum design capacity or other operating conditions which reflect the maximum potential emissions, including fugitive emissions.

(A) Permit Limitations on Pre-Project and Post-Project Potential to Emit Shall be Used

Except as provided in Subsections (d)(1)(i)(C) and (D), ~~I~~if specific ~~limiting conditions contained in an Authority to Construct or Permit to Operate~~ enforceable permit limitations on potential to emit restrict or will restrict maximum potential emissions of an emission unit on an hourly, daily or annual basis to a lower level, these limitations shall be used to calculate the pre-project or post-project potential to emit, as applicable, on an hourly, daily and annual basis.

(B) ~~Potential to Emit Shall Not Exceed Maximum Potential~~ Calculation of Pre-Project Potential to Emit for Modified Emission Units Where No Permit Limitations Exist

If there are no specific enforceable conditions limiting an emission unit's pre-project potential to emit~~are not contained in an Authority to Construct or Permit to Operate~~, the pre-project potential to emit shall be limited to the emission unit's highest actual emissions calculated pursuant to Subsection (d)(2), unless limited~~or~~ to a lower level of emissions, as the applicant and the Air Pollution Control Officer may agree, ~~provided such~~ by a permit limitation on potential to emit for the emission unit~~is enforceable through permit conditions and does not violate any District, state or federal law, rule, regulation, order or permit condition. The Air Pollution Control Officer may base the pre-project potential to emit on the highest level of emissions occurring during a one-year period within the~~

~~five-year period preceding the receipt date of the application, provided that the emission level was not in excess of any District, state or federal law, rule, regulation, order or permit condition. If the potential to emit is being determined for purposes of calculating an actual emission reduction, the provisions of Subsection (d)(2) shall apply~~.

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

If a ~~new or~~ modified emission unit is or will be located at an existing major stationary source, or if a modified emission unit will itself be a major stationary source, the pre-project potential to emit of the emission unit shall be calculated as follows. ~~For purposes of determining the post-project aggregate potential to emit pursuant to Subsection (d)(1)(ii), these calculation procedures shall not apply to emission units not being modified and instead the procedures of Subsections (d)(1)(i)(A) and (B) shall apply.~~

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

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

(3) Notwithstanding paragraphs (1) and (2) above, if an Authority to Construct has previously been issued for an emission unit pursuant to New Source Review rules for the District, and the previous emission increases that resulted from that emission unit were offset in accordance with the New Source Review rules in effect at that time, the emission unit's pre-project potential to emit shall be as calculated pursuant to Subsection (d)(1)(i)(A) and (B).

(4) The provisions of paragraph (3) above shall not apply to a modified emission unit which constitutes a federal major modification for an air contaminant, or its precursors, for which the

San Diego Air Basin is designated as nonattainment of a national ambient air quality standard. In such case, the pre-project potential to emit of the modified emission unit shall equal the unit's actual emissions.

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

(D) Calculation of Pre-Project Potential to Emit for New Emission Units

Notwithstanding any other provision of this rule, the pre-project potential to emit for a new emission unit shall be zero.

(E) Calculation of Post-Project and Pre-Project Potential to Emit for Projects

The post-project and pre-project potential to emit for a project shall be calculated as the sum of all the post-project or pre-project potentials to emit, as applicable, for the emission units aggregated in the project unless limited to a lower level of emissions, as the applicant and the Air Pollution Control Officer may agree, by a permit limitation on potential to emit for the project. The aggregate pre-project and post-project potentials to emit for a project shall not affect the applicability of BACT requirements in Rules 20.2, 20.3 and 20.4 to individual emission units that are a part of the project.

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

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

(A) Permit Limitations on Post-Project Potential to Emit Shall be Used

If specific, enforceable limiting conditions restrict, or will restrict, emissions of a stationary source, or an aggregation of emission units at a stationary source, to a lower level on an hourly, daily or annual basis, these limitations on post-project potential to emit shall be used in calculating the aggregate potential to emit of the stationary source.

(~~A~~B) Permit-Exempt Equipment

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

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

(~~B~~C) Emergency Equipment

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

(~~C~~D) Portable Emission Units

The potential to emit of portable emission units which are considered under the same major industrial grouping, as identified by the first two

digits of the applicable code in *The Standard Industrial Classification Manual*, as the stationary source where such units are or will be operated, or which are used as part of or to supplement a primary process at the stationary source where the operation of one is dependent upon or affects the operation of the other, shall be included in such stationary source's aggregate potential to emit. All other ~~P~~portable emission units shall be excluded from the calculation of a stationary source's aggregate potential to emit.

(~~D~~E) Military Tactical Support Equipment Engines

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

(2) **ACTUAL EMISSIONS**

Actual emissions are used: to determine pre-project potential to emit where specified in Subsection (d)(1) of this rule; and, in procedures to quantify emission reductions as specified in Subsection (d)(4)(ii) of this rule. Actual emissions are calculated based on the actual operating history of the emission unit and shall be calculated in accordance with Subsections (d)(2)(i), (ii), (iii) and (iv) below, as applicable.

(i) **~~Time Period For~~ Calculation of Actual Emissions for Purposes of Determining Pre-Project Potential to Emit**

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

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

Actual emissions of an existing emission unit shall be calculated in accordance with Subsections (d)(2)(i)(A) or (B) below on an operating hour, day and year basis for purposes of determining an emission unit's pre-project potential to emit.

(A) The emission unit's pre-project actual hourly, daily and yearly emissions shall be based on the highest level of hourly, daily and yearly emissions, respectively, occurring during a twenty-four consecutive month period representative of normal operations within the five-year period preceding the receipt date of the application.

(B) The pre-project actual emissions for emission units operated for a period less than twenty-four consecutive months shall be based on the longest operating time period determined by the Air Pollution Control Officer to be most representative of actual operations.

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

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

(ii) **Calculation of Actual Emissions for Purposes of Quantifying Emission Reductions**

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

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

(iii) **Adjustments for Violations**

If an emission unit was operated in violation of any District, state or federal law, rule, regulation, order or permit condition during the period used to determine actual emissions, the actual emissions calculated pursuant to this Subsection (d)(2) shall be adjusted to reflect the level of emissions which would have occurred if the emission unit had not been in violation.

(iv) **Adjustments for Currently Applicable Federally Enforceable Requirements**

For an emission unit being modified, replaced or relocated, and which will be located at a federal major stationary source, the actual emissions calculated on an operating year (yearly) basis pursuant to this Subsection (d)(2) shall be further adjusted~~:~~ to reflect the level of emissions which would have occurred had the emission unit been required to comply with all federally enforceable requirements applicable to the emission unit at the time that a complete application to modify, replace or relocate the emission unit is submitted. This subsection (d)(2)(iv) shall only apply to air contaminants, and their precursors, for which the San Diego Air Basin is designated as nonattainment of a national ambient air quality standard. This subsection (d)(2)(iv) shall not apply to any existing electric utility steam generating unit which is intended to supply more than one-third of its potential electric output capacity and more than 25 megawatts electrical output to any utility power distribution system for sale. Any steam supplied to a steam distribution system for the purpose of providing steam to a steam-electric generator that would produce electrical energy for sale shall be included in determining the electrical energy output of the unit.

(3) **EMISSION INCREASE**

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

(i) **New Emission Units**

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

(ii) **Modified Emission Units**

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

(iii) **Relocated Emission Units**

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

(iv) **Replacement Emission Units**

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

(v) **Portable Emission Units**

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

(vi) **Projects**

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

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

~~When calculating emission increases for purposes of comparing with the Air Quality Impact Analysis (AQIA) trigger levels of Rules 20.2 or 20.3, area fugitive emissions of particulate matter (PM_{10}) shall be excluded from the pre-project potential to emit and the post-project potential to emit calculations, unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM_{10} must be evaluated in order to protect public health and welfare.~~

(vii) **Determining Emissions Increases for Federal Major Modifications and Federal Major Stationary Sources**

When calculating emissions increases for the sole purpose of determining whether a project at an existing federal major stationary source constitutes a federal major modification, or whether a modification at an existing stationary source constitutes a new federal major stationary source, and thereafter applying the provisions of this Rule 20.1 and Rules 20.2, 20.3, and 20.4 of these Rules and Regulations specific to federal major modifications and federal major stationary

sources, an applicant for such project or modification may choose to use the methods contained in 40 CFR 51.165 (a)(2)(ii)(B) through (F), and references therein, as they existed on *(date of adoption of this amended Rule 20.1).* References in 40 CFR 51.165 (a)(2)(ii)(B) through (F) to major modification and to major stationary source shall be read as referring to federal major modification and federal major stationary source as defined in Section (c) of this rule. The provisions of this Section (d) for determining emissions increases, excluding this Subsection (d)(3)(vii), shall apply for all other purposes of this Rule 20.1 and Rules 20.2, 20.3 and 20.4.

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

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

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

(A) Modified Emission Units

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

(B) Relocated Emission Units

Reduction in the potential to emit for a relocated ~~project or~~ emission unit shall be calculated as the ~~project's or~~ emission unit's pre-project potential to emit minus the ~~project's or~~ emission unit's post-project potential to emit. Notwithstanding the foregoing, the post-project potential to emit of a relocated emission unit shall be used in determining the aggregate potential to emit of, and any contemporaneous net emissions increase at, the stationary source to which it is relocated, and the emission increase of any project which the relocated emission unit is a part.

(C) Replacement Emission Units

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

(D) Portable Emission Units

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

(E) Projects

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

(ii) **Actual Emission Reduction**

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

(A) Shutdowns

Unless an emission unit is replaced, ~~A~~actual emission reductions from the shutdown of an emission unit shall be calculated based on the emission unit's pre-project actual emissions. Actual emission reductions from the shutdown and replacement of an emission unit shall be calculated pursuant to Subsection (d)(4)(ii)(D).

(B) Modified Emission Units

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

(C) Relocated Emission Units

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

(D) Replacement Emission Units

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

(E) Portable Emission Units

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

(F) Projects

Actual emission reductions from a project shall be calculated as the sum of all the pre-project actual emissions from the emission units aggregated in the project minus the project's post-project potential to emit.

(iii) **Adjustments For Determining Actual Emission Reductions**

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

(A) Units Permitted and Operated Less Than Two Years

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

(B) Adjustments for~~Rule Violations~~ Permitted Emission Units

~~If an emission unit was operated in violation of any District, state or federal law, rule, regulation, order or permit condition during the period used to determine actual emissions, the actual emissions shall be adjusted to reflect the level of emissions which would have occurred if the emission unit had not been in violation.~~Actual emission reductions from permitted emission units shall exclude emission reductions which are not surplus at the time the actual emission reduction is determined.

