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 4/27/16; EFFECTIVE 11/5/18)
(REV. ADOPTED 6/26/19; EFFECTIVE 10/16/20)

Table of Contents

SECTION TITLE — PAGE NO.

(a) APPLICABILITY 1
(b) EXEMPTIONS 1
(c) DEFINITIONS 2
(d) STANDARDS 2
(1) Best Available Control Technology (BACT) and Lowest Achievable Emission Rate (LAER) 2
(i) New or Modified Emission Units - BACT 2
(ii) Relocated Emission Units - BACT 2
(iii) Replacement Emission Units - BACT 3
(iv) Emergency Equipment Emission Units 3
(v) Lowest Achievable Emission Rate (LAER) 3
(vi) New, Modified, Relocated or Replacement Emission Units – PSD Stationary Sources 3
(vii) Projects with Multiple Emission Units 4
(2) Air Quality Impact Analysis (AQIA) 4
(i) AQIA for New, Modified, Replacement or Relocated Emission Units and Projects 4
Table 20.3 - 1: AQIA Trigger Levels 5
(ii) AQIA for $PM_{2.5}$ and PM_{10} Emission Increases 5
(iii) AQIA for Projects 6
(iv) AQIA Not Required for NOx or VOC Impacts on Ozone 6
(v) AQIA Requirements for PM10 Impacts May be Waived 6
(vi) AQIA May be Required 7
(3) Prevention of Significant Deterioration (PSD) 8
(i) Applicability 8
(ii) Notification Requirements 9
(iii) Air Quality Impact Analysis (AQIA) 10
(iv) Air Quality Increment 10
(v) Additional Impacts Analyses 11
(vi) Protection of Class I Areas 12
(vii) Additional Requirements 12

Table of Contents

SECTION TITLE — PAGE NO.

(4) Public Notice and Comment 13

(i) Public Comment Period 13
(ii) Applicant Response 13
(iii) Publication of Notice 14
(iv) Information to be Made Available for Public Inspection 14

(5) Emission Offset Requirements 14

(i) Determination of Applicability 15
(ii) Emission Offsets 15
Table 20.3-2: NOx and VOC Offset Ratio 15
(iii) Interpollutant Offsets 17

(e) ADDITIONAL REQUIREMENTS–FEDERAL MAJOR STATIONARY SOURCES 17

(1) Compliance Certification 17

(2) Alternative Siting and Alternatives Analysis 17

(3) Analysis of Visibility Impairment in Class I Areas 18

(i) Required Analyses 18
(ii) Notification Requirements 18
(iii) Application Denial 18

(4) Prohibition on Issuing Federal Major Stationary Source Permits 19

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.

Subsection(d)(1)(vi); Subsections (d)(2)(i)(B), (d)(2)(v), and (d)(2)(vi)(B); and, Subsection (d)(3).

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

(Adopted & Effective 5/17/94)
(Rev. Adopted & Effective 12/17/97)
(Rev. Adopted 11/4/98; Effective 12/17/98)
(Rev. Adopted 4/27/16; Effective 11/5/18)
(Rev. Adopted 6/26/19; Effective 10/16/20)

(a) **APPLICABILITY**

This rule applies to any new or modified major stationary source, to any new or modified federal major stationary source, to any new or modified emission unit, to any replacement emission unit, and to any relocated emission unit being moved to a stationary source if, after completion of the project, the stationary source will be a major stationary source, a federal 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 emission unit which is to be temporarily relocated from one stationary source within San Diego County to another stationary source shall be exempt from the 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,

(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 emission unit which is to be permanently relocated from one stationary source within San Diego County to another stationary source shall be exempt from the 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, 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) 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 for which the emissions increase constitutes a federal major modification unless the emissions increase is for NOx or VOC and the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as an extreme ozone nonattainment area.

(c) **DEFINITIONS**

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

(d) **STANDARDS**

(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), 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.

(iv) **Emergency Equipment Emission Units**

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 paragraphs (d)(1)(v)(B) and (C) 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, a new federal major stationary source, major modification, or federal 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. This provision shall not apply if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as an extreme ozone nonattainment area.

(C) A new, modified, relocated or replacement emission unit or project at an existing major stationary source or federal 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. This provision shall not apply if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as an extreme ozone nonattainment area.

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

Any new, 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. 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.

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, 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 such emissions increase will not:

(1) cause a violation of a 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) prevent or interfere with the attainment or maintenance of any 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)(v), nor

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

TABLE 20.3 - 1
AQIA Trigger Levels

	Emission Rate		
Air Contaminant	(lb/hr)	(lb/day)	(tons/yr)
Particulate Matter (PM_{10})	---	100	15
Fine Particulate 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 for Projects**

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 (d)(2) a demonstration shall not be required for determining the impacts from an emission unit's or project's NOx or VOC emissions on 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 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 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), 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 $\mu g/m^3$ 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 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 $\mu g/m^3$ (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 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 emission unit or any project if the stationary source, emission unit or project may be expected to:

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

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

(3) prevent or interfere with the attainment or maintenance of any 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 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) PSD Stationary Sources

(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, as determined by an AQIA required pursuant to Subsection (d)(2):

(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.

