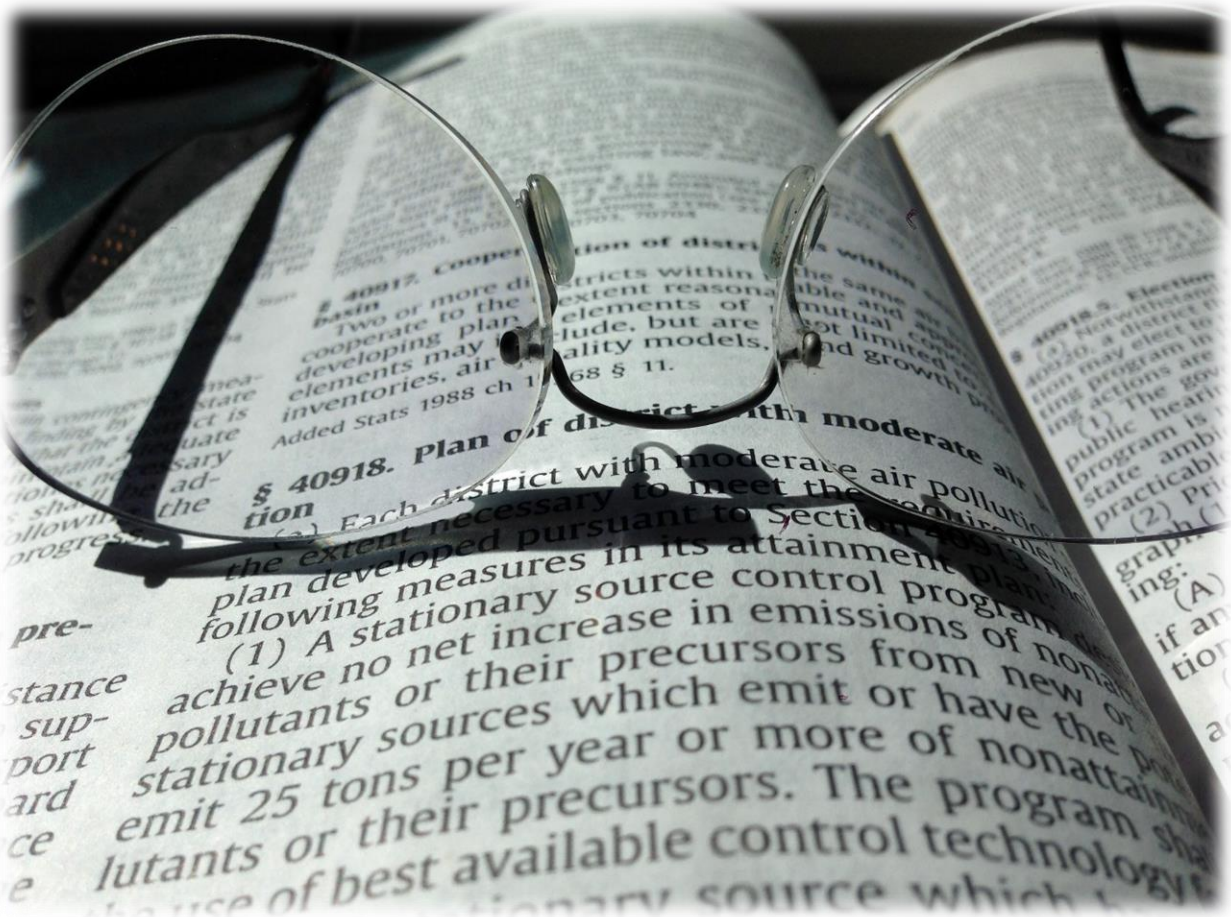
SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

PROPOSED STAFF REPORT



Proposed Rule Changes to:

Rule 102. Definitions
Rule 105. Applicability
Rule 202. Exemptions to Rule 201
Rule 204. Applications
Regulation VIII. New Source Review
Rule 1301. Part 70 Operating Permits – General Information

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Santa Barbara County

Air Pollution Control District

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Our Mission

Our mission is to protect the people and the environment of Santa Barbara County from the effects of air pollution.

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Table of Contents

EXECUTIVE SUMMARY III

1. SUMMARY 1-1

1.1 Introduction 1-1
1.2 Permit Program Overview 1-1
1.3 Overview of the Major Changes 1-2
1.4 Cost/Staffing Implications 1-9
1.5 Comparisons to Other Local Districts 1-9
1.6 Mandates 1-10
1.7 Public Review 1-12
1.8 California Environmental Quality Act (CEQA) 1-12

2. PROPOSED AMENDED RULES AND NEW RULES 2-1

2.1 Proposed Amended Rule 102. Definitions 2-1
2.2 Proposed Amended Rule 105. Applicability 2-2
2.3 Proposed Amended Rule 202. Exemptions to Rule 201 2-2
2.4 Proposed Amended Rule 204. Applications 2-2
2.5 Proposed Amended Rule 801. New Source Review – Definitions and General Requirements 2-3
2.6 Proposed Amended Rule 802. New Source Review 2-3
2.7 Repeal of Rule 803. Prevention of Significant Deterioration 2-5
2.8 Proposed Amended Rule 804. Offsets 2-5
2.9 Proposed Amended Rule 805. Air Quality Impact Analysis, Modeling, Monitoring, and Air Quality Increment Consumption 2-7
2.10 Proposed Amended Rule 806. Emission Reduction Credits 2-8
2.11 Proposed Rule 809. Federal Minor Source New Source Review 2-9
2.12 Proposed Amended Rule 1301. Part 70 Operating Permits – General Information 2-10
2.13 State Implementation Plan (SIP) – Actions Needed 2-10

3. DISCUSSION OF MAJOR CHANGES 3-1

3.1 Text Revisions 3-1
3.2 Changing from NEI to PTE Based Calculations 3-1
3.3 Revising Offset Thresholds, Zones and Ratios 3-3
3.4 New Offset Exemption for Equipment Replacements 3-11
3.5 New Offset Exemption for Emergency Standby Engines 3-11
3.6 Merging Rule 803 Requirements into Rules 802, 804 and 805 3-12
3.7 Adding $PM_{2.5}$ to the Attainment Pollutant Permit Requirements 3-13
3.8 Revising the AAQS/Increment Procedures 3-13
3.9 New Rule 809 for Federal Minor Source NSR 3-14
3.10 SB 288 Discussion - Analysis 3-14

4. STATIONARY SOURCES IMPACTED 4-1

5. COST IMPLICATIONS AND DISTRICT STAFFING 5-1

6. CLARIFICATION OF RULE ISSUES 6-1

7. PUBLIC REVIEW 7-1

7.1 Public Participation 7-1
7.2 Rule Changes 7-1
7.3 Public Comments 7-2

8. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) 8-1

9. ATTACHMENTS 9-1

9.1 Attachment A: SB 288 No Net Increase Programmatic Comparison 9-3
9.2 Attachment B: Public Comments 9-5

9.3 Attachment C: Response to Public Comments 9-7

List of Tables and Figures

Tables

TABLE 1-1. RULES AFFECTED 1-3
TABLE 1-2. COMPARISON OF KEY PROPOSED REVISIONS TO OTHER LOCAL DISTRICT RULES 1-10
TABLE 2-1. RULE 102, DEFINITIONS 2-11
TABLE 2-2. RULE 105, APPLICABILITY 2-12
TABLE 2-3. RULE 202, EXEMPTIONS TO RULE 201 2-13
TABLE 2-4. RULE 204, APPLICATIONS 2-14
TABLE 2-5. RULE 801, NEW SOURCE REVIEW – DEFINITIONS AND GENERAL REQUIREMENTS 2-15
TABLE 2-6. RULE 802, NEW SOURCE REVIEW 2-16
TABLE 2-7. RULE 803, PREVENTION OF SIGNIFICANT DETERIORATION 2-19
TABLE 2-8. RULE 804, OFFSETS 2-21
TABLE 2-9. RULE 805, AIR QUALITY IMPACT ANALYSIS, AND MODELING, MONITORING, AND AIR QUALITY INCREMENT CONSUMPTION 2-23
TABLE 2-10. RULE 806, EMISSION REDUCTION CREDITS 2-24
TABLE 2-11. RULE 1301, PART 70 OPERATING PERMITS – GENERAL INFORMATION 2-25
TABLE 2-12. STATE IMPLEMENTATION PLAN (SIP) – ACTIONS NEEDED 2-26
TABLE 3-1. NO NET EMISSION INCREASE MONITORING REPORT 3-4
TABLE 3-2. SB 288 OFFSETS PROGRAMMATIC ANALYSIS OZONE PRECURSORS 3-8
TABLE 3-3. SB 288 OFFSETS PROGRAMMATIC ANALYSIS SOX/PM_{10} 3-10
TABLE 4-1. STATIONARY SOURCES WITH DAILY NEI W/IN 25% OF THE OFFSET THRESHOLD 4-3
TABLE 4-2. STATIONARY SOURCES WITH ANNUAL NEI W/IN 25% OF THE OFFSET THRESHOLD 4-4
TABLE 4-3. STATIONARY SOURCES THAT CURRENTLY REQUIRE OFFSETS USING NEI CALCULATION 4-5
TABLE 4-4. STATIONARY SOURCES WITH A DAILY POTENTIAL TO EMIT > 240 POUNDS PER DAY 4-6
TABLE 4-5. STATIONARY SOURCES WITH AN ANNUAL POTENTIAL TO EMIT > 25 TONS PER YEAR 4-7
TABLE 5-1. IMPLICATIONS OF MAJOR RULE CHANGES 5-2

Figures

FIGURE 1-1. NOX ERC COSTS 1999 - 2014 1-6

Executive Summary

The New Source Review (NSR) permitting program is an important tool to help the District meet our Clean Air Plan goal of attaining all State and Federal ambient air quality standards. The NSR rules require the District to evaluate proposed emission controls, offset mitigation packages and ambient air quality analyses when permitting new or modified stationary sources of air pollution. The current NSR rules have safeguarded our air quality since 1997, but they have recently become more difficult and costly to implement due to various circumstances that were unforeseen at the time of adoption.

We are proposing to address these issues by amending ten rules, adopting one new rule and repealing one rule. The main changes include:

- Revising the rule text to be clearer and to eliminate redundancies;
- Reorganizing the rules for easier implementation;
- Updating the calculation methodologies;
- Updating the offsets program and adding new offsets exemptions;
- Updating our ambient air quality/increment analysis procedures;
- Adding $PM_{2.5}$ as a regulated pollutant; and
- Adding a new Federal Minor Source NSR rule, as mandated by EPA.

All of these changes are focused towards meeting the twin objectives of:

1) Safeguarding the region's air quality, and
2) Providing more flexibility and simplicity in the permitting process without compromising our air quality.

These objectives, as well as all State and Federal mandates, will be met under the proposed revisions. In addition, we are required to comply with Senate Bill 288 - *the Protect California Act of 2003*. SB 288 prevents the District from relaxing NSR permitting rules. This staff report provides the necessary analyses to show the proposed rule revisions will comply with the SB 288 requirement. The District proposes to move forward with these changes while ensuring that we're on a path to further enhancing the region's air quality.

Table ES-1, Implications of Major Rule Changes, provides a summary of the proposed changes, and the impacts to District costs, program effectiveness, revenues, and staffing.

The advantages that these rule changes provide include:

- Having rule text that is easier to follow and understand by our regulated community;
- Providing a simplified calculation procedure that removes complex and outdated methods. This will result in the regulated sources having a much better understanding of what our permit requirements will be when planning future projects;
- Maintaining an effective emissions offsets program while at the same time addressing many of the implementation issues that currently exist;
- Limiting the impacts of the offsets program to only the largest sources, which have the means to buy and/or create Emission Reductions Credits (ERCs);
- Making more ERCs available for use in the South County; and
- Establishing an offsets exemption for equivalent replacement projects that result in less actual emissions to the atmosphere.

Table ES -1. Implications of Major Rule Changes

No.	Rule	Change	Cost Impact to Regulated Community[1]	Impact on District Program Effectiveness[2]	Impact on District Fee Revenues	Impact on District Staffing
1	All	Revising rule text to be clearer and to eliminate redundancies	Neutral	Increase	Neutral	Neutral
2	801	Replacing the NEI calculation methodology with the PTE methodology	Decrease	Increase	Neutral	Neutral
3	802/804	Revising the offset program thresholds, ratios and calculation basis	Decrease	Increase	Neutral	Neutral
4	802	Adding offset exemption for equipment replacements	Decrease	Increase	Increase	Increase
5	802	Adding offset exemption for emergency generators/flood/firewater pumps	Decrease	Neutral	Neutral	Neutral
6	803	Merging the requirements of Rule 803 into Rules 802, 804 and 805	Neutral	Increase	Neutral	Neutral
7	802	Adding $PM_{2.5}$ to the attainment pollutant permitting requirements	Increase	Increase	Neutral	Increase
8	805	Revising the AAQS and increment AQIA calculation procedures	Decrease	Increase	Increase	Decrease
9	809	New Rule 809 for Federal Minor Source New Source Review	Neutral	Neutral	Neutral	Neutral
		Overall Impact of Changes =>	Decrease	Increase	Neutral	Neutral

[1] This column indicates the likely direct impact of the proposed change on sources affected by the change from the perspective of the source.
[2] This column refers to the effect of the proposed change on the District's regulatory program as a whole.

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1. Summary

1.1 Introduction

The Santa Barbara County Air Pollution Control District (District) is proposing to modify Regulation VIII - New Source Review, which implements the District's New Source Review (NSR) permitting program. This is the first revision to our NSR rules in over 17 years.

1.2 Permit Program Overview

Permitting programs are primarily intended to provide a mechanism for air pollution control agencies to ensure businesses comply with applicable local, state and federal air quality requirements. The permitting process allows the District to review a company's proposed plan to construct a source of air pollution, analyze the potential air pollutants that the proposed facility may emit and impose emission limits. The District permit contains conditions that stipulate the parameters under which the source must operate in order to remain in compliance with the rules. Also, the permit enables the District to keep track of the location, number and size of air pollution sources so that pollution control strategies of the Clean Air Plan are based on sound information.

Regulation II – Permits, establishes the permitting system which applies to all stationary sources of pollution in the County. This regulation specifies the content of applications, timelines for processing permits and equipment exempt from permitting. In addition to complying with Regulation II, new or modified stationary sources must also comply with Regulation VIII - New Source Review. The objectives of Regulation VIII include:

- Preventing the degradation of air quality from air pollution generated by both new stationary sources of air pollution and modifications of existing stationary sources of air pollution, and to ensure that the source does not interfere with the attainment or maintenance of air quality standards,

- Establishing air pollution emission thresholds which, if exceeded, may require the installation of Best Available Control Technology, the surrender of offsets and/or the completion of an Air Quality Impact Analysis,

- Specifying how increases in both nonattainment and attainment pollutants are permitted, and

- Establishing provisions that allow for the banking of emission reductions to offset future emissions growth.

1.3 Overview of the Major Changes

The revisions primarily affect Regulation VIII. Ten rules would be amended: Rules 102, 105, 202, 204, 801, 802, 804, 805, 806 and 1301 would be amended. New Rule 809, Federal Minor Source New Source Review, would be adopted. Whereas Rule 803, Prevention of Significant Deterioration, would be repealed. Table 1-1 summarizes all of the affected rules. The major changes and their implications to the regulated sources of air pollution are summarized in Table ES-1. Chapter 2 discusses the changes made and contains tables detailing each specific rule revision and where the requirement can be found if the text was moved. Chapter 3 provides the analyses of these proposed rule changes.

The following text summarizes the major rule changes listed in Table ES-1:

No. 1: All Rules. Revising rule text to be clearer and to eliminate redundancies

The text of the affected rules would be revised to eliminate redundant requirements, to re-organize text in a more logical fashion and to re-write text to be clearer and more to the point.

No. 2: Rule 801. Replacing the NEI calculation methodology with the PTE methodology

Staff is proposing to delete the Net Emissions Increase (NEI) calculation methodology for our New Source Review (NSR) rule threshold determinations. The use of the NEI methodology was used by the District as an equivalent system to the Potential to Emit (PTE) methodology required by the California Health & Safety Code. The NEI methodology has become very complicated to both the regulated community and the District. It involves a convoluted system of tracking emission increases and decreases for every stationary source since 1990. We have seen many times where there have been disagreements and confusion as to how the NEI calculation works and how it pertains to a specific stationary source. The result can be a time consuming permit process and has resulted in regulated entities having to revise their projects at the last minute. No other air District currently uses this NEI calculation methodology.

We are proposing to simplify the process by using the PTE calculation methodology in lieu of the NEI calculation in our Regulation VIII threshold determinations. We already calculate the stationary source and project PTE, so it would not add to our workload. Use of the PTE methodology for the regulated community will result in less complexity when permitting new or modified projects and will provide far more certainty in planning future projects.

Table 1-1. Rules Affected

Rule No.	Current Rule Name	Proposed Rule Name	Proposed Actions
102	Definitions	Definitions	Amendments
105	Applicability	Applicability	Amendments
202	Exemptions to Rule 201	Exemptions to Rule 201	Amendments
204	Applications	Applications	Amendments
801	New Source Review	New Source Review – Definitions and General Requirements	Amendments
802	Nonattainment Review	New Source Review	Amendments
803	Prevention of Significant Deterioration	n/a	Repeal
804	Emission Offsets	Offsets	Amendments
805	Air Quality Impact Analysis and Modeling	Air Quality Impact Analysis, Modeling, Monitoring, and Air Quality Increment Consumption	Amendments
806	Emission Reduction Credits	Emission Reduction Credits	Amendments
809	n/a	Federal Minor Source New Source Review	New
1301	Part 70 Operating Permits – General Information	Part 70 Operating Permits – General Information	Amendments

No. 3: Rules 802/804. Revising the offset program thresholds, ratios and calculation basis

Under California Health & Safety Code Section 40918, our District is classified as a Moderate area for ozone. This requires us to have the following program thresholds:

(a) A Best Available Control Technology (BACT) threshold of 25 pounds per day.

(b) A no net emissions (offsets) threshold of 25 tons per year.

Both of these programs in California Health and Safety Code use the Potential to Emit (PTE) based calculation methodology.

In 1997, the District adopted revisions to our New Source Review (NSR) regulation to implement the State mandates for BACT and offsets. We adopted the BACT requirement using the 25 pound per day PTE-based calculation methodology and have not had any major implementation issues.

For offsets, a different approach was used. This approach included a number of prongs to make up what was considered an equivalent approach to the State mandated requirement. These included: lower daily and annual thresholds, a NEI-based calculation methodology tied to a 1990 baseline, offset zones, trading ratios, quarterly ERCs and associated implementation policies. The District obtained Air Resources Board approval to use this alternative approach.

Except for difficulties inherent in using the NEI-based calculation, our offsets program worked fine for the first few years. There were sufficient quantities of ERCs being created, sold and used. Prices for ERCs ranged from $5,000 to $15,000 per ton. Over time, however, fewer ERCs were being created and the prices started to surge. Currently, the cost for 1 ton of NO_x ERCs is around $125,000. See Figure 1-1 for a graph showing the cost of NO_x ERCs over the years. Further, companies that own ERCs are reluctant to sell at any price and larger companies are pro-actively securing ERCs before they even become available on the open market. Since the NEI-based program's offset thresholds are so low, the lack of available ERCs is proving to be an impediment for medium sized companies to make modifications or for the opening of new businesses in the County.

The District believes that revising the offsets program to be more aligned with the State mandated approach will help deal with the issues noted above and still safeguard air quality. The approach will not result in a relaxation of the overall regulatory program and our analyses show that we'll have a slightly higher level of offset mitigation for ozone precursor pollutants. The proposed approach includes: higher annual and daily thresholds, a PTE-based calculation methodology with no baseline requirement, a single offset zone, and revised trading ratios.

An important aspect of this proposed change is that we are required by State law (SB 288) to maintain the stringency of our existing NSR programs as they were in effect on

December 30, 2002[1]. For offsets, the Air Resources Board allows some flexibility in how we implement this requirement. Specifically, we must show that the offset requirements are "*on a programmatic basis*" as stringent as our existing rules. Thus, it allows us to make the changes we are proposing (e.g., increasing the thresholds) if our analyses shows that overall the mitigation will be equal to or better than before. We have performed detailed analyses of our proposed rule revisions in comparison to our current rules and can show that we can meet the programmatic basis test. Chapter 3 of this Staff Report contains this analysis. The net result is that the burden for providing offsets will fall to the larger stationary sources, which are better positioned to procure and/or create the required mitigation.

No. 4: Rule 802. Adding offset exemption for equipment replacements

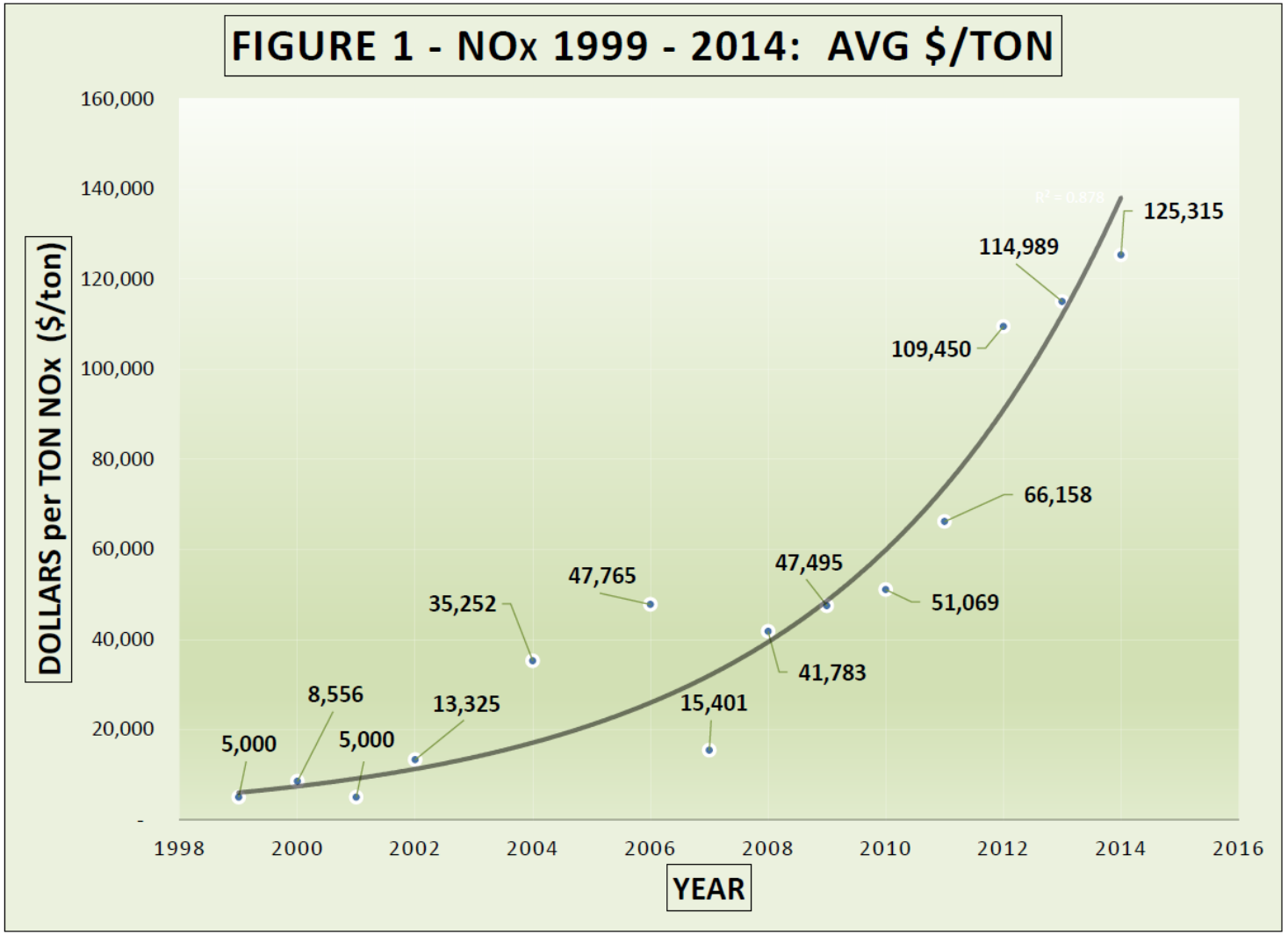
Due to the way the current permitting process works, there are a number of instances where projects to replace/modernize existing equipment required offsets. Typically, the potential emissions for a new project (which is required for permitting) is greater than the actual emissions baseline for the existing equipment being replaced (which is required for documenting emission reductions). Offsets are required for this difference even if the new equipment is cleaner and actual emissions will be reduced, which is typically the case. The District is proposing a new offsets exemption to address this situation. Essentially, if the replacement project is functionally equivalent, uses Best Available Control Technology, does not increase the Potential to Emit and does not de-bottleneck a process, then offsets would not be required. This exemption will result in less "actual" emissions to the atmosphere because it facilitates a source's desire to update equipment versus the current situation which discourages system improvements.

No. 5: Rule 802. Adding offset exemption for emergency standby generators / flood / firewater pumps

Up until 2005, emergency generators and flood and firewater pumps were exempt from District permits, and thus were not subject to New Source Review (NSR) requirements such as offsets. These emergency engines are subject to the State Airborne Toxic Control Measures for diesel engines and have limits on the amount of time that they may be used for non-emergency use (typically less than 50 hours per year for new engines). During the rulemaking for removing the exemption, it was not the District's intent for these engines to trigger the offset thresholds. We have found that some of the larger engines in this category exceed the daily offsets thresholds or may be located at sources that already exceed the offsets thresholds. This proposal would exempt new emergency standby engines from offset requirements. This proposed exemption would be consistent with SB 288 requirements since this equipment was previously exempt from NSR and its associated offset requirements on December 30, 2002, the baseline date for SB 288. Thus, this is not a relaxation under SB 288.

[1] SB 288 allows for exceptions in certain circumstances, such as when the area attains all federal ambient air quality standards.

Figure 1-1. NOx ERC Costs 1999 - 2014



No. 6: Rule 803. Merging the requirements of Rule 803 into Rules 802, 804 and 805

The District is proposing to consolidate and simplify our New Source Review (NSR) rules in Regulation VIII. Currently, Rule 803 covers permitting requirements for pollutants that attain State/Federal ambient air quality standards and Rule 802 covers pollutants that do not attain State/Federal ambient air quality standards.

Rule 803 was originally designed to serve as our federally delegated Prevention of Significant Deterioration (PSD) rule for attainment pollutants. However, on March 3, 2003, EPA revoked their delegation to the District to administer the federal PSD program. Since then, the District pursued the ability to implement federal PSD requirements and on January 20, 2011 we adopted Rule 810 (Federal Prevention of Significant Deterioration) which incorporated federal PSD regulations by reference. Rule 810 only applies to very large projects (over 100 tons per year for new stationary sources). Rule 803 still remains an active NSR rule that applies to stationary sources in the District. Per SB 288, we are required to maintain the requirements of Rule 803.

Our proposed rule revisions would apply Rule 802 to both attainment and nonattainment pollutants by merging in the attainment pollutant requirements of Rule 803. This would place all NSR requirements in a single rule and make it easier for the regulated community and District staff to implement the rule.

Further, we would move specific administrative requirements related to offsets to existing Rule 804 in order to better organize the rules. This keeps the offset thresholds and exemptions in Rule 802 and moves the administrative aspects of offsets to existing Rule 804. Similarly, we will keep the AQIA/Modeling thresholds in Rule 802 and move the administrative requirements related to AQIAs, Modeling, Monitoring and Increments to existing Rule 805. Both of these changes improve the organization of the rules.

Since all the Rule 803 requirements would be moved into Rules 802, 804 and 805, we are proposing to repeal the rule.

No. 7: Rule 802. Adding $PM_{2.5}$ to the attainment pollutant permitting requirements

The District is required to add $PM_{2.5}$ to the list of pollutants we permit. This requirement is codified in the Federal Clean Air Act, which mandates that each New Source Review program includes enforceable procedures to prevent the construction of any new source or modification that will interfere with the attainment or maintenance of any NAAQS.

We are currently designated as "Unclassified" for this pollutant by both the State and EPA. As such, $PM_{2.5}$ would be considered an attainment pollutant under Rule 802. We currently regulate PM and PM_{10} in Rule 803 as attainment pollutants and PM_{10} under Rule 802 as a nonattainment pollutant for the State ambient air quality standard. Adding $PM_{2.5}$ to the list of regulated pollutants in amended Rule 802 is consistent with past Board actions to regulate attainment pollutants. It also aligns our rule set with proposed Rule 809 (Federal Minor Source New Source Review). $PM_{2.5}$ would be subject to the BACT and AQIA requirements of Rules 802 and 805, respectively.

No. 8: Rule 805. Revising the AAQS and increment AQIA calculation procedures

When Rule 803 was adopted in 1997, EPA determined that the rule was equivalent to the federal Prevention of Significant Deterioration (PSD) regulations and delegated us authority to implement the federal PSD program. Two key features of a PSD program are Air Quality Impact Analyses (AQIA) and Increment Consumption Analyses. Rule 803 was written to satisfy federal PSD standards for major sources, but also applied to smaller non-major sources. With the revocation of EPA's delegation and our subsequent adoption of Rule 810 (which applies only to major sources), we now have rule language for AQIA and Increment Consumption Analyses that apply only to non-major sources. We are proposing to streamline these analyses for non-major sources. The proposed rule revisions simplify the processing of AQIA and Increment Consumption Analyses while at the same time not affecting the level of stringency of those requirements.

Key changes would include eliminating the baseline dates and the requirement to model additional sources. Baseline dates are a federal PSD requirement that define how the increment is calculated and when additional sources must be added to the modeling analyses. It results in a far more complex modeling exercise. Instead, we are proposing to use actual monitored background data in the modeling analyses which will provide a more accurate analysis and a less time consuming process. This does not eliminate the required modeling, but rather simplifies the process.

Additional changes would include streamlining the alternative mitigation approach for pollutants with increment ranges to remove the monitoring based option language and to provide a single approach: the 10-year mitigation option, which is existing text in the rule. In all historical cases where this requirement applied, the 10-year mitigation option was used. Table 1 of Rule 805 would also be revised to reflect updates to State and Federal ambient air quality standards and increments since 1997.

No. 9: Rule 809. New Rule 809 for Federal Minor Source NSR

EPA has requested that we revise our permitting rules to meet federal mandates to include a permitting program for minor sources. This is called a Federal Minor Source New Source Review program and it is required pursuant to the Federal Clean Air Act. While our current rules contain many of the aspects of what EPA has mandated, we do not meet all the provisions. One of the options that EPA presented to us was to create a stand-alone rule. This approach limits the number of rules submitted to the State Implementation Plan for EPA approval. Rule 809 would satisfy EPA's requirements and be consistent with the proposed modifications to Regulation VIII. Rule 809 would not add additional requirements to what we are proposing for Rules 801-806. This would simplify the permit process for the regulated community, ease the workload for District staff and satisfy the mandate from EPA.

1.4 Cost/Staffing Implications

Cost implications of the proposed revisions to the regulated community, to fee revenues and to staffing are highlighted below. The discussion addresses the implications of the proposed revisions in the aggregate. See Chapter 5 for more information.

Cost to the Regulated Community

Overall, the District expects to decrease the cost to the regulated community by implementing the proposed rule amendments. Items such as eliminating the Net Emissions Increase (NEI) calculation methodology, adding offsets exemptions, simplifying the ambient air quality and increment analyses process and revising the offsets thresholds and ratios would reduce costs. Some larger facilities (those with a Potential to Emit over 25 tons per year not already subject to offsets) will see an increase in costs due to the revisions to NEI calculation methodology and the changes to the offsets thresholds and ratios. We estimate that 28 facilities (16 companies) will be subject to the offset requirements for the first time. See Chapter 4 for a breakdown of the companies that are impacted. Future projects subject to the new $PM_{2.5}$ Best Available Control Technology and/or Air Quality Impact Analysis requirements may also see an increase in costs.

Impact on District Fee Revenues

The District does not expect any substantive changes to our fee revenues due to the proposed rule amendments. We may see increased revenues due to modernization projects taking advantage of the offsets replacement exemption and increases in increment fees if any projects trigger the increment fee requirement.

Impact on District Staffing

We don't expect to change District staffing levels to implement the proposed rule amendments and the new rule. We may see increases in workload due to modernization projects taking advantage of the offsets replacement exemption as well as additional efforts addressing the permitting of $PM_{2.5}$. Revisions to the Air Quality Impact Analysis/increments process will save time.

1.5 Comparisons to Other Local Districts

A comparison of the proposed regulations to regulations from other local districts in the South Central Coast Air Basin is given in Table 1-2. The districts selected for this evaluation are both medium sized districts with similar industries and staffing levels. In general, our proposed rule amendments align well with the other Districts.

Table 1-2. Comparison of Key Proposed Revisions to Other Local District Rules

Regulatory Issue [(a)]	Existing Santa Barbara APCD	Proposed Santa Barbara APCD	Ventura APCD	San Luis Obispo APCD
PTE-Based NSR Calculations	No	Yes	Yes	Yes
Emission Offset Thresholds	55/240 lbs/day 10 tpy	240 lbs/day 25 tpy	5 tpy [(b)]	25 tpy
Emission Offset Ratios	1.2 to 6.0	1.1 to 1.3	1.1 to 1.3	1.0
Emission Offset Zones	Three Zones	Single Zone	Single Zone	Single Zone
Offset Exemption: Equipment Replacements using BACT	No	Yes	Yes	Yes
Offset Exemption: Emergency Generator/Flood Control/Firewater Pump Engines	No	Yes	No	No

(a) PTE is Potential to Emit. BACT is Best Available Control Technology.

(b) Ventura County APCD is subject to more stringent State/Federal emission offset threshold due to their ozone nonattainment classifications.

1.6 Mandates

The proposed revisions must adhere to a number of State and Federal requirements. The most important requirements are discussed below.

California Health & Safety Code Section 40918

The District is classified as Moderate nonattainment for the State 8-hour ozone standard. California Health & Safety Code Section 40918 requires the District to implement Best Available Control Technology for all new or modified stationary sources that have a Potential to Emit 25 pounds per day or more of any nonattainment pollutant and no net increase in emissions of nonattainment pollutants from all sources with a potential to emit more than 25 tons per year.

Senate Bill 288

Senate Bill 288, the Protect California Air Act of 2003[1], prohibits Districts from amending their New Source Review (NSR) programs to be less stringent than it was as of December 30, 2002.

However, SB 288 has provisions that allow for a district to make changes to their NSR rules to be less stringent under any one of the following circumstances:

[1] See http://www.arb.ca.gov/nsr/sb288/sb288detail.htm. H&SC Section 42500.

- Replacing a rule that causes a risk to public health or safety with a new rule that provides greater public protection.

- Replacing a rule that proves to be unworkable due to engineering or other technical problems with a rule that is effective.

- Amending a rule to relieve a business or source category of substantial hardship. The rule amendment must be very narrowly tailored to relieve the specific hardship. Also, the district is responsible for offsetting any emission increases that result.

- Adopting a temporary rule that is needed to respond to an emergency to prevent or mitigate loss or damage to life, health, property, or essential services.

- Rule changes are allowed for areas that attain all national ambient air quality standards under the following conditions:

    - The changes will not impair maintenance of those standards, and

    - The changes will not impair progress toward attaining State ambient air quality standards.

For all of the specific circumstances listed above, the rule changes cannot exempt or reduce the obligation of a major stationary source to obtain a permit or to meet California Best Available Control Technology requirements. In addition, the rule changes must be consistent with any environmental justice guidance approved by the California Air Resources Board.

Of the above, the fifth bullet (areas that attain all national ambient air quality standards) applies to our case. The District meets all federal air standards, the changes we propose will not impair maintenance of those standards and the changes will not impair progress towards attaining the state standards.

Despite the fact that the District meets the criteria to relax our rules, the District has chosen to prove that the proposed rules are equivalent to the NSR rules that were in effect on December 30, 2002. For such equivalency determinations, the Air Resources Board has developed guidance for Districts to follow. Specific to our proposed amendments, revisions to offset programs are allowed if it can be shown that, *on a programmatic basis*, the revisions provide equivalent or better emissions reductions.

<u>Federal Minor Source NSR</u>

Air districts are mandated to maintain a federally approved Minor Source New Source Review permit program. Our current rules do not fully comply with the federal requirements and we have proposed a new Rule 809, Federal Minor Source New Source Review, to address this deficiency. EPA requirements for a Federal Minor Source New Source Review permit program are detailed in 40 CFR part 51, Subpart I – Review of New Sources and Modifications, Sections 51.160-164.

1.7 Public Review

The District has solicited for feedback on the proposed changes to both the Air Resources Board and the Environmental Protection Agency. The revisions, in their current form, have been approved by their staff.

The proposed revisions were publicly noticed on August 16, 2015 and two workshops were held in Santa Barbara and Santa Maria on September 17 and 18, 2015, respectively.

The District will be bringing the proposed changes to the Community Advisory Council (CAC) on December 9, 2015 so that all the changes can be fully vetted.

All public comments to date and the District's responses to such comments are shown in Attachments B and C, respectively.

1.8 California Environmental Quality Act (CEQA)

The proposed amendments to the District's NSR permitting program are intended to and expected to benefit public health and the environment. In particular, the proposed amendments will add new permitting requirements for $PM_{2.5}$ and will allow more permitting projects that reduce actual emissions to be fully approved. Notwithstanding these air quality benefits, the District is preparing an Environmental Impact Report (EIR) to evaluate whether the proposed amendments could cause any significant impacts as a result of the proposed rule amendment.

The Notice of Preparation was sent out in September and the Notice of Availability for the EIR will be sent out after the CAC process is completed. The final EIR will be a part of the Board adoption package for these amendments.

2. PROPOSED AMENDED RULES and NEW RULES

This Chapter describes the proposed amended rule revisions for Rules 102, 105, 202, 204, 801, 802, 803, 804, 805, 806 and 1301 as well as the new proposed Rule 809. We developed a series of tables for each proposed amended rule that details the changes made along with an explanation for each change. As one of the main changes was to move the requirements of Rule 803 into Rules 802, 804 and 805, the tables also contain cross references to show the reviewer where specific text was moved. These tables are located at the end of this Chapter. The sections below discuss the more relevant changes to the existing rules as well as the new rule.

2.1 Proposed Amended Rule 102. Definitions

See Table 2-1 below for specifics on all the proposed revisions to this rule. This proposed amended rule reflects the necessary revisions due to the changes to Regulation VIII.

A few of the notable changes include:

- The text related to baseline emission determinations in the definition of "Actual Emission Reductions" has been deleted because it is redundant to existing language in Rule 802.

- Added the definition for "Agricultural Operations" to clarify the revised exemption in Rule 202.

- The definition of "Baseline Air Quality," which was used for Air Quality Impact Analysis modeling, has been deleted as this term is no longer proposed for use in Rule 805.

- The definition of "Potential to Emit" has been revised to remove the term "federally," as EPA has noted that this is not required to ensure enforceability on limitations to a source's PTE.

- The definition of "$PM_{2.5}$" has been added.

- The definition of "Precursor" has been revised to include $PM_{2.5}$. Nitrogen Dioxide and Sulfur Dioxide were also re-added as secondary pollutants, which were inadvertently left out when the definition for precursor was transferred from Rule 201 to this rule in 1997.

This rule revision will be submitted to EPA for inclusion in the State Implementation Plan (SIP).

2.2 Proposed Amended Rule 105. Applicability

See Table 2-2 below for specifics on all the proposed revisions to this rule. This rule was added to the rule package after the workshop in response to a new EPA comment. As EPA was reviewing the District's entire New Source Review program to try and identify issues that would prevent incorporation into the SIP, it was noted that the District's rulebook contains numerous references to California Health and Safety Code. EPA commented that they cannot approve "hanging references" into the SIP as these state laws could be changed without EPA oversight, which would effectively change the SIP without EPA's approval.