(C) Adjustments for ~~Federal Reasonably Available Control Technology (RACT)~~ Emission Units Exempt from Permit Requirements

~~Actual emission reductions shall exclude emission reductions which would have occurred had RACT requirements, determined by the Air Pollution Control Officer to meet the requirements of the 1990 federal Clean Air Act Amendments, been applied.~~ This provision shall ~~not~~ apply to actual emission reductions from an emission unit which is exempt from permit requirements pursuant to Rule 11. Such actual emission reductions shall be determined in accordance with Subsections (d)(2)(ii), (d)(2)(iii) and (d)(4)(ii) of this rule, but shall not be further reduced in accordance with this rule at the time the actual emission reduction is determined. However, at the time ~~of use~~ the emission reduction credits (ERCs) or actual emission reductions created from ~~actual emission reductions from~~ such an exempt emission unit are used to meet an emission offset requirement of these Rules 20.1 and 20.3 or 20.4, the ERCs or the actual emission reduction, as applicable, ~~shall be discounted by the emission reductions which would have occurred had RACT, determined by the Air Pollution Control Officer to meet the requirements of the federal Clean Air Act, been applied.~~ shall be further adjusted to exclude emission reductions which are not surplus at the time the ERC or actual emission reduction is so used. A condition shall be included in ~~the~~ any ~~Emission Reduction Credit (~~ERC~~)~~ ~~Certificate~~ for such an exempt emission unit requiring such ~~discounting~~ adjustment to occur at the time of use of the ~~emission reduction credit~~ ERC.

(iv) **Emission Reduction Credits (ERCs)**

The following procedures shall be followed in evaluating and acting on an application for emission reduction credits:

(A) An emission reduction credit may be approved by the Air Pollution Control Officer upon determining that the actual emission reduction that is the basis of such credit meets the applicable requirements of this Rule 20.1, and of these Rules and Regulations, in effect at the time that such credit is approved.

(B) The Air Pollution Control Officer's approval of an emission reduction credit shall be in writing and shall contain conditions necessary to ensure the validity of the credit.

(C) Such approval shall be first subject to public notice in a newspaper of general circulation and a 30-calendar day period for public, agency and applicant review and comment. A copy of the public notice shall be provided to the federal EPA, through its Region 9 office, and to the California ARB.

(D) An applicant for an emission reduction credit may appeal the denial or conditional approval of a credit to the Air Pollution Control District Hearing Board within 30 days of receipt of such denial or conditional approval.

(E) The use of an emission reduction credit to meet an emission offset requirement of these Rules 20.1, 20.3 or 20.4 shall be subject to the applicable requirements of those rules.

(5) **EMISSION OFFSETS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

Emission offsets are actual emission reductions which are provided to mitigate emission increases where required by these Rules and Regulations. In order to be considered an emission offset, actual emission reductions or ERCs must be valid for the life of the emission increase which they are offsetting. Emission offsets must meet the applicable criteria specified in this Rule~~s~~ 20.1 and Rules 20.3 and 20.4.

(i) Emission offsets shall consist of:

(A) actual emission reductions calculated in accordance with Subsections (d)(4)(ii) and (d)(4)(iii) of this rule; or,

(B) ~~Class 'A'~~ ERCs ~~pursuant to~~ meeting the applicable requirements of Rules ~~26.0~~20.1 through ~~26.10~~20.4 in effect at the time such ERCs were approved; or,

(C) ~~a~~ mobile source ERCs issued pursuant to Rule 27.1; or, ~~In order to be considered an emission offset, actual emission reductions or ERCs must be valid for the life of the emission increase which they are offsetting.~~

(D) emission reduction credits issued pursuant to a District rule~~,~~ which has been approved by the federal EPA ~~for inclusion~~ into the District portion of the State Implementation Plan and which~~,~~ ~~containing~~ contains standards for the creation and approval of such credits.

(ii) In order to qualify as an emission offset, actual emission reductions shall have been ~~banked~~ evaluated and approved as an emission reduction credit by the Air Pollution Control Officer pursuant to ~~District Banking~~ the applicable requirements of Rules 20.1, 20.3 and 20.4 ~~26.0 through 26.10~~ or Rule 27.1, or an applicable District emission reduction credit creation and approval rule approved by the federal EPA into the State Implementation Plan, unless the actual emission reductions are being proposed to offset emission increases occurring concurrently at the stationary source.

In such a case, the Air Pollution Control Officer may choose to administratively forego the issuance of ERCs.

(iii) Emission offsets shall be in effect and enforceable at the time of startup of the emission unit, project or stationary source requiring the offsets.

(iv) Emission offsets must be federally enforceable at the time of issuance of an Authority to Construct if the source is a new federal major stationary source or a federal major modification for the pollutant for which offsets are being provided. ~~If interpollutant offsets are being provided, the offsets must be federally enforceable if the pollutant they are offsetting is major.~~

(v) Actual emission reductions and ERCs used to meet the emission offset requirements of Rules 20.3 applicable to a new federal major stationary source or a federal major modification shall be surplus of federal requirements at the time such emission reductions and ERCs are to be used as offsets. If the actual emission reductions, which were the basis of any such offsetting emission reductions or ERCs, resulted from the shutdown or curtailment in production and/or operating hours of an existing emission unit or existing stationary source, where such shutdown or curtailment occurred on or before the last day of the baseline year used in the Air Pollution Control District's most recent NAAQS attainment plan, such emissions must have been included in the projected emissions inventory used to develop the attainment demonstration associated with that plan.

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

(vii) Emission offsets shall be located in San Diego County, except as provided pursuant to a District rule, approved by the California ARB and the federal EPA ~~for inclusion~~ into the District portion of the State Implementation Plan, containing standards for the creation and approval of emission reduction credits in coastal waters adjacent to San Diego County.

(e) **OTHER PROVISIONS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

(1) **CONTINUITY OF EXISTING PERMITS**

All of the conditions contained in any Authority to Construct or Permit to Operate issued prior to ~~December 17, 1998~~*(effective date of ~~adoption~~revised rule)*, shall remain valid and enforceable for the life of the Authority to Construct or Permit to Operate, unless specifically modified by the District.

RULE 20.2
NEW SOURCE REVIEW
NON - MAJOR STATIONARY SOURCES
(ADOPTED AND EFFECTIVE 5/17/94)
(REV. ADOPTED AND EFFECTIVE 12/17/97)
(REV. ADOPTED 11/4/98; EFFECTIVE 12/17/98)
(REV. ADOPTED (date of adoption); EFFECTIVE (date of EPA approval into SIP)

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NOTE: The following listed sections and subsections will not be submitted to the federal Environmental Protection Agency (EPA) for inclusion in the San Diego State Implementation Plan (SIP). As such, the following listed sections and subsections are not enforceable by EPA, but remain enforceable by the San Diego County Air Pollution Control District.~~:~~

Section (b); Subsection (d)(1)~~, (d)(2)(v), (d)(5) and (d)(6)~~; Subsections (d)(2)(i)(B), (d)(2)(v) and (d)(2)(vi)(B); and Subsection (d)(3).

~~Subsections (d)(2)(i), (d)(2)(ii), (d)(2)(iii), (d)(2)(iv) and (d)(2)(vi) will be submitted to EPA for inclusion in the SIP only with respect to national ambient air quality standards.~~

RULE 20.2. NEW SOURCE REVIEW - NON-MAJOR STATIONARY SOURCES (Adopted & Effective: 5/17/94; Rev. Adopted & Effective 12/17/97; Rev. Adopted 11/4/98~~;~~ & Effective 12/17/98;

Rev. Adopted *(date of adoption)*; ~~&~~ Effective *(date of ~~adoption~~ EPA approval into SIP)*

(a) **APPLICABILITY**

This rule applies to any new or modified stationary source, to any new or modified emission unit, to any replacement emission unit, and to any relocated emission unit being moved ~~from~~to a stationary source provided that, after completion of the project, the stationary source is not a major stationary source. This rule does not apply to identical or like-kind replacement emission units exempt from Authority to Construct and modified Permit to Operate requirements pursuant to these Rules and Regulations. This rule does not apply to any portable emission unit. Compliance with this rule does not relieve a person from having to comply with other applicable requirements in these rules and regulations, or state and federal law.

(b) **EXEMPTIONS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

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

(1) An existing permitted ~~E~~emission unit~~s~~ which ~~are~~is to be relocated from one stationary source within San Diego County to another ~~stationary source~~ shall be exempt from the ~~provisions~~BACT requirements of Subsection (d)(1)(ii), provided that:

(i) The emission unit is not being modified,

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

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

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

(2) An existing permitted ~~E~~emission unit~~s~~ ~~and~~ which ~~are intended~~is to be permanently relocated from one stationary source within San Diego County to another stationary source shall be exempt from the ~~provisions~~BACT requirements of Subsection (d)(1)(ii), provided that:

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

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

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

(c) **DEFINITIONS**

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

(d) **STANDARDS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

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

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

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

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

(ii) **Relocated Emission Units**

Except as provided for in Subsections (b)(1) and (b)(2), any relocated emission unit with a post-project potential to emit of 10 pounds per day or more of PM_{10}, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant.

(iii) **Replacement Emission Units**

Any replacement emission unit with a post-project potential to emit of 10 pounds per day or more of PM_{10}, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant. ~~This provision shall not apply to identical or like-kind replacements exempt from Authority to Construct and modified Permit to Operate requirements pursuant to Rule 11.~~

(iv) **Emergency Equipment Emission Units**

~~Any new, or modified emergency equipment emission unit which has any increase in its potential to emit PM10, NOx, VOC or SOx and which unit has a post-project potential to emit of 10 pounds per day or more of PM10, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant.~~ For any emergency equipment emission unit subject to the BACT requirements of Subsections (d)(1)(i), (ii) or (iii) of this rule, BACT shall apply based on the unit's non-emergency operation emissions and excluding the unit's emissions while operating during emergency situations.

(v) **Projects with Multiple Emission Units**

Where a project at a stationary source consists of multiple new, modified, relocated or replacement emission units required by this Subsection (d)(1) to be equipped with BACT, BACT shall be evaluated for each such emission unit pursuant to (d)(1)(i) through (iv)~~;~~. The Air Pollution Control Officer may require that BACT be also ~~and~~ evaluated for combinations of such emission units. Where technologically feasible, lowest emitting and cost-effective, the Air Pollution Control Officer may require that BACT be applied to a combination of such emission units. In such case, BACT applied to such combinations shall not result in greater emissions for the project nor for each emission unit that is part of the project than were BACT applied to each emission unit.

