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RULE 20.1

NEW SOURCE REVIEW - GENERAL PROVISIONS

(ADOPTED AND EFFECTIVE 5/17/94)

(REV. ADOPTED AND EFFECTIVE 5/15/96)

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(Rev. Adopted 11/4/98; Effective 12/17/98)

(Rev. Adopted & Effective (*date of adoption*))

(a) **APPLICABILITY**

Except as provided in Rule 11, Section (b), 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. Except as specified herein, the provisions and requirements of this rule shall be applied on a pollutant-specific basis. 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**

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 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 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

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equipment used in conjunction with the abrasive blasting equipment the use of which may cause the issuance of air contaminants.

(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.

(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.

(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.

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

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

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

(5) "**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. Such activities or projects do not include the replacement of an

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existing emission unit with a newer or different unit or a modification or replacement of an existing emission unit to the extent that such replacement or modification results in an increase in capacity of the emissions unit, or any air contaminant emission control project for a new or modified emission unit which project is proposed to meet these New Source Review Rules 20.1, 20.2, 20.3 or 20.4, or 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.

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

- (i) The installation of conventional or advanced flue gas desulfurization, or sorbent injection for emissions of oxides of sulfur;
 - (ii) Electrostatic precipitators, baghouses, high efficiency multiclones, or scrubbers for emissions of particulate matter or other pollutants;
 - (iii) Flue gas recirculation, low-NOx burners, selective non-catalytic reduction or selective catalytic reduction for emissions of oxides of nitrogen;
 - (iv) Regenerative thermal oxidizers, catalytic oxidizers, condensers, thermal incinerators, flares, absorption equipment or carbon adsorbers for volatile organic compounds or hazardous air pollutants;
 - (v) Activities or projects undertaken to accommodate switching to an inherently less polluting fuel, including but not limited to, natural gas firing, or the cofiring of natural gas and other inherently less polluting fuels, for the purpose of controlling emissions. The air contaminant emission control project shall include any activity that is necessary to accommodate switching to an inherently less polluting fuel; and
 - (vi) Activities or projects undertaken to replace or reduce the use and emissions of stratospheric ozone depleting compounds subject to regulation by the federal EPA.
- (6) "**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.

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(7) "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)

<u>Air Contaminant</u>	<u>Increment</u>
<u>Nitrogen Dioxide (NO₂)</u>	
Annual arithmetic mean	2.5 µg/m ³
<u>Sulfur Dioxide (SO₂)</u>	
Annual arithmetic mean	2.0 µg/m ³
24-hr. maximum	5.0 µg/m ³
3-hr. maximum	25.0 µg/m ³
<u>Particulate Matter</u>	
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)

<u>Air Contaminant</u>	<u>Increment</u>
<u>Nitrogen Dioxide (NO₂)</u>	
Annual arithmetic mean	25.0 µg/m ³
<u>Sulfur Dioxide (SO₂)</u>	
Annual arithmetic mean	20.0 µg/m ³
24-hr. maximum	91.0 µg/m ³
3-hr. maximum	512.0 µg/m ³
<u>Particulate Matter</u>	
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

(8) "Area Fugitive Emissions of PM₁₀" means fugitive emissions of PM₁₀ 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 on haul roads used to move materials to, from or within a stationary source.

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(9) "**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.

(10) "**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 minor source baseline dates. 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 minor source baseline date.

(11) "**Baseline Date**" means either the major source baseline date or minor source baseline date, as applicable.

(12) "**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.

(13) "**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 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, control technique or combination 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 achieved in practice and which is cost-effective for such class or

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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, control technique or combination is not technologically feasible; or

(C) any emission control 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 unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such limitation or technique has not been achieved in practice, that it is not technologically feasible or that it is not cost-effective for such class or category of emission unit.