One way to correct this issue is to follow every citation with "as it exists on date of adoption." However, there are a plethora (100+) of California Code references scattered throughout our entire rulebook. Many of these are already in rules that are SIP approved or pending approval. As this method can be quite burdensome, the District instead opted to add the necessary language to only one rule, Rule 105, which could be applied to the entire rulebook. The proposed language will satisfy EPA's concerns without requiring excessive rule changes and citations in each individual rule. This rule revision will be submitted to EPA for inclusion in the State Implementation Plan (SIP).

2.3 Proposed Amended Rule 202. Exemptions to Rule 201

See Table 2-3 below for specifics on all the proposed revisions to this rule. This rule was added to the rule package after the workshop in response to a new EPA comment. As EPA was reviewing the District's entire New Source Review program to try and identify issues that would prevent incorporation into the SIP, it was noted that the District needed to update its agricultural exemption language. Specifically, California Health and Safety Code Section 42310(e) contained the agricultural exemption, but the section was removed in 2003 per Senate Bill 700 (Florez).

There are two scenarios when an agricultural source requires a District permit. First, a permit is required if the source has a potential to emit that exceeds our Major Source thresholds. Second, would be for sources subject to SB 700, where the source has a potential to emit less than our major source thresholds, but whose actual emissions are 50 percent or greater of the major source threshold. Effective January 1, 2004, the District has been evaluating all agricultural sources in the County in accordance with this change to State law. This amendment purely codifies how the District implements the State's requirements into Rule 202. This rule revision will be submitted to EPA for inclusion in the State Implementation Plan (SIP).

2.4 Proposed Amended Rule 204. Applications

See Table 2-4 below for specifics on all the proposed revisions to this rule. This amendment is necessary since the rule currently references Rule 803, which is being repealed. Of note, Section E.3.b was revised for better clarity regarding the type of Best Available Control Technology review being referenced.

Rule 204 was originally a part of the SIP, but it was removed from the SIP in 2004 since it was, at the time, deemed an administrative rule by EPA. However, due to the federally

required updates to the minor source New Source Review provisions, Rule 204 is now required to be in the SIP to fully implement the program. This rule revision will be submitted to EPA for inclusion in the State Implementation Plan (SIP).

2.5 Proposed Amended Rule 801. New Source Review – Definitions and General Requirements

See Table 2-5 below for specifics on all the proposed revisions to this rule. The proposed amended rule begins with a change to the title to better reflect the purpose of this rule.

A few of the notable changes include:

- The text in Section B (Exemptions) was moved to Rule 802.
- The definition of "Ambient Air Quality Standards" was deleted here as it is already defined in Rule 102, Definitions.
- The definition of "Net Emissions Increase" was deleted. This definition is no longer required due to the proposed changes to Rules 802 and 803.
- The definitions of "Enforceable" and "Real" were added to provide clarity to the requirements for an Emission Reduction Credit.
- The definition of "Project" was amended due to the changes in the daily offset threshold and to adhere with SB 288 requirements. The District added additional language to prevent circumvention of applying BACT or AQIA to projects requesting usage or throughput increases if a facility waits longer than 12 months between applications.

This rule will not be submitted to EPA for inclusion in the State Implementation Plan (SIP) because proposed Rule 809 satisfies EPA's requirements for a Minor Source New Source Review rule. The April 17, 1997 version of this rule was submitted to EPA for inclusion in the SIP, but was never acted on by EPA. Hence, the 1997 rule will be withdrawn from SIP consideration.

2.6 Proposed Amended Rule 802. New Source Review

See Table 2-6 below for specifics on all the proposed revisions to this rule. The title of this rule was changed to reflect that it now covers both attainment and nonattainment pollutants. The requirements of Rule 803, our local Prevention of Significant Deterioration (PSD) rule, were merged into this rule. The rule was re-organized to flow better and to accommodate the bifurcation of Best Available Control Technology (BACT) requirements for both nonattainment and attainment pollutants. The District already has rules that address the specific requirements for offsets (Rule 804) and Air Quality Impact Analyses (AQIA) (Rule 805). Since Rule 802 contains many offset/AQIA (modeling) requirements, we moved those specific items to Rules 804 and 805, respectively. The main New Source Review (NSR) elements, such as thresholds and exemptions, are maintained in Rule 802. The net result is a set of rules that is easier to understand for both the regulated community

and District staff.

A few of the notable changes include:

- The term Net Emissions Increase (NEI) was replaced by Potential to Emit (PTE) throughout the rule.

- The exemption from NSR requirements will be moved from Rule 801 to Section B.1.

- The existing Health and Safety Code offset exemptions for demolition projects and mandated emission control projects will be moved from Rule 804 to Section B.4.

- A new offsets exemption for functionally equivalent replacements was added.

- New text exempting emergency standby generator/flood control/firewater pump engines from the offset requirements was added to Section B. This exemption reflects District practices for sources that do not otherwise exceed the offset thresholds. The proposed exemption will apply to all new emergency engines.

- BACT, Section D, was revised to address both nonattainment and attainment pollutants. The BACT thresholds were not changed except for carbon monoxide, which was reduced from 550 pounds per day to 500 pounds per day.

- $PM_{2.5}$ was added as an attainment pollutant to Tables 2, 4 and 5. A BACT/AQIA threshold of 55 pounds per day was implemented. See Chapter 3 for more discussion on this item.

- Offsets, Section E, was revised to address the proposed new PTE-based offset thresholds as well as retaining the existing Rule 803 daily attainment pollutant offsets threshold in Table 3. Offsets are required if the post project stationary source PTE exceeds the threshold(s) in Table 3. For projects at stationary sources already above the threshold, offsets are required to mitigate the PTE for any new modification. The project's emission increases must be offset. There is no netting out if the post project PTE exceeds the offset threshold. If the post project stationary source PTE exceeds the threshold(s) in Table 3 for the first time, then only that amount of PTE above the threshold is required to be offset. All offset mitigation is determined per the requirements of Rule 804. All mitigation must be qualified under the procedures of Rule 806. See Chapter 3 for more discussion on this item.

- Old Section E.2 was deleted as it only applies to projects that trigger Federal PSD review, which is now covered by Rule 810.

- The offset zone and ratio requirements of Section E.4 are replaced by the new provisions in Rule 804, Sections D.8 – D.10. See Chapter 3 for more discussion of

this item.

- Section F.1, Calculations, was deleted as it is redundant to the Rule 102 definition of "Potential to Emit."

- Section F.2, Baseline Calculations, was moved to Rule 804, Section E.

- The AQIA requirement of Rules 802 and 803 have been merged into Sections F and G of this rule.

- Section G monitoring exemption that only applied to projects that triggered Federal PSD review was deleted, as it is now covered by Rule 810.

- Section I noticing requirements were revised to clarify that it applies to Authority to Construct applications. EPA references are deleted as this rule will not be part of the SIP.

- Section I.1.b.5 (electronic notifications) clarifies actual District practice and reflects current technological advances.

This rule will not be submitted to EPA for inclusion in the State Implementation Plan (SIP) because proposed Rule 809 satisfies EPA's requirements for a Minor Source NSR rule. The April 17, 1997 version of this rule was submitted to EPA for inclusion in the SIP, but was never acted on by EPA. As we attain all federal ambient air quality standards, there is no need to maintain a federal nonattainment rule in the SIP. Hence, the 1997 rule will be withdrawn from SIP consideration.

2.7 Repeal of Rule 803. Prevention of Significant Deterioration

See Table 2-7 below for specifics on all the proposed revisions to this rule. The requirements of this rule, our local Prevention of Significant Deterioration rule, would be merged into Rule 802, Rule 804 and Rule 805. The goal is to consolidate and simplify the New Source Review rule requirements. We therefore propose to repeal Rule 803.

The April 17, 1997 version of this rule was submitted to EPA for inclusion in the State Implementation Plan (SIP), however the District has already requested to withdraw the rule from SIP consideration due to the recently adopted Rule 810, Federal Prevention of Significant Deterioration. No further SIP action is needed for this repeal.

2.8 Proposed Amended Rule 804. Offsets

See Table 2-8 below for specifics on all the proposed revisions to this rule. The title of this rule was changed to be clearer. This is an existing rule that addressed offset requirements. With the consolidation of Rule 803 into Rule 802, it makes sense to move over the non-threshold offset requirements to this rule. This will provide better clarity and organization of the offset requirements.

A few of the notable changes include:

- Section D.1 was revised to change the Emission Reduction Credit (ERC) requirement from a quarterly to an annual basis. A few facilities have unique operating schedules where they can't predict which quarter they will be operating in. Under the quarterly provisions, these facilities would have to provide 4 times the amount of ERCs to account for operational flexibility, which is absurd. We foresee no measurable impact to our air quality by making the change to an annual offset basis. More importantly, our Clean Air Plan uses annual emissions inventories, not quarterly, and we are maintaining a daily offsets threshold.

- Section D.3 regarding inter-District offsets was deleted as Section D.10 now addresses this item.

- Section D.5 regarding inter-pollutant offsets was revised and reorganized to read better. The approval process was revised to make the District the final authority in approving the offsets (required since this rule will not be included in the SIP).

- Section D.6 text regarding EPA and SIP submittals was deleted since this rule will not be included in the SIP.

- Existing Section D.8 regarding Health and Safety Code (H&SC) offset exemptions was moved to Rule 802.B.

- Section D.8 establishes a new offset ratio for reductions used as mitigation at the same stationary source where the Authority to Construct (ATC) permitted emission increase is occurring. The ratio of 1.1:1 is proposed.

- Section D.9 establishes a new offset ratio for reductions used as mitigation at areas in the County that are not from the same stationary source where the ATC permitted emission increase is occurring. The ratio of 1.3:1 is proposed.

- Section D.10 provides the necessary rule language required to implement H&SC Section 40709.6 for inter-district offset trades between our district and Ventura and San Luis Obispo districts. Before any trade can be granted, both district boards must make the required H&SC findings. A minimum offset ratio of 1.5:1 is established. Higher ratios may be required depending upon case specific parameters.

This rule will not be submitted to EPA for inclusion in the State Implementation Plan (SIP) because proposed Rule 809 satisfies EPA's requirements for a Minor Source New Source Review rule. The April 17, 1997 version of this rule was submitted to EPA for inclusion in the SIP, but was never acted on by EPA. As we have attained all federal ambient air quality standards, there is no need to include this rule in the SIP. Hence, the 1997 rule will be withdrawn from SIP consideration.

2.9 Proposed Amended Rule 805. Air Quality Impact Analysis, Modeling, Monitoring, and Air Quality Increment Consumption

See Table 2-9 below for specifics on all the proposed revisions to this rule. The title of this rule was changed to address the actual scope of the rule. This is an existing rule that addressed air quality impact analysis and modeling requirements. With the consolidation of Rule 803 into Rule 802, it makes sense to move over the procedural AQIA, modeling, monitoring and increment requirements to this rule. This will provide better clarity and organization for these requirements.

A few of the notable changes include:

- Section A, Applicability, will be revised to clarify that new major sources or major modifications of existing major sources (i.e., federal projects) must also comply with Rule 810.

- Section C, Definitions, will be revised to delete the term "excessive pollutant concentrations" since the term is no longer necessary and to move the term "Effective Stack Height" to Rule 102, as the definition will also be used in Rule 809.

- Section D.1 will be revised to clarify the modeling techniques used and to delete the cost reimbursement reference as Rule 210 already addresses the procedures for collecting cost reimbursement fees for this work.

- The Class I area requirement from Rule 803 will be moved to Section E of this rule.

- The ambient air quality standard increment requirements of Rule 803.I.1 will be moved to Section F.1 of this rule. The second sentence will be deleted since it no longer applies. The third sentence will be deleted as part of the effort to simplify the process since this rule will not be part of the SIP.

- The increment requirements of Rule 803.I.2 will be moved to Sections F.2 and F.3 of this rule. Section F.3 will be streamlined to limit the options for addressing mitigation when handling increment ranges. This action reflects actual District practice since these provisions were added to the rules back in the 1980s.

- The baseline dates referenced in Section F.3 and in Table 1 will be deleted. Baseline dates are a federal Prevention of Significant Deterioration requirement that define how the increment is calculated and when additional sources must be added to the modeling analyses. It results in a far more complex modeling exercise. Instead, we are proposing to use actual monitored background data in the required modeling analyses, which will provide a more accurate analysis and a less time consuming process. The actual monitored baseline data will be measured by the District or from applicant installed pre-construction monitors. This will streamline the process and reflects actual practice over the years for non-major source projects.

- Table 1 was renamed from "Air Quality Increments" to "Air Quality Standards and Increments" to better reflect its purpose. The air quality standards and increments were updated to reflect changes to both State and Federal standards. The $PM_{2.5}$ standards and increments were added to the table.

- Section H title was revised from "Requirements - Administration" to "Requirements - Air Quality Increment Analysis" to better reflect the purpose of the section.

This rule will not be submitted to EPA for inclusion in the State Implementation Plan (SIP) because proposed Rule 809 satisfies EPA's requirements for a Minor Source New Source Review rule. The April 17, 1997 version of this rule was submitted to EPA for inclusion in the SIP, but was never acted on by EPA. As we have attained all federal ambient air quality standards, and so there is no longer a need to include this rule in the SIP. Hence, the 1997 rule will be withdrawn from SIP consideration.

2.10 Proposed Amended Rule 806. Emission Reduction Credits

See Table 2-10 below for specifics on all the proposed revisions to this rule. This is an existing rule that addresses the application requirements and banking procedures for Emission Reduction Credits.

A few of the notable changes include:

- Section D.7.b.1 was revised to add the Standard Industrial Classification code for National Aeronautics and Space Administration (NASA) operations (*government space research and technology*) within the single Vandenberg Air Force Base (VAFB) stationary source designation. This clarifies the original rule text to ensure that NASA operations are included under this rule provision. NASA operations are included in the single VAFB stationary source.

- Section G was revised to remove the reference to offset "zones" as this is being removed from the offset program.

- Section H.2 is being revised to eliminate the automatic termination of a certificate. The District will notify the certificate owner and allow them 60 days to provide their application. If the owner does not reply, then the certificate may be cancelled.

This rule will not be submitted to EPA for inclusion in the State Implementation Plan (SIP) because proposed Rule 809 satisfies EPA's requirements for a Minor Source New Source Review rule. The April 17, 1997 version of this rule was submitted to EPA for inclusion in the SIP, but was never acted on by EPA. As we have attained all federal ambient air quality standards, there is no need to include this rule in the SIP. Hence, the 1997 rule will be withdrawn from SIP consideration.

2.11 Proposed Rule 809. Federal Minor Source New Source Review

The proposed rule was developed in response to EPA's mandate that we have an approvable Federal Minor Source New Source Review (NSR) permit program. EPA was recently informed by their headquarters that California air districts did not meet the minimum requirements for a Federally-approvable Minor Source NSR permit program, as codified in the federal regulations at 40 CFR part 51, Subpart I – Review of New Sources and Modifications. Sections 51.160-164 are considered the general provisions for a permit program and constitute the requirements for a Minor Source NSR program.

A Minor Source NSR permit program is required to contain the following elements:

- Requirement to obtain an Authority to Construct prior to construction.
- Requirement to obtain a permit, which must apply to all pollutants subject to a National Ambient Air Quality Standard (NAAQS).
- Requires the District to determine that the stationary source will comply with all State Implementation Plan (SIP) rules.
- Requires a determination by the District that the source will not interfere with ability to attain or maintain the NAAQS.
- Requires public noticing for permits at appropriate thresholds.
- Have a statement that the issuance of the permit does not relieve a permit holder from the obligation to comply with all other applicable regulations.
- Requirement to pay permit fees.
- Requirement to maintain records to verify compliance.

Our agency reviewed our rules and concur that, although we had many of the components required by EPA, additional rule fixes were necessary. One of the options EPA presented to us was to create a stand-alone rule. Such an approach has benefits, the main one being limiting the number of rules submitted to EPA for inclusion into the SIP.

Proposed Rule 809 satisfies all of EPA's requirements and does not add any substantially new requirements to our rule set. The changes include revising the carbon monoxide Best Available Control Technology threshold from 550 lbs/day to 500 lbs/day, adding $PM_{2.5}$ as a regulated pollutant, and addressing the public noticing requirements. To simplify the permit process for the regulated community and to ease the workload of District staff, the District has incorporated these changes into Rules 801-806 as well. Thus, compliance with Rules 801-806 will ensure compliance with all of the federal Minor Source NSR requirements in Rule 809.

The District has determined that using the already established thresholds from Rules 801-806 for Rule 809 will not interfere with the ability to maintain the NAAQS. The District is

confident in this assessment because our current program continues to meet or exceed all NAAQS. As for $PM_{2.5}$, the 55 lbs/day threshold was chosen because it is equivalent to the 10 tons/year significant emission rate for $PM_{2.5}$, as established by EPA. Hence, a $PM_{2.5}$ emission rate of less than 55 lbs/day is less than significant and will not interfere with the ability to maintain the $PM_{2.5}$ NAAQS.

This rule will be submitted to EPA for inclusion in the SIP along with a few other District rules that are needed in order to implement proposed Rule 809. See Section 2-13 for more details.

2.12 Proposed Amended Rule 1301. Part 70 Operating Permits – General Information

See Table 2-11 below for specifics on all the proposed revisions to this rule. This is an existing rule that addresses the general requirements for Title V (Major) Sources of Air Pollution.

A few of the notable changes include:

- The definition of "Net Emission Increase", which references the Regulation VIII definition, has been deleted. All calculations in this rule will rely on EPA's definition of Net Emission Increase, as defined in 40 CFR Part 51 and Part 52.

- The definition of "Significant Part 70 Permit Modification" was modified so that it references the broader Regulation VIII requirements rather than specific, outdated subsections.

- The definition of a "Title I Modification" was updated to include the applicable $PM_{2.5}$ significance thresholds, as listed in 40 CFR §51.166.

This rule revision will not be submitted to EPA for inclusion in the State Implementation Plan (SIP) because the rule is a part of the approved Part 70 Program, which is not required to be a part of the SIP.

2.13 State Implementation Plan (SIP) – Actions Needed

As previously stated in Section 2.11, proposed Rule 809 will meet EPA's requirements for a Federal Minor Source NSR program and it must be submitted to the SIP. With Rule 809 in the SIP and since the District attains all National Ambient Air Quality Standards, Rules 801-806 will no longer be required in the SIP. All previous submittals for those aforementioned rules can be withdrawn.

However, Rule 809 also relies on a few other rules in the District's rulebook, such as Rules 201-206, to be able to fully implement the program. These Regulation II rules must be SIP approved as well, but some of them have already been submitted. To summarize the SIP requirements in one place, Table 2-12 presents the District's analysis of the actions that need to be taken.

Table 2-1. Rule 102, Definitions

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	102	Same	Revised the definition of "*Actual Emission Reductions*." Changed the reference for this definition from Rule 802.F.2 to Rule 804.E and delete the rest of the text. The deleted text is redundant to existing text in Rules 802.F.2 and 803.J.2. Eliminated the text in the Rule 102 "*Actual Emission Reductions*" definition and Rule 803.J.2 and rely on the Rule 802.F.2 text (proposed to be relocated to Rule 804.E.)
2)	--	102	Added "$PM_{2.5}$" to the definition of "Affected Pollutant" for additional clarification.
3)	--	102	Added the definition "Agricultural Operations" to clarify the revision to the permit exemption in Rule 202.
4)	--	102	Added the definition "Air pollutant" to mean "Affected Pollutant" for additional clarification in Rule 809.
5)	102	--	Deleted the definition of "*Baseline Air Quality*." This definition is no longer required due to the changes to Rule 803 and Rule 805.
6)	102	Same	Revised the definition of "Best Available Control Technology." Revise the references in this definition to Rule 802.D.2 and Rule 802.D.3.
7)	805.C	102	Moved the definition of "Effective Stack Height" to Rule 102. This term appears in Rule 805 as well as the proposed Rule 809.
8)	--	102	Added the definition "$PM_{2.5}$" since the pollutant is being regulated in Rules 802, 805, and 809.
9)	102	Same	Revised the definition of "Potential to Emit" to remove the term "federally," as EPA has noted that this is not required to ensure enforceability on limitations to a source's PTE.
10)	102	Same	Revised the definition of "Precursor" to address the addition of $PM_{2.5}$ to Rules 802, 805 and 809. Nitrogen Dioxide and Sulfur Dioxide were also re-added as secondary pollutants, which were inadvertently left out when the definition for precursor was transferred from Rule 201 to this rule in 1997.

Table 2-2. Rule 105, Applicability

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	--	105	Added new language such that any references to California law that are contained in the District's rulebook are incorporated as of the date of adoption or most recent amendment of the specified rule.

Table 2-3. Rule 202, Exemptions to Rule 201

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	202.D.3	Same	Removed the outdated reference to California Health and Safety Code Section 42310 and replaced it with the revised SB 700 agricultural exemption.
2)	202.D.6	Same	Removed the reference to NEI in the De Minimis exemption. Replaced language with PTE since NEI methodology is no longer being used.
3)	202.D.7	Same	Corrected the reference to California Code of Regulations. Proper section is 95320, not 93420.
4)	202.D.18	--	This exemption was already covered in the old D.3 language, as it is from CH&S 42310(a)(2) and (3). The language is now directly listed in our rule for clarity.

Table 2-4. Rule 204, Applications

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	204.E.3.b	same	Revised the reference from Rule 803 to Rule 802.

Table 2-5. Rule 801, New Source Review – Definitions and General Requirements

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	Title	Same	Changed the title from "*New Source Review*" to "*New Source Review - Definitions and General Requirements*." The title change is to make it more descriptive of the provisions the rule contains.
2)	801.B	802.B.1	This exemption section is being moved as Rule 802.B, Exemptions, is the new location for the Reg. VIII exemptions
3)	801.C	--	Deleted the term *"Ambient Air Quality Standards"* since it is already defined in Rule 102 (Definitions)
4)	--	801.C	Added new definitions for "*real*" and "*enforceable"* to clarify the existing ERC banking terminology.
5)	801.C	--	Deleted the "*Net Emissions Increase*" definition. The definition will no longer be needed because the revised Reg. VIII provisions are based on "*Potential to Emit*" (PTE). Rule 102 already includes a definition of PTE.
6)	801.C	Same	Revised the "*Project*" definition. Due to the changes in the daily offset threshold and to adhere with SB 288 requirements, the District added additional language to prevent circumvention of applying BACT or AQIA to projects requesting usage or throughput increases if a facility waits longer than 12 months between applications.
7)	801.D.1.b	Same	Replaced text "owner or operator" with "applicant" throughout the regulation.
8)	801.E.2.d	Same	Deleted vague language
9)	--	801.F	New text that ensures that applicants comply with all regulatory requirements

Table 2-6. Rule 802, New Source Review

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	Title	Same	Changed the title from "*Nonattainment Review*" to "*New Source Review*." This was necessitated by the merging of Rule 803 requirements into this rule.
2)	802.A	Same	Changed the reference from *Nonattainment* to *New Source*. Strikeout *national primary* before *ambient air quality standard*. Add *and without interfering with the protection of areas designated attainment or unclassifiable*. Portions of the Rule 803.A provisions are being transferred into Rule 802.A. Removed the reference to Rule 801 and added the same applicability text here.
3)	--	802.B	Created new Section B. Consolidates the exemption requirements from Rule 801.B and Rule 804.D.8. Adds new exemptions.
4)	801.B.1	802.B.1	The Rule 801.B exemption is being relocated here. Revised the word "Regulation" to "rule" due to the change in the structure of the regulation.
5)	--	802.B.2	This is a new offsets exemption for qualifying equivalent equipment replacements. This exemption makes equipment replacements and modernizations easier and results in cleaner air by the use of Best Available Control Technology.
6)	804.D.8	802.B.3	The Rule 804.D.8 offsets exemption is being relocated here with minor text edits for rule clarity and consistency.
7)	--	802.B.4	This offsets exemption for emergency electrical generator, flood control, and firewater pump engines reflects actual District practice since 2005 that applied to most sources and now will apply to all sources. Prior to 2005, all engines powering emergency generators, flood control pumps, and firewater pumps were exempt from permit.
8)	--	802.C	This new section, Definitions, was added to keep in line with standard rule format/structure.
9)	802.C	802.D	Renumbering
10)	802.C.1	802.D.1	Consolidates the BACT requirements of Rule 802 and 803. The separate nonattainment and attainment provisions are maintained. Text changes are made for clarity. No changes to existing BACT thresholds are proposed. Added a new $PM_{2.5}$ threshold.
11)	802.C.2	802.D.2	The amended text, which defines BACT for nonattainment pollutants, was reworded for improved rule clarity.
12)	803.D.2	802.D.3	This section was moved from Rule 803.D.2. The amended text, which defines BACT for attainment pollutants, was reworded for improved rule clarity.
13)	803.D	802.D.4	Section D.1 now contains the general attainment BACT threshold. This section retains the BACT provision for sources located within 10 kilometers of a Class I area.
14)	802.E	802.E	Revised the section title. Added word "*thresholds*" to make it clear that this is what the section addresses. Offsets requirements are moved to Rule 804. Deleted the text

#	Current Rule/Section	New Rule/Section	Proposed Changes
			"*Emissions*" from the title for clarity. Consolidated Rule 803 offsets threshold into this section. Changed the term "owner/operator" to "applicant" throughout the rule.
15)	802.E.1	802.E	Revised the offset thresholds for nonattainment pollutants from a NEI-based calculation of 55 lbs/day and 10 tpy (80 lbs/day and 15 tpy for PM10) to 25 tpy (PTE-based calculation). This aligns our offset thresholds to the State mandated levels and eliminates the District's alternative offsets program that was established in 1997. The daily Rule 803 offset threshold of 240 lbs/day is retained and consolidated into this section. Text was revised to reflect the changes and for clarity. Requires all emission increases at sources with a PTE over 25 tpy or 240 lbs/day to be mitigated according to the requirements of Rule 804. $PM_{2.5}$ is not added to the offset requirements as it is a component of PM_{10}, which is already covered by this section. Revised the CO threshold to be consistent with Proposed Amended Rule (PAR) 809 requirements.
16)	802.E.2	804.D.1	Relocated to Rule 804.D.1.
17)	802.E.3	804.D.7	Relocated to Rule 804.D.7
18)	802.E.4	804.D.8 804.D.9 804.D.10	Section E.4 is being replaced by those found in Rule 804.D.8, D.9, and D.10.
19)	802.F	--	This section is being deleted since all of its subsections have been moved or deleted.
20)	802.F.1	--	Section F.1 text, "*Requirements - Calculations*" is being deleted as it is redundant to the Rule 102 definition of "*Potential to Emit*."
21)	802.F.2	804.E	Section F.2 has moved to Rule 804.E
22)	802.D	802.F	The AQIA requirements in Rule 802.D are being relocated within Rule 802 and assigned the section letter "F." Added the word "thresholds" to the title.
23)	802.D.1 803.F.1	802.F.1	The subsection title "Thresholds" is deleted because it now appears in the Section F title. A portion of Rule 803.F.1 is being integrated into Rule 802.F.1. Text changes make the AQIA thresholds applicable to any pollutant (rather than just nonattainment pollutants), and adds a requirement that the AQIA be conducted consistent with Rule 805. Other text changes to the first paragraph are made for improved rule clarity.
24)	802.D.1 803.D.1	802.F.1	Table 2 is being renumbered as Table 4. Combined the existing nonattainment values from this table with the required AQIA values for attainment pollutants in the previous Table 1 of Rule 803. Deleted text for clarity. Added a new $PM_{2.5}$ threshold and revised the CO threshold to be consistent with Table 2 changes.
25)	802.D.2	--	Section is deleted. This language is redundant with Rule 810 requirements.
26)	803.F.2	802.F.2	Text is relocated from Rule 803. The text is being changed from "*emits in its entirety*" to "*has the potential to emit*." The references to the sections on air quality models and AQIAs are being updated.
27)	803.G	802.G	Section G from Rule 803 is moved into this new Section G of Rule 802.

#	Current Rule/Section	New Rule/Section	Proposed Changes
28)	803.G.1	802.G.1 802.G.2 802.G.3	Rule 803.G.1 is being relocated and distributed into sections G.1, G.2, and G.3. The Rule 803.G.1 provisions were split out into new Subsections 2 and 3. The Rule 802.G.1 criteria is being changed from "net emissions increase" to "potential to emit." The table reference was updated. The text related to major sources was deleted as this is now covered by Rule 810. Additional text changes were made to improve rule clarity. Table 2 is being renumbered as Table 5 and the rule title is being changed to be "*Attainment Pollutant Monitoring Thresholds*." Added $PM_{2.5}$ to the table.
29)	803.G.2	802.G.4	Rule 803.G.2 is being relocated to Rule 802.G.4. This provision is being simplified, condensed, and broken out into paragraphs to improve rule clarity.
30)	803.H	802.H	Rule 803.H is being relocated to Rule 802.H. The criteria is being changed from "*emits in its entirety*" to "*with a potential to emit*." The reference to Table 2 is changed to be Table 5. Additional text edits were made to improve rule clarity.
31)	802.I	Same	Added clarification that all public hearings require at least a 30 day public notice.
32)	802.G	802.I	Changed from section G to section I.
33)	802.G.1	802.I.1	The revisions to this section clarifies District practice that these requirements apply to ATC applications. EPA references are deleted as this rule is not being submitted to the SIP. The text has been reworded to be more straight-forward. Text edits were made to improve rule clarification.
34)	803.K.6	802.I.1.b.5	The words "*appropriate party*" are being struck out and replaced with "*applicant, Air Resources Board, adjoining air pollution control districts, and any person who has made a written request to be notified of the final decision*." Staff also added a sentence indicating that the notification may be made electronically.
35)	802.G.2	802.I.2	Minor text edits made.
36)	802.G.3	802.I.3	The two relevant changes were deletion of the word "*federally*" before "*enforceability*" and deletion of "*have been or will likely be complied with by any dates specified*." On the first deletion, EPA has indicated it is not necessary to indicate "*federally*" enforceable because ATC conditions that are enforceable as a practical matter are sufficient. The other text deletion removes the "*will likely be complied with"* clause. As part of the permitting process, staff confirm that the owner/operator has complied with all ATC conditions before issuing a PTO.
37)	802.G.5	--	Deleted this section as this rule will not be submitted to EPA for inclusion in the SIP. See Rule 809 and Rule 810 for federal permitting rules submitted for SIP approval.
38)	--	802.I.5	Added in language to track the equipment replacement offset exemption to satisfy one of the Air Resources Board's concerns.

Table 2-7. Rule 803, Prevention of Significant Deterioration

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	803	--	Delete entire rule and move content to Rules 802, 804 and 805. Rule 802 and Rule 803 both regulate the permitting of new or modified stationary sources. We are consolidating the provisions into Rule 802 to simplify the permitting process. We are also expanding Rule 804 and Rule 805 to include the specific requirements related to offsets and Air Quality Impact Analyses, respectively. Rule 803 was originally developed to address Federal PSD requirements. The District has subsequently adopted Rule 810, Federal PSD, and therefore Rule 803 is no longer required as an EPA SIP rule. However, the provisions of Rule 803 are still required due to the SB 288. Combining these requirements with Rules 802, 804 and 805 simplifies the permitting process. Further, numerous requirements in Rule 803 are redundant to our existing rules (e.g., Rule 810) and are being deleted and/or modified.
2)	803.A	802.A	Rule 802.A is being modified to include attainment and nonattainment review. The scope of applicability in Rule 805.A is being expanded to include monitoring and consumption of an air quality increment.
3)	803.B.1	--	The District does not issue permits for such operations. Hence, there is no need for this exemption.
4)	803.C	--	This section is being deleted. There are no definitions to move.
5)	803.D.1	802.D.1	Table 1 is relocated to Rule 802.D.1 as Table 2.
6)	803.D.2	802.D.3	Relocated to Rule 802.
7)	803.E.1.a	--	Rule 803.E.1.a is being deleted because it is similar to Rule 804.D.1.
8)	803.E.1.b	802.E	Rule 803.E.1.b is being integrated into Rule 802.E, Table 3 as “Attainment pollutants (except carbon monoxide).”
9)	803.E.2	804.D.8-10	Deleted provisions are being replaced by those found in Rule 804.D.8, D.9, and D.10. See related item in Rule 804 changes table.
10)	803.F.1	802.F.1	This provision are being integrated into proposed amended Rule 802.F.1 with text amendments.
11)	803.F.2	802.F.2	This is relocated to proposed amended Rule 802.F.2 with text amendments.
12)	803.F.3	805.E	Rule 805.E is a new Section entitled, "Requirements - Air Quality Impact Analysis: Class I Area."
13)	803.G.1	802.G.1 - 3	Relocated to Rule 802.
14)	803.G.2	802.G.4	Relocated to Rule 802.
15)	803.H	802.H	Relocated to Rule 802.
16)	803.I	805.F	Relocated to proposed amended Rule 805.F with amended text.

#	Current Rule/Section	New Rule/Section	Proposed Changes
17)	803.J	805.G	Relocated to proposed amended Rule 805.G. Section J.3 is deleted since it is redundant to Rule 804 requirements regarding offset calculations.
18)	803.K.1	805.H	The following is being transferred to proposed amended Rule 805.H
19)	803.K.2	--	Deleted. Is redundant to Rule 810 requirements for federal PSD sources
20)	803.K.3	--	Deleted. The provisions are generally redundant to those found in proposed amended Rule 805.D.1
21)	803.K.4	--	Deleted. The provision is being deleted as it is redundant to Rule 810 requirements for federal PSD sources and Rule 802.I.1
22)	803.K.5	--	Deleted. The provisions are generally redundant to those in proposed amended Rule 802.I.1.
23)	803.K.6	--	Deleted. The provisions are generally redundant to those in proposed amended Rule 802.I.1.
24)	803.K.7	--	Deleted. The following is being deleted as it is redundant to Rule 810 requirements for federal PSD sources.
25)	803.K.8	--	Deleted. The following is being deleted because Health and Safety Code Section 42302.1 defines the appeal method.
26)	803.K.9	--	Deleted. The provisions are generally redundant to those in proposed amended Rule 802.I.1.
27)	803.K.10	--	Deleted. The provisions are generally redundant to those in proposed amended Rule 802.I.1.
28)	803.K.11	--	Deleted. The provisions are redundant to those in proposed amended Rule 804.D.6.
29)	803.K.12	--	Deleted. The provisions are redundant to those in proposed amended Rule 801.E.2.c.

Table 2-8. Rule 804, Offsets

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	Title	Same	Revised the title to the more widely used term “Offsets”
2)	804.A	Same	Clarified that the scope of the rule includes those required to obtain offsets and those creating/selling ERCs. Other minor text edits to improve rule clarity were also made.
3)	804.D.1	Same	Delete the existing paragraph and replace with modified Rule 802.E.2 text. Emission reductions are being changed from *average quarterly* to *average annual*. Revised the text to clarify that the PTE of the project must be offset, consistent with the changes proposed to Rule 802.
4)	804.D.2	Same	Added the word "real" before "surplus."
5)	804.D.3	--	This section is being deleted because proposed Rule 804.D.10 provisions allow emission offsets to be in Ventura County and in San Luis Obispo County. Subsequent subsections numbers are reduced by one increment.
6)	804.D.4	804.D.3	Renumbered. Moved ROC requirement from current rule 804.D.6 into this section since they reference similar requirements.
7)	804.D.5	804.D.4	Renumbered
8)	804.D.6	804.D.5	Renumbered “Precursor” text was deleted as it is defined in Rule 102. Text was moved around to 804.D.3 and paragraph "a" was created to improve rule readability and rule clarity. EPA approval was deleted as this rule will not be submitted for inclusion in the SIP.
9)	804.D.7	804.D.6	Text requiring EPA and ARB approval was deleted as this rule will not be submitted for inclusion in the SIP.
10)	804.D.8	802.B.4	This offsets exemption language is being moved to Rule 802 where all offset exemptions are being consolidated.
11)	802.E.3	804.D.7	The District is putting in an exception on emission reductions used as offsets occurring at the same time or before the emission increase from the project. This exception is in existing Rule 802.G.3.a.3 (PAR 802.I.3.a.3) and allows the APCO to grant up to 90 days as a start-up period for simultaneous operations.
12)	--	804.D.8	The Rule 802.E.4 and Rule 803.E.2 provisions are being replaced by the provisions in Rule 804.D.8 - D10. Rule 804.D.8 is new and requires an owner/operator to provide emission reductions at the same stationary source at a ratio of 1.1 to 1. This revision replaces the current trading zones concept.
13)	--	804.D.9	The Rule 802.E.4 and Rule 803.E.2 provisions are being replaced by the provisions in Rule 804.D.8 - D10. Rule 804.D.9 is new and requires an owner/operator to provide emission reductions not located at the same stationary source but located in Santa Barbara County at a ratio of 1.3 to 1. This revision replaces the current trading zones concept.

#	Current Rule/Section	New Rule/Section	Proposed Changes
14)	--	804.D.10	The Rule 802.E.4 and Rule 803.E.2 provisions are being replaced by the provisions in Rule 804.D.8 - D10. Rule 804.D.10 is new and integrates the Health and Safety Code Section 40790.6 provisions with a minimum ratio of 1.5 to 1.
15)	802.F.2 803.J.2	804.E	Rule 802.F.2 text is also similar to the Rule 803.J.2 text. Staff added a Section title and made some of the text lower case for consistency.

Table 2-9. Rule 805, Air Quality Impact Analysis, and Modeling, Monitoring, and Air Quality Increment Consumption

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	Title	Same	Updated the title to better reflect the content of the revised rule.
2)	805.A	Same	Portions of Rule 803.A provisions are being transferred into Rule 805.A. The provision is being expanded to apply to sources that require monitoring and an air quality increment analysis. Included text that makes it clear that projects subject to Federal PSD must also comply with Rule 810.
3)	805.C	Same	The lead-in text is being modified per our standard practices.
4)	805.C	102	The definition "Effective Stack Height" was moved to Rule 102 to be consolidated because the term also appears in proposed Rule 809.
5)	805.D.1	Same	Revised to reflect actual District practice and EPA's guidance for estimating pollutant concentrations. The last sentence is being deleted because it is redundant to provisions in Rule 210, Fees. Deleted reference to EPA since this rule will not be submitted for SIP inclusion.
6)	803.F.3	805.E	Rule 805.E is a new section entitled, "Requirements - Air Quality Impact Analysis: Class I Area." That was in Rule 803.
7)	803.I	805.F	Table 3 was renumbered as Table 1. Section F.1 text was deleted to reflect actual District practice and to simplify the process. Table 1 was updated to reflect updates to both state and federal air quality standards. Since federal PSD projects are also subject to Rule 810, we are able to simplify the process under this rule by eliminating the complex procedures regarding baselines and have simplified the increment consumption options. These changes reflect our actual practice over the years for non-federal PSD projects. The mitigation language was also simplified to reflect the option used in practice over the years. $PM_{2.5}$ increments were added to Table 1.
8)	803.J	805.G	The section title is being revised to be more descriptive of the requirements contained in it. In Subsection 1, deleted the word "federally" before "enforceable." In Section 2, the text allowing the emissions from an existing source to be adjusted if there was a violation was modified by the deletion of the text "*to the operating conditions"* to make the process clearer. Section J.3 is deleted since it is redundant to Rule 804 requirements regarding offset calculations.
9)	803.K.1	805.H	Re-Titled "Requirements – Air Quality Increment Analysis." Section H text is deleted to reflect actual practice. The remainder of the rule language is redundant with other Regulation VIII text.

Table 2-10. Rule 806, Emission Reduction Credits

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	806.D.7.b	Same	Added text that clarified the original intent that these credits may be used for NASA activities operated under the VAFB stationary source. This does not apply to Commercial Space operations – these fall under a separate SIC
2)	806.F.5	Same	Added minor edits for additional clarity.
3)	806.G	Same	Revised to reflect changes to Rule 802 and Rule 804. Zones are being deleted.
4)	806.H	Same	Deletes the automatic termination of the certificate if the ERC holder fails to timely file a renewal application. The District has found that having this clause in the rule does not provide any benefit. The District will provide a 60 day notice to anyone that does not file a timely renewal, after which the certificate may be cancelled.
5)	806.J	Same	Added minor edits for additional clarity.