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

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit and project subject to this rule unless the following requirements are satisfied. ~~Area fugitive emissions of PM_{10} shall not be included in the demonstrations required below unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM_{10} must be evaluated in order to protect public health and welfare.~~

The demonstrations required by this Subsection (d)(2) shall be based on the emission unit or project emission exhaust system design and discharge characteristics but not to an extent greater than good engineering practice stack height. This provision shall not be applied to limit actual stack height.

(i) **AQIA for New, ~~or~~ Modified, Replacement or Relocated Emission Units and Projects**

(A) For each new, modified, replacement or relocated emission unit and project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.2 – 1 below, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, as defined in Rule 20.1, that ~~the project~~ such emissions increase will not:

(~~A~~1) cause a violation of a ~~state or~~ national ambient air quality standard anywhere that does not already exceed such standard, nor

(~~B~~2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

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

(~~D~~3) prevent or interfere with the attainment or maintenance of any ~~state or~~ national ambient air quality standard.

(B) For each new, modified, replacement or relocated emission unit and project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.2 – 1 below, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA that such emissions increase will not:

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

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

(3) prevent or interfere with the attainment or maintenance of a state ambient air quality standard.

~~If a PM_{10} AQIA is required, the AQIA shall include both directly emitted PM_{10} and PM_{10} which would be formed by precursor air contaminants prior to discharge to the atmosphere.~~

TABLE 20.2 - 1
AQIA Trigger Levels

Air Contaminant	Emission Rate (lb/hr)	(lb/day)	(tons/yr)
Particulate Matter (PM_{10})	---	100	15
Fine Particulate~~s~~ Matter ($PM_{2.5}$)		67	10
Oxides of Nitrogen (NOx)	25	250	40
Oxides of Sulfur (SOx)	25	250	40
Carbon Monoxide (CO)	100	550	100
Lead and Lead Compounds	---	3.2	0.6

(ii) **AQIA for ~~Replacement Emission Units~~$PM_{2.5}$ and PM_{10} Emission Increases**

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

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

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

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

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

~~If a PM10 AQIA is required, the AQIA shall include both directly emitted PM10 and PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.~~ In determining if a $PM_{2.5}$ or PM_{10} AQIA is required under this Subsection (d)(2), the emissions increases shall include both directly emitted $PM_{2.5}$ and PM_{10}, and $PM_{2.5}$ and PM_{10} which would condense after discharge to the atmosphere. If a $PM_{2.5}$ or PM_{10} AQIA is required, the AQIA shall include both directly emitted $PM_{2.5}$ or PM_{10}, and $PM_{2.5}$ or PM_{10} which would condense after

discharge to the atmosphere. Any permit terms or conditions limiting emissions of $PM_{2.5}$ or PM_{10} as a result of the requirements of this Subsection (d)(2) shall apply to the combination of both directly emitted and condensable $PM_{2.5}$ or PM_{10}. The provisions of this Subsection (d)(2)(ii) shall apply separately to $PM_{2.5}$ and PM_{10}.

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

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

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

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

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

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

~~This demonstration is required for each air contaminant for which the project has a potential to emit equal to or greater than the amounts listed in Table 20.2-1. If a PM_{10} AQIA is required, the AQIA shall include both directly emitted PM_{10} and PM_{10} which would be formed by precursor air contaminants prior to discharge to the atmosphere.~~ Where a project consists of multiple new, modified, replacement or relocated emission units, the determination of whether an air quality impact analysis is required under this Subsection (d)(2) shall be based on the aggregate total of emission increases occurring from those project emission units for which emissions are increasing, excluding any concurrent actual emission reductions occurring from other emission units at the same stationary source. If an air quality impact analysis is required, the air quality impacts of the project shall be based on the aggregate of the air quality impacts of each unit's emission increases at each off-site location analyzed. The simultaneous air quality impact reduction at each off-site location analyzed that results from any concurrent, enforceable actual emission reductions occurring from other emission units at the same stationary source may be included to determine the net air quality impacts of a project at each off-site location.

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

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

(v) **AQIA Requirements for PM_{10} Impacts May be Waived**

Notwithstanding the requirements of Subsection (d)(2)(i), ~~(ii), or (iii),~~ the Air Pollution Control Officer may waive the AQIA requirements for PM_{10} impacts on the state ambient air quality standards, as follows:

(A) If the project will result in a maximum PM_{10} air quality impact of less than 5 µg/m^3 (24-hour average basis) and 3 µg/m^3 (annual geometric mean basis), all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, must be offset at a ratio of 1.5 to 1.

(B) If the project will result in a maximum PM_{10} air quality impact equal to or greater than 5 µg/m^3 but less than 10 µg/m^3 (24-hour average basis) or equal to or greater than 3 µg/m^3 but less than 6 µg/m^3 (annual geometric mean basis):

(1) the project must be equipped with BACT for PM_{10} emissions without consideration for cost-effectiveness,

(2) all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, must be offset at an overall ratio of 1.5 to 1,

(3) sufficient emission offsets must be provided within the project's impact area to offset all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at least equal to the project's PM_{10} ambient air quality impact minus 5 µg/m^3 (24-hour average basis) and 3 µg/m^3 (annual geometric mean basis) must be provided, and

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

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

(vi) **AQIA May be Required**

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

(~~A~~1) cause a violation of a ~~state or~~ national ambient air quality standard anywhere that does not already exceed such standard, or

(~~B~~2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

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

(~~D~~3) prevent or interfere with the attainment or maintenance of any ~~state or~~ national ambient air quality standard.

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any stationary source, emission unit or project for which an AQIA is required pursuant to this Subsection (d)(2)(vi)(A) unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the emission increases from such source, unit or project will not result in any of the impacts to the national ambient air quality standards specified above in (1), (2) and (3) of this Subsection (d)(2)(vi)(A).

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

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

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

(3) prevent or interfere with the attainment or maintenance of a state ambient air quality standard.

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any stationary source, emission unit or project for which an AQIA is required pursuant to this Subsection (d)(2)(vi)(B) unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the emission increases from such source, unit or project will not result in any of the impacts to state ambient air quality standards specified above in (1), (2) and (3) of this Subsection (d)(2)(vi)(B).

(3) ~~**PREVENTION OF SIGNIFICANT DETERIORATION (PSD)**~~**SIGNIFICANT IMPACT IN CLASS I AREAS**

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

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

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

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

Notify and submit to the California ARB, the South Coast Air Quality Management District and the Imperial County Air Pollution Control District the information specified in Subsection (d)(4)(iv).

(4) **PUBLIC NOTICE AND COMMENT**

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

(i) **Public Comment Period**

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

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

(B) provide a copy of the public notice to the federal EPA Administrator, through its Region 9 office, to the California ARB and to any tribal air pollution control agencies having jurisdiction in the San Diego Air Basin, and

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

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

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

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

(iii) **Publication of Notice**

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

(A) describe the proposed action, including the use of any modified or substitute air quality impact model as allowed under 40 CFR Part 51, Appendix W, and

(B) identify the location(s) where the public may inspect the information relevant to the proposed action, and

(C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.

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

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

(A) the application and all analyses and documentation used to support the proposed action, the District's evaluation of the project, a copy of the draft Authority to Construct or modified Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and

(B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefore.

(5) **RESERVED** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

(6) **RESERVED** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

RULE 20.3
NEW SOURCE REVIEW
MAJOR STATIONARY SOURCES AND PSD STATIONARY SOURCES
(ADOPTED AND EFFECTIVE 5/17/94)
(REV. ADOPTED AND EFFECTIVE 12/17/97)
(REV. ADOPTED 11/4/98; EFFECTIVE 12/17/98)
(REV. ADOPTED (date of adoption); EFFECTIVE (date of EPA approval into SIP)

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NOTE: The following listed sections and subsections will not be submitted to the federal Environmental Protection Agency (EPA) for inclusion in the San Diego State Implementation Plan (SIP). As such, the following listed sections and subsections are not enforceable by EPA, but remain enforceable by the San Diego County Air Pollution Control District.~~:~~

Subsections (b)(1) and (b)(2); ~~(b)(3),~~ Subsections (d)(1)(i), (d)(1)(ii), (d)(1)(iii), (d)(1)(iv) and (d)(1)(vi); Subsections (d)(2)(~~v~~i)(B), (d)(2)(v), and (d)(2)(vi)(B); and, Subsection (d)(3) ~~(d)(5)(i), (d)(5)(ii) and (d)(5)(iv)~~.

~~Subsections (d)(2)(i) through (d)(2)(iv), and (d)(2)(vi) will be submitted to EPA for inclusion in to the SIP with respect to national ambient air quality standards.~~

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

(Adopted & Effective 5/17/94; Rev. Effective 12/17/97)
(Rev. Adopted 11/4/98; Effective 12/17/98)

(Rev. Adopted *(date of adoption)*; ~~&~~ Effective *(date of ~~adoption~~ EPA approval into SIP)*)

(a) **APPLICABILITY**

This rule applies to any new or modified major stationary source, to any new or modified emission unit, to any replacement emission unit, and to any relocated emission unit being moved ~~from~~ to a stationary source if, after completion of the project, the stationary source will be a major stationary source or a Prevention of Significant Deterioration (PSD) Stationary Source. This rule does not apply to identical or like-kind replacement emission units exempt from Authority to Construct and modified Permit to Operate requirements pursuant to these Rules and Regulations. This rule does not apply to any portable emission unit. Compliance with this rule does not relieve a person from having to comply with other applicable requirements in these rules and regulations, or state and federal law.

(b) **EXEMPTIONS**

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

(1) An existing permitted ~~E~~emission unit~~s~~ which ~~are~~is to be temporarily relocated from one stationary source within San Diego County to another stationary source shall be exempt from the ~~provisions~~BACT requirements of Subsection (d)(1)(ii) provided that:

(i) The emission unit is not being modified,

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

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

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

(v) The emission unit at the new location does not constitute a new federal major stationary source nor a federal major modification.

(2) An existing permitted ~~E~~emission unit~~s~~ which ~~are~~ is ~~intended~~ to be permanently relocated from one stationary source within San Diego County to another stationary source shall be exempt from the ~~provisions~~BACT requirements of Subsection (d)(1)(ii), provided that:

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

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

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

(iv) The emission unit at the new location does not constitute a new federal major stationary source nor a federal major modification.