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

(ii) For modified emission units, not including any relocated or replacement emission units, the entire emission unit's post-project potential to emit shall be subject to BACT, except that BACT shall apply to the emissions increase associated with the modification and not the emission unit's entire potential to emit if:

(A) control technology, an emission limit or other emission controls meeting BACT was previously applied to the unit; and

(B) the emissions increase associated with the modification is less than 25 percent of the emission unit's pre-project potential to emit; and

(C) the project's emission increase is less than the major modification thresholds of Table 20.1-5.

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

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

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

(vi) In the case of a project consisting of multiple new, modified, relocated or replacement emission units, 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 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.

(14) "**Class I Area**" means any area designated as Class I under Title I, Part C of the federal Clean Air Act. As of (*date of adoption*), the Agua Tibia National Wilderness Area was the only area so designated within San Diego County. As of (*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

<u>Class I Area</u>	<u>Approximate Location</u>
Agua Tibia Wilderness Area	San Diego County
Cucamonga Wilderness Area	San Bernardino County
Joshua Tree Wilderness Area	Riverside County
San Gabriel Wilderness Area	Los Angeles County
San Gorgonio Wilderness Area	San Bernardino County
San Jacinto Wilderness Area	Riverside County

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

(16) "**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.

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(17) "**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 emissions.

(18) "**Contemporaneous Net Emissions Increase**" means the sum of emission increases from new, 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 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, modified, relocated or replacement unit, which unit resulted in 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 such unit that occurred within the five-year contemporaneous period.

When an emissions increase from a new, modified, relocated or replacement emission unit or project has been determined to be subject to, and approved as in compliance with, the 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 emission increase from such emission unit or project.

(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-adjointing 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-adjointing parcels shall be considered to be contiguous property. Notwithstanding the foregoing, non-adjointing parcels of land separated by bodies of water designated "navigable" by the U.S. Coast Guard shall not be considered contiguous properties.

(20) "**Cost-Effective**" means that the annualized cost in dollars per pound of emissions of an air contaminant reduced does not exceed \$6.00 per pound for NO_x, \$6.00 per pound for VOC, \$3.33 per pound for PM₁₀, and \$6.00 per pound for SO_x, 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

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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 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 <u>Potential to Emit</u>	<u>BACT Cost Multiplier</u>
Potential < 15 tons/year	1.1
Potential > 15 tons/year	1.5

(21) "**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.

(22) "**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.

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

(24) "**Emission Offsets**" means actual emission reductions used to mitigate emission increases and meeting the applicable requirements of Rules 20.1, 20.3 and 20.4 of these Rules and Regulations.

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

(26) "**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.

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

(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) "**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.

(30) "**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) "**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.

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(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) "**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 (NO_x) and volatile organic compounds (VOC) shall each be equal to or greater than 40 tons per year.

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(33) "**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 (NO_x) and volatile organic compounds (VOC) shall each be equal to or greater than 100 tons per year.

(34) "**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.

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

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

(37) "**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.

(38) "**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 minor source baseline date.

(39) "**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 minor source baseline date.

(40) "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

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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.

(41) "**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 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 Part 61 (National Emission Standards for Hazardous Pollutants).

(42) "**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 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.

TABLE 20.1 - 5
Major Modification

<u>Air Contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
Fine Particulates (PM _{2.5})	10
Particulate Matter (PM ₁₀)	15
Oxides of Nitrogen (NO _x)	25
Volatile Organic Compounds (VOC)	25
Oxides of Sulfur (SO _x)	40
Carbon Monoxide (CO)	100
Lead (Pb)	0.6

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(43) "**Major Source Baseline Date**" means, for all of San Diego County, January 6, 1975 for sulfur dioxide (SO₂) and particulate matter (PM₁₀), February 8, 1988 for nitrogen dioxide (NO₂), and October 20, 2010 for PM_{2.5}.

(44) "**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 one or more air contaminants, including fugitive emissions, in amounts equal to or greater than any of the emission rates listed in Table 20.1 - 6.