Table 2-11. Rule 1301, Part 70 Operating Permits – General Information

#	Current Rule/Section	New Rule/Section	Proposed Changes
1)	1301.C	--	Deleted the "*Net Emissions Increase*" definition. The definition will no longer be needed because the revised Reg. XIII provisions are based on EPA's definition of Net Emissions Increase.
2)	1301.C	Same	Amended the "*Significant Part 70 Permit Modification*" definition so that it references the broader Regulation VIII requirements rather than specific, outdated subsections.
3)	1301.C	Same	Amended the "*Title I (or Major) Modification*" definition so that it includes the $PM_{2.5}$ significance thresholds, as listed in 40 CFR §51.166.
4)	1301.C	Same	Added minor edits for additional clarity.
5)	1301.F	--	Deleted section "Effective Date of Rule" since it is unnecessary language.

Table 2-12. State Implementation Plan (SIP) – Actions Needed

Rule #	Rule Name	Version of Rule in SIP	Status	District Action Needed
102	Definitions	6/21/12	Rule is being updated in this proceeding.	PAR 102 will be submitted for SIP approval.
105	Applicability	7/30/91	Rule is being updated in this proceeding.	PAR 105 will be submitted for SIP approval.
201	Permits Required	7/2/79	The most recent version (6/19/08) is currently in EPA's SIP backlog.	None.
202	Exemptions to Rule 201	10/23/78	Rule is being updated in this proceeding. The 2012 version of the rule is currently in EPA's SIP backlog.	PAR 202 will be submitted for SIP approval. Request withdrawal of the 2012 rule for SIP consideration.
203	Transfer	10/23/78	The most recent version (4/17/97) is currently in EPA's SIP backlog.	None.
204	Applications	None	Rule is being updated in this proceeding.	PAR 204 will be submitted for SIP approval.
205	Standards for Granting Applications	7/2/79	The most recent version (4/17/97) is currently in EPA's SIP backlog.	None.
206	Conditional Approval of Authority to Construct or Permit to Operate	10/23/78	The most recent version (10/15/91) is currently in EPA's SIP backlog.	None.
801	New Source Review - Definitions and General Requirements	None	The 1997 version was submitted to the SIP, but not acted on. The rule is no longer required.	Request withdrawal of the 1997 rule for SIP consideration.
802	New Source Review	None	The 1997 version was submitted to the SIP, but not acted on. The rule is no longer required.	Request withdrawal of the 1997 rule for SIP consideration.
803	N/A (Previously "Prevention of Significant Deterioration")	None	The 1997 version was submitted to the SIP, but it was withdrawn in 2011 due to the submittal of Rule 810, Federal PSD.	None.

Rule #	Rule Name	Version of Rule in SIP	Status	District Action Needed
804	Offsets	None	The 1997 version was submitted to the SIP, but not acted on. The rule is no longer required.	Request withdrawal of the 1997 rule for SIP consideration.
805	Air Quality Impact Analysis, Modeling, Monitoring, and Air Quality Increment Consumption	None	The 1997 version was submitted to the SIP, but not acted on. The rule is no longer required.	Request withdrawal of the 1997 rule for SIP consideration.
806	Emission Reduction Credits	None	The 1997 version was submitted to the SIP, but not acted on. The rule is no longer required.	Request withdrawal of the 1997 rule for SIP consideration.
809	Federal Minor Source New Source Review	None	New rule that will satisfy EPA's mandate to have a Federal Minor Source NSR rule.	Rule 809 will be submitted for SIP approval.
1301	Part 70 Operating Permits – General Information	None	Not needed in the SIP. Part of the approved Part 70 permit program.	None.

Notes:

- EPA had approved Rule 210, Fees, into the SIP, but deleted it without replacement per 62 FR 34641 on June 27, 1997 due to being an administrative rule.
- EPA had approved Rule 204, Applications, Rule 207, Denial of Applications, Rule 208, Action on Applications – Time Limits, and Rule 209, Appeals, into the SIP, but deleted them without replacement per 69 FR 67062 on November 16, 2004 due to being administrative rules.

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3. DISCUSSION OF MAJOR CHANGES

This chapter addresses the major New Source Review (NSR) rule changes proposed by the District as they pertain to the requirements of Senate Bill 288. Analyses are presented to substantiate the findings necessary under SB 288 that the proposed revisions will not result in a relaxation of our NSR program. As discussed in Section 1.6, although we are not proposing to do so, the District may relax our NSR requirements if certain conditions are met. Chief among them is if the District attains all federal ambient air quality standards, which it does. Each section herein addresses the impacts of SB 288 and the last section provides an overall discussion and summary.

3.1 Text Revisions

During the process of revising the rules, we found numerous issues with the existing rule language. We made multiple revisions to improve clarity, organization and readability. They include changes such as: changes to rule/section/table titles, adding complete rule names when a rule number is referenced, revising text to be clearer, fixing grammatical errors, reorganizing text and section layout to be presented in a more logical format, and eliminating redundancies within the rules. These proposed textual changes do not impact regulatory requirements nor do they relax any requirement. Thus, the changes are consistent with the requirements set forth in SB 288.

3.2 Changing from NEI to PTE Based Calculations

The Net Emissions Increase (NEI) calculation methodology is used in the current rules to determine whether an application for an Authority to Construct exceeds the offsets and Air Quality Impact Analysis (AQIA) thresholds in Rule 802 and the offsets, AQIA and Best Available Control Technology (BACT) thresholds in Rule 803[1].

Net Emissions Increase is defined in Rule 801 as:

> ***"Net Emissions Increase"*** *means the sum of all increases in emissions of any given pollutant from a new or modified stationary source occurring since November 15, 1990 minus any reduction in emissions of that pollutant at the stationary source occurring since November 15, 1990 subject to the provisions of Section D.2 of Rule 804 (mandated reductions, not applicable). Where an Authority to Construct has been issued for a stationary source and that source has not received a Permit to Operate for the entire stationary source as of November 15, 1990, the net emission increase for that source shall be as specified in the Authority to Construct, subject to increases and decreases as authorized by these Rules and Regulations. Net emissions increases shall be calculated using the formula given below and in accordance with the provisions of Section F of Rule 802 for nonattainment pollutants and Section J of Rule 803 for attainment pollutants. Reductions in emissions shall be valid for determining net emissions increases only if they are established pursuant to Authorities to Construct and Permits to Operate. In no event shall the net emission increase for a stationary source be less than zero. However, emission reductions may be registered as emission reduction credits pursuant to Rule 806.*
>
> *Net emission increase shall be calculated as follows:*

[1] The BACT threshold in Rule 802 is already based on the PTE calculation.

New Source:

Net emission increase = I

Where

I = Potential to emit of the new source

Modification to an existing source:

Net emission increase = I + (P1 - P2) - D

Where

I = Potential to emit of the modification.

P1 = All prior increases in potential to emit resulting from permit actions at the stationary source where the emission unit creating the increase was permitted on or after November 15, 1990 and where the permit action was subject to New Source Review.

P2 = All decreases in potential to emit resulting from permit actions at the stationary source, including the proposed modification where the modification reduces the potential to emit of the emission unit, and where the emission unit creating the decrease was permitted on or after November 15, 1990 provided the emissions were included in P1 above.

D = Decreases in actual emissions resulting from permit actions at the stationary source provided the emissions are not included in P2 above and are not included in the source register.

The value of "I" cannot be negative. A negative net emission increase may be entered into the source register pursuant to Rule 806.

The NEI calculation involves tracking four separate data points all in relation to a 1990 baseline date. For medium and large stationary sources, it has become a cumbersome and complex process to properly track. Most companies simply do not know what their NEI status is and this results in much uncertainty when companies plan for future projects.

The District proposes to switch from the NEI calculation methodology to the PTE methodology. The PTE calculation is a straight forward approach that does not involve multiple inputs or baseline dates. It's simple and predictable. Our Rule 102 already defines PTE as:

> **"Potential to Emit"** means the maximum capacity of the stationary source to emit a pollutant, including fugitive emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation is federally enforceable. Secondary emissions do not count in determining the potential to emit.

Our proposed revision to Rule 102 includes the removal of the word "federally" for the PTE definition. EPA has stated that this term is not required to ensure enforceability of any limits to the source's PTE. This is also necessary since only Rules 809 and 810 from Regulation VIII will be submitted for State Implementation Plan approval.

There have been many requests from the regulated community, as well as District staff, to eliminate the NEI calculation. Using the PTE calculation in its place will result in a less complex and more predictable process, is easier to track and will result in fewer applications being deemed incomplete. It's important to note that we are the only air district that utilizes the NEI calculation as the other air districts adopted the PTE calculation many years ago.

As noted above, our nonattainment review BACT threshold is already based on the PTE calculation. The proposed rule revisions include switching all the NEI-based thresholds to PTE-based thresholds. The PTE of a device/process will always be equal to or greater than the NEI for the same device/process. This is because the Potential to Emit is the "maximum" capacity of the device/process to emit air pollution. As noted above, the Net Emissions Increase calculation uses emission increases, decreases and a baseline date of 1990. This results in instances where the NEI is less than the PTE. For many existing sources, the NEI is equal to zero. For new sources, the NEI equals the PTE. Thus, this proposed change to the PTE-based calculation methodology does not cause a rule relaxation and is consistent with the requirements set forth in SB 288.

3.3 Revising Offset Thresholds, Zones and Ratios

The District is proposing to significantly revise the way the New Source Review (NSR) offsets program works. Currently, Rule 802 contains our nonattainment offset program requirements. The offsets program is actually an Air Resources Board approved "alternative" program to the State's mandate that was approved in 1997. California Health & Safety Code Section (H&SC) 40918 requires Districts with moderate air pollution to have an offsets program that achieves a no net increase in emissions of nonattainment pollutants or their precursors from new or modified stationary sources, which emit or have the potential to emit 25 tons per year or more of nonattainment pollutants or their precursors. The District has been classified as Moderate. As such, Emission Reduction Credits (ERCs) are required as mitigation for any emission increases at a source with a Potential to Emit (PTE) at or over 25 tons per year.

In 1997, the District Board adopted major revisions to our NSR rules in the form of Regulation VIII. Rule 802 covered nonattainment pollutants and implemented the new H&SC requirements for Best Available Control Technology (BACT) and offsets. The BACT requirements mandated by the H&SC were adopted as is[1], however the Board elected to adopt an alternative offsets program in lieu of the specific H&SC language. This alternative program included the following elements:

- Net Emissions Increase (NEI) based emission calculations
- Offset thresholds set at 55 pounds per day and 10 tons per year (NEI)
- A baseline date of 1990
- Establishment of three offset zones (South, North, Cuyama)
- Offset trading ratios ranging from 1.2:1 to 6:1

[1] BACT is required for any project that has a PTE of 25 pounds per day or greater.

Since the above program elements did not adhere to the H&SC requirement, the District was required to obtain Air Resources Board approval for this alternative program. The District was required to track the effectiveness of our program against what the H&SC requirement would have achieved. The most current *No Net Emission Increase Monitoring Report* is shown below in Table 3-1.

Table 3-1. No Net Emission Increase Monitoring Report

NO NET EMISSION INCREASE MONITORING REPORT (rev: 7/24/14)

	NOx	ROC	NOx + ROC
		(tons per year)	
Permitted Growth	**141.60**	**232.52**	**374.13**
NEI P2 Term	**46.78**	**29.51**	**76.29**
Total Mitigation	**206.74**	**194.28**	**401.02**
ERCs Used	172.14	97.52	269.67
Shutdown/Redn TP Discounts	16.62	26.91	43.53
Decrease - NEI "D" Term	17.98	69.85	87.83
No Net Calculation	**-111.92**	**8.73**	**-103.19**

Notes:

(a) Permitted growth from sources with potential to emit of 25 tons per year or greater.

(b) Calculations based on all permiting actions since April 1997.

(c) Permitted Growth includes NEI "I" and "P1". NEI "P2" term is deducted in the bottom line.

(d) ERCs used based on ERC Transaction table.

(e) Shutdowns/Reductions in throughput discounts per DOI documents.

(f) "D" term decreases based on actual emission reductions calculated per permitting actions. Only includes "D" terms from sources at 25 tpy PTE or greater.

This current report shows that for ozone precursors, we are exceeding the State mandated requirement by approximately 103 tons per year. SO_x and PM_{10} were not tracked, as the tracking requirement was specific to ozone precursors NO_x and ROC.

Except for the difficulties inherent in using the NEI-based calculation, our offsets program worked fine for the first few years. There were sufficient quantities of ERCs being created, sold and used. Prices for ERCs ranged from $5,000 to $15,000 per ton. Over time, however, fewer ERCs were being created and the prices started to surge. Currently, the cost for 1 ton of NO_x ERCs is around $125,000. See Figure 1-1 (in Chapter 1) for a graph showing the cost of NO_x ERCs over the years. Further, companies that own ERCs are reportedly reluctant to sell at any price and larger companies are pro-

actively securing all available ERCs before they even become available on the open market. The NEI-based offsets program's thresholds are low and this is proving to be an impediment for medium sized companies to make modifications or for the opening of new businesses in the County. Lastly, the offset zones have had the unintended effect of further segmenting the offset program, limiting access and participation. Of particular concern is the lack of ERCs in the South zone and the inability of non-oil and gas companies to obtain or afford ERCs.

As the NEI threshold only applies to increases since 1990, existing large sources (25 tons per year or greater of emissions) have been able to expand their operations without offsetting their increases, while other sources (new and existing) have found their growth constrained.

Examples of larger sources that have expanded their operations without offsetting their emission include: Venoco, Greka Oil & Gas, Imerys Minerals California, DCOR and E&B Resources.

Examples of other sources that have had their growth constrained by the NEI calculation include: Nusil Technology, C&D Zodiac, CalPortland, Byron Vineyard & Winery, Central Coast Wine Services, Trisep, Medtronic and Innovative Micro Technology.

In response to the overall concern of cost and availability of ERCs for our offsets program, the District created an informal Offsets Workgroup to assess the nature and extent of the issue. This Workgroup was made up of various members of the regulated community as well as members of the environmental community. Meetings were held in 2012 and 2013 with suggested solutions being forwarded to the District for consideration. District staff reviewed and analyzed the Workgroup's suggestions and recommended that the Clean Technology Fund option be studied in more detail. The Board was briefed on this issue at their June 2013 meeting and directed staff to proceed with the analyses. At the February 2014 Board meeting, staff presented the findings of our analyses.

The analyses showed that implementing a Clean Technology Fund program would be cost prohibitive and would not achieve the desired results. At the March 2014 Board meeting, staff presented new options to help address the offsets issue. These options included:

- Expanding offset trading to include Ventura and San Luis Obispo counties,
- Adding an offsets exemption for Essential Public Services (which would also include electrical peaking power plants),
- Adding an offsets exemption for equipment replacements if BACT is applied,
- Revising the offsets requirement to the Health and Safety Code Section 40918 mandated threshold of 25 tpy (based on a stationary source's Potential to Emit),
- Revising the offset zones and trading ratios, and
- Creating a local GHG Source Register for banking of GHG emission reduction credits.

The Board directed the Control Officer to proceed with the rule development process, public workshops and Community Advisory Council (CAC) meetings.

Since the March 2014 Board meeting, staff have worked on developing the proposed amended rules and have worked with staff from the Air Resources Board (ARB) and the Environmental Protection Agency (EPA). ARB staff's main concern is that our revisions comply with the requirements of SB 288 in that there is no relaxation to our NSR program. They also provided important clarifications regarding what our analyses needed to show. Specifically, and most importantly, they informed us that changes to the offsets program must have analyses that show "*on a programmatic basis*" that there is no relaxation to the offsets requirements. EPA noted that since we attain all federal ambient air quality standards, that we do not need a federal nonattainment NSR rule nor do we need a federal offsets program[1]. As such, our efforts are focused on the State requirements.

Our proposed revisions to our offsets program are contained in Section E of Rule 802 as well as Rule 804. The proposed revisions were designed to meet the concerns raised by the regulated community, District staff and the ARB. What we propose will not solve the basic problems of cost and availability, but we believe it will have a meaningful impact by limiting the number of stationary sources that would be subject to this requirement to only the largest emitters of air pollution that have the resources to either buy ERCs or create their own onsite.

The elements of the proposed revisions to the offsets program include:

- Potential to Emit based emission calculations
- Offset thresholds set at 240 pounds per day[2] and 25 tons per year (PTE)
- A single offset zone for the County
- Offset trading ratios from 1.1:1 to 1.3:1
- Allowing for inter-District trades with Ventura and San Luis Obispo counties[3]

Also see the Table 1-2 comparison of our proposed rule revisions to other local air Districts in Chapter 1. The 25 ton per year offset threshold is the State H&SC Section 40918 mandated value. We maintained the 240 pound per day offset threshold currently in Rule 803. This Rule 803 offsets threshold has been in place since 1985 and is independent of the current nonattainment rule requirements that we are proposing to revise. Changing this Rule 803 requirement would be considered a relaxation under SB 288, so this daily standard will remain.

A single offset zone was selected to eliminate the fragmentation that the current 3-zone system creates. A single zone is also consistent with the offset programs in Ventura and San Luis Obispo counties (and many other air Districts), both which are in the same air basin with us. Performing ozone modeling on the impacts of the changes is not technically feasible as such modeling is not granular enough to look at the small emission quantities that we are dealing with (plus it is extremely expensive). Lastly, we added rule language that allows for the possibility of trading with Ventura and San Luis Obispo counties using a minimum trading ratio of 1.5:1. These potential trades would be subject

[1] EPA did note, however, that we were required to have a federal Minor Source NSR program.
[2] The 240 pound per day threshold is from existing Rule 803.
[3] As allowed and per the procedures established in H&SC Section 40709.6

to a case-by-case analysis, may result in higher trading ratios and requires the approval of both air District Boards.

Next, we performed a "programmatic analysis" that compares the existing offset program to the proposed revised offset program in the amended rules. Attachment C, *SB 288 Programmatic Comparison*, contains the full analysis. The analysis compares the last 17 years' worth of ATC permitting actions. For the existing rule, this function has been performed already as part of our *No Net Emission Increase Monitoring Report* (see Table 3-1). As noted in the table, our NSR program has exceeded the State mandate requirement for ozone precursor pollutants by approximately 103 tons per year. ARB staff has stated that for the purposes of SB 288, our proposed amendments to our offsets program will have to meet or exceed our current rule, not the State mandate.

Accordingly, we applied the same 17 years of ATC permitting actions to the proposed offset program as well. The data shows a good comparison of the proposed rules' potential mitigation to the current rules, and the results are shown in Table 3-2 below. Based off the data in the table, the proposed amended rules will result in more mitigation than the current rules. This was achieved by using trading ratios of 1.1:1 for reductions used at the same stationary source and 1.3:1 for reductions created elsewhere in the County.

It should be noted that Table 3-2 shows that the current rules provide approximately 19 tons more NO_x mitigation than the proposed rules. This does not, however, mean that the proposed rules are under performing with respect to NO_x. First, the District believes, that for the purposes of the analysis, that the combined tonnage of both ozone precursor pollutants is a valid approach. Second, the reason for the positive NO_x value is that the District has accepted inter-pollutant trades of NO_x ERCs for ROC increases (approximately 44 tons worth, which is greater than the 19 ton deficit). In sum, the net positive NO_x value is an artifact since some NO_x ERCs have been converted to ROC ERCs.

Thus, the proposed changes to the NSR offsets program for ozone precursor pollutant thresholds, zones and ratios do not cause (on a programmatic basis) a relaxation of the rules and are consistent with the requirements set forth in SB 288.

Table 3-2. SB 288 Offsets Programmatic Analysis Ozone Precursors

Current Regulation VIII	*(from 2014 No Net Emissions Report: rev 7/24/14)*		
	NOx	**ROC**	**NOx + ROC**
		(tons per year)	
Total Mitigation	**206.74**	**194.28**	**401.02**
ERCs Used	172.14	97.52	269.67
Shutdown/Redn TP Discounts	16.62	26.91	43.53
Decrease - NEI "D" Term	17.98	69.85	87.83

Proposed Rule Revisions			
	NOx	**ROC**	**NOx + ROC**
		(tons per year)	
Total Mitigation	**187.43**	**307.39**	**494.83**
ERCs Required	170.81	280.48	451.30
Shutdown/Redn TP Discounts	16.62	26.91	43.53

Notes:

(a) Calculations based on all permiting actions since April 1997.

(b) ERCs used based on ERC Transaction table.

(c) Shutdowns/Reductions in throughput discounts per DOI documents.

(d) "D" term decreases based on actual emission reductions calculated per permitting actions. Only includes "D" terms from sources at 25 tpy PTE or greater.

The above analysis was performed for ozone precursor pollutants. Ozone nonattainment has been the primary focus of the District since the 1970s. Since that time period, we have attained the federal ozone standards and the state 1-hour ozone standard. Our last hurdle is the state 8-hour ozone standard. Our Clean Air Plan, associated emissions inventory, rulemaking efforts and implementation of the H&SC requirements all work in harmony towards meeting the 8-hour ozone standard.

Although our primary focus is on the state ozone standard, we also regulate oxides of sulfur (SO_x) and particulate matter less than 10 microns (PM_{10}). The District has not tracked these two pollutants in our No Net Monitoring report as we do for ozone precursor pollutants since this was not an ARB or H&SC requirement under the alternative offset program approach. Nonetheless, we have prepared a similar analysis for these two pollutants using the same procedures that were performed with the ozone precursors in Table 3-2. The results of this analysis are shown in Table 3-3, which demonstrates that the proposed rules produce more SO_x and PM_{10} mitigation than the current rule set.

Thus, based on the above analysis the proposed changes to the NSR offsets program for SO_x/PM_{10} thresholds, zones and ratios will not cause a rules relaxation and are consistent with the requirements set forth in SB 288.

Table 3-3. SB 288 Offsets Programmatic Analysis SOx/PM_{10}

Current Regulation VIII

	SOx	PM10
	(tons per year)	
Total Mitigation	**341.49**	**61.49**
ERCs Used	28.65	9.14
Shutdown/Redn TP Discounts	299.48	8.38
Decrease - NEI "D" Term	13.36	43.97

Proposed Rule Revisions

	SOx	PM10
	(tons per year)	
Total Mitigation	**351.91**	**74.66**
ERCs Required	52.42	66.28
Shutdown/Redn TP Discounts	299.48	8.38

Notes:

(a) Calculations based on all permiting actions since April 1997.

(b) ERCs used based on ERC Transaction table.

(c) Shutdowns/Reductions in throughput discounts per DOI documents.

(d) "D" term decreases based on actual emission reductions calculated per permitting actions. Only includes "D" terms from sources at 25 tpy PTE or greater.

3.4 New Offset Exemption for Equipment Replacements

Due to the way the permitting process works, there are a number of instances where projects to replace or modernize existing equipment may require offsets. This has to do with the difference between the Potential to Emit of the new project (which is required for permitting) and the actual emissions baseline for the existing equipment being replaced (which is required for documenting emission reductions). The project may be denied even if the new equipment is cleaner, which typically is the case. Therefore, the present offset system hampers the replacement of older equipment with newer, cleaner equipment.

The District is proposing a new offsets exemption to address this situation. Essentially, if the replacement project is functionally equivalent, uses Best Available Control Technology and does not result in the de-bottlenecking of a process, then offsets would not be required. By requiring all of these criteria to be met, the post-project Potential to Emit for the facility will be substantially lower. Furthermore, these criteria should result in less "actual" emissions to the atmosphere, which would otherwise be lost if the project was denied.

When the District solicited for feedback from the Air Resources Board on this exemption, the ARB approved the change due to the reasons listed above. However, they requested that the District track all future projects that use this exemption. The District affirms that we will track all projects under this exemption so that we may provide ARB with the appropriate data, if requested. This tracking will involve two steps. First, each project that uses this exemption will be evaluated against the rule criteria and this will be documented in the permit's Engineering Evaluation. Second, the District will maintain an ongoing tracking system of this exemption and will prepare an annual report documenting each prior calendar years' actions. Language has been added into Section I of Rule 802 to document the District's commitment to making such reports available.

Since the net "in the air" result of this proposed exemption would result is less air emissions, this exemption will not cause a rules relaxation and is consistent with the requirements set forth in SB 288.

3.5 New Offset Exemption for Emergency Standby Engines

Up until 2005, emergency standby generators, flood control pumps and firewater pumps were exempt from District permits, including New Source Review (NSR) requirements such as offsets. During the rulemaking for removing the exemption, the District did not believe that these rarely used engines would trigger the offset thresholds at existing sources that did not already exceed the thresholds. This is because these engines have limits on the amount of time that they may be used for non-emergency use (typically 50 hours per year for new engines), as required by the State Airborne Toxic Control Measures and federal NESHAP requirements.

However, the District ran into circumstances where a facility's new emergency generator could exceed the daily offset threshold, but not the annual threshold. To address this situation, the District implemented a policy for sources that trigger offsets solely on the

daily Net Emissions Increase from emergency engines. The policy is that the source needed to trigger the offset requirement from devices other than emergency engines first, before the offset requirement would apply to the new emergency engine. The net result is that some facilities currently provide offsets for these devices and most do not. Our proposal would exempt all new emergency engines from offset requirements to level the playing field. This proposed exemption would still be consistent with SB 288 requirements, since this equipment was previously exempt from permit when the baseline for SB 288 was established in December 2002.

3.6 Merging Rule 803 Requirements into Rules 802, 804 and 805

Rule 803 is a New Source Review (NSR) rule that applies to attainment pollutants. It originated from the 1984 amendments to Rule 205.C. In the 1997 rule amendments, these provisions from Rule 205.C were moved essentially unchanged into the current Rule 803. The purpose of this rule was to implement the federal Prevention of Significant Deterioration (PSD) program. EPA officially delegated federal PSD authority to the District in 1995, allowing the District to implement our local PSD in lieu of the federal PSD regulation. However, in 2003, EPA rescinded their delegation of the federal PSD program due to federal NSR reforms. As such, Rule 803 remains a local PSD rule for attainment pollutants and the recently adopted Rule 810 applies federal PSD program requirements to new major sources and major modifications of existing major sources. Both PSD rules apply to new major sources and major modifications of existing major sources.

Since Rule 803 is classified as an NSR rule, we must maintain its requirements due to SB 288. The District is proposing to integrate the requirements of Rule 803 into Rules 802, 804 and 805, while repealing Rule 803. We believe this results in a more efficient NSR program and eliminates potential confusion as to what the requirements are for permit applicants. Table 2-7 in Chapter 2 provides a roadmap of where the specific requirements in Rule 803 are proposed to be moved to.

The threshold requirements for Best Available Control Technology (BACT), offsets, Air Quality Impact Analyses (AQIA), monitoring and increment analyses will be moved over to Rule 802. To be consistent throughout the NSR program, we are proposing to replace the Net Emissions Increase calculation methodology with the Potential to Emit methodology as well. Redundant, overlapping or confusing rule language was revised or deleted as appropriate. The offsets threshold of 240 pounds per day for attainment pollutants was maintained and was merged to the nonattainment offsets threshold table of Rule 802. The remaining Rule 803 offsets provisions are proposed to be deleted since the existing offset requirements in Rule 802 and Rule 804 (including the proposed revisions of those rules) are simpler to implement and are as stringent as the Rule 803 requirements.

General AQIA requirements for Class I Areas, the ambient air quality standard and increment requirements and calculation requirements were consolidated into Rule 805. This proposed move better organizes these requirements within Regulation VIII. Since the proposed re-organization of the rules will not result in the relaxation of our attainment

pollutant requirements, this change is consistent with the requirements set forth in SB 288.

3.7 Adding $PM_{2.5}$ to the Attainment Pollutant Permit Requirements

The District is proposing to add $PM_{2.5}$ to our New Source Review (NSR) attainment rules. This pollutant has newly established State and Federal ambient air quality standards and increments, and so we are required to have our permitting program demonstrate that new projects will not interfere with the attainment or maintenance of these standards. We are currently designated as "Unclassified" for this pollutant by both the State and EPA, which means that $PM_{2.5}$ is considered an attainment pollutant under our NSR rules. The proposal includes establishing a 55 pound per day BACT and AQIA modeling requirement. The value is based on the Federal significance threshold of 10 tons per year. We do not propose an offsets requirement as $PM_{2.5}$ is already a "component" of PM_{10} for which offset requirements already exist under our attainment rule provisions.

The addition of $PM_{2.5}$ is consistent with the District's Mission and the Board's prior direction in regulating attainment pollutants. It also aligns our rule set with proposed Rule 809 (Federal Minor Source New Source Review). Since this change will only be adding new requirements, the proposed change does not cause a relaxation of our NSR rules and is consistent with the requirements set forth in SB 288.

3.8 Revising the AAQS/Increment Procedures

Currently, Rule 803 contains the detailed procedures for evaluating ambient air quality standard and increment compliance. When developed in the mid-1980's these provisions were specifically designed to meet (and exceed) the Federal Prevention of Significant Deterioration (PSD) program requirements and to obtain EPA delegation of that program. Our current Rule 810 now covers the Federal PSD program and Rule 803 is a District only PSD rule. Accordingly, we are proposing to relocate these Rule 803 requirements to Section F and Table 1 of proposed amended Rule 805. This will effectively simplify the procedures for evaluating ambient air quality standard and increment compliance.

The proposed changes in Rule 805 look at simplifying an already complex process by removing additional time consuming analyses such as using baseline dates, including other sources in the modeling, and reducing the available options under the alternative increment range mitigation process. Major sources and/or major modifications remain subject to Rule 810 and the full EPA PSD requirements.

Table 1 of Rule 805 has also been revised to address the changes to state and federal ambient air quality standards since 1997. As mentioned earlier, we removed the baseline dates in this table, as these will be covered by Rule 810, and we've added $PM_{2.5}$ standards and increments.

The proposed changes do not relax our New Source Review rules and are consistent with the requirements set forth in SB 288.

3.9 New Rule 809 for Federal Minor Source NSR

The District attains all federal ambient air quality standards. As such, we are not required to have a federally approved nonattainment rule (including an offsets program) and we will not be submitting Rules 801-806 to EPA for inclusion in the State Implementation Plan. However, in 2014, EPA notified air districts in California that their permit programs did not satisfy EPA's requirements for a Federal Minor Source New Source Review (NSR) program. The District looked at the criteria for such a rule (see Section 2.11 of Chapter 2) and concluded that we were deficient in certain areas. As suggested by EPA staff, we are proposing a new Rule 809 to address this requirement. Given that many of our existing rules contained what EPA requires, we have written the rule such that (a) duplication of existing Regulation II rules is minimized and (b) compliance with our existing rules (as proposed for amendment) will ensure compliance with this federal requirement. Since the proposed rule does not relax any of our existing NSR rules (or those we propose to amend), this change is consistent with the requirements set forth in SB 288.

3.10 SB 288 Discussion - Analysis

Senate Bill 288, the Protect California Air Act of 2003[1], prohibits Districts from amending their New Source Review (NSR) programs to be less stringent than it was as of December 30, 2002. However, SB 288 has provisions that allows for a District to make changes to their NSR rules to be less stringent under any one of the following circumstances:

- Replacing a rule that causes a risk to public health or safety with a new rule that provides greater public protection.

- Replacing a rule that proves to be unworkable due to engineering or other technical problems with a rule that is effective.

- Amending a rule to relieve a business or source category of substantial hardship. The rule amendment must be very narrowly tailored to relieve the specific hardship. Also, the district is responsible for offsetting any emission increases that result. SB 288 details criteria that the offsets must meet.

- Adopting a temporary rule that is needed to respond to an emergency to prevent or mitigate loss or damage to life, health, property, or essential services.

- Rule changes are allowed for areas that attain all national ambient air quality standards under the following conditions:

    - The changes will not impair maintenance of those standards, and

[1] See http://www.arb.ca.gov/nsr/sb288/sb288detail.htm. H&SC Section 42500.

- The changes will not impair progress toward attaining State ambient air quality standards.

For all of the specific circumstances listed above, the rule changes cannot exempt or reduce the obligation of a major stationary source to obtain a permit or to meet California Best Available Control Technology requirements. In addition, the rule changes must be consistent with any environmental justice guidance approved by the ARB.

Of the above, the fifth bullet (areas that attain all national ambient air quality standards) applies to our case. The District meets all national ambient air quality standards. The changes we are proposing will not impair maintenance of those standards as we are implementing the California Health and Safety Code requirements for an air district designated as moderate nonattainment. Also, the changes will not impair progress towards attaining the state standards as can be seen by our 2013 Clean Air Plan emissions inventory, which shows a declining emissions curve over the next 20 years.

Despite the fact that the District meets the criteria to relax our rules, the District has chosen to prove that the proposed rules are equivalent to the NSR rules that were in effect on December 30, 2002. For such equivalency determinations, the Air Resources Board has developed guidance for Districts to follow. Specific to our proposed amendments, revisions to offset programs are allowed if it can be shown that, *on a programmatic basis*, the revisions provide equivalent or better emissions reductions.

Per guidance from ARB staff, our analysis was done "*on a programmatic basis*." This means that certain specific aspects, on their own, may be less stringent, but when viewed in its entirety, the offsets program must be as stringent as before. The goal of this analysis is to compare the emission reductions generated under the current NEI-based rule to our *proposed* PTE-based rule. To do this, we used the past 17 years of NSR permitting actions to compare the rules. We believe this was a reasonable way to compare the impacts of both rules. It also used the existing rule as the comparison benchmark and <u>not</u> the H&SC mandated requirement. Per ARB staff, this is necessary to show compliance with SB 288 requirements.

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4. STATIONARY SOURCES IMPACTED

The proposed revisions to the New Source Review (NSR) rules will impact both existing and new stationary sources. Chapters 2 and 3 describe the specific changes to the rules and the accompanying analyses of the major revisions. Existing and new stationary sources will be primarily impacted by the following proposed rule changes:

- *Revising the NSR threshold calculation basis from the NEI methodology to the PTE methodology*. This revision will not impact new stationary sources as the emissions calculation using the Potential to Emit (PTE) method is the same as the Net Emissions Increase (NEI) calculation for a new source. Most existing sources will see no impact from this change as both their NEI and PTE are lower than the NSR thresholds. However, some sources are near the NEI limit, which may hamper their ability to expand if ERCs aren't available. Table 4-1 and Table 4-2 below provide a list of companies that are within 25 percent of the current NEI-based offset thresholds for both the daily and annual thresholds, respectively. These sources may benefit from the proposed change. Table 4-3 shows the eight stationary sources (seven companies) that are currently subject to the offset requirements using the NEI calculation. Finally, Table 4-4 and Table 4-5 list the existing sources with a PTE at or over 240 pounds per day or a PTE at or over 25 tons per year, both of which will be subject to offset requirements under the proposed rule revisions.

- *Changing the offset threshold, zones and ratios*. This is the most significant change (combined with the change to emission calculation methodology) that is being proposed by the District. From Table 4-4 and Table 4-5, the number of stationary sources subject to offsets would increase to 36 (23 companies) under the proposed rules. This includes the existing sources/companies currently subject to offset requirement. The actual number of new stationary sources involved would be 28 (16 companies). A number of these stationary sources have not modified their facilities in many years. The change to the zones will enable companies more opportunities at securing Emission Reduction Credits (ERCs), especially South County stationary sources. The change in the ratios generally lowers the amount of ERCs required per project. Finally, ERCs will be required for those amounts above the applicable offset thresholds. This will generally result in fewer ERCs required per project when compared to the current rules. However, this is balanced by the increase in the number of stationary sources subject to the offset requirements. Chapter 6 provides relevant clarifications on how the proposed offset amendments would affect the stationary sources.

- *Addition of the new equipment replacement offsets exemption*. This exemption would only apply to the large stationary sources that have PTE values at or above 25 tons per year or at or above 240 pounds per day (Table 4-4 and Table 4-5). This exemption requires the use of Best Available Control Technology in addition to a few other caveats. Existing companies would be able to modernize their facility without the need to secure ERCs if the requirements of the exemption are met. Actual emissions are expected to decrease under this exemption.

- *Addition of emergency generator/flood control/firewater pump engine offsets exemption*. Currently, offsets are required for new emergency standby generator, flood control, and firewater pump engines if the existing stationary source exceeds the offset threshold for non-emergency engine emission units. This exemption would impact the sources listed in either Table 4-4 or Table 4-5. Up until 2005, these emissions units were exempt from permit and NSR offset requirements. This revision would not impact the need to obtain a permit or comply with the State Airborne Toxic Control Measure requirements.

- *Adding $PM_{2.5}$ to the attainment pollutant permit requirements*. This change would impact all new sources and all existing sources that modify their facilities if the Best Available Control Technology / Air Quality Impact Analysis thresholds are exceeded. These thresholds would only be exceeded by the largest sources in the County.

- *Addition of a new Federal Minor Source New Source Review rule*. This new rule will apply to all current and future stationary sources. This rule was designed such that compliance with the other District rules (e.g., Regulation II, Rules 801-806) will automatically ensure compliance with this federally mandated requirement.

Table 4-1. Stationary Sources with Daily NEI w/in 25% of the Offset Threshold

SSID	Company Name	Stationary Source Name	NOx	ROC	SOx	PM10
01012	Art-Craft Paint	Art-Craft Paint, Incorporated		x		
09833	Bacara Resort & Spa	Bacara Resort & Spa	x			
10845	Byron Vineyard & Winery	Byron Vineyard & Winery		x		
03867	C&D Zodiac, Inc	C&D Zodiac, Inc. - 2641 Airpark Drive		x		
10209	CalPortland Construction	CalPortland Construct- 1625 E. Donovan		x		
10834	Central Coast Wine Services	Central Coast Wine Services		x		
02077	City of Santa Maria	City of Santa Maria WWTP			x	
08713	City of Santa Maria	City of Santa Maria Landfill	x	x		
03707	County of Santa Barbara	County of SB-Tajiguas Landfill			x	
11048	County of Santa Barbara	SB County Public Works	x			
08003	DCOR	Dos Cuadras - South County		x		
10865	Dierberg Vineyard	Dierberg Vineyard		x		
01073	E & B Natural Resources	E & B - South Cuyama		x		
10364	Envent	Envent - Degassing		x	x	
02560	ERG Resources	ERG Resources - Cat Canyon West			x	
11136	ERG Resources	ERG Resources - Cat Canyon East	x			
10600	Firestone Vineyard	Firestone Vineyard		x		
01325	Freeport-McMoRan Oil and Gas	The Point Arguello Project				x
10293	GEM Mobile Treatment Services, Inc.	GEM Mobile Treatment Services, Inc.			x	
11143	Golden Gate Oil, LLC.	SMV North	x		x	
08766	Golden Gate Oil, LLC.	SMV South		x		
01536	Granite	Granite - Buellton	x		x	x
03736	Greka Oil & Gas	Armelin			x	
02200	Greka Oil & Gas	Clark Avenue Source	x	x	x	
02658	Greka Oil & Gas	Greka South Cat Canyon	x		x	
04630	Greka Oil & Gas	Casmalia	x		x	
02680	Greka Oil & Gas	Gato Ridge	x			
04640	Greka Refining Company	SMRC/Union Sugar		x	x	
04487	Helix Medical, L.L.C.	Helix Medical, L.L.C.		x		
01735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.		x		
09654	Indigo Systems Corporation	Indigo Systems Corporation		x		
10708	Innovative Micro Technology, Inc. (IMT)	Innovative Micro Technology, Inc. (IMT)		x		
01794	L-3/MariPro	L-3/MariPro	x			
10309	Lash Construction	Lash Const. (5 S. Calle Cesar Chavez)	x			
01793	Marian Medical Center	Marian Medical Center	x	x		
04635	Medtronic	Medtronic		x		
09133	Precision Auto Body	Precision Auto Body & Painting-Magnolia		x		
01958	Precision Auto Body	Precision Auto Body & Painting-S. Fairview		x		
01963	Prestigious Auto Body & Painting	Prestigious Auto Body & Painting		x		
01153	Purisima Hills LLC	Purisima Hills LLC- Barham Ranch		x		
02035	Raytheon	Raytheon-Bldgs B1,2 & 3 (Infrared)		x		
01517	Santa Maria Energy	Santa Maria Energy - Orcutt Field		x		
03640	Trisep Corp.	Trisep Corp.		x		
11133	Tristar Petroserv	Tristar Petroserv - Degassing		x		
02784	United States Navy	United States Navy - Santa Cruz Island	x			
05009	Venoco	Careaga #1	x	x		
01063	Venoco	Venoco - Ellwood	x	x		
10222	Venoco	Careaga LA #2		x		

Notes:

- All data is subject to change.
- See permit files for current status of the source's NEI.