(3) Emission increases resulting from an air contaminant emission control project shall be exempt from the emission offset requirements of Subsection (d)(5)~~, (d)(6), (d)(7) and (d)(8)~~ of this rule to the extent that the project does not include an increase in the capacity of the emission unit being controlled. Emission increases that are associated with an increase in capacity of the emission unit being controlled shall be subject to the emission offset provisions of this rule, as applicable. This exemption from offsets shall not apply to any air contaminant for which the emissions increase constitutes a new federal major stationary source or a federal major modification.

(c) **DEFINITIONS**

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

(d) **STANDARDS**~~ (Rev. Adopted 11/4/98; Effective 12/17/98)~~

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

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

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

Except as provided in Subsection (d)(1)(v), any new or modified emission unit which has any increase in its potential to emit particulate matter (PM_{10}), oxides of

nitrogen (NOx), volatile organic compounds (VOC), or oxides of sulfur (SOx) and which unit has a post-project potential to emit 10 pounds per day or more of PM_{10}, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant.

(ii) **Relocated Emission Units - BACT**

Except as provided in Subsections (b)(1), (b)(2) and (d)(1)(v), ~~and except as provided for in Subsections (b)(2) and (b)(3),~~ any relocated emission unit with a post-project potential to emit of 10 pounds per day or more of PM_{10}, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant.

(iii) **Replacement Emission Units - BACT**

Except as provided in Subsection (d)(1)(v), any replacement emission unit with a post-project potential to emit of 10 pounds per day or more of PM_{10}, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant. ~~This provision shall not apply to identical or like-kind replacements exempt from Authority to Construct and modified Permit to Operate requirements pursuant to Rule 11.~~

(iv) **Emergency Equipment Emission Units**

~~Any new or modified emergency equipment emission unit which has any increase in its potential to emit and which unit has a post-project potential to emit of 10 pounds per day or more of PM10, NOx, VOC or SOx shall be equipped with BACT for each such air contaminant.~~For any emergency equipment emission unit subject to the BACT requirements of Subsections (d)(1)(i), (ii), (iii) or (vi) of this rule, BACT shall apply based on the unit's non-emergency operation emissions and excluding the unit's emissions while operating during emergency situations.

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

(A) Except as provided for in ~~Subsections~~ paragraphs (d)(1)(~~i~~v)(B) and (C)~~(d)(7)~~ below, LAER shall be required for each new, modified, relocated or replacement emission unit and project which results in an emissions increase which constitutes a new major stationary source or major modification. LAER shall be required only for those air contaminants and their precursors for which the stationary source is major and for which the District is classified as non-attainment of a national ambient air quality standard.

(B) If actual emission reductions of VOC or NOx, as applicable, are provided from within the stationary source at a ratio of at least 1.3 to 1.0 for the emissions increases of VOC or NOx from an emissions unit or project subject

to the LAER provisions of this Subsection (d)(1)(v), such emission increases shall be exempt from the requirement for LAER and from further emission offsets under Subsection (d)(5) of this rule and shall instead be subject to BACT.

(C) A new, modified, relocated or replacement emission unit or project at an existing major stationary source which results in an emission increase of VOC or NOx, and which increase would be otherwise subject to LAER, shall be subject to BACT instead of LAER provided the stationary source's post-project aggregate potential to emit is less than 100 tons per year of VOC or NOx. This provision shall apply on a pollutant-specific basis.

(vi) **New, ~~or~~ Modified, Relocated or Replacement Emission Units – PSD Stationary Sources**

Any new, ~~or~~ modified, relocated or replacement emission unit at a PSD stationary source, which emission unit has an emission increase of one or more air contaminants which constitutes a new PSD stationary source (see Table 20.1-11) or PSD modification (see Tables 20.1-8 and 20.1-10), shall be equipped with BACT for each such air contaminant.

(vii) **Projects with Multiple Emission Units**

Where a project at a stationary source consists of more than one new, modified, relocated or replacement emission unit required by this Subsection (d)(1) to be equipped with BACT or LAER, BACT or LAER, as applicable, shall be evaluated for each such emission unit. The Air Pollution Control Officer may require that BACT or LAER, as applicable, be also evaluated for combinations of such emission units ~~in addition to being evaluated for each individual emission unit~~. Where technologically feasible, lowest emitting and, for BACT, cost-effective, the Air Pollution Control Officer may require that BACT or LAER be applied to a combination of such emission units. In such case, BACT or LAER applied to such combinations shall not result in greater emissions for the project nor for each emission unit that is part of the project than were BACT or LAER, as applicable, applied to each emission unit.

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

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit or project subject to this rule unless the following requirements are satisfied. ~~Area fugitive emissions of PM_{10} shall not be included in the demonstrations required below unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM10 must be evaluated in order to protect public health and welfare.~~

The demonstrations required by this Subsection (d)(2) shall be based on the emission unit or project emission exhaust system design and discharge characteristics but not to an extent greater than good engineering practice stack height. This provision shall not be applied to limit actual stack height.

(i) **AQIA for New, ~~or~~ Modified, Replacement or Relocated Emission Units and Projects**

(A) For each new, modified, replacement or relocated emission unit and project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.3 – 1 below, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, as defined in Rule 20.1, that ~~the project~~ such emissions increase will not:

(~~A~~1) cause a violation of a ~~state or~~ national ambient air quality standard anywhere that does not already exceed such standard, nor

(~~B~~2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

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

(~~D~~3) prevent or interfere with the attainment or maintenance of any ~~state or~~ national ambient air quality standard~~.~~, nor

(4) by itself, result in an increase in ambient concentrations of any air contaminant, for which San Diego County is in attainment of the applicable national ambient air quality standards, greater than the applicable air quality increment above the baseline concentration for that air contaminant in any Class I or Class II area. This provision shall only apply if the emissions increase constitutes a new federal major stationary source or federal major modification.

(B) For each new, modified, replacement or relocated emission unit and project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.3 – 1 below, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer, through an AQIA, that such emissions increase will not:

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

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

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

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

TABLE 20.3 - 1
AQIA Trigger Levels

Air Contaminant	Emission Rate (lb/hr)	(lb/day)	(tons/yr)
Particulate Matter (PM_{10})	---	100	15
Fine Particulate~~s~~ Matter ($PM_{2.5}$)	---	67	10
Oxides of Nitrogen (NOx)	25	250	40
Oxides of Sulfur (SOx)	25	250	40
Carbon Monoxide (CO)	100	550	100
Lead and Lead Compounds	---	3.2	0.6

(ii) **AQIA for ~~Replacement~~ $PM_{2.5}$ and PM_{10} Emission ~~Units~~Increases**

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

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

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

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

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

~~If a PM10 AQIA is required, the AQIA shall include both directly emitted PM10 and PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.~~ In determining if a $PM_{2.5}$ or PM_{10} AQIA is required under this Subsection (d)(2), the emissions increases shall include both directly emitted $PM_{2.5}$ and PM_{10}, and $PM_{2.5}$ and PM_{10} which would condense after discharge to the atmosphere. If a $PM_{2.5}$ or PM_{10} AQIA is required, the AQIA shall include both directly emitted $PM_{2.5}$ or PM_{10}, and $PM_{2.5}$ or PM_{10} which would condense after discharge to the atmosphere. Any permit terms or conditions limiting emissions of $PM_{2.5}$ or PM_{10} as a result of the requirements of this Subsection (d)(2) shall apply to the combination of both directly emitted and condensable $PM_{2.5}$ or PM_{10}. The provisions of this Subsection (d)(2)(ii) shall apply separately to $PM_{2.5}$ and PM_{10}.

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

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

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

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

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

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

~~This demonstration is required for each air contaminant for which the project has a potential to emit equal to or greater than the amounts listed in Table 20.3 – 1. If a PM10 AQIA is required, the AQIA shall include both directly emitted PM10 and PM10 which would be formed by precursor air contaminants prior to discharge to the atmosphere.~~ Where a project consists of multiple new, modified, replacement or relocated emission units, the determination of whether an air quality impact analysis is required under this Subsection (d)(2) shall be based on the aggregate total of emissions increases occurring from those project emission units for which emissions are increasing, excluding any concurrent actual emission reductions occurring from other emission units at the same stationary source. If an air quality impact analysis is required, the air quality impacts of the project shall be based on the aggregate of the air quality impacts of each unit's emission increases at each off-site location analyzed. The air quality impact reduction at any off-site location analyzed that results from any concurrent, enforceable actual emission reductions occurring from other emission units, at the same stationary source, may be included to determine the net air quality impacts of a project at such off-site location.

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

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

(v) **AQIA Requirements for PM_{10} Impacts May be Waived**

Notwithstanding the requirements of Subsection (d)(2)(i), ~~(ii), or (iii)~~ the Air Pollution Control Officer may waive the AQIA requirements for PM_{10} impacts on the state ambient air quality standards, as follows:

(A) If the project will result in a maximum PM_{10} air quality impact of less than 5 $\mu g/m^3$ (24-hour average basis) and 3 $\mu g/m^3$ (annual geometric mean basis), all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, must be offset at a ratio of 1.5 to 1.

(B) If the project will result in a maximum PM_{10} air quality impact equal to or greater than 5 µg/m^3 but less than 10 µg/m^3 (24-hour average basis) or equal to or greater than 3 µg/m^3 but less than 6 µg/m^3 (annual geometric mean basis):

(1) the project must be equipped with BACT for PM_{10} emissions without consideration for cost-effectiveness,

(2) all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, must be offset at an overall ratio of 1.5 to 1,

(3) sufficient emission offsets must be provided within the project's impact area to offset all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at least equal to the project's PM_{10} ambient air quality impact minus 5 µg/m^3 (24-hour average basis) and 3 µg/m^3 (annual geometric mean basis) must be provided, and

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

(C) In no case shall the project result in a maximum PM_{10} air quality impact equal to or greater than 10 µg/m^3 (24-hour average basis) or equal to or greater than 6 µg/m^3 (annual geometric mean basis).

(vi) **AQIA May be Required**

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

(~~A~~1) cause a violation of a ~~state or~~ national ambient air quality standard anywhere that does not already exceed such standard, or

(~~B~~2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

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

(~~D~~3) prevent or interfere with the attainment or maintenance of any ~~state or~~ national ambient air quality standard, or

(4) by itself, result in an increase in ambient concentrations of any air contaminant, for which San Diego County is in attainment of the applicable national ambient air quality standards, greater than the applicable air quality increment above the baseline concentration for that air contaminant in any Class I or Class II area. This provision shall only apply if the emissions increase constitutes a new federal major stationary source or federal major modification.