TABLE 20.1 - 6
Major Stationary Source

<u>Air Contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
Fine Particulates (PM _{2.5})	100
Particulate Matter (PM ₁₀)	100
Oxides of Nitrogen (NO _x)	50
Volatile Organic Compounds (VOC)	50
Oxides of Sulfur (SO _x)	100
Carbon Monoxide (CO)	100
Lead (Pb)	100

(45) "**Minor Source Baseline Date**" means for all of San Diego County, December 8, 1983 for sulfur dioxide (SO₂), October 1, 1999 for particulate matter (PM₁₀) and nitrogen dioxide (NO₂), and June 14, 2012 for fine particulates (PM_{2.5}).

(46) "**Modeling**" means the use of an applicable federal EPA-approved air quality model to estimate ambient concentrations of air contaminants or to evaluate other air quality related data. Applicable 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.

(47) "**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

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not previously emitted. The following shall not be considered a modified emission unit, provided such a change is not contrary to any permit condition, and the change does not result in an increase in the potential to emit of any air contaminant:

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

(48) "**Modified Stationary Source**" means an existing stationary source where a new, 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.

(49) "**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.

TABLE 20.1 – 7 (RESERVED)

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

- (i) Any emission unit not constructed or installed in San Diego County as of (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.

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(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.

(51) **“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 (*date of adoption*), 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.

(52) **"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.

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

(54) **“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.

(55) **"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

<u>Air contaminant:</u>	<u>Emission Rate</u> <u>(Ton/yr)</u>
Flourides	3
Hydrogen Sulfide (H ₂ S)	10
Mercury	0.1
Reduced Sulfur Compounds	10
Sulfuric Acid Mist	7

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(56) “**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 20.1-6 less than the applicable emission rates specified in Table 20.1-6.

(57) “**Offset Ratio**” means the required proportion of emission offsets to emission increases, as specified in Rules 20.3 or 20.4.

(58) “**Permanent**” means enforceable and which will exist for an unlimited period of time.

(59) “**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.

(60) “**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.

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The Air Pollution Control Officer may determine, on a case-by-case basis, that 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.

(61) **"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).

(62) **"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).

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

TABLE 20.1 - 9
Precursor Air Contaminants

<u>Precursor Air Contaminant</u>	<u>Secondary Air Contaminant</u>
NOx	NO ₂ PM ₁₀ PM _{2.5} Ozone
VOC	PM ₁₀ Ozone
SOx	SO ₂ PM ₁₀ PM _{2.5}

(64) **"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).

(65) **"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).

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

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(67) "**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.

**TABLE 20.1 - 10
PSD Modification**

<u>Air contaminant:</u>	<u>Emission Rate (Ton/yr)</u>
Particulate Matter (PM ₁₀)	15
Oxides of Nitrogen (NO _x)	40
Volatile Organic Compounds (VOC)	40
Oxides of Sulfur (SO _x)	40
Carbon Monoxide (CO)	100
Lead and Lead Compounds (Pb)	0.6

(68) "**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**

<u>For stationary sources consisting of:</u>	
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

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<u>The following emission rates:</u>	
<u>Air Contaminant</u>	<u>(Ton/yr)</u>
Particulate Matter (PM ₁₀)	100
Oxides of Nitrogen (NO _x)	100
Volatile Organic Compounds (VOC)	100
Oxides of Sulfur (SO _x)	100
Carbon Monoxide (CO)	100

<u>For all other stationary sources:</u>	
<u>Air Contaminant</u>	<u>(Ton/yr)</u>
Particulate Matter (PM ₁₀)	250
Oxides of Nitrogen (NO _x)	250
Volatile Organic Compounds (VOC)	250
Oxides of Sulfur (SO _x)	250
Carbon Monoxide (CO)	250

(69) "**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.

(70) "**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.

(71) "**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.

(72) "**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.

(73) "**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 subject to the requirements of Rules 20.1, 20.2, 20.3 and 20.4 applicable to a replacement emission unit.

(74) "**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,

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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.