Table 4-2. Stationary Sources with Annual NEI w/in 25% of the Offset Threshold

SSID	Company Name	Stationary Source Name	NOx	ROC	SOx	PM10
10834	Central Coast Wine Services	Central Coast Wine Services		x		
02077	City of Santa Maria	City of Santa Maria WWTP			x	
08713	City of Santa Maria	City of Santa Maria Landfill	x	x		
03707	County of Santa Barbara	County of SB-Tajiguas Landfill	x	x	x	
08003	DCOR	Dos Cuadras - South County		x		
01073	E & B Natural Resources	E & B - South Cuyama		x		
02560	ERG Resources	ERG Resources - Cat Canyon West			x	
11136	ERG Resources	ERG Resources - Cat Canyon East	x			
01325	Freeport-McMoRan Oil and Gas	The Point Arguello Project			x	x
01636	Gold Coast Collision	Gold Coast Collision - Broadway		x		
11143	Golden Gate Oil, LLC.	SMV North	x	x	x	
08766	Golden Gate Oil, LLC.	SMV South		x		
02658	Greka Oil & Gas	Greka South Cat Canyon	x	x	x	
03736	Greka Oil & Gas	Armelin			x	
02200	Greka Oil & Gas	Clark Avenue Source	x	x	x	
04630	Greka Oil & Gas	Casmalia	x		x	
02680	Greka Oil & Gas	Gato Ridge	x			
01735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.		x		
01793	Marian Medical Center	Marian Medical Center	x	x		
08745	National Auto Body & Paint	National Auto Body & Paint		x		
02381	NRG California South LP.	Ellwood Generating Station	x			
04621	NuSil Technology	NuSil Technology		x		
01153	Purisima Hills LLC	Purisima Hills LLC- Barham Ranch		x		
01517	Santa Maria Energy	Santa Maria Energy - Orcutt Field		x		
04640	Greka Refining Company	SMRC/Union Sugar	x	x	x	
01195	United States Air Force	Vandenberg Air Force Base	x	x		
02795	University of California	UCSB	x			
05009	Venoco	Careaga #1	x	x		
01063	Venoco	Venoco - Ellwood		x		
10222	Venoco	Careaga LA #2		x		

Notes:

- All data is subject to change.
- See permit files for current status of the source's NEI.

Table 4-3. Stationary Sources that Currently Require Offsets Using NEI Calculation

SSID	Company Name	Stationary Source Name	NOx	ROC	SOx	PM10
2560	ERG Resources	ERG Resources - Cat Canyon West	x	x		
1482	ExxonMobil Production	ExxonMobil - SYU Project	x	x	x	x
4632	Freeport-McMoRan Oil and Gas	Pt. Pedernales/Lompoc Oil Fields		x		
1325	Freeport-McMoRan Oil and Gas	The Point Arguello Project	x	x		
2667	Pacific Coast Energy Company	Pacific Coast Energy Company- Orcutt Hill	x	x		
4900	The Okonite Company	The Okonite Company		x		
11166	United Launch Alliance	United Launch Alliance	x	x		x
1195	United States Air Force	Vandenberg Air Force Base	x	x		

Notes:

- All data is subject to change.
- See permit files for current status.

Table 4-4. Stationary Sources with a Daily Potential to Emit > 240 pounds per day

SSID	Company	Stationary Source Name	NOx	ROC	SOx	PM	PM10
01249	CalMat Company	CalMat - Santa Barbara				x	
04411	CalPortland Construction	CalPortland - Garey Plant				x	x
04421	CalPortland Construction	CalPortland - Hot Mix Asphalt Plant	x		x		
01702	CalPortland Construction	CalPortland Construction - A St, Lompoc				x	
01366	CalPortland Construction	CalPortland Construction - Donovan Rd				x	
08713	City of Santa Maria	Santa Maria Regional Landfill		x			
08003	DCOR, LLC.	Dos Cuadras - South County	x	x		x	x
08012	DCOR, LLC.	Platform Habitat	x				
01073	E & B Natural Resources	E & B - South Cuyama	x	x			
11136	ERG Resources, LLC.	ERG Resources - Cat Canyon East	x				
02560	ERG Resources, LLC.	ERG Resources - Cat Canyon West		x			
01482	ExxonMobil Production Company	ExxonMobil - SYU Project	x	x	x	x	x
01325	Freeport-McMoRan Oil & Gas, LLC.	The Point Arguello Project	x	x	x	x	x
04632	Freeport-McMoRan Oil & Gas, LLC.	Pt. Pedernales/Lompoc Oil Fields	x	x			
01536	Granite Construction Company	Granite - Buellton				x	
02658	Greka Oil & Gas	Greka South Cat Canyon	x	x			
04630	Greka Oil & Gas	Casmalia	x				
04640	Greka Oil & Gas	Greka Refining Company	x		x		
10910	Greka Oil & Gas	Greka North Cat Canyon	x	x			
02200	Greka Oil & Gas	Clark Avenue Source		x	x		
08702	Greka Oil & Gas	Zaca Field		x			
01661	Hanson Aggregates Mid-Pacific, Inc.	Sisquoc Sand, Rock and Gravel Plant	x		x	x	
03886	Hanson Aggregates Mid-Pacific, Inc.	Hanson Aggregates-Goleta Batch Plant				x	
01735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.	x	x	x	x	x
03689	Lompoc Warehouse Corporation	Lompoc Valley Seed & Milling				x	x
02381	NRG California South LP.	Ellwood Generating Station	x	x			
02667	Pacific Coast Energy Company LP	Pacific Coast Energy Company- Orcutt Hill	x	x			
08001	Pacific Operators Offshore, LLC.	Pacific Operators - Carpinteria	x	x			
03707	Santa Barbara County/Fortistar	County of SB-Tajiguas Landfill		x			
05019	Southern California Gas Company	So Cal Gas - La Goleta	x	x			
11166	United Launch Alliance, L.L.C	United Launch Alliance	x	x		x	x
01195	United States Air Force	Vandenberg Air Force Base	x	x	x	x	x
02795	University of California - Santa Barbara	UCSB	x				
01063	Venoco, Inc.	Venoco - Ellwood	x	x			
00027	Venoco, Inc.	Venoco - Carpinteria	x	x			
10912	Vintage Production California, LLC.	Vintage Central Cat Canyon	x	x	x		

Notes:

- All data is subject to change.
- See permit files for current status.

Table 4-5. Stationary Sources with an Annual Potential to Emit > 25 tons per year

SSID	Company	Stationary Source Name	NOx	ROC	SOx	PM10
04411	CalPortland Construction	CalPortland - Garey Plant				x
04421	CalPortland Construction	CalPortland - Hot Mix Asphalt Plant	x		x	
08713	City of Santa Maria	Santa Maria Regional Landfill		x		
08003	DCOR, LLC.	Dos Cuadras - South County	x	x		
08012	DCOR, LLC.	Platform Habitat	x			
01073	E & B Natural Resources	E & B - South Cuyama	x	x		
04639	Elysium Russell, LLC.	Russell Ranch Lease	x	x		
11136	ERG Resources, LLC.	ERG Resources - Cat Canyon East	x			
02560	ERG Resources, LLC.	ERG Resources - Cat Canyon West		x		
01482	ExxonMobil Production Company	ExxonMobil - SYU Project	x	x	x	x
01325	Freeport-McMoRan Oil & Gas, LLC.	The Point Arguello Project	x	x	x	x
04632	Freeport-McMoRan Oil & Gas, LLC.	Pt. Pedernales/Lompoc Oil Fields	x	x		
01551	Gordon Sand Company, Inc.	Gordon Sand - Guadalupe Division				x
02658	Greka Oil & Gas	Greka South Cat Canyon	x	x	x	
04630	Greka Oil & Gas	Casmalia	x			
04640	Greka Oil & Gas	Greka Refining Company	x	x	x	
10910	Greka Oil & Gas	Greka North Cat Canyon	x	x	x	
02200	Greka Oil & Gas	Clark Avenue Source	x	x	x	
08702	Greka Oil & Gas	Zaca Field		x		
08678	Greka Oil & Gas	Los Flores		x		
01661	Hanson Aggregates Mid-Pacific, Inc.	Sisquoc Sand, Rock and Gravel Plant			x	
01735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.	x	x	x	x
03689	Lompoc Warehouse Corporation	Lompoc Valley Seed & Milling				x
02667	Pacific Coast Energy Company LP	Pacific Coast Energy Company- Orcutt Hill	x	x	x	
08001	Pacific Operators Offshore, LLC.	Pacific Operators - Carpinteria	x	x		
02638	Purisima Hills LLC	Purisima Hills LLC - Blair Lease	x	x		
03707	Santa Barbara County/Fortistar	County of SB-Tajiguas Landfill	x	x		
05019	Southern California Gas Company	So Cal Gas - La Goleta	x	x		
04900	The Okonite Company	The Okonite Company		x		
01195	United States Air Force	Vandenberg Air Force Base	x	x		
02795	University of California - Santa Barbara	UCSB	x			
01063	Venoco, Inc.	Venoco - Ellwood	x	x	x	
00027	Venoco, Inc.	Venoco - Carpinteria	x	x		
10912	Vintage Production California, LLC.	Vintage Central Cat Canyon	x	x	x	
01021	Wellhead Power Central Coast, LLC.	Wellhead Power Central Coast	x			

Notes:

- All data is subject to change.
- See permit files for current status.

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5. COST IMPLICATIONS AND DISTRICT STAFFING

We believe that the *overall* impact to the regulated community due to the proposed rule amendments will be a decrease in costs. The change in calculation methodology from a Net Emissions Increase basis to a Potential to Emit basis will simplify the permit process and will provide more certainty as to what the requirements will be, thus reducing the time to plan for and prepare a permit application. The changes to the offset thresholds, ratios and associated implementation procedures will limit the offset program to only the larger members of the regulated community who are better suited to the procurement of Emission Reduction Credits (ERCs) and the creation of new ERCs. These changes will keep medium sized companies out of the offsets program (e.g., electronic, aerospace and medical device manufacturers) and thus eliminate a potential cost to their operations. Larger sources over the offsets thresholds will need to provide less ERCs due to the lower trading ratios and the requirement to offset only above the threshold. Those facilities that use ERCs will also have the ability to have their ERCs returned (if still surplus) after the underlying permit is cancelled. The above, combined with the exemptions for replacement units and emergency engines, will result in a decrease in costs. Companies that have to provide ERCs for the first time will see an increase in costs.

The District does not envision substantive changes to fee revenues or staffing requirements due to the proposed rule amendments. With all of the changes considered, we also believe that the District's program effectiveness will be increased since more projects can be approved that reduce actual emissions in the air. A summary of the cost, fee and staffing impacts is provided in Table 5-1 below.

Table 5-1. Implications of Major Rule Changes

No.	Rule	Change	Cost Impact to Regulated Community[1]	Impact on District Program Effectiveness[2]	Impact on District Fee Revenues	Impact on District Staffing
1	All	Revising rule text to be clearer and to eliminate redundancies	Neutral	Increase	Neutral	Neutral
2	801	Replacing the NEI calculation methodology with the PTE methodology	Decrease	Increase	Neutral	Neutral
3	802/804	Revising the offset program thresholds, ratios and calculation basis	Decrease	Increase	Neutral	Neutral
4	802	Adding offset exemption for equipment replacements	Decrease	Increase	Increase	Increase
5	802	Adding offset exemption for emergency standby generators/flood/firewater pumps	Decrease	Neutral	Neutral	Neutral
6	803	Merging the requirements of Rule 803 into Rules 802, 804 and 805	Neutral	Increase	Neutral	Neutral
7	802	Adding $PM_{2.5}$ to the attainment pollutant permitting requirements	Increase	Increase	Neutral	Increase
8	805	Revising the AAQS and increment AQIA calculation procedures	Decrease	Increase	Increase	Decrease
9	809	New Rule 809 for Federal Minor Source NSR	Neutral	Neutral	Neutral	Neutral
		Overall Impact of Changes =>	Decrease	Increase	Neutral	Neutral

[1] This column indicates the likely direct impact of the proposed change on sources affected by the change from the perspective of the source.

[2] This column refers to the effect of the proposed change on the APCD's regulatory program as a whole.

6. CLARIFICATION OF RULE ISSUES

The following text provides rule clarifications in the form of frequently asked questions:

Topic: Calculating Offset Obligations[1]

Question 1: My PTE is currently over 25 tpy. Do I have to do something upon adoption of the proposed amended rules?

Answer: You will not have to automatically do anything upon rule adoption.

Question 2: My existing PTE is over 25 tpy. If I submit an ATC application to increase my permitted emissions by 3 tpy, how many offsets will I need?

Answer: You will only need to offset the emissions increase, which is 3 tpy in this example. This is your offset obligation. If the source of your ERCs is within the County, but outside your stationary source, then you need to provide 3.9 tpy of ERCs (3 x 1.3). You are not required to offset down to zero.

Question 3: If my PTE is currently 20 tpy and I submit an ATC application for an emission increase of 10 tpy, what is my offset obligation?

Answer: The post-project PTE will be 30 tpy. This makes the offsets obligation 5 tpy, the amount over the offsets threshold. If the source of your ERCs is from the same stationary source, then you need to provide 5.5 tpy of ERCs (5 x 1.1).

Question 4: My PTE is currently 21 tpy. My new project will results in a PTE increase of 8 tpy and I am also removing from permit unrelated equipment that has a PTE of 10 tpy. What is my offset obligation?

Answer: None. The post-project PTE is 19 tpy, so there is no offset obligation as the PTE threshold of 25 tpy has not been exceeded.

Question 5: My PTE is currently 35 tpy. If I submit an ATC application to install new equipment with an increase of 5 tpy and remove existing equipment, and that has a PTE of 20 tpy, do I need to provide offsets?

Answer: No. This is because the post-project PTE will be less than 25 tpy.

[1] Examples regarding the exceedance of the 25 tpy annual offset threshold also apply to the exceedance of the 240 lb/day daily offset threshold.

Question 6: My PTE is 150 tpy. My new project will increase emissions by 5 tpy. Concurrently with my application, I will remove from permit unrelated equipment with a PTE of 20 tpy that has actual baseline emissions (as defined by District rules) of 8 tpy. Do I need to offset my emission increase?

Answer: Yes, your offset obligation is 5 tpy. The source's PTE is reduced, but not enough to get below the offset threshold of 25 tpy. The actual emission reductions of 8 tpy can be qualified as ERCs under Rule 806 and then be used as ERCs to meet the offset obligation under the ATC. The same source offset ratio of 1.1:1 would apply (5.50 tpy) and the remainder can be issued an ERC certificate (2.50 tpy) for future use or sale.

Topic: Returning ERCs

Question 7: I previously had to obtain offsets under the prior NSR rules. Can I release those ERCs?

Answer: No, not in this case. The amended NSR rules apply from the date of rule adoption. Prior offset obligations must be maintained as those reductions are relied upon in the approval of the amended NSR rules. The stationary source would be subject to the new offset thresholds and requirements for any new project at the source.

Question 8: If I provide offsets under the new proposed rules, can I get the ERCs back if I cancel the permit (or remove the equipment that required the offsets)?

Answer: In general, yes, the ERCs may be returned to the Source Register. There are caveats, however. First, the ERCs must still pass the surplus test. Surplus is defined in Rule 801 and generally means the emission reductions must not be required by current regulations or are not already relied upon for Clean Air Plan planning purposes. Second, there cannot be a shift in load from the process/equipment that was offset to older existing equipment that was not offset under the amended rules. A new baseline is not required.

Question 9: If I provide offsets under the new proposed rules for "equipment X" when my PTE was greater than 25 tpy, can I get the ERCs back if I remove other equipment that did not require offsets under the new rule and which results in a post-project PTE being less than 25 tpy?

Answer: No. In this case, the ATC that approved the project relied upon those ERCs for permit approval. ERCs, in this case, may only be considered for return to the Source Register if the equipment itself (including replacements) is removed and the permit for this equipment is cancelled.

Question 10: Can I use or sell my ERCs for short-term projects?

Answer: Yes, subject to the same criteria noted above in Question 8.

Topic: Modifying Annual PTE

Question 11: My current PTE is over 25 tpy. Can I modify my permit(s) to reduce my PTE below 25 tpy so that I am below offset thresholds for future permitting actions?

Answer: Yes. You can modify your permit(s) to include enforceable operational restrictions to reduce your permitted PTE below offset thresholds. This must be done through a formal permit modification.

Question 12: How will emission reductions from add-on control equipment be handled?

Answer: You can generate ERCs from actual emission reductions achieved through the installation of control equipment. In addition, you can also reduce your permitted PTE by installing add-on control equipment.

Topic: Modifying Daily PTE

Question 13: My solvent-using facility currently has a permit limit of 54 lbs/day of ROC to keep the facility from triggering the daily offset threshold. However, under the new rule set, the daily offset threshold will be 240 lbs/day. Can I submit a permit application to raise my daily permit limit to 239 lbs/day of ROC?

Answer: Yes, you may submit an application to increase your permit limit to 239 lbs/day as long as you apply BACT to the process and perform an AQIA. Please note that trying to evade the BACT or AQIA requirements by submitting multiple smaller permit applications will have not be allowed as this is considered circumvention and would be considered a rule relaxation under SB 288.

Question 14: My solvent-using facility currently has a permit limit of 24 lbs/day of ROC to keep the facility from triggering BACT requirements. After the revised rules are adopted, can I submit a permit application to raise my daily permit limit by an additional 24 lbs/day without triggering BACT requirements?

Answer: Yes, an existing facility can increase their permitted emissions by up to 24 lbs/day one time after the rules are adopted without triggering BACT requirements. The first permitted emissions increase will be considered a new project. Per the definition of "project" in proposed Rule 801, any subsequent applications for emissions increases due primarily to an increase in throughput or usage not associated with any new or modified equipment will be considered part of that project, regardless of time between permit applications. Therefore, any subsequent application to increase permitted emission limits due primarily to an increase in throughput or usage will be added to the first permitted emissions increase for purposes of determining BACT requirements.

Question 15: My PTE is currently over 25 tpy. For a single emission unit, if the daily PTE will increase (e.g. as a result of a failed source test), but the annual PTE will remain at or below the previous permitted limits (e.g. through an enforceable throughput limit), are offsets required?

Answer: No, if the annual PTE will not increase for a single emission unit, offsets are not required for the project, regardless of the daily PTE.

Topic: Rule 802 – Offset Exemptions – Equipment Replacements

Question 16: What does functionally equivalent mean?

Answer: In the context of Rule 802's offsets exemption, we chose the term "functionally equivalent" to separate it from the term "functionally identical." The later term is used by air Districts to exempt "routine" identical replacements from permit all together. The District is not proposing a permit exemption, rather we are proposed a qualified exemption from offset requirements.

As used in this context, we are using the term equivalent since it has a broader definition than "identical." We recognize that equipment replacements and process modernizations would be hampered by limiting the replacement equipment to the exact manufacturer and model number of the original equipment. The overarching basis for the District's approval for use of this offsets exemption is whether or not the actual emissions after installation of the replacement equipment can reasonably be expected to be the same or less than before.

Question 17: Which pollutants must I apply BACT to in order to qualify for the Rule 802 equipment replacement offsets exemption?

Answer: To use the exemption, you must apply BACT for the specified pollutant that exceeded the offset threshold. If multiple offset thresholds are exceeded, you may choose to use the offset exemption for one pollutant (which would require BACT), and provide ERCs for the other pollutant (which would not require BACT).

Question 18: What if the type of equipment I am replacing does not have a current BACT standard for the pollutant in question?

Answer: This question addresses the situation where there is no achieved-in-practice BACT standard for the pollutant in question. You have two options. One is to create new BACT standard using the District's case-by-case technically feasible/cost-effective process. If this process does not result in the creation of a new BACT standard, then the second option would be not to use the exemption and provide offsets for the pollutant question. Of course, the applicant may simply to provide offsets for the pollutant in question and not go through the case-by-case BACT process described above.

Question 19: If I use the equivalent replacement offsets exemption, can I still generate ERCs from the equipment that is being removed?

Answer: No, you cannot generate ERCs from the removal of equipment if you are using the equipment replacement offsets exemption. You can choose to either generate ERCs or be exempt from offset requirements, but not both.

Question 20: Can a functionally equivalent replacement be rated at a higher capacity than the unit it is replacing and still qualify for the Rule 802 offsets exemption? For example, can I replace a 500 bhp engine with a 550 bhp engine and still qualify for this exemption?

Answer: Yes. In general, as long as the District determines that the replacement equipment meets the offsets exemption requirements (i.e. functionally equivalent, no increase in PTE, applies BACT, does not debottleneck the process), it can qualify for the exemption, even if it has a slightly higher rated capacity. This determination will be made by the District on a case-by-case basis using the overarching basis for the District's creation of this exemption; whether or not the actual emissions after installation of the replacement equipment can reasonably be expected to be the same or less than before.

Question 21: If I replace an existing unit with a functionally equivalent unit meeting BACT requirements, can I increase my permitted hours of operation or throughput limits as long as the PTE from the replacement unit is equal to or lower than the previous unit and still be exempt from offset requirements?

Answer: No. This would be considered debottlenecking, and therefore does not meet requirements of the equipment replacement exemption.

Question 22: Can the replacement of a burner in an external combustion unit qualify for the equipment replacement offsets exemption?

Answer: Yes. A burner replacement is considered a major modification, and therefore can qualify for the equipment replacement offsets exemption.

Topic: Rule 802 – Offset Exemptions – Emergency engines & Rule 361 boilers

Question 23: Can a turbine used to power an emergency standby generator qualify for the Rule 802 emergency engine exemption?

Answer: No, turbines used to power emergency generator sets cannot use the Rule 802 emergency engine offset exemption. The District's previous permit exemption language that existed in 2005, prior to the implementation of the State's Airborne Toxic Control Measure, was for all emergency *piston-type* internal combustion engines. It did not include gas turbine engines. The District has clarified this discrepancy by adding language to Rule 802.B.4, which states that it must specifically be a *piston-type* engine.

Question 24: Under the current NSR rules, the replacement of an existing boiler subject to Rule 361 was not assessed an NEI "I" term, and therefore not subject to offset requirements, if the unit was being replaced in order to comply with the rule requirements. Will this type of replacement continue to be exempt from offset requirements under the revised NSR rules?

Answer: Yes. Section B.3 of proposed Rule 802 exempts projects that meet the requirements of California Health and Safety Code Section 42301.2 from offset requirements. The first time replacement of an existing Rule 361 boiler with a new boiler or burner, rated equal to or less than the existing boiler, to comply with Rule 361 emission requirements would meet the requirements of California Health and Safety Code Section 42301.2, and therefore be exempt from offsets.

Topic: Miscellaneous

Question 25: Which NSR rules will apply to a permit that is in process when the new rules are adopted? For example, what happens to a permit that was deemed complete under the current NSR rules, but is not issued until the after revised NSR rules are adopted?

Answer: The revised NSR rules will take effect the day they are adopted, and your permit will be processed under the NSR rules in effect on the day your permit is issued.

Question 26: How will Rule 809 impact sources subject to the federal Part 70 Operating permit program?

Answer: Since Rule 809 will be part of the SIP, all NSR emission limits, operational limits, monitoring, recordkeeping, reporting and other ATC permit requirements will be federally enforceable under Part 70 Federal Operating permits.

Question 27: Why isn't the District proposing to require offsets for $PM_{2.5}$?

Answer: We believe that it is more important to focus on evaluating the need for emission controls and to ensure that State and Federal ambient air quality standards and increments are met. $PM_{2.5}$ is a component of both PM_{10} and PM, both of which are currently subject to offset requirements. We have no State or Federal mandate to require offsets for $PM_{2.5}$ and given the shortage of ERCs that currently exists, the District believes that our efforts are best focused on the BACT and AQIA requirements.

Question 28: How does the change from NEI to PTE affect the De Minimis exemption in Rule 202.D.6?

Answer: The changes will not affect the implementation methods for the De Minimis exemption. This is because the calculation method for the emission units remains exactly the same, as it is based on uncontrolled PTE that cannot be netted out from other changes.

Question 29: What happens to the 1997 NSR Staff Report Rules Clarification list of questions and answers?

Answer: Most of those questions/answers are still valid. Questions related to the NEI and offsets/ERCs will no longer be applicable.

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7. PUBLIC REVIEW

7.1 Public Participation

ARB and EPA Comments

The District provided the Air Resources Board and the Environmental Protection Agency draft copies of the proposed amended rules (and Rule 809) and the draft staff report for their review. Due to the intricacies of the NSR program as well as State and Federal requirements (including SB 288), it was important to obtain oversight agency input early in the process.

The August 2015 proposed revisions have been approved by ARB and EPA staff. However, an earlier proposal to create an Essential Public Services offset exemption and Community ERC Bank did not meet ARB approval and therefore is not being pursued. ARB's other concern was for the District to set up a tracking system for monitoring the proposed offsets exemption for functionally equivalent replacements. The District has agreed to thoroughly document all such approvals in the permit's Engineering Evaluation and to track and prepare an annual report documenting the prior years' actions. Rule language has also been added to Section I of Rule 802 to document this reporting requirement.

Workshops

The proposed revisions were publicly noticed on August 16, 2015 and two workshops were held. The first workshop was held at the District's office in Santa Barbara on September 17, 2015 and the second workshop was held at the Santa Maria Public Library on September 18, 2015.

Community Advisory Council

To facilitate the participation of the regulated community and the public in the development of the District's regulatory program, the District created the Community Advisory Council (CAC). The CAC is comprised of representatives appointed by the District's Board of Directors. Currently, there are 23 members on the CAC. Its charter is, among other things, to review proposed changes to the District's Rules and Regulations and make recommendations to the Board of Directors on these changes. The District will be bringing the proposed changes to the CAC so that all the changes can be fully vetted.

7.2 Rule Changes

Since the workshop, there have been a handful of changes that have been necessary to meet the District's goal of providing a clear and concise rule set and to address a few more ARB and EPA concerns. The changes in the rules are listed as follows:

- Added Rule 105, Applicability, to the rule package to address EPA's concern about "hanging references" to California law. More information can be found in Section 2.2 of the staff report.

- Added Rule 202, Exemptions to Rule 201, to the rule package to update the changes in state law regarding agricultural exemptions that the District has been implementing since the law changed. More information can be found in Section 2.3 of the staff report.

- Added the definition of "Agricultural Operations" to Rule 102 to clarify the agricultural exemption.

- Revised the definition of "Project" in Rule 801 to prevent potential circumvention of BACT and AQIA requirements and to ensure that there is no rule relaxation under SB 288.

- Edited the emergency engine offsets exemption in Rule 802 to clarify that only piston-type internal combustion engines can qualify for the exemption.

- Edited Section I.1 of Rule 802 to remove Table 2, as it was a redundant requirement that was already addressed by Tables 3 and 4.

- Added the offset exemption tracking language in Section I.5 of Rule 802 to address ARB's concern.

- Minor text edits and reformatting in Section D of Rule 804.

7.3 Public Comments

The following entities have submitted comments on the proposed rule set:

- ERG California
- UCSB
- Vandenberg AFB
- Lockheed Martin PLSSS
- Western States Petroleum Association

No major changes to the rules have occurred as a result of these comments. However, the comments were helpful in pointing out concerns over the implementation of the new rule set. Accordingly, the District has created new FAQs in Chapter 6 to address the public's concerns.

All public comments, as well as the District's responses to such comments, are shown in Attachments B and C, respectively.

8. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The California Environmental Quality Act (CEQA) requires that projects that may significantly affect the quality of the environment be analyzed and disclosed in an environmental impact report so that significant adverse effects may be reduced or eliminated. It is the responsibility of the "lead agency" of such a project to do the analysis or to establish the basis for a finding that such an analysis need not be done. In this case, Santa Barbara County APCD is the lead agency.

The proposed amendments to the District's NSR permitting program are intended to and expected to benefit public health and the environment. In particular, the proposed amendments will add new permitting requirements for $PM_{2.5}$ and will allow more permitting projects that reduce actual emissions to be fully approved.

Notwithstanding these air quality benefits the District is preparing an Environmental Impact Report (EIR) to evaluate whether the proposed amendments could cause any significant impacts as a result of the proposed rule amendments.

The Notice of Preparation was sent out in September and the Notice of Availability for the EIR will be sent out after the CAC process is complete. The final EIR will be a part of the Board adoption package for these amendments.

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9. ATTACHMENTS

9.1 Attachment A: SB 288 No Net Increase Programmatic Comparison

9.2 Attachment B: Public Comments

- **ERG California Comments [10/14/2015]**
- **UCSB Comments [10/16/2015]**
- **Vandenberg Comments [10/16/2015]**
- **Lockheed Martin PLSSS Comments [10/16/2015]**
- **Western States Petroleum Association [11/2/2015]**

9.3 Attachment C: Response to Public Comments

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9.1 Attachment A:

SB 288 No Net Increase Programmatic Comparison

ATTACHMENT A

SB 288 PROGRAMMATIC COMPARISION OF THE EXISTING AND PROPOSED RULES

PURPOSE:

The purpose of this analysis is to perform a programmatic review that compares the current Regulation VIII mitigation values to the proposed revisions of Regulation VIII. This analysis is required pursuant to SB 288, which mandates that there can be no relaxation in the mitigation requirements of District New Source Review (NSR) rules compared to the rules that existed on December 30, 2002.

CONCLUSION:

Based on historical trends from the past 17 years, the projected emission reductions expected under the proposed amended Regulation VIII will be equivalent to or in excess of the actual emission reductions achieved by the existing Regulation VIII provisions. See Table A-1 and Table A-1a. Therefore, on a *programmatic basis*, the proposed rule revisions will not result in a relaxation of the District's New Source Review program and are consistent with the requirements of SB 288.

BACKGROUND AND PROPOSED REVISIONS:

The District's current NSR rules were adopted in April 1997. At that time, Santa Barbara County was designated as a Moderate nonattainment area for both the state and federal 1-hour ozone standards. Under State Health & Safety Code Section 40918(a)(1), Santa Barbara County was required to establish "*a stationary source control program designed to achieve no net increase in emissions of nonattainment pollutants or their precursors from new or modified stationary sources which emit or have the potential to emit 25 tons per year or more of nonattainment pollutants or their precursors.*" In practice, this would require any increases to be offset at a ratio of 1:1 at stationary sources with a potential to emit (PTE) of 25 tpy or more for any nonattainment pollutant (or their precursors). This section is applicable to the ozone precursors NO_x and ROC.

In lieu of adopting this H&SC Section as written, the District adopted an alternative requirement that was designed, in its entirety, to be equivalent to the H&SC mandate, and ARB approved this approach. The alternative approach was comprised of four components:

- A Net Emissions Increase (NEI) based calculation method,
- Offset thresholds of 55 pounds per day and 10 tons per year,
- Offset trading ratios ranging from 1.2:1 to 6:1, and
- Trading zones.

The proposed revisions to the offsets program are contained in Section E of Rule 802 as well as Rule 804. These revisions were designed to meet the concerns raised by the regulated community, District staff and ARB. What is proposed will not solve the basic problems of cost and availability, but should have a meaningful impact by limiting the population of stationary sources that would be subject to this requirement to only the largest emitters of air pollution.

The elements of the proposed revisions to the offsets program include:

- Potential to Emit based emission calculations
- Offset thresholds set at 240 pounds per day and 25 tons per year (PTE)
- A single offset zone for the County
- Offset trading ratios from 1.1:1 to 1.3:1
- Allowance for inter-District trades with Ventura and San Luis Obispo counties[1]

The 25 ton per year offset threshold is the State H&SC Section 40918 mandated value. The existing Rule 803 daily offset threshold of 240 pound per day was maintained (moved to Rule 802). A single offset zone was selected to eliminate the fragmentation that the current 3-zone system creates. A single zone is also consistent with the offset programs in Ventura and San Luis Obispo counties (and many other air Districts), both of which are in the same air basin. Performing ozone modeling on the impacts of the changes is not technically feasible as such modeling is not granular enough to look at the small emission quantities that we are dealing with (plus such modelling is very expensive). Lastly, rule language was added that allows for the possibility of trading with Ventura and San Luis Obispo counties using a minimum trading ratio of 1.5:1. These potential trades would be subject to a case-by-case analysis, may result in higher trading ratios and requires the approval of both air Districts Boards.

BASIS AND ASSUMPTIONS IN THE ANALYSIS:

The goal of this analysis was to compare the emission reductions generated under the current NEI-based rule to the *proposed* PTE-based rule. To do this, the past 17 years of NSR permitting actions was used to compare the rules. This is a reasonable and equitable way to compare the impacts of both rules. It also uses the existing rule as the comparison benchmark and not the H&SC mandated requirement.

The first step in the analysis is to identify which stationary sources have a PTE of 25 tpy or more of ozone precursor pollutants. The District's permit database was queried and 31 stationary sources were identified (owned/operated by 21 different companies). Next, the permit files were reviewed to gather the NEI data elements. This included all increases since 1997 ("I" or "P1" terms), all non-NEI based decreases since 1997 ("D" terms) and all NEI based decreases since 1997 ("P2" terms). This data was entered into Table A-2. This data was then evaluated and the "I", "P1" and "P2" terms associated with sources/pollutants that were at or over 25 tpy were tagged for use in the analysis (shown in red in the table). "D" terms act as internal offsets to the source and are considered mitigation.

The next step in the analysis is to determine the ERC obligation under both the current and proposed rules. For the current rules, Table A-3 shows all the emission reductions credits

[1] As allowed and per the procedures established in H&SC Section 40709.6

("ERCs") surrendered for "use" on permits issued since 1997 under the current NSR rules. The data is summarized by company and is based on the transactions documented on the District's webpage.

For the proposed rules, Table A-4 is the estimate of the ERCs that would have been required for the emissions growth over the past 17 years. The offset ratios proposed in the rule are used (1.1:1 for same source ERCs and 1.3:1 for all other intra-District trades). The analysis does not assume any inter-District trades. To complete the analysis, an estimate of what percentage of the ERCs would be subject to the 1.1:1 or 1.3:1 trade ratio is required. Table A-5 determines this ratio by evaluating every ERC transaction for NSR permitting over the past 17 years. Each use was analyzed for which ratio would be applicable. The ratios were applied and a weighted percentage of all trades was calculated. These percentages were then used in Table A-4 in the estimate of required ERCs under the proposed new rules.

Finally, the District has to show the amount of Rule 806 ERC shutdown and reduction in throughput discounts over the past 17 years, which is seen in Table A-6. These reductions count towards the total mitigation value for the NSR program. However, there are no substantive changes proposed to this calculation method, so the throughput discounts will be identical under both the current and proposed rules.

The same analysis for SO_x/PM_{10} was performed. Fifteen stationary sources (owned/operated by 11 different companies) were identified as subject to this analysis. The tables are numbered the same as the ozone precursor analysis, except that an "a" is included in the title (e.g. Table A-1a). One other difference is that the SO_x/PM_{10} analysis assumes that the ERC trading ratio percentage, which was calculated for ozone precursors in Table A-5, can be applied to SO_x/PM_{10} as well. Hence, there is one less table, and the throughput discount table is numbered A-5a.

ANALYSIS:

The attached tables provide the data to perform a quantitative analysis. This "programmatic analysis" compares the existing offset program to the proposed revised offset program in the amended rules. The analysis compares the last 17 years' worth of ATC permitting actions. For the existing rule, this function has already been performed as part of our *No Net Emission Increase Monitoring Reports*. Table A-1 provides the summary comparison.
For estimating the quantity of mitigation from the proposed rules, the same 17 years of ATC permitting actions were used. Table A-4 documents this data set. NO_x ERCs would total 170.81 tons, ROC ERCs would total 280.48 tons and ozone precursor ERCs would total 451.30 tons. Table A-5 calculates the weight percentages of how many ERCs would be subject to the 1.1:1 ratio (47%) and how many would be subject to the 1.3:1 ratio (53%). Table A-6 shows the ERCs that would be generated due to shutdowns and reduction in throughput discount under Rule 806, which would be the same under the both the existing and proposed rules.

It should be noted that the current rules provide approximately 19 tons more NO_x mitigation than the proposed rules. This does not, however, mean that the proposed rules are under performing with respect to NO_x. First, the District believes, that for the purposes of the analysis, that the combined tonnage of both ozone precursor pollutants is a valid approach. Second, the reason for the positive NO_x value is that the District has accepted inter-pollutant trades of NO_x ERCs for

ROC increases (more than 19 tons worth). In sum, the net positive NO_x value is an artifact since some NO_x ERCs have been converted to ROC ERCs.

As shown in Table A-1, the data shows that the proposed amendments to the NSR program will exceed the current NSR program's mitigation levels for ozone precursor pollutants. Therefore, the proposed amendments to the NSR offsets program for ozone precursor pollutant thresholds, zones and ratios do not cause (on a programmatic basis) a relaxation of the rules and are consistent with the requirements set forth in SB 288.

Although our primary focus is on the state ozone standard, we also regulate oxides of sulfur (SO_x) and particulate matter less than 10 micron (PM_{10}). The District has not tracked these two pollutants in our No Net Monitoring report as we do for ozone precursor pollutants since this was not an ARB or H&SC requirement to do so under the alternative offset program approach. None-the-less, we have prepared a similar analysis for these two pollutants using the same procedures that were performed with the ozone precursors. The results of this analysis are shown in Table A-1a. As shown in the table, the proposed rules produce more mitigation than the current rule set.

Table A-1 and Table A-1a summarizes the analysis results. The quantitative analysis shows that the proposed revisions to Regulation VIII will provide similar or better emission reductions as we have been achieving with the current rules. This analysis applies the proposed revisions to the last 17 years of New Source Review permitting actions, so it provides a like-for-like comparison. The analysis also shows that the proposed offset trading ratios (1.1:1 for trades within the same source and 1.3:1 for all other intra-District trades) are properly selected to meet SB 288 mandates for not relaxing our offset requirements. Therefore, on a programmatic basis, the SB 288 requirement has been met.

Table A-1 2/13/2015

RULES COMPARISION

SUMMARY

Current Regulation VIII	*(from 2014 No Net Emissions Report: rev 7/24/14)*		
	NOx	**ROC** *(tons per year)*	**NOx + ROC**
Total Mitigation	**206.74**	**194.28**	**401.02**
ERCs Used	172.14	97.52	269.67
Shutdown/Redn TP Discounts	16.62	26.91	43.53
Decrease - NEI "D" Term	17.98	69.85	87.83

Proposed Rule Revisions			
	NOx	**ROC** *(tons per year)*	**NOx + ROC**
Total Mitigation	**187.43**	**307.39**	**494.83**
ERCs Required	170.81	280.48	451.30
Shutdown/Redn TP Discounts	16.62	26.91	43.53

Notes:

(a) Calculations based on all permiting actions since April 1997.

(b) ERCs used based on ERC Transaction table.

(c) Shutdowns/Reductions in throughput discounts per DOI documents.

(d) "D" term decreases based on actual emission reductions calculated per permitting actions.
Only includes "D" terms from sources at 25 tpy PTE or greater.