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any stationary source, emission unit or project for which an AQIA is required pursuant to this Subsection (d)(2)(vi)(A) unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the emission increases from such source, unit or project will not result in any of the impacts to the national ambient air quality standards or an air quality increment specified above in (1), (2), (3) and (4) of this Subsection (d)(2)(vi)(A).

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

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

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

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

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any stationary source, emission unit or project for which an AQIA is required pursuant to this Subsection (d)(2)(vi)(B) unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the emissions increases from such source, unit or project will not result in any of the impacts to state ambient air quality standards specified above in (1), (2) and (3) of this Subsection (d)(2)(vi)(B).

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

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any project subject to this ~~rule~~Subsection (d)(3) unless the applicant demonstrates that the following requirements are satisfied. The demonstrations required by this Subsection (d)(3) shall be based on the emission unit or project emission exhaust system design and discharge characteristics but not to an extent greater than good engineering practice stack height. This provision shall not be applied to limit actual stack height.

(i) **Applicability**

(A) ~~New~~ PSD Stationary Sources ~~and PSD Modification~~

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

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

(B) Major Stationary Sources – Projects Causing a Significant Impact

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

(1) a significant impact on any Class I area, regardless of the Class I area's national attainment or nonattainment classification, or

(2) a significant impact on any Class II area where the Class II area is classified as attainment of the national ambient air quality standard for that air contaminant for which there is a significant impact.

~~(C) Non-Criteria Pollutant Emissions Significance Levels~~

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

(ii) **Notification Requirements**

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

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

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

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

(C) Failure to Notify

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

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

Notwithstanding the emission threshold requirements of Subsection (d)(2), the applicant shall perform an AQIA as prescribed in Subsection (d)(2) for those pollutants for which, pursuant to Subsection (d)(3)(i), Subsection (d)(3) applies. In conducting the AQIA, projected growth calculated pursuant to (d)(3)(v)(A) shall be

taken into account. The Air Pollution Control Officer shall comply with the public comment and notice provisions of Subsection (d)(4) and with the following:

(A) Federal Land Manager and Federal EPA Notification

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

(B) ARB, SCAQMD and Imperial County APCD Notification

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

(iv) **Air Quality Increment**

If the stationary source is located in an area designated as attainment or unclassified for the $SO_{\cancel{x}2}$, $NO_{\cancel{x}2}$, $PM_{2.5}$ or PM_{10} national ambient air quality standards pursuant to Section 107(d)(1)(D) or (E) of the federal Clean Air Act, the following shall be satisfied:

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

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

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

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

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

(v) **Additional Impacts Analyses**

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

(A) Growth Analysis

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

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

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

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

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

(B) Soils ~~&~~and Vegetation Analysis

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

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

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

(C) Visibility Impairment Analysis

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

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

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

(A) Requirements

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

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

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

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

(vii) **Additional Requirements**

(A) Tracking of Air Quality Increment Consumption Sources

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

~~(B) Stack Height Requirement~~

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

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

(~~C~~B) Preconstruction Monitoring Requirement

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

(~~D~~C) Cancellation of Authority to Construct

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

(4) **PUBLIC NOTICE AND COMMENT**

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

(i) **Public Comment Period**

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

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

(B) provide the California ARB, ~~and~~ federal EPA, and any tribal air pollution control agencies having jurisdiction in the San Diego Air Basin with

notice of the proposed action and all of the information specified in Subsection (d)(4)(iv), and

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

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

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

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

(iii) **Publication of Notice**

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

(A) describe the proposed action, including the use of any modified or substitute air quality impact model as allowed under 40 CFR Part 51, Appendix W, and

(B) identify the location(s) where the public may inspect the information relevant to the proposed action, and

(C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.

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

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

(A) the application and all analyses and documentation used to support the proposed action, the District's evaluation of the project, a copy of the draft Authority to Construct or modified Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and

(B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefor.

(5) **EMISSION OFFSETS REQUIREMENTS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

Except as provided for in Subsection ~~(d)(8)~~(b)(3), the Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any new or modified stationary source, new or modified emission unit, replacement or relocated emission unit or project ~~subject to this rule~~ which results in an emissions increase that constitutes a new major stationary source or a major modification for NOx or VOC, or for any air contaminant, or its precursor air contaminants, for which the San Diego Air Basin has been designated by EPA as nonattainment for the NAAQS for such air contaminant, unless emission offsets are provided, on a pollutant-specific basis, for such emission increases ~~of non-attainment air contaminants and their precursors~~ as specified below ~~and in Subsections (d)(6), (d)(7) and (d)(8) of this rule~~. Interpollutant offsets may be used, provided such offsets meet the requirements of Subsection (d)(5)(~~vi~~iii).

(i) ~~**RESERVED**~~**DETERMINATION OF APPLICABILITY**

The determination that a new emission unit, project or new stationary source is a new major stationary source shall be based on the emission unit's post-project potential to emit, or the project's or stationary source's aggregate post-project potential to emit, respectively. The determination that a new, modified, replacement or relocated emission unit or project at an existing major stationary source is a major modification shall be based on the stationary source's contemporaneous net emissions increase. These determinations shall be made on a pollutant-specific basis.

The applicant for a new major stationary source or a new, modified, replacement or relocated emission unit or project at an existing major stationary source shall submit, with each application for such emission unit, project or source, sufficient information to determine the emissions increases for the unit, project or source, and the contemporaneous net emissions increases if located at an existing major stationary source.

(ii) ~~**RESERVED**~~**EMISSION OFFSETS**

(A) If the NOx or VOC emissions increase from the project under review constitutes a new major stationary source or a major modification, such emissions increase shall be offset at a ratio of 1.2 to 1.0. For any other EPA designated nonattainment air contaminant or its precursor for which the emissions increase from the project under review constitutes a new major stationary source or a major modification, such emissions increase shall be

offset at a ratio of 1.0 to 1.0. Interpollutant offsets may be used provided they meet the requirements of Subsection (d)(5)(iii) of this rule.

(B) When an emissions increase from a new, modified, replacement or relocated emission unit or project has been determined to be subject to, and approved as in compliance with, the emission offset requirements of this rule, the contemporaneous net emissions increase for the subject air contaminant shall thereafter not include the amount of such offset emissions increase from the new or modified emission unit or project, on a pollutant-specific basis.

(C) When the emissions offset requirements of this Subsection (d)(5) are being applied to a new federal major stationary source or federal major modification, the amount of creditable emission reductions from any emission reduction credits to be provided shall be adjusted as specified in Rule 20.1, Subsection (d)(5)(v). Such adjustments shall be made at the time that an Authority to Construct is issued, for credits provided by the applicant on or before such issuance, and at the time that a credit is surrendered, for credits provided by the applicant after issuance of the Authority to Construct.

~~(iii) **RESERVED**~~

~~(iv) **RESERVED**~~

~~(v) **Offset Requirements - Air Contaminant Emission Control Projects Installed Pursuant to District Rules and Regulations**~~

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

~~(A) the air contaminant emission control project satisfies the applicable requirements of these rules and regulations, and~~

~~(B) the amount of the ERCs to be obtained from the District Bank do not exceed 10 tons per year on a pollutant specific basis.~~

(~~v~~iii) **Interpollutant Offsets ~~Ratios~~**

The Air Pollution Control Officer may allow the use of interpollutant emission offsets at the ratios specified in Table 20.3 – 2 to satisfy the VOC and NOx offset

requirements of this Subsection~~s~~ (d)(5)~~, (d)(6), (d)(7) and (d)(8) of this rule,~~. For any other EPA-designated nonattainment air contaminant having precursor air contaminant relationships specified in Table 20.1-9 of Rule 20.1, the Air Pollution Control Officer may allow the use of interpollutant offsets of such precursor air contaminants in addition to or in lieu of providing offsets of the nonattainment air contaminant only if done pursuant to an interpollutant offset protocol approved by the Air Pollution Control Officer and the federal EPA. Interpollutant offsets may only be allowed if ~~provided~~ the applicant demonstrates, to the satisfaction of the Air Pollution Control Officer, that the AQIA requirements of Subsection (d)(2), as applicable, are satisfied for the emissions increases. The interpollutant ratios shall be multiplied by the emission offset ratios required by this rule to determine the final offset ratio.

TABLE 20.3 – 2
Interpollutant Ratio

Emission Increase	Decrease	Interpollutant Ratio
Oxides of Nitrogen (NOx)	NOx	1.0
	VOC	2.0
Volatile Organic Compounds (VOC)	VOC	1.0
	NOx	1.0

~~(6) **EMISSION OFFSET REQUIREMENTS: USE OF DISTRICT BANK EMISSION REDUCTION CREDITS (ERCS)**~~

~~The Air Pollution Control Officer may elect to provide emission offsets from a District developed and maintained District Bank provided that the following are satisfied:~~

~~(i) The District Bank has been established consistent with the provisions of Rule 26.0 et seq.,~~

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

~~(iii) Only banked ERCs in excess of those necessary to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act are utilized.~~

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

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

~~(v) For use by essential public service projects, provided the applicant demonstrates to the satisfaction of the Air Pollution Control Officer, that the applicant is unable to create or acquire some or all of the required emission offsets, despite all reasonable efforts, and that the cost of some or all of the required offsets, in dollars per pound of emission reduction credit, exceeds five times the cost of control measures required to meet stationary source emission standards contained in these rules and regulations, or~~

~~(vi) For use for air contaminant emission control projects as provided for in Subsection (d)(5)(v) of this rule, and~~

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

~~(7) **EXEMPTION FROM LAER**~~

~~Any stationary source which provides VOC or NOx emission reductions from within the stationary source at a ratio of at least 1.3 to 1.0 for any increase of VOC or NOx subject to the LAER provisions of Subsection (d)(1)(v), shall be exempt from the requirements of this rule for LAER and from further emission offsets for such increases. In addition, any modification of an existing stationary source which results in an emission increase of VOC or NOx may apply BACT instead of LAER provided the stationary source's post-project aggregate potential to emit is less than 100 tons per year of VOC or NOx. This provision shall apply on a pollutant specific basis.~~

~~(8) **LAER AND FEDERAL OFFSET REQUIREMENTS**~~
~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