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

TABLE 20.1 - 12
Stationary Sources Impacting Any Class I Area

<u>Air Contaminant</u>	<u>Significant Impact (24-hour Maximum)</u>
Particulate Matter (PM ₁₀)	1.0 µg/m ³
Nitrogen Dioxide (NO ₂)	1.0 µg/m ³
Sulfur Dioxide (SO ₂)	1.0 µg/m ³
Carbon Monoxide (CO)	1.0 µg/m ³

TABLE 20.1 - 13
Stationary Sources Impacting Any Class II Area

<u>Air Contaminant</u>	<u>Significant Impact</u>
<u>Particulate Matter (PM₁₀)</u>	
Annual arithmetic mean	1.0 µg/m ³
24-hr. maximum	5.0 µg/m ³
<u>Nitrogen Dioxide (NO₂)</u>	
Annual arithmetic mean	1.0 µg/m ³
<u>Sulfur Dioxide (SO₂)</u>	
Annual arithmetic mean	1.0 µg/m ³
24-hr. maximum	5.0 µg/m ³
<u>Carbon Monoxide (CO)</u>	
8-hr. maximum	500.0 µg/m ³
1-hr. maximum	2000.0 µg/m ³

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(76) "**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).

(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 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.

(78) "**Surplus**" means any emission reduction which is surplus of federal requirements 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 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) "**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

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(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.

(80) "**Temporary**" means enforceable, existing and valid for a specified, limited period of time.

(81) "**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) 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), if specific 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) 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, 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 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 emission unit.

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

If a 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.

(1) If 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 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).

(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) 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.

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(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.

(B) Permit-Exempt Equipment

The potential to emit of emission units exempt from permit requirements 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 air contaminant from such emission units shall be included if the actual emissions of such air contaminant 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 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.

(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 be included in the calculation of a stationary source's aggregate potential to emit.

(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 portable emission units shall be

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excluded from the calculation of a stationary source's aggregate potential to emit.

(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) Calculation of Actual Emissions for Purposes of Determining Pre-Project Potential to Emit

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) 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.

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(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.

(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 emission unit shall be equal to the post-project potential to emit for the emission unit.

(ii) Modified Emission Units

Emission increases from a modified 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.

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(iii) **Relocated Emission Units**

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

(iv) **Replacement Emission Units**

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

(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 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.

(B) **Relocated Emission Units**

Reduction in the potential to emit for a relocated 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. 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.

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(C) Replacement Emission Units

Reduction in the potential to emit for a replacement emission unit shall be calculated as the existing emission unit's pre-project potential to emit minus the replacement 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 permanent. Actual emission reductions shall be calculated as follows:

(A) Shutdowns

Unless an emission unit is replaced, 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 emission unit shall be calculated as the emission unit's pre-project actual emissions minus the emission unit's post-project potential to emit.

(C) Relocated Emission Units

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

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(D) Replacement Emission Units

Actual emission reductions from a replacement emission unit shall be calculated as the existing emission unit's pre-project actual emissions minus the replacement 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 multiplied by the actual operating time period in days divided by 1460 days.

(B) Adjustments for Permitted Emission Units

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 Emission Units Exempt from Permit Requirements

This provision shall 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 the emission reduction credits (ERCs) or actual emission

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reductions created 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 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 any ERC for such an exempt emission unit requiring such adjustment to occur at the time of use of the ERC.

(iv) **Emission Reduction Credits**

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 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**

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 20.1 and Rules 20.3 and 20.4.

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(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) ERCs meeting the applicable requirements of Rules 20.1 through 20.4 in effect at the time such ERCs were approved; or,

(C) mobile source ERCs issued pursuant to Rule 27.1; or,

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

(ii) In order to qualify as an emission offset, actual emission reductions shall have been evaluated and approved as an emission reduction credit by the Air Pollution Control Officer pursuant to the applicable requirements of Rules 20.1, 20.3 and 20.4 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.

(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.

(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 in 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.

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(e) **OTHER PROVISIONS**

(1) **CONTINUITY OF EXISTING PERMITS**

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