TABLE A-2

2/13/2015

STATIONARY SOURCES with OZONE PRECURSORS at 25 TPY and Greater

NEI ACTIVITY SINCE 1997

SSID	Company Name	Stationary Source Name	Current Potential to Emit (tons per year)		Increases Since 1997 I or P1 Terms (tons per year)		Decreases Since 1997 D Terms (tons per year)		Decreases Since 1997 P2 Terms (for post '97 P1) (tons per year)	
			NOx	ROC	NOx	ROC	NOx	ROC	NOx	ROC
4421	CalPortland Construction	CalPortland - Hot Mix Asphalt Plant	33.53	5.71	0.03	0.02				
8713	City of Santa Maria/J&A Santa Maria II	Santa Maria Regional Landfill	13.95	89.60	9.49	7.59				
3707	County of SB/Fortistar	County of SB-Tajiguas Landfill	36.41	69.37	-	-				
8003	DCOR	Dos Cuadras - South County	143.72	183.16	0.80	7.30		0.01		
8012	DCOR	Platform Habitat	63.19	23.36	2.84	0.53				
1073	E & B Natural Resources	E & B - South Cuyama	59.28	171.64	0.76	12.59		0.34		3.27
4639	E & B Natural Resources	Russell Ranch Lease	34.08	34.95	-	0.68		0.12		
2560	ERG Resources	ERG Resources - Cat Canyon West	22.40	139.02	13.56	16.86			2.61	4.82
11136	ERG Resources	ERG Resources - Cat Canyon East	66.48	25.64	7.04	3.86				
1482	ExxonMobil Production	ExxonMobil - SYU Project	634.56	317.74	4.22	22.46				
4632	Freeport-McMoRan Oil and Gas	Pt. Pedernales/Lompoc Oil Fields	115.44	205.64	5.37	17.90	0.09	0.46		0.09
1325	Freeport-McMoRan Oil and Gas	The Point Arguello Project	806.54	275.04	0.12	8.48				
4630	Greka Oil and Gas	Casmalia	140.45	17.06	13.32	3.57				
2200	Greka Oil and Gas	Clark Avenue Source	42.95	97.98	3.69	1.00			3.69	0.35
10910	Greka Oil and Gas	Greka North Cat Canyon	64.09	93.04	0.98	6.15				
2658	Greka Oil and Gas	Greka South Cat Canyon	264.37	73.84	5.46	9.49	13.74	44.91	3.46	3.53
8678	Greka Oil and Gas	Los Flores	13.39	35.83	4.21	0.92				
8702	Greka Oil and Gas	Zaca Field	13.39	35.83	-	7.35				
1735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.	3,780.00	667.00	14.34	12.17	3.76	0.88	13.78	3.82
2667	Pacific Coast Energy Company	Pacific Coast Energy Company- Orcutt Hill	437.66	185.41	21.82	26.87		0.63	10.45	8.69
8001	Pacific Offshore Operators Inc.	Pacific Operators - Carpinteria	164.03	35.36	9.94	5.06	-	0.46		
2638	Purisima Hills LLC	Purisima Hills LLC - Blair Lease	30.03	42.34	3.65	5.52				0.16
4640	Greka Refining Company	SMRC/Union Sugar	83.39	40.73	8.32	9.78		0.21		
5019	Southern California Gas Company	So Cal Gas - La Goleta	98.99	295.37	2.40	15.10	0.20	14.17		
4900	The Okonite Company	The Okonite Company	4.00	31.77	2.75	23.19		7.50	0.97	1.81
1195	United States Air Force	Vandenberg Air Force Base	59.67	24.30	9.13	6.16				
2795	University of California	UCSB	74.18	5.75	6.85	1.13			0.74	0.12
27	Venoco	Venoco - Carpinteria	59.12	83.32	0.47	0.98				
1063	Venoco	Venoco - Ellwood	191.94	127.89	20.06	11.22	0.19	0.11	14.66	2.97
10912	Vintage Production California	Vintage Central Cat Canyon	45.53	70.86	-	-		0.05		
1021	Wellhead Power Central Coast	Wellhead Power Central Coast	25.62	1.73	-	-				
		PERMITTED GROWTH =			**141.60**	**232.52**	**17.98**	**69.85**	**46.78**	**29.51**
						374.13				

(1) Increases and decreases are from April 17, 1997

(2) Unless otherwise noted, use final permits issued before May 2, 2014.

(3) I, P1 and P2 terms summed only for sources with PTE over 25 tpy for the pollutant in question.

TABLE A-3 2/13/2015

ERCs USED

CURRENT RULES

Company	tons			
	Quarterly		Annual	
	NOx	ROC	NOx	ROC
Arguello, Inc.	0.18	0.54	0.71	2.18
Boeing	2.82	1.19	11.28	4.75
Breitburn Energy	3.25	0.66	12.99	2.62
Chevron USA Prodn	-	0.37	-	1.48
Dos Cuadras Offshore Resources	-	0.01	-	0.02
ERG Resources Company	8.87	5.37	35.49	21.46
Exxon Company USA	-	0.18	-	0.72
ExxonMobil	1.89	3.24	7.58	12.97
Freeport-McMoRan Oil & Gas	-	1.03	-	4.10
Lockheed Martin Corporation	-	0.04	-	0.15
Nuevo Energy	0.01	0.18	0.04	0.72
Pacific Coast Energy Company	3.65	0.17	14.58	0.70
Plains Exploration and Production	1.19	2.44	4.77	9.78
POPCO	0.95	3.51	3.80	14.04
The Okonite Company	5.14		20.56	-
The Pt. Arguello Companies	3.46	0.31	13.84	1.23
ULA - Delta IV	0.20	0.78	0.79	3.11
US Air Force	11.43	4.38	45.71	17.51
Total ERCs Used Current Rules =			**172.14**	**97.52**
		Total NOx + ROC =		**269.67**

Notes:
(1) Data from ERC transactions report.
(2) Includes use of all ERCs since 1997.

TABLE A-4
ERCs REQUIRED ANALYSIS
PROPOSED NEW RULES

2/13/2015

	1.1:1 Ratio	*1.3:1 Ratio*
Ratio % Assumed =	47%	53%

SSID	Company Name	Stationary Source Name	Current Potential to Emit (tons per year) NOx	Current Potential to Emit (tons per year) ROC	Emission Increases Since 1997 (tons per year) NOx	Emission Increases Since 1997 (tons per year) ROC	ERCs Required (tons per year) NOx	ERCs Required (tons per year) ROC
4421	CalPortland Construction	CalPortland - Hot Mix Asphalt Plant	33.53	5.71	0.03	0.02	0.04	-
8713	City of Santa Maria/J&A Santa Maria II	Santa Maria Regional Landfill	13.95	89.60	9.49	7.59	-	9.16
3707	County of SB/Fortistar	County of SB-Tajiguas Landfill	36.41	69.37	-	-	-	-
8003	DCOR	Dos Cuadras - South County	143.72	183.16	0.80	7.30	0.97	8.81
8012	DCOR	Platform Habitat	63.19	23.36	2.84	0.53	3.43	-
1073	E & B Natural Resources	E & B - South Cuyama	59.28	171.64	0.76	12.59	0.92	15.19
4639	E & B Natural Resources	Russell Ranch Lease	34.08	34.95	-	0.68	-	0.82
2560	ERG Resources	ERG Resources - Cat Canyon West	22.40	139.02	13.56	16.86	-	20.34
11136	ERG Resources	ERG Resources - Cat Canyon East	66.48	25.64	7.04	3.86	8.49	4.66
1482	ExxonMobil Production	ExxonMobil - SYU Project	634.56	317.74	4.22	22.46	5.09	27.09
4632	Freeport-McMoRan Oil and Gas	Pt. Pedernales/Lompoc Oil Fields	115.44	205.64	5.37	17.90	6.48	21.59
1325	Freeport-McMoRan Oil and Gas	The Point Arguello Project	806.54	275.04	0.12	8.48	0.14	10.23
4630	Greka Oil and Gas	Casmalia	140.45	17.06	13.32	3.57	16.07	-
2200	Greka Oil and Gas	Clark Avenue Source	42.95	97.98	3.69	1.00	4.45	1.21
10910	Greka Oil and Gas	Greka North Cat Canyon	64.09	93.04	0.98	6.15	1.18	7.42
2658	Greka Oil and Gas	Greka South Cat Canyon	264.37	73.84	5.46	9.49	6.59	11.45
8678	Greka Oil and Gas	Los Flores	13.39	35.83	4.21	0.92	-	1.11
8702	Greka Oil and Gas	Zaca Field	13.39	35.83	-	7.35	-	8.87
1735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.	3,780.00	667.00	14.34	12.17	17.30	14.68
2667	Pacific Coast Energy Company	Pacific Coast Energy Company- Orcutt Hill	437.66	185.41	21.82	26.87	26.32	32.41
8001	Pacific Offshore Operators Inc.	Pacific Operators - Carpinteria	164.03	35.36	9.94	5.06	11.99	6.10
2638	Purisima Hills LLC	Purisima Hills LLC - Blair Lease	30.03	42.34	3.65	5.52	4.40	6.66
4640	Greka Refining Company	SMRC/Union Sugar	83.39	40.73	8.32	9.78	10.04	11.80
5019	Southern California Gas Company	So Cal Gas - La Goleta	98.99	295.37	2.40	15.10	2.90	18.21
4900	The Okonite Company	The Okonite Company	4.00	31.77	2.75	23.19	-	27.97
1195	United States Air Force	Vandenberg Air Force Base	59.67	24.30	9.13	6.16	11.01	-
2795	University of California	UCSB	74.18	5.75	6.85	1.13	8.26	-
27	Venoco	Venoco - Carpinteria	59.12	83.32	0.47	0.98	0.57	1.18
1063	Venoco	Venoco - Ellwood	191.94	127.89	20.06	11.22	24.20	13.53
10912	Vintage Production California	Vintage Central Cat Canyon	45.53	70.86	-	-	-	-
1021	Wellhead Power Central Coast	Wellhead Power Central Coast	25.62	1.73	-	-	-	-
						ERCs Required New Rule =	**170.81**	**280.48**

Notes:

(1) Increases are from April 17, 1997
(2) Unless otherwise noted, use final permits issued before May 2, 2014.
(3) Decreases are not accounted for in this table.
(4) Assumes no inter-District trades at 1.5:1 ratio
(5) Ratio percentages based on historical ERC data from 1997 to 2014.

Same Source ERC Ratio = 1.1
Default ERC Ratio = 1.3

TABLE A-5
ESTIMATE of ERC TRADING RATIO PERCENTAGE for PROPOSED NEW RULES 2/13/2015

ERC Cert. No. Retired	Date	Company Name	Type	NOx	ROC	Ratio	NOx at 1.1	ROC at 1.1	NOx at 1.3	ROC at 1.3
0032-1103	1/3/2000	Arguello, Inc.	Use			1.3				
0033-1103	4/17/2000	Arguello, Inc.	Use			1.3				
0037-1103	5/2/2000	Arguello, Inc.	Use		0.033	1.3				0.043
0044-0105	12/14/2000	Arguello, Inc.	Use	0.083		1.1	0.092			
0045-0105	1/14/2001	Arguello, Inc.	Use		0.012	1.1		0.013		
0067-0807	11/14/2006	Arguello, Inc.	Use			1.3				
0076-1007	11/14/2006	Arguello, Inc.	Use			1.3				
0094-1108	11/14/2006	Arguello, Inc.	Use			1.3				
0135-0909	11/14/2006	Arguello, Inc.	Use		0.253	1.1		0.278		
0137-0611	11/14/2006	Arguello, Inc.	Use	0.052	0.038	1.3			0.068	0.049
0141-1108	7/11/2008	Arguello, Inc.	Use		0.033	1.3				0.043
0169-0611	9/2/2008	Arguello, Inc.	Use		0.047	1.3				0.061
0059-1103	11/12/2002	Boeing	Use	0.680	0.167	1.3			0.884	0.217
0062-1103	11/12/2002	Boeing	Use			1.3				
0064-1103	12/2/2002	Boeing	Use	1.200		1.3			1.560	
0066-1103	6/19/2003	Boeing	Use		0.625	1.3				0.812
0172-0514	12/28/2009	BreitBurn Energy	Use	1.647	0.546	1.1	1.811	0.600		
0215-0514	11/4/2010	BreitBurn Energy	Use	1.058		1.1	1.164			
0237-0514	4/20/2011	BreitBurn Energy	Use	0.001		1.1	0.001			
0005-0403	4/8/1998	Chevron USA Prodn	Use		0.158	1.1		0.174		
0007-0503	5/28/1998	Chevron USA Prodn	Use		0.150	1.1		0.165		
0124-0908	11/14/2006	Dos Cuadras Offshore Resources	Use		0.004	1.3				0.005
0240-0316	3/5/2013	ERG Resources Company	Use	1.161		1.3			1.509	
0244-0616	3/5/2013	ERG Resources Company	Use	2.377		1.3			3.091	
0271-0714	4/26/2013	ERG Resources Company	Use		3.041	1.3				3.954
0297-0714	5/16/2013	ERG Resources Company	Use		0.149	1.3				0.194
0244-0616	3/11/2014	ERG Resources Company	Use	2.377	0.339	1.3			3.091	0.441
0244-0616	3/27/2014	ERG Resources Company	Use		0.047	1.3				0.061
0004-0103	1/21/1998	Exxon Company USA	Use		0.150	1.1		0.165		
0079-0206	5/19/2003	ExxonMobil	Use		0.185	1.3				0.241
0080-0307	5/19/2003	ExxonMobil	Use		0.221	1.3				0.287
0081-0308	5/19/2003	ExxonMobil	Use		0.438	1.3				0.569
0083-1103	5/19/2003	ExxonMobil	Use		0.427	1.3				0.555
0115-1009	11/1/2004	ExxonMobil	Use		0.407	1.1		0.447		
0125-0310	3/23/2005	ExxonMobil	Use		0.096	1.1		0.105		
0126-0310	3/23/2005	ExxonMobil	Use		0.165	1.1		0.182		
0132-0811	8/15/2006	ExxonMobil	Use	0.181	0.007	1.1	0.199	0.007		
0136-0811	11/24/2008	ExxonMobil	Use	0.388		1.1	0.426			
0128-1009	8/28/2009	ExxonMobil	Use		0.187	1.1		0.205		
0188-0811	9/22/2010	ExxonMobil	Use	0.238		1.1	0.262			
0235-0811	2/21/2012	ExxonMobil	Use	0.730		1.1	0.803			
0030-1103	10/17/2001	ExxonMobil	Transfer/Use			1.3				
0029-0304	11/1/2004	ExxonMobil	Transfer/Use		0.027	1.3				0.035
0102-1108	11/1/2004	ExxonMobil	Transfer/Use	0.033	0.000	1.3			0.043	
0114-1009	11/1/2004	ExxonMobil	Transfer/Use		0.219	1.1		0.241		
0292-1113	9/26/2013	Freeport-McMoRan Oil & Gas	Use		0.656	1.3				0.853
0299-1113	12/26/2013	Freeport-McMoRan Oil & Gas	Use		0.027	1.3				0.036
0121-1108	5/20/2005	Lockheed Martin Corporation	Use		0.025	1.3				0.032
0008-1003	3/22/1999	Nuevo Energy	Use	0.008	0.001	1.1	0.009	0.001		
0020-1103	7/19/1999	Nuevo Energy	Use		0.120	1.3				0.156
0267-0514	9/11/2012	Pacific Coast Energy Company	Return Unused	-0.567		1.1	-0.623			
0270-0514	4/26/2013	Pacific Coast Energy Company	Use	3.360		1.1	3.696			
0269-0817	12/24/2013	Pacific Coast Energy Company	Use	0.060		1.1	0.066			
0296-0818	2/27/2014	Pacific Coast Energy Company	Use		0.090	1.1		0.099		
0311-0819	3/7/2014	Pacific Coast Energy Company	Use		0.011	1.1		0.012		
0288-0817	3/26/2014	Pacific Coast Energy Company	Use		0.044	1.1		0.049		
0249-0514	2/21/2012	Pacific Coast Energy Company	Use	0.185		1.1	0.204			
0119-0909	12/6/2004	Plains Exploration and Production	Use		0.167	1.3				0.217
0120-0909	9/19/2005	Plains Exploration and Production	Use		0.080	1.3				0.104
0130-0909	11/12/2005	Plains Exploration and Production	Use		0.010	1.3				0.013
0131-0909	4/21/2006	Plains Exploration and Production	Use		0.003	1.3				0.004
0153-0812	7/11/2008	Plains Exploration and Production	Use		0.187	1.3				0.243
0143-0611	9/3/2008	Plains Exploration and Production	Use		0.047	1.3				0.061
0170-0812	11/24/2008	Plains Exploration and Production	Use		0.050	1.3				0.065
0179-1113	10/31/2011	Plains Exploration and Production	Use		0.167	1.3				0.217
0199-0812	10/31/2011	Plains Exploration and Production	Use		0.047	1.3				0.062
0258-1016	2/21/2012	Plains Exploration and Production	Use		0.208	1.1		0.229		
0178-1113	9/18/2012	Plains Exploration and Production	Use		0.504	1.3				0.655
0205-0515	9/20/2012	Plains Exploration and Production	Use		0.018	1.1		0.020		
0259-0812	9/20/2012	Plains Exploration and Production	Use		0.080	1.3				0.104
0263-1016	9/20/2012	Plains Exploration and Production	Use		0.011	1.1		0.012		
0284-0817	4/26/2013	Plains Exploration and Production	Use		0.123	1.1		0.135		
0283-0917	11/12/2013	Plains Exploration and Production	Use	0.993		1.1	1.093			

TABLE A-5
ESTIMATE of ERC TRADING RATIO PERCENTAGE for PROPOSED NEW RULES 2/13/2015

ERC Cert. No. Retired	Date	Company Name	Type	NOx	ROC	Ratio	NOx at 1.1	ROC at 1.1	NOx at 1.3	ROC at 1.3
0026-0304	12/22/1999	POPCO	Use		0.507	1.3				0.659
0028-1103	12/22/1999	POPCO	Use	0.633	1.833	1.3			0.823	2.383
0106-0709	11/17/2004	SpaceX	Use		0.013	1.3				0.017
0202-0714	11/1/2011	SpaceX	Return Unused		-0.013	1.3				-0.017
0226-0315	3/25/2011	The Okonite Company	Use	1.903		1.3			2.473	
0214-0914	4/20/2011	The Okonite Company	Use	1.523		1.3			1.980	
0149-1207	10/4/2007	The Pt. Arguello Companies	Use	2.541		1.1	2.795			
0009-0903	9/30/1998	The Pt. Arguello Companies	Use	0.150	0.025	1.1	0.165	0.028		
0012-1103	4/22/1999	The Pt. Arguello Companies	Use	0.075	0.012	1.1	0.083	0.013		
0013-0104	4/22/1999	The Pt. Arguello Companies	Use	0.073	0.011	1.1	0.081	0.012		
0018-0331	5/19/1999	The Pt. Arguello Companies	Use		0.167	1.3				0.217
0016-0104	6/7/1999	The Pt. Arguello Companies	Use	0.044		1.1	0.049			
0245-0616	11/1/2011	ULA - Delta IV	Use		0.509	1.3				0.662
0165-1113	8/25/2009	ULA - Delta IV	Use	0.132	0.009	1.3			0.172	0.011
0001-0902	9/26/1997	US Air Force	Use	0.883	0.333	1.1	0.972	0.367		
0002-0902	9/26/1997	US Air Force	Use	0.167		1.1	0.183			
0003-0902	9/26/1997	US Air Force	806.D.7	-0.158	-0.008	1.1	-0.174	-0.009		
0056-1103	11/5/2002	US Air Force	Use		0.775	1.3				1.007
0058-0907	11/27/2002	US Air Force	806.D.7	-0.227	-0.010	1.1	-0.249	-0.011		
0070-0907	12/6/2002	US Air Force	Use	2.258	0.675	1.1	2.483	0.743		
0071-0907	6/19/2003	US Air Force	806.D.7	-1.441		1.1	-1.585			
0086-0907	9/30/2003	US Air Force	Use	0.979	0.698	1.1	1.077	0.767		
0093-0907	2/26/2004	US Air Force	Use	0.163	0.023	1.1	0.179	0.025		
0092-1108	10/18/2004	US Air Force	Use		0.200	1.3				0.260
0103-0907	2/27/2006	US Air Force	Use	0.074	0.007	1.1	0.081	0.008		
0138-0907	5/27/2007	US Air Force	Use	0.562	0.037	1.1	0.618	0.041		
0107-1108	9/21/2007	US Air Force	Use		0.008	1.1		0.008		
0148-0907	9/21/2007	US Air Force	Renewal/Use	0.187	0.006	1.1	0.205	0.006		
0129-0907	11/29/2007	US Air Force	Use	0.063	0.004	1.1	0.069	0.004		
0150-0912	12/17/2007	US Air Force	Use	0.056		1.1	0.061			
0151-1108	12/17/2007	US Air Force	Use		0.003	1.1		0.004		
0156-1108	1/24/2008	US Air Force	Use		0.008	1.1		0.008		
0157-0912	1/24/2008	US Air Force	Use	0.070	0.000	1.1	0.077			
0158-1108	3/14/2008	US Air Force	Use	0.000	0.037	1.1		0.040		
0159-0912	3/14/2008	US Air Force	Use	0.432		1.1	0.475			
0160-1108	3/14/2008	US Air Force	Use		0.008	1.1		0.008		
0161-0912	3/14/2008	US Air Force	Use	0.042		1.1	0.046			
0162-0912	10/2/2008	US Air Force	Use	0.178		1.1	0.196			
0163-1108	10/2/2008	US Air Force	Use		0.045	1.1		0.050		
0167-0912	10/2/2008	US Air Force	Use	0.057		1.1	0.062			
0168-1108	10/29/2008	US Air Force	Use		0.012	1.1		0.013		
0187-1113	11/24/2008	US Air Force	Use		0.036	1.3				0.047
0182-0912	12/1/2008	US Air Force	806.D.7	-0.218	-0.016	1.1	-0.239	-0.017		
0184-0912	1/26/2009	US Air Force	Use	0.246		1.1	0.270			
0193-0912	3/12/2009	US Air Force	Use	1.481		1.1	1.629			
0194-1113	3/12/2009	US Air Force	Use		0.102	1.3				0.133
0195-0912	3/12/2009	US Air Force	Use	0.056	0.000	1.1	0.061			
0196-1113	3/12/2009	US Air Force	Use		0.004	1.3				0.005
0207-0912	3/24/2010	US Air Force	Use	0.464		1.1	0.511			
0208-1113	3/24/2010	US Air Force	Use		0.034	1.3				0.044
0221-1113	3/24/2010	US Air Force	Use		0.003	1.3				0.004
0220-0912	4/26/2010	US Air Force	Use	0.049		1.1	0.054			
0223-0912	9/20/2010	US Air Force	Use	0.072		1.1	0.079			
0224-1113	9/20/2010	US Air Force	Use		0.003	1.3				0.004
0229-0912	9/20/2010	US Air Force	Use	0.235		1.1	0.259			
0232-1113	9/20/2010	US Air Force	Use		0.017	1.3				0.023
0234-1113	9/21/2010	US Air Force	Use		0.017	1.3				0.023
0238-1113	4/20/2011	US Air Force	Use		0.008	1.3				0.010
0233-0912	2/21/2012	US Air Force	Use	0.317		1.1	0.348			
0250-1113	2/21/2012	US Air Force	Use		0.038	1.3				0.049
0252-0912	3/7/2012	US Air Force	Use	0.342		1.1	0.376			
0253-1113	3/7/2012	US Air Force	Use		0.023	1.3				0.030
0273-0912	5/24/2012	US Air Force	Use	0.375		1.1	0.413			
0274-1113	5/24/2012	US Air Force	Use		0.025	1.3				0.033
0275-0912	6/5/2012	US Air Force	Use	0.117		1.1	0.128			
0276-1113	6/5/2012	US Air Force	Use		0.035	1.3				0.046
0277-0912	6/20/2012	US Air Force	Use	0.357	0.005	1.1	0.392	0.006		
0278-1113	6/20/2012	US Air Force	Use		0.019	1.3				0.025
0280-1113	4/30/2013	US Air Force	Use		0.013	1.3				0.016
0290-0917	4/30/2013	US Air Force	Use	0.188		1.1	0.207			
0303-0917	5/17/2013	US Air Force	Use	0.018		1.1	0.020			
0304-1113	5/17/2013	US Air Force	Use		0.001	1.3				0.002
0305-0917	6/12/2013	US Air Force	Use	0.048		1.1	0.053			
0306-1113	6/12/2013	US Air Force	Use		0.006	1.3				0.008
0309-0917	7/17/2013	US Air Force	Use	0.373		1.1	0.411			

TABLE A-5
ESTIMATE of ERC TRADING RATIO PERCENTAGE for PROPOSED NEW RULES 2/13/2015

ERC Cert. No. Retired	Date	Company Name	Type	NOx	ROC	Ratio	NOx at 1.1	ROC at 1.1	NOx at 1.3	ROC at 1.3
0310-1113	7/17/2013	US Air Force	Use		0.020	1.3				0.026
0314-0917	8/26/2013	US Air Force	Use	0.056		1.1	0.061			
0315-1113	8/26/2013	US Air Force	Use		0.007	1.3				0.009
0318-0917	12/26/2013	US Air Force	Use	0.604		1.1	0.665			
0319-1113	12/26/2013	US Air Force	Use		0.032	1.3				0.042
							22.850	5.252	15.694	16.165

Notes:
(1) ERC 030, 032, 033, 067, 076 and 094 for SO_2 ERCs
(2) ERC 062 for PM_{10} ERCs.
(3) NOx and ROC listed is the Offset obligation

Total NOx+ROC at 1.1 = 28.102 tpq

Total NOx+ROC at 1.3 = 31.859 tpq

% Ratio of Total at 1.1 = 47%

% Ratio of Total at 1.3 = 53%

2/13/2015

TABLE A-6
RULE 806 - SHUT DOWN - REDUCTIONS in THROUGHPUT: DISCOUNTS
CURRENT RULES and PROPOSED NEW RULES

		tons per year	
DOI No.	**Company**	**NOx**	**ROC**
010	Grefco	5.800	6.890
014	SB Aerospace		1.050
019	Chevron		1.770
022	Southern California Gas	0.027	2.559
024	McGhan Medical		0.280
029	Pactuco	0.097	0.567
030	McGhan Medical		0.360
032	Inamed		0.657
036	Inamed	0.521	0.729
041	GTC	0.171	2.612
045	USAF		0.032
056	Plains Exploration		0.022
059	Vintgae Petroleum		1.959
067	ExxonMobil Production		0.131
068	Plains Exploration		0.272
079	Venoco		0.650
080	Santa Maria Energy		0.322
081	Santa Maria Energy		0.189
086	E&B Natural Resources		0.846
087	ERG Resources		0.183
090	ERG Resources		0.773
092	ERG Resources		0.555
091	DCOR	0.506	3.244
089	Imerys California	9.498	0.138
093	ERG Resources		0.120
		16.620	**26.910**

Table A-1a 2/13/2015

RULES COMPARISION

SUMMARY

Current Regulation VIII

	SOx	PM10
	(tons per year)	
Total Mitigation	**341.49**	**61.49**
ERCs Used	28.65	9.14
Shutdown/Redn TP Discounts	299.48	8.38
Decrease - NEI "D" Term	13.36	43.97

Proposed Rule Revisions

	SOx	PM10
	(tons per year)	
Total Mitigation	**351.91**	**74.66**
ERCs Required	52.42	66.28
Shutdown/Redn TP Discounts	299.48	8.38

Notes:

(a) Calculations based on all permiting actions since April 1997.

(b) ERCs used based on ERC Transaction table.

(c) Shutdowns/Reductions in throughput discounts per DOI documents.

(d) "D" term decreases based on actual emission reductions calculated per permitting actions.
Only includes "D" terms from sources at 25 tpy PTE or greater.

TABLE A-2a

2/13/2015

STATIONARY SOURCES with SOx and PM10 at 25 TPY and Greater

NEI ACTIVITY SINCE 1997

SSID	Company Name	Stationary Source Name	Current Potential to Emit (tons per year)		Increases Since 1997 I or P1 Terms (tons per year)		Decreases Since 1997 D Terms (tons per year)		Decreases Since 1997 P2 Terms (for post '97 P1) (tons per year)	
			SOx	PM10	SOx	PM10	SOx	PM10	SOx	PM10
4421	CalPortland Construction	CalPortland - Hot Mix Asphalt Plant	67.10	10.73	0.01	2.73	-	-	-	-
4411	CalPortland Construction	CalPortland - Garey Plant	-	140.96	-	-	-	-	-	-
1482	ExxonMobil Production	ExxonMobil - SYU Project	272.82	83.31	-	-	-	-	-	-
1325	Freeport-McMoRan Oil and Gas	The Point Arguello Project	110.89	72.90	5.68	0.04				
1551	Gordon Sand Company, Inc.	Gordon Sand - Guadalupe Division	-	26.68	-	-	-	-	-	-
2200	Greka Oil and Gas	Clark Avenue Source	70.97	4.13	2.83	0.16	-	-	-	-
10910	Greka Oil and Gas	Greka North Cat Canyon	35.56	5.87	1.31	0.20	-	-	-	-
2658	Greka Oil and Gas	Greka South Cat Canyon	26.32	4.72	-	-	-	-	-	-
4640	Greka Refining Company	SMRC/Union Sugar	52.76	4.67	8.37	1.62				
1661	Hanson Aggregates Mid-Pacific, Inc.	Sisquoc Sand, Rock and Gravel Plant	46.87	18.66	-	0.05	-	-	-	-
1735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.	6,138.00	3,634.00	17.81	54.62	13.36	43.97	6.24	18.96
3689	Lompoc Warehouse Corporation	Lompoc Valley Seed & Milling	-	79.07	-	0.30	-	-	-	-
2667	Pacific Coast Energy Company	Pacific Coast Energy Company- Orcutt Hill	26.12	7.82	6.45	12.15	-	-	4.18	5.08
1063	Venoco	Venoco - Ellwood	26.67	13.07	12.22	4.56	-	-	3.88	1.78
10912	Vintage Production California	Vintage Central Cat Canyon	69.20	8.46	-	-	-	-	-	-
		PERMITTED GROWTH =			**54.68**	**56.58**	**13.36**	**43.97**	**14.30**	**25.82**

(1) Increases and decreases are from April 17, 1997

(2) Unless otherwise noted, use final permits issued before May 2, 2014.

(3) I, P1 and P2 terms summed only for sources with PTE over 25 tpy for the pollutant in question.

TABLE A-3a 2/13/2015

ERCs USED

CURRENT RULES

Company	tons			
	Quarterly		Annual	
	SOx	PM10	SOx	PM10
Arguello, Inc.	2.28		9.11	-
Boeing		0.28	-	1.12
POPCO	2.75	0.13	11.00	0.52
ULA - Delta IV		0.01	-	0.03
US Air Force	2.13	1.87	8.54	7.47
Total ERCs Used Current Rules =			**28.65**	**9.14**

Notes:
(1) Data from ERC transactions report.
(2) Includes use of all Ers since 1997.

TABLE A-4a

2/13/2015

ERCs REQUIRED ANALYSIS

PROPOSED NEW RULES

	1.1:1 Ratio	***1.3:1 Ratio***
Ratio % Assumed =	47%	53%

SSID	Company Name	Stationary Source Name	Current Potential to Emit (tons per year)		Emission Increases Since 1997 (tons per year)		ERCs Required (tons per year)	
			SOx	PM10	SOx	PM10	SOx	PM10
4421	CalPortland Construction	CalPortland - Hot Mix Asphalt Plant	67.10	10.73	0.01	2.73	0.01	-
4411	CalPortland Construction	CalPortland - Garey Plant	-	140.96	-	-	-	-
1482	ExxonMobil Production	ExxonMobil - SYU Project	272.82	83.31	-	-	-	-
1325	Freeport-McMoRan Oil and Gas	The Point Arguello Project	110.89	72.90	5.68	0.04	6.85	0.05
1551	Gordon Sand Company, Inc.	Gordon Sand - Guadalupe Division	-	26.68	-	-	-	-
2200	Greka Oil and Gas	Clark Avenue Source	70.97	4.13	2.83	0.16	3.41	-
10910	Greka Oil and Gas	Greka North Cat Canyon	35.56	5.87	1.31	0.20	1.58	-
2658	Greka Oil and Gas	Greka South Cat Canyon	26.32	4.72	-	-	-	-
4640	Greka Refining Company	SMRC/Union Sugar	52.76	4.67	5.50	1.51	6.63	-
1661	Hanson Aggregates Mid-Pacific, Inc.	Sisquoc Sand, Rock and Gravel Plant	46.87	18.66	-	0.05	-	-
1735	Imerys Minerals California, Inc.	Imerys Minerals California, Inc.	6,138.00	3,634.00	17.81	54.62	21.48	65.87
3689	Lompoc Warehouse Corporation	Lompoc Valley Seed & Milling	-	79.07	-	0.30	-	0.36
2667	Pacific Coast Energy Company	Pacific Coast Energy Company- Orcutt Hill	26.12	7.82	6.45	12.15	7.78	-
1063	Venoco	Venoco - Ellwood	26.67	13.07	3.88	1.87	4.68	-
10912	Vintage Production California	Vintage Central Cat Canyon	69.20	8.46	-	-	-	-
						ERCs Required New Rule =	**52.42**	**66.28**

Notes:

(1) Increases are from April 17, 1997

(2) Unless otherwise noted, use final permits issued before May 2, 2014.

(3) Decreases are not accounted for in this table.

(4) Assumes no inter-District trades at 1.5:1 ratio

(5) Ratio percentages based on historical ERC data from 1997 to 2014.

Same Source ERC Ratio = 1.1

Default ERC Ratio = 1.3

2/13/2015

TABLE A-5a
RULE 806 - SHUT DOWN - REDUCTIONS in THROUGHPUT: DISCOUNTS
CURRENT RULE and PROPOSED NEW RULES

		tons per year	
DOI No.	**Company**	**SOx**	**PM10**
010	Grefco	4.200	5.480
029	Pactuco	0.052	0.044
036	Inamed	0.000	0.004
041	GTC	0.008	0.010
089	Imerys California	295.221	2.555
091	DCOR		0.287
		299.481	**8.380**

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9.2 Attachment B:

Public Comments

October 14, 2015

Tim Mitro, Technology and Environmental Assessment Division
Santa Barbara County Air Pollution Control District
260 North San Antonio Road, Suite A
Santa Barbara, CA 93110-1315

Re: Amendments to New Source Review (NSR) Rules - Comments

Dear Mr. Mitro,

ERG Operating Company (ERG) appreciates the opportunity to comment on the proposed NSR rule amendments as explained in the public workshop and outlined in the proposed staff report. Please see below for general comments regarding the proposed major changes (as summarized in Section 1.3 in the NSR Staff Report). Also attached is a table of more specific comments and questions.

No. 1: All Rules. Revising rule text to be clearer and to eliminate redundancies #1

Rule clarity is beneficial to all stakeholders; ERG supports this proposed change

No. 2: Rule 801. Replacing the NEI calculation methodology with the PTE methodology #2

This proposed change will certainly simplify the permitting process which is universally beneficial.

No. 3: Rule 802/804. Revising the offset program thresholds, ratios and calculation basis #3

As the NSR Staff Report points out, some sources close to the current offset threshold will benefit from the change while others not subject to offset requirements under the current NSR rule will immediately become subject to offset requirements. This will increase the number of sources in the county subject to offsets from eight (operated by seven companies) to as many as 35 sources (operated by 24 different companies), thereby increasing competition for emission reduction credits (ERCs) in an already tight market. Other proposed changes such as the single offset zone are likely to have a similar, compounding effect. The financial burden on the companies subject to the proposed offset thresholds will be significant.

The proposed changes also put the District in the position of "picking winners and losers" when it comes to who benefits and/or is disadvantaged by the rule. For instance, the NSR Staff Report indicates industries that stand to benefit from the proposed rule changes include medical device manufacturers, wineries, and light manufacturing. Industries that will be negatively affected by the rule are primarily resource extraction industries such as mining and oil & gas production. Since air pollution has the same effect on human health and the environment irrespective of its source, the proposed rule change raises questions of fairness.

No. 4: Rule 802. Adding offset exemption for equipment replacements #4

ERG agrees with the NSR Staff Report that this exemption will result in a decrease of actual emissions to the atmosphere because it encourages replacement of older equipment. The exemption will also help mitigate the significant financial burden imposed on those sources subject to the offset requirements discussed under major No. 3 above. ERG therefore supports this proposed exemption.

No. 5: Rule 802. Adding offset exemption for emergency standby generators/flood/firewater pumps #5

ERG does not anticipate being affected by this offset exemption. Nevertheless, ERG supports this proposed exemption since it never was the District's intent for these types of engines to require offsets.

No. 6: Rule 803. Merging the requirements of Rule 803 into Rules 802, 804, and 805 #6

This proposed change will likely make the NSR rule easier to understand. ERG supports this proposed change.

Nos. 7-9: Rules 802, 805, and 809. #7

ERG is supportive of the proposed changes.

ERG believes the proposed rule changes will ultimately result in more competition for ERCs and a significant additional financial burden for sources subject to offset requirements despite the proposed exemptions for equipment replacements, emergency generators, and revised offset ratios. The District admits that the proposed rules "will not solve the basic problems of cost and availability" of ERCs, but justifies the proposal by "limiting the number of stationary sources that would be subject to this requirement to only the largest emitters of air pollution that have the resources to either buy ERCs or create their own onsite" (Section 3.3, Page 3-6). #8

The proposed rule changes will result in a shift of burden to resource extraction industries, which will ultimately curtail growth in those industries. The NSR Staff Report should include a discussion on the impacts to resource extraction industries and the associated communities that rely on those industries for their economic well-being including Santa Maria, Orcutt, Lompoc, Guadalupe, and Cuyama. #9

Thank you for the opportunity to provide comments on the proposed rule changes. We look forward to working with the District during the rule development process.

Sincerely,

Ben Oakley
ERG California

ATTACHMENT 1
Table of Specific Comments/Questions

NSR RULE CHANGE

Change Description	Comments	Questions	Staff Report Reference
NEI to PTE methodology	Under the proposed rule changes, fugitive ROCs will put a lot of sources over the offset threshold due to old wells/facilities. Fugitive ROC ERCs can not be used to offset combustive ROC emissions, so combustive ROC ERCs are more valuable.	Shouldn't there be two different ROC offset categories, or alternatively, **let fugitive ROC ERCs be used for combustive ERC projects**.	Not directly addressed
Ozone modeling	Staff report says that ozone modeling on the impacts of the changes is not technically feasible plus it is extremely expensive.	Is the modeling feasible and expensive, or not feasible at all?	Section 3.3, pg. 3-7
Trades with Ventura and SLO		Can the District define the process by which ERC trades between counties can take place? Is there any precedent?	Section 3.3, pg. 3-7
Offset exemption for equipment replacements BACT required on replacement		What happens with Rule 361 replacements by 2020? Rule 361 calls for 30 ppm, not BACT (12 ppm). What is BACT for tanks? What happens if you want to replace a vessel with 40 clps with a very similar vessel that has 41 clps. Does this trigger the PTE increase provision, such that you have to offset the entire 41 clps, or just 1 clp?	Not directly addressed
No netting out if project PTE exceeds offset threshold. Only PTE above threshold needs to be offset		At what point is a project's PTE applied to the SS total - at final ATC issuance, or at startup of equipment? When Rule 361 replacements are done, does NOx PTE for the SS just go down? What if a project also includes a reduction in emissions such that there is no net increase in emissions as a result of the entire project, but PTE is still over the offset threshold?	Section 2.4, pg. 2-3
Offset exemption for emergency standby generator/flood control/firewater pump engines		Who owns these and benefits from this exemption?	Section 2.4, pg. 2-3 Section 4, pg. 4-2

#10 #11 #12 #13 #14 #15 #16 #17 #18 #19

UNIVERSITY OF CALIFORNIA, SANTA BARBARA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO

SANTA BARBARA • SANTA CRUZ

SANTA BARBARA, CALIFORNIA 93106

Via Email

Friday October 16, 2015

Santa Barbara County Air Pollution Control District (APCD)
260 North San Antonio Road
Suite A
Santa Barbara, CA 93110-1315

Re: Proposed New Source Review Rule Changes

Dear Mr. Mitro,

UCSB appreciates the opportunity to comment on the New Source Review (NSR) proposed amendments. Below is a listing of the University of California, Santa Barbara's (UCSB) comments:

1. **General comment**. As a leader in the sustainability movement, UCSB remains committed to reducing our environmental impact and protecting air quality. We continue to make efforts to reduce air emissions by installing emission efficient equipment and finding ways to maximize output efficiencies. However, UCSB is concerned that the reliability and performance of Best Available Control Technology equipment may be overestimated. Recent experiences with ultra-low NOx, high technology boilers have shown these types of units to be generally unreliable and require frequent maintenance and repairs. #1

   The majority of UCSB's stationary source is comprised of many small and medium sized boilers. Because of this, the cumulative cost of installing, maintaining, and demonstrating emissions compliance of Best Available Control Technology for this number of sources will be significant burden to the University's State funded budget. UCSB would like to encourage APCD to consider the performance, reliability, and continual maintenance cost of new emissions technologies as future rules and regulations are developed.