~~The determination that a project at an existing major stationary source is a major modification and is subject to the LAER and federal emission offsets provisions of this Subsection (d)(8) shall be based on the stationary source's contemporaneous emission increases. The determination that a project at a new stationary source is a new major source and is subject to the LAER and emission offset provisions of this Subsection (d)(8) shall be based on the post-project potential to emit of the project.~~

~~(i) **Requirements**~~

~~The applicant for a new, modified, relocated or replacement emission unit or project at a stationary source shall submit, with each application for such emission unit or project, sufficient information to determine the emission increases from such emission unit or project and the contemporaneous emission increases if the stationary source is an existing major stationary source. Each application shall be accompanied by a current tabulation of contemporaneous emission increases if the station-~~

~~ary source is an existing major stationary source. For any major stationary source undergoing a major modification based on the stationary source's contemporaneous emission increase and for each emission unit or project which constitutes a new major stationary source, the LAER and offset provisions shall apply as follows:~~

~~(A) Lowest Achievable Emission Rate (LAER)~~

~~The LAER provisions of Subsection (d)(1) shall apply to any project which results in an emissions increase occurring at a stationary source which increase constitutes a new major source or major modification, on a pollutant specific basis. This provision shall not relieve a source from also complying with the BACT provisions of Subsection (d)(1), as applicable.~~

~~(B) Emission Offsets~~

~~The NOx and VOC emission increases from a new, modified, relocated or replacement emission unit or project which increases constitute a new major source or major modification of a major stationary source shall be offset at a ratio of 1.2 to 1.0, on a pollutant specific basis. Interpollutant offsets may be used provided they meet the requirements of Subsection (d)(5)(vi).~~

~~When an emissions increase from a new or modified emission unit or project has been determined to be subject to, and approved as in compliance with, the BACT, LAER and/or federal emission offset requirements of Subsections (d)(7) and (d)(8) of this rule, the contemporaneous emissions increase for the subject air contaminant or precursor shall thereafter not include any residual emission increase from such new or modified emission unit or project, on a pollutant specific basis.~~

(e) **ADDITIONAL REQUIREMENTS – FEDERAL MAJOR STATIONARY SOURCES**

(1) **Compliance Certification**

Prior to receiving an Authority to Construct or modified Permit to Operate pursuant to this rule, an applicant for any ~~new or modified stationary source required to satisfy the LAER provisions of Subsection (d)(1) or the major source offset requirements of Subsection (d)(8) which constitutes either a~~ new federal major stationary source or ~~a~~ federal major modification shall certify that all major stationary sources owned or operated by such person, or by any entity controlling, controlled by or under common control with such a person, in the state are in compliance, or on an approved schedule for

compliance, with all applicable emission limitations and standards under the federal Clean Air Act.

(2) **Alternative Siting and Alternatives Analysis**

The applicant for any new federal major stationary source ~~required to satisfy the LAER provisions of Subsection (d)(1) or the major source offset requirements of Subsection (d)(5),~~ or federal major modification shall conduct an analysis of alternative sites, sizes, production processes, and environmental control techniques for such proposed source or modification which demonstrates that the benefits of the proposed source or modification outweigh the environmental and social costs imposed as a result of its location or construction. Analyses conducted in conjunction with state or federal statutory requirements may be used.

(3) **ANALYSIS OF VISIBILITY IMPAIRMENT IN CLASS I AREAS**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit or project which constitutes a new federal major stationary source or federal major modification and which may have an impact on visibility in a Class I area unless the applicant demonstrates that the following requirements are satisfied. The demonstrations required by this Subsection (e)(3) shall be based on the emission unit or project emission exhaust system design and discharge characteristics but not to an extent greater than good engineering practice stack height. This provision shall not be applied to limit actual stack height.

(i) Required Analyses

At the time of application submittal, the applicant shall provide an initial screening analysis of the impairment to visibility, including any integral vista, in each affected Class I area as a result of the emissions increases from the new federal major stationary source or federal major modification, and any general commercial, residential, industrial and other growth associated with the new source or modification. If a screening analysis indicates that a visibility impairment will occur, as determined by the Air Pollution Control Officer, a more in-depth visibility impairment analysis shall be prepared. All analyses of impairment to visibility shall be conducted using applicable methods and procedures promulgated or approved by the federal EPA.

(ii) Notification Requirements

The Air Pollution Control Officer shall notify the Federal Land Manager and EPA not later than 30 days after receipt of an application for a new federal major source or a federal major modification subject to the requirements of this Subsection (e)(3). The notification shall include a copy of the application submittal, the

location of the project, the project's approximate distance from all Class I areas within 100 km of San Diego County (as specified in Rule 20.1, Table 20.1 - 3), the results of any AQIA, and the results of any screening analysis and any more in-depth analysis of the impacts of the project on visibility in any Class I area.

(iii) Application Denial

The Air Pollution Control Officer shall deny an Authority to Construct or Permit to Operate for any new federal major stationary source or federal major modification if the Air Pollution Control Officer finds, after consideration of comments and any analysis from the Federal Land Manager, that the emissions increases from such new source or modification would have an adverse impact on visibility in a Class I area. As defined in 40 CFR 52.21(b)(29), an adverse impact on visibility means visibility impairment which interferes with the management, protection, preservation or enjoyment of the visitor's visual experience of the Class I area.

RULE 20.4
NEW SOURCE REVIEW
PORTABLE EMISSION UNITS
(ADOPTED AND EFFECTIVE 5/17/94)
(REV. ADOPTED AND EFFECTIVE 12/17/97)
(REV. ADOPTED 11/4/98; EFFECTIVE 12/17/98)

(REV. ADOPTED *(DATE OF ADOPTION)*; AND EFFECTIVE (*date of ~~adoption~~ EPA approval into SIP*))

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NOTE: The following listed sections and subsections will not be submitted to the federal Environmental Protection Agency (EPA) for inclusion in the San Diego State Implementation Plan (SIP)~~:~~. As such, the following listed sections and subsections are not enforceable by EPA, but remain enforceable by the San Diego County Air Pollution Control District.

Subsections (b)(~~3~~2) and (b)(~~4~~3); Subsections (d)(1)(i) and (iii); Subsections (d)(2)(i)(B), (d)(2)(~~iii~~iv), and ~~(d)(5)(i)~~ (d)(2)(v)(B); and Subsections (d)(3) and (d)(5).

~~Subsections (d)(2)(i), (d)(2)(ii), and (d)(2)(iv) will be submitted to EPA for inclusion in the SIP only with respect to national ambient air quality standards.~~

RULE 20.4. NEW SOURCE REVIEW - PORTABLE EMISSION UNITS

(Adopted & Effective: 5/17/94; Rev. Effective 12/17/97)
(Rev. Adopted 11/4/98; Effective 12/17/98)

(Rev. Adopted *(date of adoption);* ~~& ~~Effective *(date of ~~adoption~~ EPA approval into SIP)*)

(a) **APPLICABILITY**

This rule applies to any new, ~~or~~ modified or replacement portable emission unit. Subsection (d)(2)(~~i~~v) of this rule also applies to any stationary source where one or more portable emission units will be located. This rule does not apply to identical or like-kind replacement portable emission units exempt from Authority to Construct and modified Permit to Operate requirements pursuant to these Rules and Regulations. Compliance with this rule does not relieve a person from having to comply with other applicable requirements in these rules and regulations, or state and federal law.

(b) **EXEMPTIONS**

The exemptions contained in Rule 20.1, Section (b) apply to this rule. In addition, ~~the provisions of this rule shall not apply to any previously permitted portable emission unit, unless such unit is modified.~~ for purposes of this rule, the following exemptions shall apply.

(1) Except as provided in Subsection (d)(2)(~~i~~v) of this rule, the provisions of this rule shall not apply to any previously permitted portable emission unit, unless such unit is modified or replaced.

~~(2) The provisions of this rule shall not apply to any new, modified or replacement portable emission unit exempt from Authority to Construct and Permit to Operate requirements pursuant to Rule 11 of these Rules and Regulations.~~

(~~3~~2) Emission increases resulting from an air contaminant emission control project to reduce emissions from a portable emission unit shall be exempt from the emission offset requirements of Subsection (d)(5) of this rule to the extent that the project does not include an increase in the capacity of the emission unit being controlled. Emission increases that are associated with an increase in capacity of the emission unit being controlled shall be subject to the emission offset provisions of this rule, as applicable.

This exemption from offsets shall not apply to any air contaminant for which the emissions increase constitutes a new federal major stationary source or a federal major modification.

(~~4~~3) The emission offset requirements of Subsection (d)(5) of this rule shall not apply to a portable emission unit operating at a stationary source if the operation of such unit is not related to the primary activities of the stationary source, as defined herein.

(c) **DEFINITIONS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

The definitions contained in Rule 20.1, Section (c) shall apply to this rule. In addition, for purposes of this rule, the following definition~~s~~ shall apply.

(1) "**Related to the Primary Activities of the Stationary Source**" means with regard to the operation of a portable emission unit, that the unit is considered under the same major industrial grouping, as identified by the first two digits of the applicable code in *The Standard Industrial Classification Manual*, as the stationary source where such unit will be operated, or is used as part of or supplements a primary process at the stationary source where the operation of one is dependent upon or affects the operations of the other. This includes industrial processes, manufacturing processes and any connected processes involving a common material, service or product.

~~(1) "**Initial Permit Issuance**" means the first instance an Authority to Construct is issued for an emission unit pursuant to Rules 20.1 and 20.4, as they are currently in effect.~~

~~(2) "**Previously Permitted"** means a portable emission unit which has a valid Authority to Construct or Permit to Operate issued pursuant to these rules and regulations prior to May 17, 1994 and that the emission unit has not been modified since May 17, 1994 or otherwise undergone initial permit issuance.~~

~~(3) "**Type I Portable Emission Unit**" means a portable emission unit that can be operated only at a stationary sources which have has an aggregate potential to emit of less than 50 tons per year of oxides of nitrogen (NOx) and 50 tons per year of volatile organic compounds (VOC). Type I portable emission units may also operate at stationary sources which have an aggregate potential to emit greater than these levels if emission offsets at the ratios specified for Type III portable emission units in Section (d)(5)(ii) are provided for the period of time the portable emission unit is located at such a stationary source.~~

~~(4) **RESERVED**~~

~~(5) "**Type III Portable Emission Unit**" means a portable emission unit that can be operated at any stationary source, regardless of the source's aggregate potential to emit.~~

(d) **STANDARDS**

(1) **BACT AND LAER FOR NEW, ~~OR~~ MODIFIED OR REPLACEMENT PORTABLE EMISSION UNITS**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any new, ~~or~~ modified or replacement portable emission unit unless the applicant demonstrates that the following requirements will be satisfied. These requirements shall be applied on an air contaminant-specific basis.