(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_2, NO_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 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) 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.

(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, a new federal major stationary source, a major modification or a federal 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, 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 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 and a copy of the draft Authority to Construct or modified Permit to Operate on the public notice section of the Air Pollution Control District's web site for the duration of the public comment period. In addition, the notice shall also be published in at least one newspaper of general circulation in San Diego County. The notice shall:

(A) include the name and address of the of the applicant, and

(B) describe the proposed District action, including the preliminary decision to approve, conditionally approve, or deny the application, and

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

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

(E) indicate the date by which all comments must be received by the District for consideration prior to taking final action, and the duration of the public comment period, and

(F) describe procedures for providing public comment, and

(G) include the time and place of any hearing, if already scheduled, or the procedures for petitioning for a hearing.

(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 OFFSET REQUIREMENTS**

Except as provided for in Subsection (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 which results in an emissions increase that constitutes a new major stationary source, a new federal major source, a major modification, or a federal 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 as specified below. Interpollutant offsets may be used, provided such offsets meet the requirements of Subsection (d)(5)(iii).

(i) **Determination of Applicability**

The determination that a new emission unit, project or new stationary source is a new major stationary source or a new federal 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 or federal major stationary source is a major modification or federal major modification shall be based on the stationary source's contemporaneous net emissions increase, unless the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as an extreme ozone nonattainment area where for NOx and VOC emissions it shall be based on the emission unit's or the project's emissions increase. These determinations shall be made on a pollutant-specific basis.

The applicant for a new major stationary source, a new federal major stationary source or a new, modified, replacement or relocated emission unit or project at an existing major stationary source or an existing federal 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) **Emission Offsets**

(A) If the NOx or VOC emissions increase from the project under review constitutes a new federal major stationary source or a federal major modification, an emissions increase calculated pursuant to Rule 20.1, Subsections (d)(1) through (3), where the pre-project potential to emit for modified units within the project is calculated in accordance with Rule 20.1, Subsection (d)(1)(i)(D)(2), shall be offset at the ratio listed below in Table 20.3 – 2, based on the ozone nonattainment designation by EPA in 40 CFR 81.305 for the San Diego Air Basin.

TABLE 20.3 – 2
NOx and VOC Offset Ratio

Ozone nonattainment designation	Offset Ratio
Marginal, moderate or serious	1.2 to 1.0
Severe	1.3 to 1.0
Extreme	1.5 to 1.0

(B) The requirements of Subsection (d)(5)(ii)(A) of this rule shall not apply to a federal major modification for NOx or VOC if the San Diego Air Basin is designated by EPA in 40 CFR 81.305 as an extreme ozone nonattainment area and the emissions increase is offset by emission reductions occurring within the stationary source at a ratio of 1.3 to 1.0.

(C) The requirements of Subsections (d)(5)(ii)(A) and (d)(5)(ii)(B) of this rule shall not apply if the District demonstrates to the satisfaction of EPA that all federal major stationary sources of NOx and VOC in the District are equipped with federal BACT, as defined in CAA Section 169(3). After EPA approval of such a demonstration, if the NOx or VOC emissions increase from the project under review constitutes a new federal major stationary source or a federal major modification, such emissions increase shall be offset at a ratio of 1.2 to 1.0.

(D) 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.

(E) 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, a new federal major stationary source, a major modification, or a federal major modification, an emissions increase calculated pursuant to Rule 20.1, Subsections (d)(1) through (3), where the pre-project potential to emit for modified units within the project is calculated in accordance with Rule 20.1, Subsection (d)(1)(i)(C) or (D)(2), as applicable, shall be offset at a ratio of 1.0 to 1.0.

(F) Interpollutant offsets may be used provided they meet the requirements of Subsection (d)(5)(iii) of this rule.

(G) 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.

(H) 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) **Interpollutant Offsets**

For any 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 a project specific interpollutant offset protocol approved by the Air Pollution Control Officer and the federal EPA (unless EPA approval is not required). The following information shall be included in the applicant's proposed project specific interpollutant offset protocol:

(A) a description of the air quality models that were used to propose the interpollutant offset ratio(s),

(B) the proposed ratio(s) for the precursor substitution and the accompanying calculations, and

(C) a modeling demonstration showing that such ratio(s) as applied to the proposed project and credit source will provide an equivalent or greater air quality benefit with respect to the ground level concentrations in the air contaminant(s) nonattainment area than an offset of the emitted precursor(s) would achieve.

Interpollutant offsets may only be allowed if 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.

(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 federal major stationary source or 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 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.

(4) **PROHIBITION ON ISSUING FEDERAL MAJOR SOURCE PERMITS**

The Air Pollution Control Officer shall not issue a permit to construct or operate a new federal major stationary source or a federal major modification if the EPA Administrator has determined that applicable implementation plan for the nonattainment area is not being adequately implemented.