2. **General question.** Please clarify how these proposed NRS requirements will affect new source permit applications that are submitted prior to the rule amendment effective date. For instance, will applications that have been deemed complete prior to the effective date be evaluated under the existing NSR rules? #2

3. **Regarding Rule 802 Section B.2**. Replacement sources meeting all requirements listed in section B.2.a through B.2.d will be exempt from offset requirements. Please clarify whether these same replacements projects could be eligible for generating Emission Reduction Credits, assuming any emissions reductions are documented and have been demonstrated to the satisfaction of the Control Officer. #3

4. **Regarding Rule 802 Section B.3**. Please explain why new sources that are exempt from offset requirements under Health and Safety Code section 42301.2 would not be eligible to produce emission reduction credits if emissions are later reduced or eliminated. According to the definition of "surplus" in Rule 801, this should include any emissions reductions that are not required by APCD rules. By this reasoning, any future emissions reductions that surpass APCD rule requirements should be considered surplus emissions. #4

5. **Regarding Rule 802 Section F.1.** This section both refer to "any new or modified stationary source with a potential to emit of any pollutant or its precursors which is equal to or greater than any threshold shown in Table 4…". Please clarify whether "potential to emit" refers to a project's potential to emit or the potential to emit for the entire stationary source. Please also clarify the "potential to emit" that is referenced in sections F.2, G.1, and I.1. #5

Please let me know if you have any questions. Your consideration regarding these issues is greatly appreciated.

Sincerely,

Jodi Woods
Environmental Compliance Manager

Cc: Michael Goldman (APCD)
David Harris (APCD)
Ali Aghayan (UCSB)
David McHale (UCSB)
Maurice Startzman (UCSB)
Jordan Sager (UCSB)
Mark Rousseau (UCSB)

DEPARTMENT OF THE AIR FORCE

30TH SPACE WING (AFSPC)

16 October 2015

MEMORANDUM FOR SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT
ATTN: MR. TIMOTHY MITRO

FROM: 30 CES/CEIEC
1028 Iceland Avenue
Vandenberg AFB, CA 93437-6010

SUBJECT: Vandenberg Air Force Base Consolidated Comments to Draft New Source Review (NSR) Revisions

1. Vandenberg Air Force Base (AFB) is pleased to submit consolidated comments to the District's proposed draft NSR Regulation revisions and would like to thank the District for the obvious hard work that went into this effort. The Air Quality staff believes these revisions will contribute towards the continued support of the Air Force mission here at Vandenberg AFB.

2. Enclosed please find Vandenberg's comments as attachment 1 and comments provided by Lockheed Martin PLSSS, in support of the National Reconnaissance Office as attachment 2. A hardcopy will be provided via US Mail.

3. Should you have any questions regarding these comments please feel free to contact me at 805-606-6863.

//SIGNED//
KIMBERLEE HARDING, GS-12
Air Quality Program Manager
30th Civil Engineer Squadron

2 Attachments:
1. VAFB Comments
2. Lockheed Martin Comments

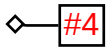
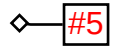
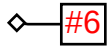
cc:
Lockheed Martin (Newsom)
File

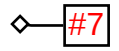
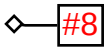
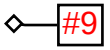
Vandenberg Air Force Base Comments to Draft New Source Review Revisions

16 October 2015

POC: Kim Harding (805-606-6863)

#	Location			Comment	Rationale	Response
	Rule	**Page**	**Section**			
1	Staff Report		2.4	Are emergency generators and flood and firewater pumps included in a facilities stationary source potential to emit (PTE)? Since these emission sources are not subject to offsets, it seems reasonable to exclude them from the applicability determination for a stationary source's PTE.		#1
2	Staff Report		2.6	Can a source request the return of ERCs applied for projects where a quarterly offset versus annual offset liability occurred? The Staff Report stated this was an absurd concept and the emission reductions were not even accounted for in the SIP. If that is the case, could these emissions be considered surplus and returned to the register?		#2
3	Staff Report		2.10	How is the non-SIP approved version of Regulation VIII incorporated into the Federal Title V Permitting process?		#3

#	Location			Comment	Rationale	Response
	Rule	Page	Section			
4	Staff Report		3.5	The SBCAPCD states in the Staff Report that they implemented a policy for sources that triggered offset solely on a daily NEI from emergency engines. That policy was not clearly articulated to all sources resulting in some sources not being required to offset when thresholds were exceeded and other sources requiring offsets. Is it possible to have offsets returned to the source's register for permit actions that required offsets after implementation of the SBCAPCD policy?		
5	Staff Report		5	The SBCAPCD Staff Report states that those facilities that use ERCs will also have the ability to have their ERCs returned (if still surplus) after the underlying permit is cancelled. Does this mean that the SBCAPCD current practice of "use and lose" ERCs goes away? This appears to be the case following review of question #5 in Section 6. Please confirm. Is it possible to add verbiage to the Surplus definition in Rule 801 that indicates ERCs may be returned to the source register?	The APCD Regulation VIII rules are silent on this ERC issue.	
6	204	204-5	6	The SBCAPCD cites CAPCOA 1992 Risk Assessment Guidelines. Should this section be updated to reflect the new 2015 CAPCOA Risk Assessment Guidelines?		

#	Location			Comment	Rationale	Response
	Rule	Page	Section			
7	802	802-2	D	In some cases, equivalent replacement units may have a PTE that falls below the current Best Available Control Technology (BACT) threshold of 25 pounds per day (lbs/day) (e.g., small boilers). In these cases, even though the emission unit does not trigger BACT, the SBCAPCD requires BACT to be applied to qualify for exemption from offset requirements. VAFB suggests the draft rule be revised so that BACT would not be required for functionally equivalent equipment replacements that have daily PTE emissions below the BACT Threshold.	BACT is unnecessary in cases where the replacement has a daily PTE below the BACT Threshold.	
8	802	802-8	G	SBCAPCD stated in previous sections that the PTE for modified source is calculated based on the project. Does that also apply under this section?		
9	805	805-3	Table 1	Please explain how these revised values were derived.		
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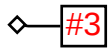
Lockheed Martin/PLSSS Comments to Draft Rules
8 October 2015
POC: Karen Newsom 805-606-0282

Draft rules 102, 204, 801, 802, 803, 804, 805, 806, 809, 1301

Rule 102 Definitions

Section	Recommendation	Proposed Text	Comment
	"Best Available Control Technology" means, for nonattainment pollutants, "Best Available Control Technology" as it is described in Section C.2 D.2 of Rule 802. For attainment pollutants, "Best Available Control Technology" is as described in Section D.2 D.3 of Rule 803802, New Source Review.		Should a caveat be added to this to assure the BACT is available for purchase? What if BACT has been proposed in a study or article but has never been constructed and cannot be purchased/it is not available? In other words is theoretical and/or physically unproven. #1
	Precursor" means any directly emitted pollutant that, when released into the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which an ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more ambient air quality standards. The following precursor/pollutant relationships shall be used for purposes of these Rules and Regulations: Oxides of Nitrogen Ozone Nitrogen Dioxide The nitrate fraction of PM10 and PM2.5		Nitrogen Dioxide Excluding rocket propellant #2
	"Space Vehicle" means any man-made		Clarify that this definition includes space

Section	Recommendation	Proposed Text	Comment
	device, either manned or unmanned, designed for operation beyond earth's atmosphere. This definition includes integral equipment such as models, mock-ups, prototypes, molds, jigs, tooling, hardware jackets, and test coupons. Also included is auxiliary equipment associated with test, transport, and storage, which through contamination can compromise the space vehicle performance.		vehicle transport containers. 

Rule 204 Applications

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General		No Comments	
Section B. Exemptions			
Section C. Definitions			
Section D. Requirement - – Permit Application Completeness			
Section E. Requirements – Information Required			

Rule 801 New Source Review - General

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General			
Section A. Applicability			
	This Rrule and this RRegulation shall apply to any applicant for a new or modified stationary source which emits or may emit any affected pollutant	This Rrule and this RRegulation shall apply to any applicant for a new or modified stationary source which emits or may emit any affected pollutant where federally enforceable changes in federally enforceable permits, regulated in the applicable State Implementation Plan, or some other federally enforceable instrument.	This should only apply to Major stationary sources. #4
Section B. Exemptions			
Section C. Definitions			
		"Permanent" means reductions that will endure and are otherwise creditable for the entire term of the proposed use of the emission reduction credit. Permanence is generally assured by requiring federally enforceable changes in federally enforceable permits, regulations in the applicable State Implementation Plan, or some other federally enforceable instrument.	This definition references federally enforceable permits. So how does this apply to a small source? Need to change the scope so that it defines it better. #5
Section D. Requirements – General			
Section E. Requirements – Conditions of Granting Permits			
Section F. Requirements – Compliance with All Regulatory Requirements			

Rule 802 New Source Review

http://codes.findlaw.com/ca/health-and-safety-code/hsc-sect-42301-2.html
http://codes.findlaw.com/ca/health-and-safety-code/hsc-sect-42301-13.html

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General			
Section B. Exemptions			
	2. The Control Officer may exempt any equipment replacement from the offset requirements of Section E of this rule if: a. The replacement is functionally equivalent, b. There is no increase in the potential to emit of any air contaminant, c. The applicant applies Best Available Control Technology, and d. The replacement does not debottleneck the process (e.g., increase the system's production rate).	d. The replacement does not debottleneck the process (e.g., increase the system's production rate) and thereby increase actual net emissions.	This is an excellent exemption. SBCAPCD Rules must encourage the implementation of pollution prevention source reduction strategies, processes and equipment and encourage (in a positive manner) replacement of old outdated equipment whether boilers, heaters, stationary internal combustion engines, even paint booths and solvent cleaning operations to replace old equipment and processes with newer more modern ones. However the production rate /debottlenecking should not matter unless it increases net emissions. #6
B	4. Emergency standby generator, flood control, and firewater pump engines are exempt from the offset requirements of Section E of this rule.		This is an excellent exemption. SBCAPCD Rules must encourage the implementation of pollution prevention source reduction strategies, processes and equipment and encourage (in a positive manner) replacement of old outdated equipment whether boilers, heaters, stationary internal combustion engines, even paint booths and solvent cleaning operations to replace old equipment and processes with newer more modern ones. #7
Section C. Definitions			

Section	Recommendation	Proposed Text	Comment
Section D. Requirements – Best Available Control Technology			
	Table 2 Nitrogen Oxides (as Nitrogen Dioxide)	Nitrogen Oxides (as Nitrogen Dioxide) except rocket fuel	Nitrogen Dioxide Excluding rocket propellant #8
Section E. Requirements – Emission Offsets Thresholds			
Section F. Requirements – Air Quality Impact Analysis Thresholds			
Section G. Requirements – Air Quality Impact Analysis: Pre and Post Construction Monitoring			
Section H. Requirements - – Visibility, Soils, and Vegetation Analysis			
Section GI. Requirements – Administration			

Rule 803 Prevention of Significant Deterioration

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General			
General			Agree with repealing this rule. The way this has been rewritten into Rule 802 New Source Review makes more sense. #9
General			
Section B. Exemptions			
Section C. Definitions			
C			
Section D. Best Available Control Technology			
Section E. Requirements – Emission Offsets			
Section F. Requirements – Air Quality Impact Analysis: Modeling			

Section	Recommendation	Proposed Text	Comment
Section G. Requirements – Air Quality Impact Analysis: Pre and Post Construction Monitoring			
Section H. Requirements – Visibility, Soils and Vegetation Analysis			
Section I. Requirements – Ambient Air Quality Standards and Air Quality Increments			

Rule 804 Offsets

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General	This rule shall apply to any applicant required to obtain offsets under Rule 802, New Source Review, and to any applicant who creates emission reduction credits under Rule 806, Emission Reduction Credits.		Are actual emission reductions being applied to potential to emit? Please clarify #10
Section B. Exemptions			
Section C. Definitions			
Section D. Requirements - General			
	8. Emission reductions occurring at the same stationary source as an emission increase shall be provided at an offset ratio of 1.1 to 1. 9. Emission reductions that do not occur at the same stationary source as an emission increase shall be provided at an offset ratio of 1.3 to 1, except as provided in Section D.10. 10. Pursuant to California Health and Safety Code Section 40709.6, emission	#11 #12	These offset ratios are too steep and over time will again paint businesses into a corner. Many operations in the District are grandfathered and if they want to improve the process or add processes they don't have ERCs to move around. If grandfathered businesses and processes shut down there are no emission reduction credits to go back into the pool. How many permitted operations in Santa Barbara County actually have ERCs

Section	Recommendation	Proposed Text	Comment
	reductions located in Ventura County and San Luis Obispo County may be considered for use at stationary sources in the District. A minimum offset ratio of 1.5 to 1 shall apply to these reductions. A higher offset ratio may be established on a case-by-case determination by the District.	#13	associated with their operations and how many have no ERCs? The problem facing us today is that no ERCs are available to trade not just because businesses are holding on to their ERCs but because not enough had ERCs to begin with.
Section E. Requirements – Baseline Calculations for Affected Pollutants			

Rule 805 Air Quality Impact Analysis, Modeling, Monitoring and Air Qualiaty Increment Consumption

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General			
Section B. Exemptions			
Section C. Definitions			
	2. To make an administrative change at the source such as the name, address or phone number of a person named in the permit.	2. To make an administrative change at the source such as the name, address or phone number of a person or operator named in the permit.	On VAFB if a contract changes the permit could have a new operator. #14
Section D. Requirements - General			
Section E. Requirements – Air Quality Impact Analysis: Class I Area			
Section F. Requirements – Ambient Air Quality Standards and Air Quality Increments			
Section G. Requirements – Calculations for an Air Quality Impact Analysis and/or Modeling			
Section H. Requirements – Air Quality Increment Analysis			

Rule 806 Emission Reduction Credits

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General			
Section B. Exemptions			
		B. Exemptions The requirement to obtain a Part 70 operating permit under this rRule shall not apply to: 1. Any stationary source required to obtain a Part 70 permit solely because such source is subject to the provisions of 40 CFR 60, Subpart AAA, Standards of Performance for New Residential Wood Heaters; or 2. Any stationary source or operation required to obtain a Part 70 permit solely because such source is subject to the provisions of 40 CFR 61, Subpart M, National Emission Standard for Hazardous Air Pollutants for Asbestos, Section 61.145, Standard for Demolition and Renovation; or 3. Any stationary source, including an area source, required to obtain a Part 70 permit solely because such source is subject to regulations or requirements pursuant to Section 112(r) of the Clean Air Act (CAA).;	Add exemptions from Rule 1301 to be consistent. #15
Section C. Definitions			
Section D. Requirements – Eligibility of Emission Reductions			
	2. Emission reductions shall meet all requirements specified in Rule 804.D for sources which provide emission offsets and all requirements of this Rrule to be eligible for registration as offsets.	Emission Reduction Credits shall not be allowed for emission reductions occurring in another district or for Outer Continental Shelf Sources for which the District is not the corresponding onshore area except as	Needs to be consistent with Rule 804 Offsets #16

Section	Recommendation	Proposed Text	Comment
	Emission Reduction Credits shall not be allowed for emission reductions occurring in another district or for Outer Continental Shelf Sources for which the District is not the corresponding onshore area.	noted in Rule 804 Offsets.	
Section E. Requirements – Emission Reduction Discounts			
			Emission Reduction discounts are addressed differently in Rule 804 this can create confusion. #17
Section F. Requirements – Emission Reduction Credit Application Procedures			
Section G. Requirements – Source Register			
Section H. Requirements – Emission Reduction Certificates			
Section I. Requirements – Transfers			

New Rule 809 Federal Minor Source NSR

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General	**A. Applicability** This rule applies to any new or modified stationary source that emits an air pollutant (or its precursors) subject to any national ambient air quality standard, and the source is not a new major stationary source or a major modified stationary source.	**A. Applicability** This rule applies to any new or modified stationary source that emits an air pollutant (or its precursors) subject to any national ambient air quality standard above the thresholds listed in Table 1, and the source is not a new major stationary source or a major modified stationary source. #18	What makes something a Federal Minor Source? Need to define #19
General			
Section B. Exemptions			
Section C. Definitions			
		Add Definition “Federal Minor Source”	Unless you define a Federal Minor Source showing it is a specific subset of other

Section	Recommendation	Proposed Text	Comment
			emitting sources it is no different from any other source and should be subject to the same process and treatment as other sources. #19
Section D. Requirements – Authority to Construct and Permit to Operate			
	Any person building…		This requirement is very open ended and could include construction or modification of individual homes, offices, and other items that could expand the scope of what SBCAPCD has jurisdiction over. Is that the intent? If not recommend further refinement or narrowing of the scope.
Section E. Requirements – Air Quality Impact Analysis #20			
Section F. Requirements – Standards for Granting Applications			
Section G. Requirements – Analysis and Public Notice			
Section H. Denial of Permit			
Section I. Requirements – Records			
Section J. Requirements – Compliance with All Regulatory Requirements			
Section I. Expiration of Authority to Construct			

Rule 1301 Part 70 Operating Permits

Section	Recommendation	Proposed Text	Comment
General Comments and Questions			
General			
General			
Section B. Exemptions			
Section C. Definitions			

Section	Recommendation	Proposed Text	Comment
	Non Road Engine	Refer to CARB definition in	I think this needs to be revised based on the changes to the Air Toxic Control Measures and the definitions could just reference California regulations. #21
Section D. Requirements			
Section E. Compliance Schedule			

Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Sandra Burkhart
Senior Coastal Coordinator

November 2, 2015

Mr. Michael Goldman
Santa Barbara County
Air Pollution Control District
260 North San Antonio Road
Santa Barbara CA 93110

Subject: WSPA Comments –SBCAPCD Draft New Source Review Rules

Dear Mr. Goldman:

The Western States Petroleum Association (WSPA) is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and four other western states.

WSPA has reviewed the August 14 2015 Draft New Source Review (NSR) Rules (including proposed changes to Rule 102, 204, Regulation VIII, and Rule 1301 Part 70). WSPA also attended the public workshops held by SBCAPCD on September 16 and 17, 2015. This letter is intended to follow up on comments that were made during the public workshops and to express WSPA's support for the proposed suite of NSR Rule changes.

WSPA believes that changes to SBCAPCD's current Emissions Reduction Credit (ERCs) program are needed in order to sustain the County's economy and enable the growth of its educational, health, and emergency services. Any such changes also need to be consistent with the County's air quality objectives and SBCAPCD's Mission Statement. WSPA believes that the proposed revisions to the NSR Rules achieve all of these objectives, while also streamlining the NSR program.

While the proposed rule changes will newly subject some entities, including several WSPA members, to offset requirements, WSPA believes that the positive community benefits will outweigh the negative impacts. WSPA supports the proposed rule changes. We also support the diligent analysis and public involvement that SBCAPCD has incorporated into this rulemaking process.

WSPA appreciates the opportunity to provide comments regarding this important proposed suite of Rule changes. If you have any questions, please feel free to contact me at (805) 966-7113.

Sincerely,

Sandra Burkhart

CC: Timothy Mitro, SBCAPCD

P.O. Box 21108 Santa Barbara, CA 93121
(805) 966-7113 ▪ Cell: (805) 455-8284
sburkhart@wspa.org ▪ www.wspa.org

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9.3 Attachment C:

Response to Public Comments

ERG comments, dated 10/14/2015:

#	Description	Comment	District Response
1	Major Change #1 - Clarity	Rule clarity is beneficial to all stakeholders; ERG supports this proposed change.	Thank you for the comment. It was our intent to provide additional clarity to the rules to make them easier to understand.
2	Major Change #2 – NEI Calculation	This proposed change will certainly simplify the permitting process which is universally beneficial.	Thank you for the comment. We agree and we anticipate the new calculations will make the permitting process much simpler.
3	Major Change #3 – Offset Program	The proposed changes also put the District in the position of "picking winners and losers" when it comes to who benefits and/or is disadvantaged by the rule. For instance, the NSR Staff Report indicates industries that stand to benefit from the proposed rule changes include medical device manufacturers, wineries, and light manufacturing. Industries that will be negatively affected by the rule are primarily resource extraction industries such as mining and oil & gas production. Since air pollution has the same effect on human health and the environment irrespective of its source, the proposed rule change raises questions of fairness.	The District respectfully disagrees with your conclusions. The proposed rules are industry neutral, as they are definitively focused on controlling the emissions from the largest sources of air pollution in the county, regardless of which industrial sector that the facility is engaged in. Yes, some of the largest sources in the County happen to be in the oil & gas sector. However, there are a number of small to mid-sized range oil & gas operators who will benefit from the proposed changes as they will not have to provide offsets.
4	Major Change #4 – Offset Exemption – Equipment Replacements	ERG agrees with the NSR Staff Report that this exemption will result in a decrease of actual emissions to the atmosphere because it encourages replacement of older equipment. The exemption will also help mitigate the significant financial burden imposed on those sources subject to the offset requirements discussed under major No. 3 above. ERG therefore supports this proposed exemption.	Thank you for your support. The District agrees that this exemption will decrease actual in the air emissions.
5	Major Change #5 – Offset Exemption – Emergency Engines	ERG does not anticipate being affected by this offset exemption. Nevertheless, ERG supports this proposed exemption since it never was the District's intent for these types of engines to require offsets.	Thank you for your comment.
6	Major Change #6 – Merging Rule 803 into Rules 802, 804, and 805	This proposed change will likely make the NSR rule easier to understand. ERG supports this proposed change.	Thank you for your comment. The District strives to simplify the regulatory language as much as possible.

ERG comments, dated 10/14/2015:

#	Description	Comment	District Response
7	Major Changes #7-9 – Adding $PM_{2.5}$, updating AAQS, and adopting Rule 809	ERG is supportive of the proposed changes.	Thank you for your support. The District believes that adding $PM_{2.5}$ and updating the Ambient Air Quality Standards is critical to making sure that the community is breathing clean air.
8	General Comment	ERG believes the proposed rule changes will ultimately result in more competition for ERCs and a significant additional financial burden for sources subject to offset requirements despite the proposed exemptions for equipment replacements, emergency generators, and revised offset ratios. The District admits that the proposed rules "will not solve the basic problems of cost and availability" of ERCs, but justifies the proposal by "limiting the number of stationary sources that would be subject to this requirement to only the largest emitters of air pollution that have the resources to either buy ERCs or create their own onsite."	The District acknowledges that the current ERC market is limited, which may in itself be artificially inflating the prices of the ERCs. The District anticipates that by lowering the offset ratios and by allowing trades between zones and other air districts, more ERCs will be available County-wide, which may stimulate the market and lower the costs. Even though the District cannot 100% guarantee the outcome of the market, we can still stand by our statement that only the largest sources should need to use offsets. We are simply resetting the offset threshold in accordance with the state mandate.
9	General Comment	The proposed rule changes will result in a shift of burden to resource extraction industries, which will ultimately curtail growth in those industries. The NSR Staff Report should include a discussion on the impacts to resource extraction industries and the associated communities that rely on those industries for their economic well-being including Santa Maria, Orcutt, Lompoc, Guadalupe, and Cuyama.	As discussed in Comment #3, the proposed rules are industry neutral. Even though there are some North County facilities that will have to start providing offsets, there are numerous mid-sized facilities in the North that will no longer be constrained and may see economic growth. Furthermore, the proposed revisions will be affecting the South County facilities just the same.
10	NEI to PTE methodology	Under the proposed rule changes, fugitive ROCs will put a lot of sources over the offset threshold due to old wells/facilities. Fugitive ROC ERCs cannot be used to offset combustive ROC emissions, so combustive ROC ERCs are more valuable. Shouldn't there be two different ROC offset categories, or alternatively, let fugitive ROC ERCs be used for combustive ERC projects.	For certain processes, the ERC certificate will state any limitations to the use of the ERCs. The current method works well, and bifurcating the combustive and fugitive emission ROCs will add unnecessarily complications to the process.
11	Ozone Modelling	Staff report says that ozone modeling on the impacts of the changes is not technically feasible plus it is extremely expensive. Is the modeling feasible and expensive, or not feasible at all?	Current modelling is not feasible as the procedures are not focused on such small changes in pollution. EPA is working on new tools to allow for such a small scale evaluation to be performed more accurately, but for now, any results would be seemingly inconsequential.

ERG comments, dated 10/14/2015:

#	Description	Comment	District Response
12	Trades with Ventura and SLO	Can the District define the process by which ERC trades between counties can take place? Is there any precedent?	The process of inter-district ERC trades is outlined in California Health and Safety Code, Section 40709.6. Typically, the requested user of the ERCs will need to get approval by the Board of Directors from each District prior to allowing the trade to occur. The District has previously transferred ERCs to SLO through this process as the SLO rules allow for inter-district trades.
13	Offset exemption - equipment replacements/BACT	What happens with Rule 361 replacements by 2020? Rule 361 calls for 30 ppm, not BACT (12 ppm).	Units that are replaced in accordance with the upcoming Rule 361 compliance timeline of 2020 are exempt from offset requirements in accordance with California Health and Safety Code Section 42301.2. This provision is documented in Rule 802.B.3, so the replacements units will still only have to meet the 30 ppmv NOx limit.
14	Offset exemption - equipment replacements/BACT	What is BACT for tanks?	BACT for tanks can vary depending on the size of the tank and the fluid that is being stored inside. Please discuss specific requirements regarding BACT for your project with a permitting engineer.
15	Offset exemption - equipment replacements/BACT	What happens if you want to replace a vessel with 40 clps with a very similar vessel that has 41 clps. Does this trigger the PTE increase provision, such that you have to offset the entire 41 clps, or just 1 clp?	For this example, you would have to provide offsets for the new vessel at 41 clps. You would also be eligible to bank ERCs for the removal of the old vessel, which could be applied to your offset obligation for the new vessel. However, your project may qualify for the offset exemption for equivalent replacements (as listed in Rule 802.B.2).
16	Project PTE	At what point is a project's PTE applied to the SS total - at final ATC issuance, or at startup of equipment?	The project's PTE is applied to the stationary source total at final ATC issuance.
17	Project PTE	When Rule 361 replacements are done, does NOx PTE for the SS just go down?	The Rule 361 replacements must be authorized via an Authority to Construct. The evaluation will show that the NOx PTE for the stationary source will be reduced by using the newer, cleaner burning unit.
18	Project PTE	What if a project also includes a reduction in emissions such that there is no net increase in emissions as a result of the entire project, but PTE is still over the offset threshold?	Netting out of offsets in not allowed as one of our primary goals with these rule revisions was to simplify the permitting process. You will still be required to offset the increase from the project. See Section 6 of the Staff Report for specific examples that address your question.

ERG comments, dated 10/14/2015:

#	Description	Comment	District Response
19	Offset exemption - emergency engines	Who owns these and benefits from this exemption?	Emergency engines are owned by a variety of different entities, as many businesses have a need to generate their own power during an emergency. The District has approximately 500 of these diesel engines permitted throughout the County. They can be found at police stations, retirement homes, and cell phone towers, but these sources are typically small enough to not even trigger the offset threshold. Only the largest of sources in Santa Barbara County will need to use this exemption, which includes UCSB, Vandenberg AFB, and the offshore oil platforms to name a few.

UCSB comments, dated 10/16/2015:

#	Description	Comment	District Response
1	General Comment	....UCSB is concerned that the reliability and performance of Best Available Control Technology equipment may be overestimated..... UCSB would like to encourage APCD to consider the performance, reliability, and continual maintenance cost of new emissions technologies as future rules and regulations are developed.	We will continue to incorporate all of these factors as we evaluate future BACT determinations and adopt new regulations.
2	General Question	Please clarify how these proposed NSR requirements will affect new source permit applications that are submitted prior to the rule amendment effective date. For instance, will applications that have been deemed complete prior to the effective date be evaluated under the existing NSR rules?	The District will evaluate the permit application against the rules in effect at the time of Authority to Construct issuance. The District has added a FAQ to address this question.
3	Rule 802, Section B.2	Replacement sources meeting all requirements listed in section B.2.a through B.2.d will be exempt from offset requirements. Please clarify whether these same replacements projects could be eligible for generating Emission Reduction Credits, assuming any emissions reductions are documented and have been demonstrated to the satisfaction of the Control Officer.	If a stationary source uses the Rule 802.B.2 offset exemption for a project, the stationary source cannot bank any ERCs for the equipment being removed. This would be double counting the reduction and runs counter to the intent of the exemption.
4	Rule 802, Section B.3	Please explain why new sources that are exempt from offset requirements under Health and Safety Code section 42301.2 would not be eligible to produce emission reduction credits if emissions are later reduced or eliminated.	The purpose of this language is to make sure that any emission *increases* from the use of control equipment are not banked as ERCs. For example, a large solvent facility is required by a new rule to install a thermal oxidizer to control the ROC emissions from the facility. This project would substantially lower the ROC, but it would slightly increase the NOx emissions since the vapors are being combusted. For this scenario, the facility would not be required to provide NOx offsets for the installation of the thermal oxidizer. Furthermore, if the facility ends up shutting down 5 years in the future, the facility would not be able to bank any NOx ERCs from the shutdown of the thermal oxidizer.

UCSB comments, dated 10/16/2015:

#	Description	Comment	District Response
5	Rule 802, Section F.1	This section both refer to "any new or modified stationary source with a potential to emit of any pollutant or its precursors which is equal to or greater than any threshold shown in Table 4…". Please clarify whether "potential to emit" refers to a project's potential to emit or the potential to emit for the entire stationary source. Please also clarify the "potential to emit" that is referenced in sections F.2, G.1, and I.1.	The following sections in Rule 802 have rule text that clarify that "potential to emit" for the specified section refers to the potential to emit of the project: • Section D: BACT • Section F: AQIA thresholds Except as noted above, "potential to emit," as defined in Rule 102, Definitions, refers to the stationary source's potential to emit for the remaining sections: • Section E: Offsets • Section G: AQIA Monitoring • Section H: Visibility, Soils, and Vegetation Analysis Section I does not use the words "potential to emit," but it references the requirements in previous sections. Please refer to the referenced sections for clarification.

Vandenberg AFB comments, dated 10/16/2015:

#	Description	Comment	District Response
1	Staff Report, Section 2.4	Are emergency generators and flood and firewater pumps included in a facilities stationary source potential to emit (PTE)? Since these emission sources are not subject to offsets, it seems reasonable to exclude them from the applicability determination for a stationary source's PTE.	Yes, emergency engines are included in a facility's stationary source PTE. The District is required to include these engines in the PTE since they still contribute to the facility's emissions, which is especially important when it comes to evaluating the entire source for Title V applicability. Since there are other PTE related requirements to emergency generators, the District cannot grant this request.
2	Staff Report, Section 2.6	Can a source request the return of ERCs applied for projects where a quarterly offset versus annual offset liability occurred? The Staff Report stated this was an absurd concept and the emission reductions were not even accounted for in the SIP. If that is the case, could these emissions be considered surplus and returned to the register?	No. Prior offset obligations must be maintained as those reductions are relied upon in the approval of the amended NSR rules. This situation was addressed in the FAQs.
3	Staff Report, Section 2.10	How is the non-SIP approved version of Regulation VIII incorporated into the Federal Title V Permitting process?	EPA has accepted the 1997 rules as being at least as stringent as the 1979 New Source Review rules that are in the SIP. Hence, the 1997 rules are still federally enforceable and incorporated into the Title V permit.
4	Staff Report, Section 3.5	The SBCAPCD states in the Staff Report that they implemented a policy for sources that triggered offset solely on a daily NEI from emergency engines. That policy was not clearly articulated to all sources resulting in some sources not being required to offset when thresholds were exceeded and other sources requiring offsets. Is it possible to have offsets returned to the source's register for permit actions that required offsets after implementation of the SBCAPCD policy?	No. See Comment #2 above.
5	Staff Report, Section 5	The SBCAPCD Staff Report states that those facilities that use ERCs will also have the ability to have their ERCs returned (if still surplus) after the underlying permit is cancelled. Does this mean that the SBCAPCD current practice of "use and lose" ERCs goes away? This appears to be the case following review of question #5 in Section 6. Please confirm. Is it possible to add verbiage to the Surplus definition in Rule 801 that indicates ERCs may be returned to the source register?	Yes, the District will now allow the ERCs to be returned if the ERCs are still surplus. The District believes that the surplus language in the rule is satisfactory as is, as this definition is found in the NSR rules from various other air districts. The District believes the staff report provides enough clarity on the District's implementation procedures.

Vandenberg AFB comments, dated 10/16/2015:

#	Description	Comment	District Response
6	Rule 204.E.6	The SBCAPCD cites CAPCOA 1992 Risk Assessment Guidelines. Should this section be updated to reflect the new 2015 CAPCOA Risk Assessment Guidelines?	The language could be updated, but the District wishes to maintain the historical text in this section. The language still refers to the "most recent version" so that any new or modified requirements are still addressed.
7	Rule 802.D	In some cases, equivalent replacement units may have a PTE that falls below the current Best Available Control Technology (BACT) threshold of 25 pounds per day (lbs/day) (e.g., small boilers). In these cases, even though the emission unit does not trigger BACT, the SBCAPCD requires BACT to be applied to qualify for exemption from offset requirements. VAFB suggests the draft rule be revised so that BACT would not be required for functionally equivalent equipment replacements that have daily PTE emissions below the BACT Threshold.	The use of this exemption is optional. Since VAFB owns a fair amount of ERCs, they have the option of whether or not to use this offsets exemption. The intent of this exemption is to allow modernization of a facility's equipment without increasing a facility's emissions. BACT is a critical part of this exemption, along with the other listed criteria. As such, we cannot make the suggested change.
8	Rule 802.G	SBCAPCD stated in previous sections that the PTE for modified source is calculated based on the project. Does that also apply under this section?	No, the PTE in Section G refers to the stationary source's Potential to Emit. Only Section D and Section F of Rule 802 have specific language that refers to the PTE of the project. All other PTE usage in Rule 802 refers to the stationary source, as this is the default definition pursuant to Rule 102, Definitions.
9	Rule 805, Table 1	Please explain how these revised values were derived.	The entire chart in Rule 805 can be summarized as follows: 1) All air quality standards represent the most stringent of the State and National Ambient Air Quality Standards. The chart with these standards can be found on our website; 2) NO_2 – Annual Arithmetic Mean, SO_2, PM_{10}, and $PM_{2.5}$ increments come from 40 CFR 52.21; 3) TSP increments come from the Clean Air Act Section 163a; 4) NO_2 – 1 hour, CO and ROC increments have all been around since 1984.

Lockheed Martin PLSSS comments, dated 10/16/2015:

#	Description	Comment	District Response
1	Rule 102, definition for BACT	Should a caveat be added to this to assure the BACT is available for purchase? What if BACT has been proposed in a study or article but has never been constructed and cannot be purchased/it is not available? In other words is theoretical and/or physically unproven.	If the technology is not available or is unproven, then it does not meet the definition of BACT. The District has a list of typically permitted equipment units and what the BACT standard is for those types of units. For more unique permitting projects, BACT will have to be evaluated on a case-by-case basis during the application process. Suggested changes were not made.
2	Rule 102, definition for Precursor	[The definition for "precursor" should be amended to] Nitrogen Dioxide Excluding rocket propellant	Rocket propellant should not be specifically excluded from the definition of "precursor," as NO_2 emissions from the process will still contribute to ozone formation. Suggested changes were not made.
3	Rule 102, definition for Space Vehicle	Clarify that this definition includes space vehicle transport containers.	Comment noted. The District believes that the definition already clearly indicates that it includes transport containers. Suggested changes were not made.
4	Rule 801, New Source Review applicability	This [regulation] should only apply to Major stationary sources.	The District is required by California Health and Safety Code to have a NSR program for non-major stationary sources. The District cannot make this change.
5	Rule 801, definition for Permanent	This definition references federally enforceable permits. So how does this apply to a small source? Need to change the scope so that it defines it better.	The verbiage in the rule is "generally assured by federally enforceable permits" and so it is not a requirement to have a federally enforceable permit. The definition is more broad and not exclusive to the list contained.
6	Rule 802.B.2, exemption for Equivalent Replacements	This is an excellent exemption. SBCAPCD Rules must encourage the implementation of pollution prevention source reduction strategies, processes and equipment and encourage (in a positive manner) replacement of old outdated equipment whether boilers, heaters, stationary internal combustion engines, even paint booths and solvent cleaning operations to replace old equipment and processes with newer more modern ones. However the production rate/debottlenecking should not matter unless it increases net emissions.	Thank you for your comment. However, if debottlenecking occurs at a facility, other equipment in the production line will be used more, which will more than likely increase the actual emissions from the entire stationary source. The intent, and basis, of this exemption is that actual in-the-air emissions will decrease. Furthermore, this exemption is geared toward equipment replacements and not as process-wide changes that could occur due to debottlenecking. Hence, it is necessary to keep the debottlenecking provision on this exemption.

Lockheed Martin PLSSS comments, dated 10/16/2015:

#	Description	Comment	District Response
7	Rule 802.B.4, exemption for Emergency Engines	This is an excellent exemption. SBCAPCD Rules must encourage the implementation of pollution prevention source reduction strategies, processes and equipment and encourage (in a positive manner) replacement of old outdated equipment whether boilers, heaters, stationary internal combustion engines, even paint booths and solvent cleaning operations to replace old equipment and processes with newer more modern ones.	Thank you for your comment. The District encourages businesses to use more efficient equipment units that reduce air contaminants.
8	Rule 802, Table 2	[Amend the Table to read] Nitrogen Dioxide except rocket fuel.	The commenter provides no justification for such a change. The District affirms that rocket fuel should not be specifically excluded from any of the Tables that reference NO_2.
9	Rule 803 repeal	Agree with repealing this rule. The way this has been rewritten into Rule 802 New Source Review makes more sense.	Thank you for your comment.
10	Rule 804 Offsets – Applicability	Are actual emission reductions being applied to potential to emit? Please clarify	Yes. Emissions Reductions Credits are banked for real, actual in the air reductions. These ERCs can then be used to offset a new project's Potential To Emit.
11	Rule 804.D – Offset Ratios	These offset ratios are too steep and over time will again paint businesses into a corner.	The District disagrees. Under this rule proposal, the District has already reduced the offset ratios, down to 1.1 and 1.3:1 ratios (from 1.2:1 to 6.0:1). If you compare Santa Barbara's proposed ratios to various other Districts, our ratios are similar to neighboring counties. Furthermore, the District is required to maintain a net air quality benefit for the county, and the ratios meet this requirement. No changes were made.
12	Rule 804.D – Grandfathered Businesses	If grandfathered businesses and processes shut down there are no emission reduction credits to go back into the pool.	This statement is incorrect. When grandfathered businesses shutdown, they can bank their ERCs from the shutdown. Vandenberg AFB is one of the largest holders of ERCs in the County, and they registered many of those ERCs by shutting down grandfathered equipment.
13	Rule 804.D – ERC Holders	How many permitted operations in Santa Barbara County actually have ERCs associated with their operations and how many have no ERCs?	The permitted operations that have previously used ERCs are shown in Table 4-3 in the Staff report. As for the identity of the current ERC holders, please look online at the District's ERC webpage for the owner and amount of ERCs that are currently in the District's register.