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

Unless a ~~new or modified~~ portable emission unit is equipped to comply with Lowest Achievable Emission Rate (LAER), as provided in Subsection (d)(1)(ii) of this rule, for the following air contaminants otherwise subject to BACT, any new or modified portable emission unit which has any increase in its potential to emit particulate matter (PM_{10}), NOx, VOC, or oxides of sulfur (SOx), and which unit has a post-project potential to emit of 10 pounds per day or more of ~~particulate matter (~~PM_{10}~~)~~, NOx, VOC, or ~~oxides of sulfur (~~SOx~~)~~, respectively, and any replacement portable emission unit which has such a post-project potential to emit, shall be equipped with Best Available Control Technology (BACT) for each such air contaminant.

(ii) **~~New or Modified Type III~~ Portable Emission Units - LAER**

Any new, ~~or~~ modified or replacement ~~Type III~~ portable emission unit which has any emissions increase of an air contaminant or its precursors for which the District is designated as non-attainment with respect to a national ambient air quality standard, and which may be expected to operate at a stationary source that is a major stationary source of such air contaminant or precursor, shall be equipped to comply with LAER for each such air contaminant or precursor except as provided in (A)~~,~~ or (B) ~~or (C)~~ below. For each air contaminant for which LAER is not required by the following, BACT shall apply:

(A) ~~This~~ LAER ~~requirement~~ shall not apply if the applicant demonstrates, to the satisfaction of the Air Pollution Control Officer, and agrees to federally enforceable permit conditions to ensure that, the emissions increase of such nonattainment air contaminant or precursor from such unit will not constitute a new major source or a major modification at any stationary source at which it is to be located and which is major for ~~a~~ such non-attainment air contaminant or precursor~~, or if the emissions increase is offset at~~

~~a ratio of 1.3 to 1.0 by actual emission reductions at each major stationary source at which it is located~~.

(B) LAER shall not apply if operation of the portable emission unit is not related to the primary activities of the major stationary source at which it is to be located, provided the portable emission unit, or aggregation of such portable emission units co-located at the same stationary source, does not constitute a new federal major stationary source.

(iii) **~~New or Modified~~ Portable Emission Units - PSD Stationary Sources**

Any new, ~~or~~ modified or replacement portable emission unit which may be located at a Prevention of Significant Deterioration (PSD) stationary source, and which emission unit has an emission increase of one or more air contaminants which constitutes a new PSD stationary source (see Table 20.1-11) or PSD modification (see Tables 20.1-8 and 20.1-10) shall be equipped with BACT for each such air contaminant.

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

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any new, modified or replacement portable emission unit unless the following requirements are satisfied. Modeling shall be used to conduct any Air Quality Impact Analysis (AQIA). The AQIA shall be performed using maximum expected ambient air contaminant concentrations within San Diego County, based on existing data, unless the applicant agrees to enforceable permit conditions that require~~s~~ a new AQIA whenever the equipment is to be located at a stationary source for which the initial AQIA was not representative. ~~Area fugitive emissions of PM_{10} shall not be included in the demonstrations required below unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM10 must be evaluated in order to protect public health and welfare.~~

The demonstrations required by this Subsection (d)(2) shall be based on the emission unit emission exhaust system design and discharge characteristics but not to an extent greater than good engineering practice stack height. This provision shall not be applied to limit actual stack height.

(i) **AQIA for Portable Emission Units**

(A) ~~Initial Permit Issuance~~ For each new, ~~or~~ modified or replacement portable emission unit which results in an emissions increase equal to or greater than the amounts listed in Table 20.4 - 1, the applicant shall

demonstrate to the satisfaction of the Air Pollution Control Officer, through an AQIA, as defined in Rule 20.1, that the new, ~~or~~ modified or replacement portable emission unit will not:

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

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

~~(3) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection(d)(2)(iii), nor~~

(~~4~~3) prevent or interfere with the attainment or maintenance of ~~any state or~~ national ambient air quality standard.

(B) For each new, modified or replacement portable emission unit which results in an emissions increase equal to or greater than the amounts listed in Table 20.4 - 1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer, through an AQIA, that the new, modified or replacement portable emission unit will not:

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

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

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

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

TABLE 20.4 - 1
AQIA Trigger Levels

	Emission Rate		
Air Contaminant	(lb/hr)	(lb/day)	(tons/yr)
Particulate Matter (PM_{10})	---	100	15
Fine Particulate~~s~~ Matter ($PM_{2.5}$)	---	67	10
Oxides of Nitrogen (NOx)	25	250	40

Oxides of Sulfur (SOx)	25	250	40
Carbon Monoxide (CO)	100	550	100
Lead and Lead Compounds	---	3.2	0.6

(ii) **AQIA for $PM_{2.5}$ and PM_{10} Emission Increases**

In determining if a $PM_{2.5}$ or PM_{10} AQIA is required under this Subsection (d)(2), the emissions increases shall include both directly emitted $PM_{2.5}$ and PM_{10}, and $PM_{2.5}$ and PM_{10} which would condense after discharge to the atmosphere. If a $PM_{2.5}$ or PM_{10} AQIA is required, the AQIA shall include both directly emitted $PM_{2.5}$ or PM_{10}, and $PM_{2.5}$ or PM_{10} which would condense after discharge to the atmosphere. Any permit terms or conditions limiting emissions of $PM_{2.5}$ or PM_{10} as a result of the requirements of this Subsection (d)(2) shall apply to the combination of both directly emitted and condensable $PM_{2.5}$ or PM_{10}. The provisions of this Subsection (d)(2)(ii) shall apply separately to $PM_{2.5}$ and PM_{10}.

(iii) **AQIA Not Required for NOx or VOC Impacts on Ozone**

Notwithstanding any other provision of this rule, a demonstration shall not be required for determining the impacts from a portable emission unit's NOx or VOC emissions on ~~the state or national~~ an ambient air quality standard~~s~~ for ozone, unless the Air Pollution Control Officer determines that adequate procedures exist for determining the impacts of NOx or VOC emissions from ~~point sources~~ such portable emission units on ozone ambient air quality standards and that such procedures are acceptable to the California Air Resources Board (ARB) with regard to state ambient air quality standards and the federal Environmental Protection Agency (EPA) with regard to national ambient air quality standards.

(~~iii~~iv) **AQIA Requirements for PM_{10} Impacts May be Waived**

Notwithstanding the requirements of Subsection (d)(2)(i) above, the Air Pollution Control Officer may waive the AQIA requirements for PM_{10} impacts on the state ambient air quality standards, as follows:

(A) If the emission unit, individually or in combination with any other portable emission units proposed to be co-located, will result in a maximum particulate matter air quality impact of less than 5 $\mu g/m^3$ (24-hour average basis) and 3 $\mu g/m^3$ (annual geometric mean basis), all of the emission unit's PM_{10} emission increases, including area fugitive emissions of PM_{10}, must be offset at a ratio of 1.5 to 1.

(B) If the ~~project~~emission unit, individually or in combination with any other portable emission units proposed to be co-located, will result in a maximum PM_{10} air quality impact equal to or greater than 5 $\mu g/m^3$ but less than 10 $\mu g/m^3$ (24-hour average basis) or equal to or greater than 3 $\mu g/m^3$ but less than 6 $\mu g/m^3$ (annual geometric mean basis):

(1) the emission unit must be equipped with BACT for PM_{10} without consideration for cost-effectiveness,

(2) all of the emission unit's PM_{10} emission increases, including area fugitive emissions of PM_{10}, must be offset at an overall ratio of 1.5 to 1,

(3) sufficient emission offsets must be provided within the emission unit's impact area to offset all of the project's PM_{10} emission increases, including area fugitive emissions of PM_{10}, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at least equal to the emission unit's PM_{10} ambient air quality impact minus 5 $\mu g/m^3$ (24-hour average basis) and 3 $\mu g/m^3$ (annual geometric mean basis) must be provided, and

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

(C) In no case shall the ~~project~~emission unit, individually or in combination with any other portable emission units proposed to be co-located, result in a maximum PM_{10} air quality impact equal to or greater than 10 $\mu g/m^3$ (24-hour average basis) or equal to or greater than 6 $\mu g/m^3$ (annual geometric mean basis).

(~~iv~~v) **AQIA May be Required**

(A) Notwithstanding any other provision of this rule, the Air Pollution Control Officer may require an AQIA for any portable emission unit, or aggregation of portable emission units, if it may be expected to:

(~~A~~1) cause a violation of a ~~state or~~ national ambient air quality standard anywhere that does not already exceed such standard, or

(~~B~~2) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

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

(~~D~~3) prevent or interfere with the attainment or maintenance of any ~~state or~~ national ambient air quality standard.

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any portable emission unit or aggregation of portable emission units for which an AQIA is required pursuant to this Subsection (d)(2)(v)(A) unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the emission increases from such unit or aggregation of units will not result in any of the impacts to the national ambient air quality standards specified above in (1), (2) and (3) of this Subsection (d)(2)(v)(A).

(B) Notwithstanding any other provision of this rule, the Air Pollution Control Officer may require an AQIA for any portable emission unit, or aggregation of portable emission units, if it may be expected to:

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

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

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

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any portable emission unit or aggregation of portable emission units for which an AQIA is required pursuant to this Subsection (d)(2)(v)(B) unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the emission increases from such unit or aggregation of units will not result in any of the impacts to state ambient air quality standards specified above in (1), (2) and (3) of this Subsection (d)(2)(v)(B).

(C) If the Air Pollution Control Officer determines that concurrent operations of more than one portable emission unit at the same stationary source may be expected to cause any of the air quality impacts specified in this Subsection (d)(2)(v) to occur, the Air Pollution Control Officer may require the owner or operator of the units, or of the stationary source, to apply for and obtain a Permit to Operate for the operations and to demonstrate that the operations will not cause any such air quality impacts to occur.

This ~~provision~~Subsection (d)(2)(v) may be invoked notwithstanding the equipment being previously permitted~~ or having undergone initial permit issuance~~.