Lockheed Martin PLSSS comments, dated 10/16/2015:

#	Description	Comment	District Response
14	Rule 1301 – definition for Administrative Permit Amendment	[Amend the text to] To make an administrative change at the source such as the name, address or phone number of a person *or operator* named in the permit.	The Air Force is aware of their Title V permit and what qualifies for an Administrative Permit Amendment. Furthermore, the District does not feel a change is necessary as the current list is already non-exhaustive. Suggested changes were not made.
15	Rule 806.B - Exemptions	Add exemptions from Rule 1301 to be consistent.	Rule 1301 is independent from the NSR provisions of Regulation VIII. There is no need to add exemptions from Part 70 permits in an NSR rule.
16	Rule 806.D.2 – Eligibility of ERCs	[Amend the rule text as it] Needs to be consistent with Rule 804 Offsets	The District believes this section's text is satisfactory in its current state. No changes were made.
17	Rule 806.E – Emission Reduction Discounts	Emission Reduction discounts are addressed differently in Rule 804 this can create confusion.	There is no language concerning emission reduction discounts in Rule 804. You may be referring to the offset ratios in Rule 804, which are a completely separate requirement. For clarification, discounts may apply at the time of ERC registration whereas offset ratios apply at the time of ERC use.
18	Rule 809 – Applicability	[Revise the applicability text to include] above the thresholds listed in Table 1,	By adding in your proposed text in the applicability statement, other requirements of the rule would be bypassed. These requirements, such as obtaining a permit prior to construction and the recordkeeping requirements, still need to apply to all minor sources, independent of whether the project triggers the AQIA requirements of Table 1. No changes were made.
19	Rule 809 – Federal Minor Source	What makes something a Federal Minor Source? Need to define. Unless you define a Federal Minor Source showing it is a specific subset of other emitting sources it is no different from any other source and should be subject to the same process and treatment as other sources.	A federal minor source is defined by the combination of the applicability section and the exemptions section. It is "not a new major stationary source or a major modified stationary source" and it excludes everything that is exempt from permit requirements. Since the term is not used anywhere in the rule except for the rule title, it is not necessary to include the term in the Definitions section. Please note that "major stationary source" and "major modified stationary source" are both defined in Rule 102, Definitions.
20	Rule 809.D – Requirements	"Any person building…" This requirement is very open ended and could include construction or modification of individual homes, offices, and other items that could expand the scope of what SBCAPCD has jurisdiction over. Is that the intent? If not recommend further refinement or narrowing of the scope.	This is standard regulatory language that has been in use since the 1970s, with it based off the requirement in California Health and Safety Code Section 42300. The District is not expanding its scope to require permits for the construction or modification of individual homes or offices as these projects are exempt from permit requirements. Please refer to Section B of Rule 809, which references the entirety of Rule 202, Exemptions from Rule 201.

Lockheed Martin PLSSS comments, dated 10/16/2015:

#	Description	Comment	District Response
21	Rule 1301 – definition for Non road engine	I think this needs to be revised based on the changes to the Air Toxic Control Measures and the definitions could just reference California regulations.	Comment does not specify a clear issue. The District believes the current language is satisfactory.

WSPA comments, dated 11/2/2015:

#	Description	Comment	District Response
1	General	WSPA believes that changes to SBCAPCD's current Emissions Reduction Credit (ERCs) program are needed in order to sustain the County's economy and enable the growth of its educational, health, and emergency services. Any such changes also need to be consistent with the County's air quality objectives and SBCAPCD's Mission Statement. WSPA believes that the proposed revisions to the NSR Rules achieve all of these objectives, while also streamlining the NSR program. While the proposed rule changes will newly subject some entities, including several WSPA members, to offset requirements, WSPA believes that the positive community benefits will outweigh the negative impacts. WSPA supports the proposed rule changes. We also support the diligent analysis and public involvement that SBCAPCD has incorporated into this rulemaking process.	Thank you for your comment. The District agrees that this streamlined approach to the NSR rules is consistent with the objectives and mission statement of the District. Even though some entities will have to start providing offsets, the entire package as a whole will be beneficial to the air quality program and the community as a whole.

RULE 102. DEFINITIONS~~.~~

(Adopted 10/18/1971, revised 1/12/1976, readopted 10/23/1978, revised 7/11/1989, 7/10/1990, 7/30/1991, 7/18/1996, 4/17/1997, 1/21/1999, 5/20/1999, 6/19/2003, 1/20/2005, 6/19/2008, 1/15/2009, 9/20/2010, 1/20/2011, 3/17/2011, ~~and~~ 6/21/2012, and [*date of amended rule adoption*])

These definitions apply to the entire rulebook. Definitions specific to a given rule are defined in that rule or in the first rule of the relevant regulation. Except as otherwise specifically provided in these Rules where the context otherwise indicates, words used in these Rules are used in exactly the same sense as the same words are used in Division 26 of the Health and Safety Code.

[*Currently, the deleted text shown below is repeated in Rules 802.F.2 and 803.J.2. The text below and in Rules 802.F.2 and 803.J.2 is being deleted and we'll rely on similar text in proposed amended Rule (PAR) 804.E.*]

"Actual Emission Reductions" means a reduction of actual emissions from the stationary source selected for emission offsets, from a baseline which is representative of normal operations approved by the Air Pollution Control Officer. This baseline shall be determined in accordance with Rule ~~802.F.2~~804.E. ~~for nonattainment pollutants and Rule 803.J.2 for attainment pollutants and must be based on the average actual emissions from the three years of operation immediately prior to the submission of the complete application. The Air Pollution Control Officer may approve any other time period of at least three years within five years prior to the date of application, or shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years, that is more representative of normal source operation.~~

"Aerosol Product" means a hand-held, non-refillable container that expels pressurized product by means of a propellant-induced force.

"Affected Pollutants" means all pollutants for which an ambient air quality standard has been established by the Environmental Protection Agency or the Air Resources Board and the precursors to such pollutants, all pollutants regulated by the Environmental Protection Agency under the Clean Air Act or by the Air Resources Board under the Health and Safety Code, including reactive organic compounds, nitrogen oxides, sulfur oxides, PM_{10} (particulate matter with aerodynamic diameter of ten micrometers or less as measured by reference method 40 Code of Federal Regulations Part 50 Appendix J~~-~~), $PM_{2.5}$ (particulate matter with aerodynamic diameter of 2.5 micrometers or less as measured by reference method 40 Code of Federal Regulations Part 50 Appendix L), carbon monoxide, total suspended particulates, ethylene, lead, asbestos, beryllium, mercury, vinyl chloride, fluorides, sulfuric acid mist, hydrogen sulfide, total reduced sulfur, and reduced sulfur compounds. Also, all of the pollutants which the Environmental Protection Agency after notice and opportunity for public comment, or the Air Resources Board, or the District after public hearing, determine may have a significant adverse effect on the environment, the public health, or the public welfare.

"Agricultural Burning" means "agricultural burning" as defined in Health and Safety Code Section 39011.

[*Necessary to add this definition to explain the agricultural operation exemption in Rule 202. Language is based off the current definition of "Open Burning in Agricultural Operations"*]

"Agricultural Operations" means the growing and harvesting of crops or raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural operations do not include the processing or distribution of crops or fowl.

"Air Contaminant" includes, but is not limited to, smoke, charred paper, dust soot, grime, carbon, noxious acids, fumes, gases, odors, or particulate matter, or any combination thereof.

"Air Pollutant" means "Affected Pollutant" as defined in this rule.

"Air Quality Impact Analysis" means the use of an air quality simulation model, based on specified assumptions and data, to predict the maximum impact of the pollutant in areas over land and water accessible to the public.

"Air Quality Increment" means an increment of allowable air quality degradation, beyond the baseline air quality level.

[*The definition of Air Quality Related Value is specific to Rule 805 and is moved to that rule*]

"Air Quality Related Value" means a feature or property of an area that is affected in some way by the air pollution in issue. Identified values are visibility, odor, flora, fauna, soil, water, geologic features and cultural resources.

"Alternative Diesel Fuel" means any fuel used in a compression ignition engine that is not commonly or commercially known, sold, or represented by the supplier as diesel fuel No. 1-D or No. 2-D, pursuant to the specifications in ASTM D 975, "Standard Specification for Diesel Fuel Oils," ASTM International, or an alternative fuel, and does not require engine or fuel system modifications for the engine to operate, although minor modifications (e.g., recalibration of the engine fuel control) may enhance performance. Examples of alternative diesel fuels include, but are not limited to, biodiesel; Fischer-Tropsch fuels; emulsions of water in diesel fuel; and fuels with a fuel additive, unless:

1. the additive is supplied to the engine fuel by an on-board dosing mechanism, or
2. the additive is directly mixed into the base fuel inside the fuel tank of the engine, or
3. the additive and base fuel are not mixed until engine fueling commences, and no more additive plus base fuel combination is mixed than required for a single fueling of a single engine.

"Ambient Air Quality Standards" means those standards set by the State or Federal governments.

"Application Equipment" means a device or equipment used to apply solvent, sealant, adhesive, coating, ink, or polyester resin materials.

"ASTM" means American Society for Testing and Materials. In 2001, the American Society for Testing and Materials officially changed its name to "ASTM International."

"Atmosphere" means the air that envelopes or surrounds the earth. Where air pollutants are emitted into a building not designed specifically as a piece of air pollution control equipment, such emission into the building shall be considered an emission into the atmosphere.

"Attainment Pollutant" means any affected pollutant which is not a nonattainment pollutant. For the purposes of this definition greenhouse gases are not attainment pollutants.

"Authority to Construct" means a permit issued by the Control Officer for activities described in Rule 201.A.

"Avionic Equipment" means any electronic system used on any aircraft, aerospace vehicle, satellite, or space vehicle.

[*Due to the changes to Rule 803, this definition is no longer required*]

~~**"Baseline Air Quality"** means the ambient concentration level reflecting actual air quality as monitored or modeled as of the existing baseline date shown in the air quality increments table, (Rule 803, Table 3) minus any contribution attributable to emissions from major stationary sources and modifications (as defined in 40 Code of Federal Regulations 52.21 as it existed on 8-7-80) constructed since the baseline date specified in Table 3 of Rule 803.~~

"Best Available Control Technology" means, for nonattainment pollutants, "Best Available Control Technology" as it is described in Section ~~C.2~~ D.2 of Rule 802. For attainment pollutants, "Best Available Control Technology" is as described in Section ~~D.2~~ D.3 of Rule ~~803~~802, New Source Review.

"Best Available Retrofit Control Technology" means "Best Available Retrofit Control Technology" as defined in Health and Safety Code Section 40406.

"Board" means the Air Pollution Control Board of the Air Pollution Control District of Santa Barbara County.

"Boundary Line" means, for source emission purposes, a separation such as a fence, abutment or device that restricts public entry to any given area containing a source of emissions by locked gate or attendant. If no boundary restriction exists, or if such boundary restriction includes habitations occupied or regularly used by humans, the boundary line shall be deemed to be such distance from a source of emissions as the evaluating officer deems appropriate for measurements to be best taken, but not closer than 100 feet from such source.

"Burn Day" A "No Burn Day" means any day on which agricultural burning is prohibited by the Air Resources Board or the District. A "Permissive Burn Day" means any day on which agricultural burning is not prohibited by the Air Resources Board. The District may declare any Permissive Burn Day designated by the State Air Resources Board to be a No Burn Day if necessary to maintain suitable air quality.

"California Coastal Waters" means that area between the California coastline and a line starting at the California-Oregon border at the Pacific Ocean,

thence to 42.0 N 125.5 W
thence to 41.0 N 125.5 W
thence to 40.0 N 125.5 W
thence to 39.0 N 125.0 W
thence to 38.0 N 124.5 W
thence to 37.0 N 123.5 W
thence to 36.0 N 122.5 W
thence to 35.0 N 121.5 W
thence to 34.0 N 120.5 W
thence to 33.0 N 119.5 W
thence to 32.5 N 118.5 W
and ending at the California-Mexico border at the Pacific Ocean.

"Capture Efficiency" means the percentage by weight of affected pollutants delivered to a control device divided by the weight of total affected pollutants generated by the source.

"Carbon Adsorber" means a bed of activated carbon into which an air-solvent gas-vapor stream is routed and which adsorbs the solvent on the carbon.

"Catalytic Incinerator" means any device that burns reactive organic compounds or toxic air contaminants in air using a material that increases the rate of combustion without itself undergoing a net chemical change in the process. Common catalyst materials include but are not limited to, platinum alloys, chromium, copper oxide, and cobalt.

"CFR" means the Code of Federal Regulations, an official compilation of federal regulations generated by federal administrative agencies.

"Class I Area" means any area having air quality or air quality related values requiring special protection, and which has been designated Class I by a federal or state authority empowered to make such designation.

"Class I Impact Area" means all lands outside of a Class I area but within a 10 kilometer (6.2 miles) distance beyond the boundary of a Class I area, or other areas established by the Control Officer based on standard

meteorological techniques such as hourly wind roses, frequency distribution of atmospheric wind classes, morning and afternoon mixing depths and any other meteorological or geographical considerations needed to establish the Class I impact area.

"Class II Area" means any area not designated as a Class I or Class III Area pursuant to 40 CFR 51.166(e)

"Clean Air Act" means, unless otherwise indicated, the federal Clean Air Act as amended, 42 United States Code 7401, *et seq*.

"Coating" means a material applied onto or impregnated into a substrate for protective, decorative, or functional purposes. Such materials include, but are not limited to, paints, varnishes, sealers, and stains.

"Combustible Refuse" is any solid or liquid combustible waste material containing carbon in a free or combined state.

"Combustion Contaminants" are particulate matter discharged into the atmosphere from the burning of any kind of material containing carbon in a free or combined state.

"Compression Ignition Engine" means a type of reciprocating, internal combustion engine that is not a spark ignition engine.

"Condensed Fumes" means minute solid particles generated by the condensation of vapors from solid matter after volatilization from the molten state, sublimation, distillation, calcination, or chemical reaction, when these processes create air-borne particles.

"Construction" means any physical change or change in the method of operation (including fabrication, erection, installation, or modification of an emission unit) which would result in a change in actual emissions or the source's potential to emit.

"Contiguous Property" means two or more parcels of land with a common boundary or point or separated solely by a public roadway or other public right of way.

"Control Device" means any destruction and/or recovery equipment used to destroy or recover affected pollutant emissions generated by a regulated operation.

"Control Device Efficiency" means the percentage of affected pollutants entering a control device that is not present in the exhaust to the atmosphere of that control device.

"Control Officer" means the Air Pollution Control Officer of the Air Pollution Control District of Santa Barbara County.

"Cured Adhesive, Cured Coating, or Cured Ink" means an adhesive, coating, or ink that is dry to the touch.

"Days" means calendar days unless otherwise stated. Where any deadline prescribed by these Rules and Regulations falls on a weekend or state or federal holiday, the deadline shall be the first business day after the weekend or holiday.

"Degreaser" ~~has the same~~ means~~s~~ing ~~a~~s "Solvent Cleaning Machine~~.~~" as defined in this rule.

"Derated" means any physical change to an emission unit to physically limit and restrict the equipment's power rating from the power rating specified by the manufacturer on the date of initial manufacture of the equipment.

"Diesel Engine" means a type of internal combustion engine that uses low-volatility petroleum fuel and fuel injectors and initiates combustion using compression ignition (as opposed to spark ignition that is used with gasoline engines).

"District" means the Santa Barbara County Air Pollution Control District unless otherwise specifically indicated.

"Dual-Fuel Engine" means any compression ignition engine that is engineered and designed to operate on a combination of alternative fuels, such as compressed natural gas (CNG) or liquefied petroleum gas (LPG) and diesel fuel or an alternative diesel fuel. These engines have two separate fuel systems, which inject both fuels simultaneously into the engine combustion chamber.

"Dusts" are minute solid particles released into the air by natural forces or by mechanical process such as crushing, grinding, milling, drilling, demolishing, shoveling, conveying, covering, bagging, sweeping, etc.

[*Relocated from Rule 805 since the definition is also used in proposed Rule 809*]

"**Effective Stack Height**" means the height equal to the lesser of 1) 30 meters, or 2) H + 1.5 L, where H is the height of, and L is the lesser dimension (height or width) of, the source, or nearby structure, or, 3) such other height as is demonstrated to ensure that emissions do not result in excessive pollutant concentrations in the immediate vicinity of the source as a result of atmospheric downwash, eddies, or wakes which may be created by the source, nearby structures or terrain.

"Electronic Components" means the portions of an assembly, including, but not limited to: circuit card assemblies, printed wire assemblies, printed circuit boards, soldered joints, ground wires, bus bars, magnetic tapes and tape drive mechanisms, discs and disc drive mechanisms, electro-optical devices (e.g., optical filters, sensor assemblies, infrared sensors, charged coupled devices, thermal electric coolers, and vacuum assemblies), solid state components, semiconductors (e.g., diodes, zeners, stacks, rectifiers, integrated microcircuits, transistors, solar cells, light sensing devices, and light-emitting devices), and other electrical fixtures, except for the actual cabinet in which the components are housed.

"Electrostatic Spray" means any method of applying a spray coating in which an electrical charge is applied to the coating and the substrate is grounded. The coating is attracted to the substrate by the electrostatic potential between them.

"Emission Reduction Credit" means an actual emission reduction of specific type and quantity that is registered with the District in accordance with Rule 806, Emission Reduction Credits.

"Emission Reduction Credit Certificate" means a document that represents emission reduction credits registered in the Source Register, is transferable, is initially issued by the District to a source that qualifies its actual emission reductions for registration in the Source Register by meeting the requirements of Rule 806, Emission Reduction Credits.

"Emission Unit" means any identifiable piece of equipment or activity that is part of a stationary source which emits or would have the potential to emit any affected pollutant.

"Enclosed Cleaning System" means any application equipment cleaner (e.g., an enclosed gun washer) that totally encloses spray guns, cups, nozzles, bowls, and other parts during solvent washing, rinsing, and draining procedures. An enclosed cleaning system for cleaning application equipment is not a solvent cleaning machine.

"Exempt Compound" means any compound listed as an exempt compound in the definition of **"**Reactive Organic Compound.**"** Tertiary-butyl acetate (also known as t-butyl acetate or tBAc) shall be considered exempt as a reactive organic compound only for purposes of reactive organic compound emissions limitations

or reactive organic compound content requirements and shall be considered a reactive organic compound for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling, and inventory requirements which apply to reactive organic compounds.

"Federally ~~e~~Enforceable" means all limitations and conditions which are enforceable by the Administrator of the Environmental Protection Agency.

"Flexographic Printing" means any printing method in which the image area is raised relative to the non-image area and utilizes flexible rubber or other elastomeric plate and rapid drying liquid inks.

"Fluid System" means a power transmission system that uses the force of flowing liquids and gases to transmit power. Fluid systems include hydraulic systems and pneumatic systems.

"Fluorinated Gases" means a compound that contains fluorine and exists in a gaseous state at 25 degrees Celsius and 1 atmosphere of pressure. Fluorinated gases include, but are not limited to:

1. hexafluoroethane (C_2F_6), (CFC-116),
2. octafluoropropane (C_3F_8), (PFC 218),
3. octafluorocyclopentene (C_5F_8), (PFC C-1418),
4. tetrafluoromethane (CF_4), (CFC-14),
5. trifluoromethane (CHF_3), (HFC-23),
6. difluoromethane (CH_2F_2), (HFC-32),
7. octafluorocyclobutane (c-C_4F_8), (RC 318),
8. octafluorotetrahydrofuran (C_4F_8O),
9. hexafluoro-1,3-butadiene (C_4F_6),
10. carbon fluoride oxide (COF_2),
11. nitrogen trifluoride (NF_3), and
12. sulfur hexafluoride (SF_6).

"Forest Management Burning" means the use of open fires, as part of forest management practice, to remove forest debris. Forest management practices include timber operations, silvicultural practices and forest protection practices.

"Fuel" means any substance that is burned, combusted, or incinerated in an engine, boiler, heater, burner, steam generator, process heater, flare, thermal oxidizer, or any other combustion unit, and which includes, but is not limited to, gasoline, natural gas, field gas, produced gas, waste gas, methane, digester gas, landfill gas, contaminated soil/water cleanup gaseous effluent, ethane, propane, butane, liquefied petroleum gas (LPG), jet propellants, diesel fuels, and distillate fuels.

"Fuel Additive" means any substance designed to be added to fuel or fuel systems or other engine-related engine systems such that it is present in-cylinder during combustion and has any of the following effects: decreased emissions, improved fuel economy, increased performance of the engine; or assists diesel emission control strategies in decreasing emissions, or improving fuel economy or increasing performance of the engine.

"Fugitive Emission" means an emission which could not reasonably pass into the atmosphere through a stack, chimney, vent or other functionally equivalent opening.

"Gasoline" means any organic liquid (including petroleum distillates and methanol) having a Reid vapor pressure, as measured using California Code of Regulations, Title 13, Division 3, Chapter 5, Article 4, section 2297, "Test Method for the Determination of the Reid Vapor Pressure Equivalent Using an Automated Vapor Pressure Test Instrument," of 4.0 pounds per square inch or greater and used as a motor vehicle fuel or any fuel which is commonly or commercially known or sold as gasoline, including aviation gasoline.

"Grams of Reactive Organic Compound Per Liter of Material" means the weight of reactive organic compound per volume of material and can be calculated by the following equation:

$$\textit{Grams of reactive organic compounds per liter of material} = \frac{W_s - W_w - W_e}{V_m}$$

Where:
W_s = Weight of volatile compounds in grams
W_w = Weight of water in grams
W_e = Weight of exempt compounds in grams
V_m = Volume of material in liters

"Greenhouse Gas" or **"Greenhouse Gases"** means **"Greenhouse gas"** or **"greenhouse gases"** as defined in Health and Safety Code Section 38505(g).

"Hazardous Air Pollutant" means any substance listed in or pursuant to Section 112(b) of the Clean Air Act.

"Hearing Board" means the Hearing Board provided for in Section 40801 of the Health and Safety Code as appointed by the Air Pollution Control Board of Santa Barbara County.

"High-Precision Optics" means any optical element used in an electro-optical device that is designed to sense, detect, or transmit light energy, including specific wavelengths of light energy and changes in light energy levels.

"Higher Heating Value" means the total heat liberated per mass of fuel burned (British thermal unit per pound), when fuel and dry air at standard conditions undergo complete combustion and all resulting products are brought to their standard states at standard conditions. "Gross heating value" shall have the same meaning as "higher heating value."

"Internal Combustion Engine" means an engine in which both the heat energy and the ensuing mechanical energy are produced inside the engine. Internal combustion engines include gas turbines, spark ignition, and compression ignition engines.

"Janitorial Cleaning" means the cleaning of building or facility components including, but not limited to, floors, ceilings, walls, windows, doors, stairs, bathrooms, furnishings, and exterior surfaces of office equipment; excluding the cleaning of work areas associated with:

1. research and development, manufacturing, and repair activities; and

2. laboratory tests and analyses (including quality assurance and quality control activities) and bench scale projects.

"Large Source" means any stationary source that does not meet the criteria of a Small Source or a Medium Source as determined by the Control Officer:

"Major Modified Stationary Source" means a modification at an existing major source which:

1. will have emission increases greater than significance levels promulgated in 40 CFR 51.165 and 40 CFR 52.21, or
2. is located within 10 kilometers of a Class I area and the modification causes an impact greater than or equal to 1 microgram per cubic meter on that Class I area .

"Major Stationary Source" means a stationary source of air pollutants which emits or has the potential to emit one hundred tons per year or more of any pollutant.

"Medium Source" means any stationary source that is not a Small Source and where:

1. The Permitted Emissions for the stationary source will be less than all of the values listed below:

Reactive Organic Compounds	10.0 tons/year,
Oxides of Nitrogen (as NO_2)	10.0 tons/year,
Particulate Matter less than 10 microns	10.0 tons/year
Total Suspended Particulate Matter	10.0 tons/year
Sulfur Oxides (as SO_2)	10.0 tons/year,
Carbon Monoxide	25.0 tons/year

and

2. The proposed source does not trigger any toxics review requirements, Negative Declaration or Environmental Impact Report where the District is the lead agency pursuant to CEQA, federal NSPS or NESHAPS, federal operating permit program requirements (with the exception of General Permits) and is not located within 1,000 feet of the outer boundary of a school site.

"Modification" means any physical change in, or any change in method of operation of, or addition to an existing stationary source or any change in hours of operation or production rate which would necessitate a change in permit conditions, except that routine maintenance or repair shall not be considered a physical change. Unless previously limited by federally enforceable permit condition, the following shall not be considered changes in method of operation:

1. An increase in the production rate or hours of operation if such increase does not exceed the operating design capacity or the actual demonstrated capacity of the stationary source as approved by the Control Officer.
2. A change in operator or ownership of a source.
3. Use of an alternate fuel or raw material, provided that such use is expressly authorized on the Permit to Operate.

A reconstructed source shall be treated as a new stationary source.

"Multiple-Chamber Incinerator" is any article, machine, equipment, contrivance, structure or part of a structure, used to dispose of combustible refuse by burning, consisting of three or more refractory lined combustion furnaces in series, physically separated by refractory walls, interconnected by gas passage ports or ducts and employing adequate design parameters necessary for maximum combustion of the material to be burned. The refractories shall have a Pyrometric Cone equivalent of at least 17, tested according to the method described in the American Society for Testing Materials, Method C-24.

"Natural Draft Opening" means any opening in a room, building, or total enclosure that remains open during operation of the facility and that is not connected to a duct in which a fan is installed. The rate and direction of the natural draft through such an opening is a consequence of the difference in pressures on either side of the wall containing the opening.

"Natural Gas" means gas which meets General Order 58-A of the Public Utilities Commission.

"New Source" means any stationary source, which will emit any air contaminant not previously emitted at that location.

"Nonattainment Pollutant" means any pollutant as well as precursors for which an ambient air quality standard was exceeded within the District more than three discontinuous times (or, for annual standards, more than one time) within the three years immediately preceding the date when the application for Authority to Construct was found complete, or which has been designated "nonattainment" pursuant to final rulemaking by the Environmental Protection Agency as published in the Federal Register or the Air Resources Board as published in the California Code of Regulations.

"Open Burning in Agricultural Operations" in the growing of crops or raising of fowl or animals means:

1. The burning in the open of materials produced wholly from operations in the growing and harvesting of crops or raising of fowl or animals for the primary purpose of making a profit, or providing of livelihood, or of conducting agricultural research or instruction by an educational institution and

2. In connection with operations qualifying under Subdivision 1:

   a. The burning of grass and weeds in or adjacent to fields in cultivation or being prepared for cultivation; and

   b. The burning of material not produced wholly from such operations, but which are intimately related to the growing or harvesting of crops and which are used in the field, such as fertilizer and pesticide sacks or containers, where the sacks or containers are emptied and burned in the field.

"Operating Parameter Value" means any minimum or maximum value established for a control equipment or process parameter which, if achieved by itself or in combination with one or more other operating parameter values, determines that an owner or operator has continued to comply with an applicable emission limitation.

"Organic Materials" are defined as chemical compounds of carbon excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides, metallic carbonates and ammonium carbonate.

"Organic Solvents" means organic materials, including diluents and thinners which are liquid at standard conditions and which are used as, dissolvers, viscosity reducers or cleaning agents, except that such materials which exhibit a boiling point, as measured using ASTM D 1078-05, "Standard Test Method for Distillation Range of Volatile Organic Liquids," ASTM International, higher than 220°F at 0.5 millimeter mercury absolute pressure or having an equivalent vapor pressure shall not be considered to be organic solvents unless exposed to temperatures exceeding 220°F.

"Outer Continental Shelf Source" means "Outer Continental Shelf Source" as defined by Section 2 of the Outer Continental Shelf Lands (43 U.S.C. Section 1331, *et seq*).

"Overall Efficiency" means the emission reduction, expressed as a percentage that results from the combined effect of capture and control of affected pollutants (capture efficiency multiplied by control efficiency).

"Particulate Matter" is any material, except uncombined water, which exists in a finely divided form as a liquid or solid at standard conditions.

"Permit to Operate" means the written permission, with any specified conditions required, that must be obtained from the Control Officer before any article~~,~~ machine, equipment or other contrivance, the use of which may cause, increase, eliminate, reduce, or control the issuance of air contaminants before it may be operated or used.

"Person" means any person, firm, association, organization, partnership, business trust, corporation, company, contractor, supplier, installer, user, or owner, or any federal, state or local governmental agency, or public district or any officer or employee thereof.

"PM_{10}" means Particulate Matter with aerodynamic diameter of less than 10 microns.

"$PM_{2.5}$" means Particulate Matter with aerodynamic diameter of less than 2.5 microns.

"Photochemically Reactive Solvent" means any organic solvent with an aggregate of more than 20 percent of its total volume composed of the chemical compounds classified below or which exceeds any of the following individual percentage composition limitations, referred to the total volume of organic solvent;

1. combination of hydrocarbons, alcohols, aldehydes, esters, ethers or ketones, having an olefinic or cyclolefinic type of unsaturation: 5 percent, or
2. combination of aromatic compounds with 8 or more carbon atoms to the molecule, except ethylbenzene: 8 percent, or
3. combination of ethylbenzene, ketones having branched hydrocarbon structures, trichloroethylene or toluene: 20 percent.

Whenever any organic solvent or any constituent of an organic solvent may be classified from its chemical structure into more than one of the above groups of organic compounds, it shall be considered as a member of the most reactive chemical group, i.e., that group having the least allowable percent of the total volume of organic solvents.

"Photoresist Coating" means any coating applied directly to a substrate to protect surface areas when chemical milling, etching, or other chemical surface operations are performed on the substrate.

"Pollutant" means ~~See~~ "~~a~~Affected ~~p~~Pollutant" as defined in this rule.

"Portable Internal Combustion Engine" means any internal combustion engine that is portable, meaning it is carried or moved from one location to another in the normal course of business. Indicia of portability shall include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, vessel, or platform. "Portable internal combustion engine" does not include an engine used to propel nonroad equipment or a motor vehicle of any kind, including, but not limited to, a heavy duty vehicle. The engine is not portable if:

1. the engine 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. The period during which the engine is maintained at a storage facility shall be excluded from the residency time determination. Any engine, such as a back-up or stand-by engine, that replace engine(s) at a location, and is intended to perform the same or similar function as the engine(s) being replaced, will be included in calculating the consecutive time period. In that case, the cumulative time of all engine(s), including the time between the removal of the original engine(s) and installation of the replacement engine(s), will be counted toward the consecutive time period; or

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

3. the engine is moved from one location to another in an attempt to circumvent the portable residence time requirements.

[*Revised to remove term federally as EPA has noted that limits on the PTE do not need to be federally enforceable.*]

"Potential to Emit" means the maximum capacity of the stationary source to emit a pollutant, including fugitive emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation is ~~federally~~ enforceable. Secondary emissions do not count in determining the potential to emit.

"Precursor" means any directly emitted pollutant that, when released into the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which an ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more ambient air quality standards. The following precursor/pollutant relationships shall be used for purposes of these Rules and Regulations:

[*Revised to address the addition of $PM_{2.5}$. Note that $PM_{2.5}$ is not a secondary pollutant to ROC since it has been determined that ROC does not significantly impact $PM_{2.5}$ in our District. Add Nitrogen Dioxide and Sulfur Dioxide as secondary pollutants, which were inadvertently left out when the definition was transferred from Rule 201 to this rule in 1997.*]

Precursor	Secondary Pollutant
Reactive Organic Compounds	Ozone The organic fraction of PM_{10}
Oxides of Nitrogen	Ozone Nitrogen Dioxide The nitrate fraction of PM_{10} and $PM_{2.5}$
Oxides of Sulfur	Sulfates Sulfur Dioxide The sulfate fraction of PM_{10} and $PM_{2.5}$

"Process Weight Per Hour" means the total Process Weight divided by the number of hours in one complete operation from the beginning of any given process to the completion thereof, excluding any time during which the equipment is idle. "Process Weight" is the total weight of all materials introduced into any specific process which may cause any discharge into the atmosphere. Solid fuels charged will be considered as part of the process weight, but liquid and gaseous fuels and combustion air will not.

"Quarterly," means, unless otherwise indicated, ~~means~~ January through March, April through June, July through September, and October through December.

"Range Improvement Burning" means the use of open fires to remove vegetation for a wildlife, game or livestock habitat or for the initial establishment of an agricultural practice on previously uncultivated land.

"**Rated ~~b~~Brake ~~h~~Horsepower**" means the continuous brake horsepower rating specified for the engine by the manufacturer or listed on the original nameplate of the unit, unless otherwise physically limited and specified by a condition on the engine's Permit to Operate.

"**Reactive Organic Compound"** means any compound containing at least one (1) atom of carbon, except for the following exempt compounds:

1. acetone
2. ammonium carbonate
3. carbon dioxide
4. carbon monoxide
5. carbonic acid
6. dimethyl carbonate
7. ethane
8. metallic carbides or carbonates
9. methane
10. methyl acetate
11. methyl chloroform (1,1,1-trichloroethane)
12. methyl formate; $HCOOCH_3$

13. cyclic, branched, or linear completely methylated siloxane compounds
14. methylene chloride
15. parachlorobenzotrifluoride
16. perchloroethylene (tetrachloroethylene)
17. the following four classes of perfluorocarbon (PFC) compounds:
    a. cyclic, branched, or linear, completely fluorinated alkanes,
    b. cyclic, branched, or linear, completely fluorinated ethers with no unsaturations,
    c. cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations, and
    d. sulfur containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.
18. propylene carbonate
19. tertiary-butyl acetate; $C_6H_{12}O_2$ ("acetic acid, 1,1-dimethylethyl ester")

    Tertiary-butyl acetate (also known as t-butyl acetate or tBAc) shall be considered exempt as a reactive organic compound only for purposes of reactive organic compound emissions limitations or reactive organic compound content requirements and shall be considered a reactive organic compound for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling, and inventory requirements which apply to reactive organic compounds.
20. CFC-11 (trichlorofluoromethane)
21. CFC-12 (dichlorodifluoromethane)
22. CFC-113 (1,1,2-trichloro-1,2,2-trifluoroethane)
23. CFC-114 (1,2-dichloro 1,1,2,2-tetrafluoroethane)
24. CFC-115 (chloropentafluoroethane)
25. HCFC-22 (chlorodifluoromethane)
26. HCFC-31 (chlorofluoromethane)
27. HCFC-123 (1,1,1-trifluoro 2,2-dichloroethane)
28. HCFC-123a (1,2-dichloro-1,1,2-trifluoroethane)
29. HCFC-124 (2-chloro-1,1,1,2-tetrafluoroethane)
30. HCFC-141b (1,1-dichloro 1-fluoroethane)
31. HCFC-142b (1-chloro-1,1 difluoroethane)
32. HCFC-151a (1-chloro-1-fluoroethane)
33. HCFC-225ca (3,3-dichloro-1,1,1,2,2-pentafluoropropane)
34. HCFC-225cb (1,3-dichloro-1,1,2,2,3-pentafluoropropane)
35. HFC-23 (trifluoromethane)
36. HFC-32 (difluoromethane)
37. HFC-43-10mee (1,1,1,2,3,4,4,5,5,5-decafluoropentane)
38. HFC-125 (pentafluoroethane)
39. HFC-134 (1,1,2,2-tetrafluoroethane)
40. HFC-134a (1,1,1,2-tetrafluoroethane)
41. HFC-143a (1,1,1-trifluoroethane)
42. HFC-152a (1,1-difluoroethane)
43. HFC-161 (ethylfluoride)
44. HFC-227ea (1,1,1,2,3,3,3-heptafluoropropane)
45. HFC-236ea (1,1,1,2,3,3-hexafluoropropane)
46. HFC-236fa (1,1,1,3,3,3-hexafluoropropane)
47. HFC-245ca (1,1,2,2,3-pentafluoropropane)
48. HFC-245ea (1,1,2,3,3-pentafluoropropane)

49. HFC-245eb (1,1,1,2,3-pentafluoropropane)
50. HFC-245fa (1,1,1,3,3-pentafluoropropane)
51. HFC-365mfc (1,1,1,3,3-pentafluorobutane)
52. HFE-7000; n-$C_3F_7OCH_3$; (1,1,1,2,2,3,3-heptafluoro-3-methoxy-propane)
53. HFE-7100; $(CF_3)_2CFCF_2OCH_3$; (2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane) or $C_4F_9OCH_3$; (1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane)
54. HFE-7200; $(CF_3)_2CFCF_2OC_2H_5$; (2-(ethoxydifluoromethyl)-1,1,1,2,3,3,3-heptafluoropropane) or $C_4F_9OC_2H_5$; (1-ethoxy-1,1,2,2,3,3,4,4,4-nonafluorobutane)
55. HFE-7300; (1,1,1,2,2,3,4,5,5,5-decafluoro-3-methoxy- 4-trifluoromethyl-pentane)
56. HFE-7500; (3-ethoxy- 1,1,1,2,3,4,4,5,5,6,6,6-dodecafluoro-2- (trifluoromethyl) hexane)

Rule 202.D.10.l.1 requires an Authority to Construct and Permit to Operate when using more than one gallon per year per stationary source of any one of the following exempt compounds:

(6)	dimethyl carbonate,	(37)	HFC-43-10mee,
(12)	methyl formate,	(50)	HFC-245fa,
(33)	HCFC-225ca,	(51)	HFC-365mfc, or
(34)	HCFC-225cb,	(53)	HFE-7100 [$(CF_3)_2CFCF_2OCH_3$ or $C_4F_9OC_2H_5$]

Rule 202.D.10.l.2 requires an Authority to Construct and Permit to Operate when using more than one gallon per year per stationary source of: (19) tertiary-butyl acetate.

The one gallon per year per stationary source limit is a per compound limit for each compound in aggregate for the entire stationary source and includes any amounts of the compound used in mixed or diluted product.

"Reactive Organic Compound Composite Partial Pressure" means the sum of the partial pressures of compounds defined as reactive organic compounds. Reactive organic compound composite pressure shall be calculated as follows:

$$PP_C = \frac{\sum_{i=1}^{n} (W_i)(VP_i) / MW_i}{W_w / MW_w + \sum_{e=1}^{n} W_e / MW_e + \sum_{i=1}^{n} W_i / MW_i}$$

Where:
- W_i = Weight of the "i"th reactive organic compound, in grams
- W_w = Weight of water, in grams
- W_e = Weight of the "e"th exempt compound, in grams
- MW_i = Molecular weight of the "i"th reactive organic compound, in grams per grams-mole
- MW_w = Molecular weight of water, in grams per grams-mole
- MW_e = Molecular weight of the "e"th exempt compound, in grams per grams-mole
- PP_c = Reactive organic compound composite partial pressure at 20 degrees Celsius, in millimeters of mercury
- VP_i = Vapor pressure of the "i"th reactive organic compound at 20 degrees Celsius, in millimeters of mercury

"Reasonable Further Progress" means annual incremental reductions in emissions of the relevant air pollutant and its precursors required to ensure attainment of the applicable air quality standard by the applicable date.

"Reconstructed Source" means any source undergoing reconstruction where fixed capital costs of the new components exceeds fifty percent (50%) of the fixed capital cost of a comparable entirely new source. Fixed capital cost means the capital needed to provide all depreciable components.

"**Regulation"** means one of the major subdivisions of the Rules of the Air Pollution Control District of Santa Barbara County.

"Rotogravure Printing" means any printing process where the image area is etched or engraved relative to the surface of the image cylinder. Ink is transferred from minute etched wells on a plate cylinder to a substrate, which is supported by an impression roller, with excess ink removed by a doctor blade. The substrate is fed through the printing press in continuous rolls.