(3) ~~**PREVENTION OF SIGNIFICANT DETERIORATION (PSD)**~~**SIGNIFICANT IMPACT IN CLASS I AREAS**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any portable emission unit which is expected to have a significant impact on any Class I area, as determined by an AQIA required pursuant to Subsection (d)(2), unless the following requirements are satisfied. The Air Pollution Control Officer shall:

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

Notify the Federal Land Manager and the federal EPA ~~have been notified~~ in writing. This notification shall include all of the information specified by Subsection (d)(4)(iv), the location(s) where operation of the portable emission unit may cause a significant impact on any Class I area, the approximate distance from all Class I areas within 100 km of San Diego County (as specified in Rule 20.1, Table 20.1-3) and the results of the AQIA, and

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

Notify and submit to ~~T~~the California ARB, the South Coast Air Quality Management District and the Imperial County Air Pollution Control District ~~have been notified and have been provided~~ the information specified in Subsection (d)(4)(iv).

(4) **PUBLIC NOTICE AND COMMENT**

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

(i) **Public Comment Period**

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

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

(B) provide a copy of the public notice to the federal EPA Administrator, through its Region 9 office, to the California ARB, and to any tribal air pollution control agencies having jurisdiction in the San Diego Air Basin, and

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

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

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

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

(iii) **Publication of Notice**

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

(A) describe the proposed action, including the use of any modified or substitute air quality impact model as allowed under 40 CFR Part 51, Appendix W, and

(B) identify the location(s) where the public may inspect the information relevant to the proposed action, and

(C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.

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

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

(A) the application and all analyses and documentation used to support the proposed action, the District's compliance evaluation, a copy of the draft Authority to Construct or Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and

(B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefore.

(5) **EMISSION OFFSETS** ~~(Rev. Adopted 11/4/98; Effective 12/17/98)~~

Except as provided in Subsections (b)(3) and (b)(4) of this rule, the Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any new, modified or replacement portable emission unit or project which has any emissions increase of VOC or NOx and which may be located at a major stationary source of such air contaminant unless emission offsets are provided for such emission increases. Emission offsets shall be required on an air contaminant-specific basis and shall meet the requirements specified below and in Subsection (d)(5) of Rule 20.1 of these Rules and Regulations. Interpollutant offsets may be used, provided such offsets meet the requirements of Subsection (d)(5)(iv) below.

(i) **Emission Offsets - ~~Type I~~ Portable Emission Units**

Emission offsets shall ~~not~~ be required for ~~Type I~~ emission increases of VOC and NOx emissions from portable emission units which may be operated at a major stationary source of VOC or NOx emissions, respectively. If the VOC and NOx emission increases of the portable emission unit have been previously fully offset by permanent, enforceable emission reductions or the permanent surrender of emission reduction credits pursuant to these Rules and Regulations, no further offsets shall be required unless the unit is subsequently modified resulting in an emissions increase.

If the NOx and VOC emissions of the unit have not previously been fully and permanently offset, the owner or operator of such unit shall first apply for and obtain a modified Permit to Operate for operation at the major stationary source and shall provide emission offsets, on a pollutant-specific basis, for all VOC and NOx emissions from the portable emission unit. Emission offsets shall be provided at a ratio of 1.2 to 1.0 if the portable emission unit is equipped to comply with LAER for VOC or NOx emissions, as applicable, or at a ratio of 1.3 to 1.0 if the portable emission unit is equipped to comply with BACT for VOC or NOx emissions, as applicable.

If a portable emission unit is brought onto a major stationary source of VOC or NOx to remedy an immediately occurring emergency situation, the application for a modified Permit to Operate the portable emission unit shall be submitted within 24 hours from the time the portable emission unit is first located at the affected stationary source.

(ii) **~~Emission Offsets - Type III Portable Emission~~Permanent and Temporary Emission Offsets**

~~The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any Type III portable emission unit unless emission offsets are provided on a pollutant-specific basis for any emission increases of air contaminants and their precursors for which the District is designated as non-attainment with respect to a national ambient air quality standard. Emission offsets shall be provided at a ratio of 1.2 to 1.0 for VOC and for NOx emission increases. As provided for in Subsection (d)(5)(iv), interpollutant offsets may be used.~~

Emission offsets required by this Subsection (d)(5) shall be provided as specified in paragraphs (A) or (B) below.

(A) Permanent Emission Offsets

The owner or operator of a portable emission unit may satisfy the offset requirements of this Subsection (d)(5)~~(i)~~ by permanently surrendering to the Air Pollution Control Officer sufficient emission reduction credits or providing sufficient permanent actual emission reductions prior to the first date such new, modified or replacement portable emission unit commences operating at a major stationary source of VOC or NOx emissions, as applicable, in San Diego County. Thereafter, further emission offsets shall not be required for the applicable air contaminant unless such unit is modified resulting in an emissions increase.

(B) Temporary Emission Offsets

The owner or operator of a portable emission unit may satisfy the emission offset requirements of this Subsection (d)(5)~~(i)~~ by temporarily surrendering to the Air Pollution Control Officer sufficient emission reduction credits or temporarily providing concurrent, enforceable actual emission reductions for the entire period of time that the portable emission unit is located at the stationary source where emission offsets are required.~~ When emission reduction credits are temporarily surrendered, such credits shall be reduced by 10 percent prior to returning such credits to the person surrendering the credits.~~

(iii) **RESERVED**

(iv) **Interpollutant Offsets ~~Ratios~~**

The Air Pollution Control Officer may allow the use of interpollutant emission offsets at the ratios specified in Table 20.4 - 2 to satisfy the offset requirements of this Subsection (d)(5), provided the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the AQIA requirements of Subsection (d)(2), as applicable, are satisfied for the emission increase. The interpollutant ratios shall be multiplied by the applicable emission offset ratios required by Subsection (d)(5)(i) of this rule to determine the final offset ratio.

TABLE 20.4 - 2
Interpollutant Ratios

Emission Increase	Decrease	Interpollutant Ratio
Oxides of Nitrogen (NOx)	NOx	1.0
	VOC	2.0
Volatile Organic Compounds (VOC)	VOC	1.0
	NOx	1.0

~~(v) **Alternative Offsetting**~~

~~Emission offsets required by Subsection (d)(5) may, instead of being provided on a unit by unit basis, shall be provided in the following manner.~~

~~(A) Emission Offset Pool~~

~~The owner or operator of a Type I portable emission unit may satisfy the offset requirements of Subsection (d)(5) by the use of an emission offset pool. An emission offset pool shall consist of emission offsets which are designated for use by any number of portable emission units. Prior to renting, leasing or otherwise making portable emission units available for use, the owner or operator shall reserve the appropriate amount of offsets based on the portable emission unit Type. The following recordkeeping requirements shall apply:~~

~~(1) The owner of portable emission units shall maintain daily records containing sufficient information to ensure compliance with the provisions of this rule and compile these records into a log. The daily logs shall be kept and shall include the following information for each portable emission unit except those which are in a designated holding yard or in transit: the permit number, the portable equipment type, the~~

~~date, the potential to emit of the unit (tons per year), the name of the stationary source where the unit is available for use, the stationary source's offset classification based on the stationary source's potential to emit (i.e., less than 50 tons per year, or 50 tons per year or more for VOC and NOx, the sum of all portable emission units' potentials to emit which are available for use on that day, and a comparison between the sum of all portable emission units' potentials to emit, the required offset ratio and the total amount of offsets (tons per year) in the offset pool.~~

~~(2) The owner shall summarize the daily logs into an annual compliance log and make the daily and annual logs and supporting documentation available to the District upon request.~~

~~(B) Temporary Limitation on Existing Emission Units~~

~~With the written concurrence of the permit holder, the Air Pollution Control Officer may place temporary limitations on the operation of any existing emission unit(s) at the stationary source where a portable emission unit is to be located in order to create temporary offsetting emission reductions. Temporary emission reductions shall be provided for the entire period of time that the portable emission unit is located at the stationary source. Emission reductions created by the temporary shutdown or curtailment of existing unit(s) at the stationary source shall be used to offset the portable emission units' potential to emit provided the reductions satisfy the offset ratio requirements of Subsection (d)(5).~~

~~If a portable emission unit is brought onto a stationary source to remedy an immediately occurring emergency situation, notice of temporary credits to offset portable emission unit emissions shall be made within 24 hours from the time the portable emission unit is made available for use at the affected stationary source.~~

This rule was amended on 9/19/84 to implement the Federal Prevention of Significant Deterioration Program (PSD), and became effective on 11/21/85 upon EPA delegation of the authority to implement & enforce the PSD Program.

RULE 20.6. STANDARDS FOR PERMIT TO OPERATE AIR QUALITY ANALYSIS

(Effective 11/4/76; Delegation Effective 11/21/85; Revised 12/14/87; Revised & Effective (*date of adoption*))

(a) The Air Pollution Control Officer shall deny a Permit to Operate to any stationary source until the source has obtained an Authority to Construct granted pursuant to the Rules and Regulations except as provided in Section (b) of this rule.

(b) The Air Pollution Control Officer shall not grant a Permit to Operate to any stationary source that emits quantities of air contaminants greater than those assumed in the analysis required for the authority to construct for the source, unless the Air Pollution Control Officer determines that best available control technology or the lowest achievable emission rate is used as required under Rules 20.2, 20.3 or 20.4~~, or 20.5~~ and, where applicable, the Air Pollution Control Officer performs the air quality impact analysis required by Section (~~c~~d) of Rules 20.2, 20.3 or 20.4, as applicable, and determines that the actual emissions from the source may not be expected to result in the violation of any national ambient air quality standard or any applicable air quality increment or interfere with the attainment or maintenance of any ambient air quality standard. In the event the stationary source emits or contributes to any air contaminant for which a national ambient air quality standard is exceeded and where the actual emissions from the source exceed the applicability or emission thresholds of Rule 20.~~4~~3, the requirements of Rule 20.~~4(b)~~3(d) must be satisfied.

(c) The Air Pollution Control Officer shall impose reasonable conditions on a Permit to Operate ~~such~~ as ~~he deems~~ are necessary to ensure that the stationary source will be operated in the manner assumed in making the analysis required by Rules 20.1, 20.2, 20.3~~,~~ and 20.4~~, 20.5 and 20.7~~ or Section (b) of this rule, whichever is applicable. Where appropriate, this shall include a condition to prohibit the operation of an existing source after the replacement source is effectively operating.

~~(d) Sources having received an Authority to Construct prior to the adoption of Rule 20.2, 20.3, 20.4, 20.5, and 20.7 shall not be subject to the provisions of this rule.~~