"Rule" means a rule of the Air Pollution Control District of Santa Barbara County.

"Scientific Instrument" means an instrument, including the components, assemblies, and subassemblies used in their manufacture, and associated accessories and reagents, that is used for the detection, measurement, analysis, separation, synthesis, or sequencing of various compounds.

"Section" means section of the Health and Safety Code of the State of California unless some other statute is specifically mentioned.

"Secondary Emissions" means emissions which would occur as a result of the construction or operation of a stationary source or modification, impact the same general area, but do not come from the source itself. Secondary emissions include emissions from any offsite support facility which would not be constructed or increase its emissions except as a result of the construction or operation of the source or modification. Secondary emissions do not include any emissions which come directly from a mobile source such as emissions from the tailpipe of a motor vehicle, from a train, or from a vessel.

"Small Source" means a stationary source that meets the following criteria as determined by the Control Officer:

1. The Permitted Emissions from the stationary source will be less than each of the values listed below:

Reactive Organic Compounds	5.0 tons/year,
Oxides of Nitrogen (as NO_2)	5.0 tons/year,
Particulate Matter less than 10 microns	5.0 tons/year
Total Suspended Particulate Matter	5.0 tons/year
Sulfur Oxides (as SO_2)	5.0 tons/year,
Carbon Monoxide	25.0 tons/year

and

2. The proposed source does not trigger any toxics review requirements, Negative Declaration or Environmental Impact Report where the District is the lead agency pursuant to CEQA, federal NSPS or NESHAPS, federal operating permit program requirements (with the exception of General Permits) and is not located within 1,000 feet of the outer boundary of a school site, and
3. The permit application must deal exclusively with equipment that is listed by the Control Officer as certified and must not require a source test to demonstrate compliance, and
4. The applicant must be willing to accept standard permit conditions as established by the Control Officer.

"Solvent~~"~~" means "Organic Solvent~~.~~" as defined in this rule.

"Solvent Cleaning" means any activity, operation, or process (including, but not limited to, surface preparation, cleanup, or wipe cleaning) performed outside of a solvent cleaning machine, that uses solvent to remove uncured adhesives, uncured coatings, uncured inks, uncured polyester resin material, uncured sealant, or other contaminants, including, but not limited to, dirt, soil, oil, lubricants, coolants, moisture, fingerprints, and grease, from parts, products, tools, machinery, application equipment, and general work areas. Cleaning spray equipment used for the application of coating, adhesive, ink, polyester resin material, or sealant is also considered to be solvent cleaning irrespective of the spray material being cured.

"Solvent Cleaning Machine" means any device or piece of equipment that uses solvent liquid or vapor to remove soils, moisture, or other contaminants from the surfaces of materials. Types of solvent cleaning machines include, but are not limited to, batch cold, batch vapor, in-line cold, in-line vapor, remote reservoir, and gas-path solvent cleaners, as defined in Rule 321, Solvent Cleaning Machines and Solvent Cleaning. Buckets, pails, and beakers with capacities of 3.785 liters (1.00 gallon) or less are not considered solvent cleaning machines. However, the use of such a container or similar containers (e.g., hand-held spray bottles) with a solvent for cleaning is considered to be solvent cleaning. Any device or piece of equipment used exclusively for stripping shall not be considered to be a solvent cleaning machine.

"South Coast Air Quality Management District Method 303-91, "Determination of Exempt Compounds," August 1996," means the test method adopted by and in effect by the South Coast Air Quality Management District on June 21, 2012.

"South Coast Air Quality Management District Method 313-91, "Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry," June 1993," means the test method adopted by and in effect by the South Coast Air Quality Management District on June 21, 2012.

"Space Vehicle" means any man-made device, either manned or unmanned, designed for operation beyond earth's atmosphere. This definition includes integral equipment such as models, mock-ups, prototypes, molds, jigs, tooling, hardware jackets, and test coupons. Also included is auxiliary equipment associated with test, transport, and storage, which through contamination can compromise the space vehicle performance.

"Spark Ignition Engine" means a gasoline-fueled engine or other engine with a spark plug (or other sparking device) and with operating characteristics significantly similar to the theoretical Otto combustion cycle. Spark ignition engines usually use a throttle to regulate intake air flow to control power during normal operation.

"Specialty Equipment" means portable engines used to power equipment located in the Outer Continental Shelf or State Territorial Waters that satisfy all of the following conditions:

1. The portable engine is ineligible for registration in the State Portable Equipment Registration Program; and

2. A similar portable engine or equipment unit capable of performing the specialty work is not registered in the State Portable Equipment Registration Program or, if registered is not available for use; and

3. The portable engine/equipment unit performs a unique function or activity outside the normal scope of drilling or construction activities; and

4. The equipment will be used for less than 500 hours per stationary source in any calendar year and emit not more than 10 tons per stationary source of oxides of nitrogen, oxides of sulfur, reactive organic compounds, or particulate matter in any calendar year; and

5. Use of the equipment is not recurrent from year to year.

"Specialty Equipment Emergency Use" means that conditions giving rise to the use of the specialty equipment were due to 1) conditions beyond the reasonable control of the stationary source, including but not limited to the breakdown of essential drilling or construction equipment, and 2) the use of the specialty equipment is necessary to complete essential short-term projects.

"Standard Conditions" for gases means a temperature of 60 degrees Fahrenheit (15.6 degrees Celsius) and a pressure of 14.7 pounds per square inch absolute (760 mm of Mercury). Results of all analyses and tests shall be calculated and reported at this temperature and pressure.

"Stationary Source" means any building, structure, facility, or installation which emits or may emit any affected pollutant directly or as a fugitive emission. "Fugitive emissions" means those emissions of pollutants which could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening.

"Installation" includes any operation, article, machine, equipment, contrivance, or grouping of equipment belonging to the same two-digit standard industrial classification code, which emits or may emit any affected pollutant, and located on one or more contiguous properties and under common control.

"Building, structure, or facility" includes all pollutant-emitting activities including those located in California coastal waters adjacent to the District boundaries and those areas of Outer Continental Shelf waters for which the District is the corresponding onshore area which:

a) belong to the same industrial grouping

b) are located on one or more contiguous or adjacent properties (except for activities located in California coastal waters or are on the Outer Continental Shelf), and

c) are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.

Pollutant emitting activities shall be considered as part of the same industrial grouping if they are part of a common production process. (Common production process includes industrial processes, manufacturing processes, and any connected processes involving a common raw material.)

"Common operations" includes operations which are related through dependent processes, storage or transportation of the same or similar products or raw material. Emissions from all marine vessels, including cargo carriers, servicing or associated with a stationary source shall be considered emissions from the stationary source while operating within:

a) the District, including California Coastal Waters adjacent to the District (Figure 102);

b) the Outer Continental Shelf for which the District is the corresponding onshore area; and

c) 25 miles of an Outer Continental Shelf source for which the District is the corresponding onshore area.

The emissions from marine vessels, including cargo carriers, shall include reactive organic compound vapors that are displaced into the atmosphere; fugitive emissions; combustion emissions in the waters described above; and emissions from the loading and unloading of cargo. The term "Cargo Carrier" shall not include trains or vehicles.

As applied to an attainment pollutant, "stationary source" shall be interpreted to mean facility wide. The term "installation" shall have the same meaning as "building, structure, or facility."

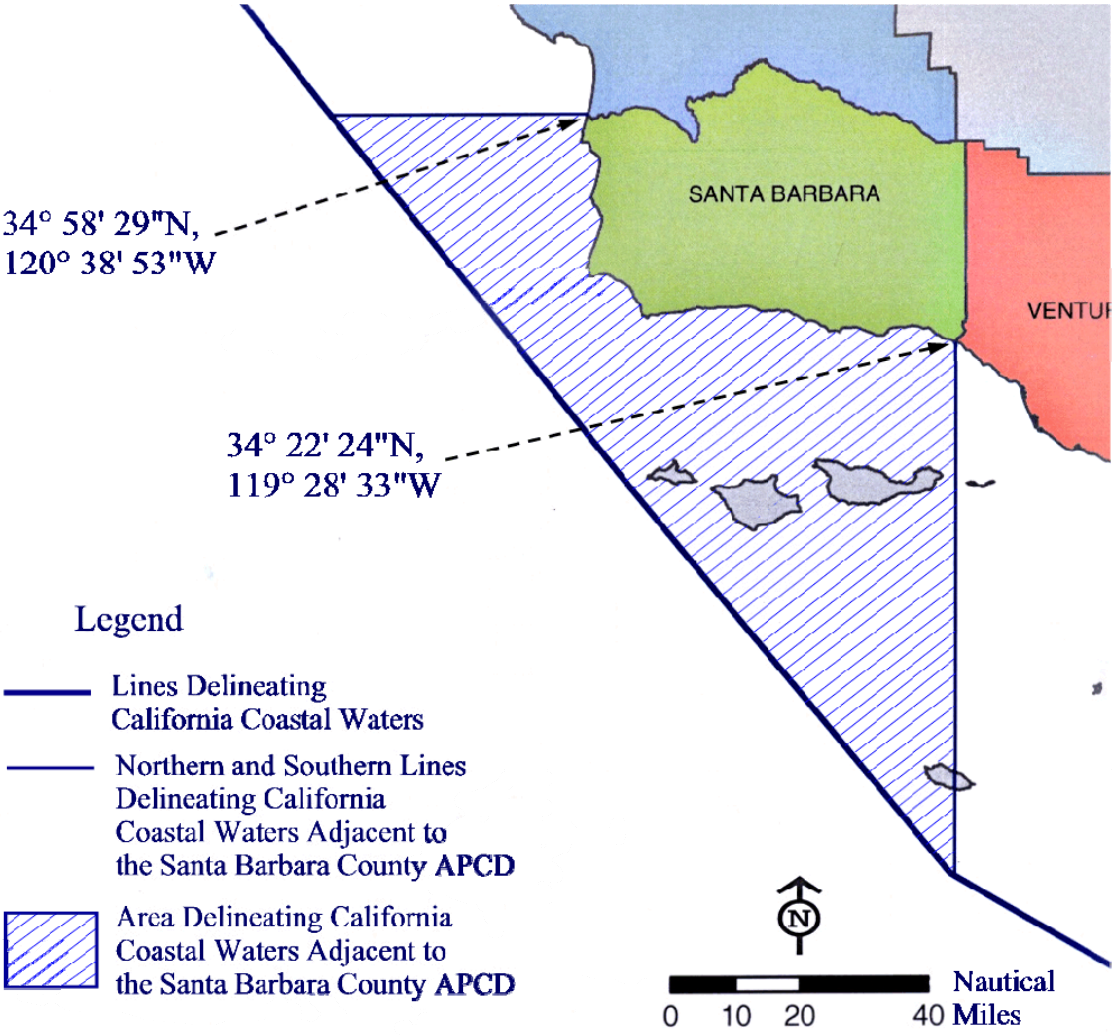

Figure 102. MAP DEPICTING THE CALIFORNIA COASTAL WATERS ADJACENT TO THE SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT

"Stripping" means the use of solvent to remove materials such as cured adhesives, cured inks, cured sealants, cured or dried paints, cured or dried paint residues, or temporary protective coatings.

"Surface Preparation" means the removal of contaminants such as dust, soil, oil, grease, moisture, etc., prior to application of an adhesive, coating, ink, polyester resin material, or sealant.

"Temporary Total Enclosure" means any total enclosure that is constructed for the sole purpose of measuring the emissions from an affected source that are not delivered to an emission control device. A temporary total enclosure must be constructed and ventilated (through stacks suitable for testing) so that it has minimal impact on the performance of the permanent emission capture system. A temporary total enclosure will be assumed to achieve total capture of fugitive emissions if it meets the requirements found in 40 CFR Section 63.750(g)(4) and if all natural draft openings are at least four duct or hood equivalent diameters away from each exhaust duct or hood. Alternatively, the owner or operator may apply to the Control Officer for approval of a temporary enclosure on a case-by-case basis.

"Thermal Incinerator" means any device that burns reactive organic compounds or toxic air contaminants in air by direct application of heat. Thermal incinerators are usually equipped with burners, refractory lined chambers, heat recovery equipment, and process controllers.

"Total Enclosure" means any permanent structure that is constructed around a gaseous emission source so that all gaseous pollutants emitted from the source are collected and ducted through a control device, such that 100 percent capture efficiency is achieved. There are no fugitive emissions from a total enclosure. The only openings in a total enclosure are forced makeup air and exhaust ducts and any natural draft openings such as those that allow raw materials to enter and exit the enclosure for processing. All access doors or windows are closed during routine operation of the enclosed source. Brief, occasional openings of such doors or windows to accommodate process equipment adjustments are acceptable, but if such openings are routine or if an access door remains open during the entire operation, the access door must be considered a natural draft opening. The average inward face velocity across the natural draft openings of the enclosure shall be calculated including the area of such access doors. The drying oven itself may be part of the total enclosure. An enclosure that meets the requirements found in 40 CFR Section 63.750(g)(4) is a permanent total enclosure.

"Total Suspended Particulates" means "Pparticulate ~~m~~Matter"~~,~~ as defined in this rule.

"Toxic Air Contaminant" means "Toxic ~~a~~Air C~~c~~ontaminant" as defined in Health and Safety Code Section 39655.

"Transfer Efficiency" means the ratio of the weight of coating solids adhering to the object being coated to the weight of coating solids used in the application process, expressed as a percentage.

"Waste Solvent Residue" means sludge that may contain dirt, oil, metal particles, and/or other undesirable waste products concentrated after heat distillation of solvent either in a solvent cleaning machine itself or after distillation in a separate still.

"Wipe Cleaning" means a solvent cleaning activity performed by hand rubbing an absorbent material such as a rag, paper, sponge, brush, or cotton swab containing solvent.

"Zones of Santa Barbara County"

1. The Northern Zone of Santa Barbara County is defined as that portion of Santa Barbara County described in Section 60103(b) of Title 17 of the California Administrative Code as written on December 21, 1968 (Register 68, No. 48), State waters located offshore of that portion of Santa Barbara County lying north of the latitude of the mouth of Jalama Creek and those areas of the Outer Continental Shelf waters for which the District has been designated the corresponding onshore area by the Environmental Protection Agency.

2. The Southern Zone of Santa Barbara County is defined as that portion of Santa Barbara County described in Section 60104(c) of Title 17 of the California Administrative Code as written on December 21, 1968 (Register 68, No. 48), State waters located offshore of that portion of Santa Barbara County lying south of the latitude of the mouth of Jalama Creek and those areas of the Outer Continental Shelf waters for which the District has been designated the corresponding onshore area by the Environmental Protection Agency.

RULE 105. APPLICABILITY
(Adopted 7/30/1991, revised [*date of amended rule adoption*])

These Rules and Regulations shall apply to all sources within the County of Santa Barbara. These Rules and Regulations shall also apply to sources located on the Outer Continental Shelf, offshore of Santa Barbara County, for which the District is the corresponding onshore area, as authorized in Title VIII, Section 801, of the 1990 Federal Clean Air Act Amendments.

Unless otherwise stated, any District rule that references sections of the California Health and Safety Code, California Government Code, California Public Resources Code, California Vehicle Code, or the California Code of Regulations shall incorporate the referenced sections as they exist on the date of adoption or most recent amendment of the aforementioned District rule.

RULE 1301. PART 70 OPERATING PERMITS – GENERAL INFORMATION
(Adopted 11/09/1993, revised 8/15/1996, 4/17/1997, 9/18/1997, 1/18/2001, 6/19/2003, ~~and~~ 1/20/2011, and [date of revised rule adoption])

A. Applicability

The provisions of this ~~r~~Rule and of Rules 1302 through 1305 shall apply to any source that qualifies as a **"Part 70 source"** as defined in Section C below.

B. Exemptions

The requirement to obtain a Part 70 operating permit under this ~~r~~Rule shall not apply to:

1. Any stationary source required to obtain a Part 70 permit solely because such source is subject to the provisions of 40 CFR 60, Subpart AAA, Standards of Performance for New Residential Wood Heaters; or

2. Any stationary source or operation required to obtain a Part 70 permit solely because such source is subject to the provisions of 40 CFR 61, Subpart M, National Emission Standard for Hazardous Air Pollutants for Asbestos, Section 61.145, Standard for Demolition and Renovation; or

3. Any stationary source, including an area source, required to obtain a Part 70 permit solely because such source is subject to regulations or requirements pursuant to Section 112(r) of the Clean Air Act (CAA).~~;~~

C. Definitions

See Rule 102, Definitions, for definitions not limited to this regulation. For the purposes of Regulation XIII, the following definitions shall apply:
~~For purposes of this Rule and of Rules 1302 through 1305, the definitions listed below shall apply:~~

"Acid Rain Source" means any stationary source that includes one or more emission units that are subject to emission reduction requirements or limitations pursuant to Title IV (Acid Rain) of the CAA Amendments of 1990.

"Administrative Permit Amendment" means a modification to a Part 70 permit that is being made solely for the purpose of accomplishing one or more of the following objectives:

1. To correct typographical errors.

2. To make an administrative change at the source such as the name, address or phone number of a person named in the permit.

3. To require more frequent monitoring or reporting by the permittee.

4. To allow the transfer of ownership or operational control of a stationary source where the District has determined that no other change in the permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new permittee has been submitted to the District~~.~~.

5. To incorporate into the Part 70 permit the terms and conditions of USEPA's preconstruction review permit or the District Authority to Construct permit issued under a program approved by USEPA as meeting procedural requirements substantially equivalent to the procedural requirements of 40 CFR 70.7 and 70.8 and the compliance requirements of 40 CFR 70.6.

Significant or minor permit modifications defined elsewhere within this rRule shall not be deemed as administrative amendments.

"Air Pollutant (also Air Contaminant)~~,~~" ~~see~~means **"Regulated Air Pollutant."**

"Affected States" means states that are contiguous to California whose air quality may be affected by emissions resulting from issuance, renewal or modification of a permit to a Part 70 source.

"Applicable Requirement" means any federal, state, or District requirement including any federally approved State Implementation Plan requirement for Santa Barbara County, and any **"federally enforceable requirement."**

"CFR" means the Code of Federal Regulations, an official compilation of federal Regulations generated by federal administrative agencies.

"Clean Air Act (Act or CAA)" means the federal Clean Air Act as amended, 42 U.S.C. 7401, *et seq*.

"Day or Days" means calendar day or days unless otherwise stated.

"District" means the Santa Barbara County Air Pollution Control District.

"Emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of a permittee, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the stationary source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventive maintenance, careless or improper operation, or operator error.

"Emissions Allowable Under the Federally Enforceable Permit" means a federally enforceable permit term or condition determined by the District or the USEPA as required under a federally enforceable requirement. The term or condition establishes an emissions limit (including a work practice standard) or a federally enforceable emission cap that the source has assumed to avoid a federally enforceable requirement to which the source would otherwise be subject.

"Emissions Unit" means any part or activity of a stationary source that emits or has the potential to emit any regulated air pollutant or any substance listed pursuant to Section 112(b) of the CAA and its implementing regulations.

"Environmental Protection Agency (USEPA) or the Administrator" means the U.S. Environmental Protection Agency or its administrator or the administrator's designee.

"Federally Enforceable Requirement" means any requirement set forth in, or authorized by the CAA and its implementing regulations or USEPA regulations. Federally enforceable requirements include requirements that have been promulgated or approved by USEPA through rulemaking at the time of issuance of a Part 70 permit but have future effective dates. Federally enforceable requirements include:

1. Title I requirements of the CAA and its implementing regulations, including:

    a. District Regulation VIII requirements in the state implementation plan approved by the USEPA and the terms and conditions of a preconstruction permit issued pursuant to such rule.

b. New Source Review (NSR) consisting of Nonattainment Area Review (NAR) and Prevention of Significant Deterioration (PSD) review requirements and the terms and conditions of the NAR/PSD permits (40 CFR Parts 51 and 52).

c. New Source Performance Standards (40 CFR Part 60).

d. National Ambient Air Quality Standards, increment, or visibility requirements, but only as they would apply to sources permitted pursuant to Section 504(e) of the CAA and its implementing regulations.

e. National Emissions Standards for Hazardous Air Pollutants (40 CFR Part 61).

f. Any standards, determinations or other requirements under Section 112 of the CAA and its implementing regulations, including MACT and GACT Standards and MACT and GACT determinations made pursuant to CAA, Sections 112(g) and 112(j).

g. Solid Waste Incineration requirements (Section 129 of the CAA and its implementing regulations).

h. Consumer and Commercial Product requirements (Section 183 of the CAA and its implementing regulations).

i. Tank Vessel requirements (Section 183 of the CAA and its implementing regulations).

j. District rules that are approved into the state implementation plan.

k. Federal Implementation Plan requirements.

l. Enhanced Monitoring and Compliance Certification requirements (Section 114(a)(3) of the CAA and its implementing regulations).

2. Title III, Section 328 (Outer Continental Shelf or OCS) requirements of the CAA (40 CFR Part 55), upon delegation by USEPA of the OCS program to the District.

3. Title III, Section 112 (Hazardous Air Pollutant) requirements of the CAA and its implementing regulations.

4. Title IV (Acid Deposition Control) requirements of the CAA (40 CFR Parts 72, 73, 75, 76, 77, 78).

5. Title VI (Stratospheric Ozone Protection) requirements of the CAA (40 CFR Part 82).

6. Monitoring and Analysis requirements (Section 504(b) of the CAA and 40 CFR 64).

Terms and conditions of Part 70 permits are federally enforceable, unless they have been specifically designated as non-federally enforceable.

"Final Operating Permit" means a permit with District and federally enforceable conditions, which has completed all review procedures required by Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening, has not been disapproved by the Environmental Protection Agency and has been issued by the District.

"Fugitive Emissions" means those emissions which could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening. ~~-~~Fugitive emissions from a Part 70 source shall be included in the permit application and the Part 70 permit in the same manner as stack emissions.

"General Permit" means a federally enforceable operating permit that meets the requirements of 40 CFR 70.6(d).

"Generally Available Control Technology (GACT)" means a generally available control technology standard or management practice promulgated pursuant to Section 112(d) of the CAA (40 CFR 63).

"Hazardous Air Pollutant (HAP)" means any hazardous air pollutant listed in Section 112(b) of the CAA and its implementing regulations.

"Insignificant Activities" mean activities whose emissions do not exceed insignificant emission levels. Activities exempted because of size, emissions levels, or production rate shall be listed in the permit application. ~~-~~Also, all information needed to determine the applicability of, or to impose, any applicable requirement, or to evaluate any applicable permit fees must be provided for each of the insignificant activities listed in the permit application

"Insignificant Emissions L~~l~~evels" mean the emissions levels from any emission unit, that for regulated air pollutants excluding HAPs, are less than 2 tons per year potential to emit and do not exceed 0.5 tons per year potential to emit of any HAPs regulated under Section 112(g) of the Clean Air Act.

"Maximum Achievable Control Technology (MACT)" means any maximum achievable control technology emission limit or other requirement promulgated pursuant to CAA, Section 112~~-~~(d) as set forth in 40 CFR 63.

"Minor Permit Modification" means a modification to a Part 70 permit that meets all of the following criteria:

1. The modification is not a Title I modification.

2. The modification does not violate any applicable requirements.

3. The modification does not require or change a case-by-case determination of an emission limitation or other standard.

4. The modification does not involve any relaxation of any existing monitoring, reporting or recordkeeping requirements in the permit, or any significant changes to existing monitoring requirements in the permit.

5. The modification does not seek to establish or change a permit condition that established a federally enforceable emissions cap assumed to avoid an otherwise federally enforceable requirement.

6. The modification does not cause a net emissions increase which triggers a significant permit modification.

"Modification" means any physical change, change in the method of operation of, or addition to an existing Part 70 source that would result in a net emissions increase of any regulated pollutant at that source.~~-~~ In this context, a physical change does not include routine maintenance or repair. ~~-~~Also, unless previously limited by a federally enforceable permit condition, the following shall not be considered changes in the method of operation:

1. An increase in the production rate if such increase does not exceed the operating design capacity or the demonstrated actual maximum capacity of the equipment;

2. A change in ownership;

3. Use of an alternate fuel or raw material, provided that such use is expressly authorized on the permit;

4. A replacement of a piece of equipment with an equivalent piece of equipment with the operating design capacity or the demonstrated actual maximum capacity less than or equal to those of the original piece of equipment. However, this exemption shall not apply to equipment used in a source category which is subject to the New Source Performance Standards stipulated by Section 111 or to the Emission Standards for Hazardous Air Pollutants mandated under Section 112 of the CAA and its implementing regulations.

A modification shall be considered **"major or Title I (or Major) Modification"** for a Part 70 source if the net emissions increase of any regulated pollutant equals or exceeds the levels stipulated as a **"Title I Modification."** subsection of this rule.

For Part 70 sources subject to New Source Performance Standards (NSPS), modification means any physical change, or change in the method of operation of, an existing equipment (to which NSPS can apply when newly constructed or modified) which increases the amount of any air pollutant (to which a standard applies) emitted into the air by that equipment or which results in the emission of any air pollutant (to which a standard applies) into the atmosphere not previously emitted. For Part 70 sources subject to Emission Standards for Hazardous Pollutants mandated under Section 112 of the CAA, modification means any physical change, or change in the method of operation of the source which increases the actual emissions of any hazardous air pollutant (HAP) emitted by such source by more than a de minimis amount or which results in the emission of any hazardous pollutant not previously emitted by more than a de minimis amount. The de minimis amounts mentioned above shall correspond to the levels listed by the USEPA in the federal register promulgations of the HAP standards under Section 112 of the CAA.

"National Ambient Air Quality Standards (NAAQS)" means air quality standards promulgated pursuant to Section 109 of the CAA and its implementing regulations to protect public health and welfare, and consisting of primary and secondary standards. Primary standards are aimed at protecting the public health, while secondary standards are intended to safeguard the public welfare.

"Net Emissions Increase" for a Part 70 source means the net emissions increase as defined under the District New Source Review Regulation VIII.

"Non-Federal Minor Permit Change" means a change to a non-federally enforceable term or condition of a Part 70 permit that meets all of the following criteria:

1. The change is not addressed or prohibited by the federally enforceable portion of the Part 70 permit.

2. The change is not a Title I modification.

3. The change does not violate any applicable requirements nor any existing permit terms or conditions.

4. The change does not cause a net emissions increase which triggers a significant permit modification.

5. The change is not subject to any requirements under Title IV (Acid Rain) of the CAA and its implementing regulations.

A non-federal minor permit change requires approval through the District's NSR process and incorporation into the facility operating permit prior to its implementation.

"Outer Continental Shelf (OCS) source" includes any equipment, activity, or facility which:

1. emits or has the potential to emit any air pollutant,

2. is regulated or authorized under the Outer Continental Shelf Lands Act, and

3. is located on the OCS or in or on waters above the OCS.

Such activities include, but are not limited to, platform and drill ship exploration, construction, development, production, processing and transportation. ~~-~~For purposes of this subsection, emissions from any vessel servicing or associated with an OCS source, including emissions while at the OCS source or en route to or from the OCS source within 25 miles of the OCS source, shall be considered direct emissions from the OCS source. ~~-~~Such emissions shall be included in the **"potential to emit"** for an OCS source.

"Part 70 Permit" means that portion of any permit (or group of permits) covering a Part 70 source that is issued, renewed, amended or revised pursuant to Rules 1301 through 1305.

"Part 70 Source" means stationary sources included in the following source categories:

1. A stationary source with the potential to emit a regulated air pollutant or a hazardous air pollutant in quantities equal to or exceeding any of the following thresholds:

   a. 100 tons per year of any regulated air pollutant except greenhouse gases.

   b. G~~g~~reenhouse gases that are "subject to regulation," as defined in 40 CFR 70.2 in effect August 2, 2010.

   c. 10 tons per year of any individual hazardous air pollutant or 25 tons per year of a combination of hazardous air pollutants, or any lesser quantity thresholds for any hazardous air pollutant established by Environmental Protection Agency rulemaking~~.~~. Fugitive emissions of hazardous air pollutants must be counted for the purposes of determining applicability. ~~-~~However, emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units are Part 70 sources.

   d. Any lesser quantity thresholds established by Environmental Protection Agency rulemaking.

2. Any stationary source defined by the Environmental Protection Agency as major for the District under Title I, Part D (Plans for Nonattainment Areas) of the Clean Air Act and its implementing regulations including:

   a. For ozone nonattainment areas, sources with the potential to emit 100 tons per year or more of volatile organic compounds or oxides of nitrogen in areas classified as "marginal" or "moderate," 50 tons per year or more in areas classified as "serious," 25 tons per year or more in areas classified as "severe," and 10 tons per year or more in areas classified as "extreme."

3. Acid rain sources included under the provisions of Title IV of the Clean Air Act and its implementing regulations.

4. Any source required to have a preconstruction review permit pursuant to the requirements of the New Source Review or Prevention of Significant Deterioration program under Title I, Parts C and D of the Clean Air Act and its implementing regulations.

5. Any solid waste incineration unit required to obtain a Part 70 permit pursuant to Section 129(e) of the Clean Air Act and its implementing regulations.

6. Any stationary source required to obtain a Part 70 permit pursuant to regulations promulgated by the Environmental Protection Agency Administrator.

"Potential to Emit" means the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. -Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on the hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitations are set forth in permit conditions or in rules or regulations that are legally and practically enforceable by the USEPA and citizens or by the District. -Secondary emissions do not count in determining the potential to emit of a stationary source.- Secondary emissions are defined in 40 CFR 52.21(b)(18).~~.~~ . The fugitive emissions of a stationary source shall be included in the potential to emit for the stationary source if such source category is specified by the USEPA as qualified to include fugitive emissions, e.g., source categories listed under 40 CFR 70.2 or fugitive HAP emissions from HAP sources.

"Proposed Operating Permit" means a permit with District and federally enforceable conditions proposed for issuance by the District and forwarded to the USEPA for review in compliance with Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening.

"Regulation XIII" means District Regulation XIII, District Rules 1301, 1302, 1303, 1304 and 1305.

"Regulated Air Pollutant" means any air pollutant (a) which is emitted into or~~and~~ otherwise enters the ambient air, as defined in 40 CFR 50.1 in effect August 2, 2010, and (b) for which the Environmental Protection Agency has adopted an emission limit, standard or other requirement. Regulated air pollutants include:

1. Oxides of nitrogen and volatile organic compounds as defined in 40 CFR 51.166 in effect August 2, 2010;

2. Any pollutant for which a national ambient air quality standard has been promulgated pursuant to Section 109 of the Clean Air Act and its implementing regulations;

3. Any pollutant subject to any standard promulgated under Section 111 (New Source Performance Standards) of the Clean Air Act and its implementing regulations;

4. Any ozone-depleting substance specified as class I or II substance pursuant to Title VI of the Clean Air Act and its implementing regulations;

5. Any pollutant subject to a standard promulgated under Section 112 (Hazardous Air Pollutants) of the Clean Air Act and its implementing regulations, including:

    a. Any pollutant listed pursuant to Section 112(r) of the Clean Air Act shall be considered a regulated air pollutant upon promulgation of the list.

    b. Any hazardous air pollutant subject to a standard or other requirement promulgated by the Environmental Protection Agency pursuant to Section 112(d) of the Clean Air Act or adopted by the District pursuant to Sections 112(g) and 112(j) of the Clean Air Act shall be considered a regulated air pollutant for all sources or source categories: (a) upon promulgation of the standard or requirement, or (b) 18 months after the standard or requirement was scheduled to be promulgated pursuant to Section 112(e)(3) of the Clean Air Act.

c. Any hazardous air pollutant subject to a District case-by-case emissions limitation determination for a new or modified source, prior to Environmental Protection Agency promulgation or scheduled promulgation of an emissions limitation, shall be considered a regulated air pollutant when the determination is made pursuant to Section 112(g)(2) of the Clean Air Act~~—~~. In case-by-case emissions limitation determinations, the hazardous air pollutant shall be considered a regulated air pollutant only for the individual source for which the emission limitation determination was made.

6. Greenhouse gases that are "subject to regulation" as defined in 40 CFR 70.2 in effect August 2, 2010.

"Responsible Official" means one of the following:

1. For a corporation: a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation, a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a Part 70 permit and either:

   a. The facilities employ more that 250 persons or have gross annual sales or expenditures exceeding $25,000,000 (in second quarter 1980 dollars); or

   b. The delegation of authority to such representatives is approved in advance by the District.

2. For a partnership or sole proprietorship: a general partner or the proprietor, respectively.

3. For a municipality, state, federal or other public agency: either a principal executive officer or ranking elected official~~—~~. For the purposes of this rule, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency.

4. For acid rain sources:

   a. The designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the federal CAA or 40 CFR 72 are concerned; or

   b. The designated representative for any other purposes under Rules 1301 through 1305.

"Significant Part 70 Permit Action" means the:

1. Issuance of an initial Part 70 permit, or

2. Renewal of a Part 70 permit, or

3. Reissuance of a Part 70 permit after reopening and modification/revocation of the permit, or

4. Modification of a Part 70 permit, except an administrative permit amendment, a minor permit modification or a non-federal minor permit change.

"Significant Part 70 Permit Modification" means any of the following:

1. Any modification to a Part 70 permit that is not an administrative amendment, a minor permit modification or a non-federal minor permit change as these terms are defined herein;

2. A Part 70 permit modification ~~allowing a net emissions increase from a Part 70 source~~ that equals or exceeds any of the threshold limits triggering public review~~,~~ listed in the District's NSR Rules ~~802.G.1.b.2) and 803.K.6~~.

3. A Part 70 permit modification allowing a net emissions increase of any other regulated air pollutant from any Part 70 source that equals or exceeds the significance (or de minimis) level for the pollutant listed by the USEPA, e.g., 40 CFR 52.21 or Federal Register rulemaking promulgation pursuant to Section 112(g) of the CAA.

4. Any significant changes in existing monitoring permit terms or conditions;

5. Any relaxation of recordkeeping or reporting permit terms and conditions; and~~,~~

6. Any equivalent or identical replacement of an emissions unit that is subject to standards promulgated under CAA, Sections 111 or 112.

7. Any modifications under part 60.

"State Implementation Plan (SIP)" means the USEPA-approved plan submitted by each State under 42 U.S. C., Section 7401, *et seq.* (federal CAA and its implementing regulations) to achieve and maintain federal ambient air quality standards (NAAQS).

"Stationary Source" means any building, structure, facility, or installation which emits or may emit any regulated air pollutant or any pollutant listed pursuant to Section 112 (b) of the Act.

1. Department of Defense Facilities. Department of Defense stationary sources shall be subject to the following, as applicable:

   a. Stationary Source Designations. For air pollutants regulated under Title I of the Act, a Department of Defense stationary source shall be designated as set forth below if the responsible official submits a plan to the Control Officer that meets the requirements set forth in paragraph (1)(b), below.

      1. Stationary Source Designation. Each of the following shall be a separate stationary source:

         Air Force primary mission
         Remediation
         NASA
         Flight Line
         Navy
         Range Group
         Amenities Group
         Hospital Services
         Commercial Space

      2. Exclusion of Sources. No stationary source at a Department of Defense facility shall include the following activities: military tactical support equipment, infrastructure maintenance equipment, or building maintenance equipment

   b. Emission Reductions; Plan ~~–~~ Requirements.

      1. Plan Submittal a~~A~~nd Requirements. The responsible official shall submit a plan to the Control Officer which shall provide that:

(a) B~~b~~y April 30, 1999, thirty percent of the candidate boilers identified in the plan shall be retrofitted or under construction;

(b) B~~b~~y April 30, 2000, two tons per year of ozone precursor emission reductions shall be achieved;

(c) B~~b~~y April 30, 2001, seventy percent of the candidate boilers identified in the plan shall be retrofitted or under construction; and

(d) B~~b~~y November 30, 2002, ten or more tons per year of ozone precursor emission reductions shall be achieved.

These milestones shall be based on actual emissions established pursuant to baseline protocols submitted as part of the plan by the responsible official and approved by the Control Officer~~.~~. Failure to achieve a milestone shall result in expiration pursuant to paragraph (2)(b), below; however, such failure shall not constitute a violation of District Rules and Regulations~~.~~. Achieved emission reductions shall be enforceable pursuant to paragraph (1)(b)(3), below~~.~~.

2. Plan Approval. The Control Officer shall approve a plan submitted pursuant to (1)(b)(1), above, if the conditions in (1)(b)(1) are met and the Control Officer finds that the emission reductions are real, quantifiable, surplus, and enforceable. The Control Officer shall submit the approved plan to the USEPA for inclusion in the State Implementation Plan. The plan shall become federally enforceable upon the USEPA Administrator's approval into the state implementation plan. USEPA will include the plan in the state implementation plan within one year after submittal by the District if finds that the emission reductions are real, quantifiable, surplus and enforceable. The Control Officer may extend that time for good cause.

3. Final Project Agreement. The responsible official shall enter into a Final Project Agreement with the Control Officer and the USEPA which commits the Department of Defense to the emission reductions specified in paragraph (1)(b)(1) **"Emission Reductions; Plan Submittal And Requirements,"** above.

2. Department of Defense Facilities ~~–~~ Expiration. The provisions of paragraph (1) **"Department of Defense Facilities,"** above, shall expire if any of the following conditions occur:

a. The stationary source becomes subject to permit under this Regulation.

b. The stationary source does not achieve the emissions reductions required by this Regulation pursuant to a schedule of milestones included in the Plan approved by the Control Officer pursuant to paragraph (1)(b), above.

c. US does not approve the plan for inclusion in the state implementation plan within one year of approval of the plan by the Control Officer. The Control Officer may extend this period for up to one year or until such time as USEPA takes action on the plan, whichever occurs earlier.

3. Department of Defense Facilities - Applicable Requirements After Expiration.

a. Stationary Source Designations. Upon expiration of paragraph (1) **"Department of Defense Facilities,"** the stationary source shall include all applicable activities and sources consistent with federal and state law and these Rules and Regulations. If such inclusion subjects the stationary source to the permitting requirements of this Regulation, the responsible official shall apply for and obtain a permit in accordance with this Regulation and applicable federal regulations.

b. Achieved Emission Reductions Remain Enforceable. Notwithstanding any other provision in this Regulation, any achieved emission reductions shall remain in place and shall be enforceable. Achieved emission reductions shall be emission reductions required in an approved plan that have been implemented or are being retrofitted at the time of expiration. Failure to maintain any achieved and verified reductions obtained through execution of the plan shall constitute a violation of District Rules and Regulations.

4. This definition (**"Department of Defense Facilities," "Expiration",** and **"Applicable Requirements After Expiration"**) shall remain in effect only until January 1, 1998, and as of such date is repealed, unless a later enacted rule, which is adopted before January 1, 1998, deletes or extends such date or unless a plan is filed with the Control Officer by that date and later approved by the Control Officer.

"Building, structure or facility" as referred to in the stationary source definition includes all pollutant emitting activities, including activities located in California coastal waters adjacent to the District boundaries and those areas of Outer Continental Shelf waters for which the District is the corresponding onshore area which:

1. belong to the same industrial grouping, and

2. are located on one or more contiguous or adjacent properties (except for activities located in California coastal waters or are on the Outer Continental Shelf), and

3. are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.

Pollutant emitting activities shall be considered as part of the same industrial grouping if they are part of a common production process. (Common production process includes industrial processes, manufacturing processes, and any connected processes involving a common raw material.)

"Common operations" include operations which are related through dependent processes, storage or transportation of the same or similar products or raw material. Emissions from all marine vessels, including cargo carriers, servicing or associated with a stationary source shall be considered emissions from the stationary source while operating within:

1. the District, including California Coastal Waters adjacent to the District (Figure 1301);

2. the Outer Continental Shelf for which the District is the corresponding onshore area; and

3. 25 miles of an Outer Continental Shelf source for which the District is the corresponding onshore area.

The emissions from marine vessels, including cargo carriers, shall include reactive organic compound vapors that are displaced into the atmosphere; fugitive emissions; combustion emissions in the waters described above; and emissions from the loading and unloading of cargo. The term "Cargo Carrier" shall not include trains or vehicles.

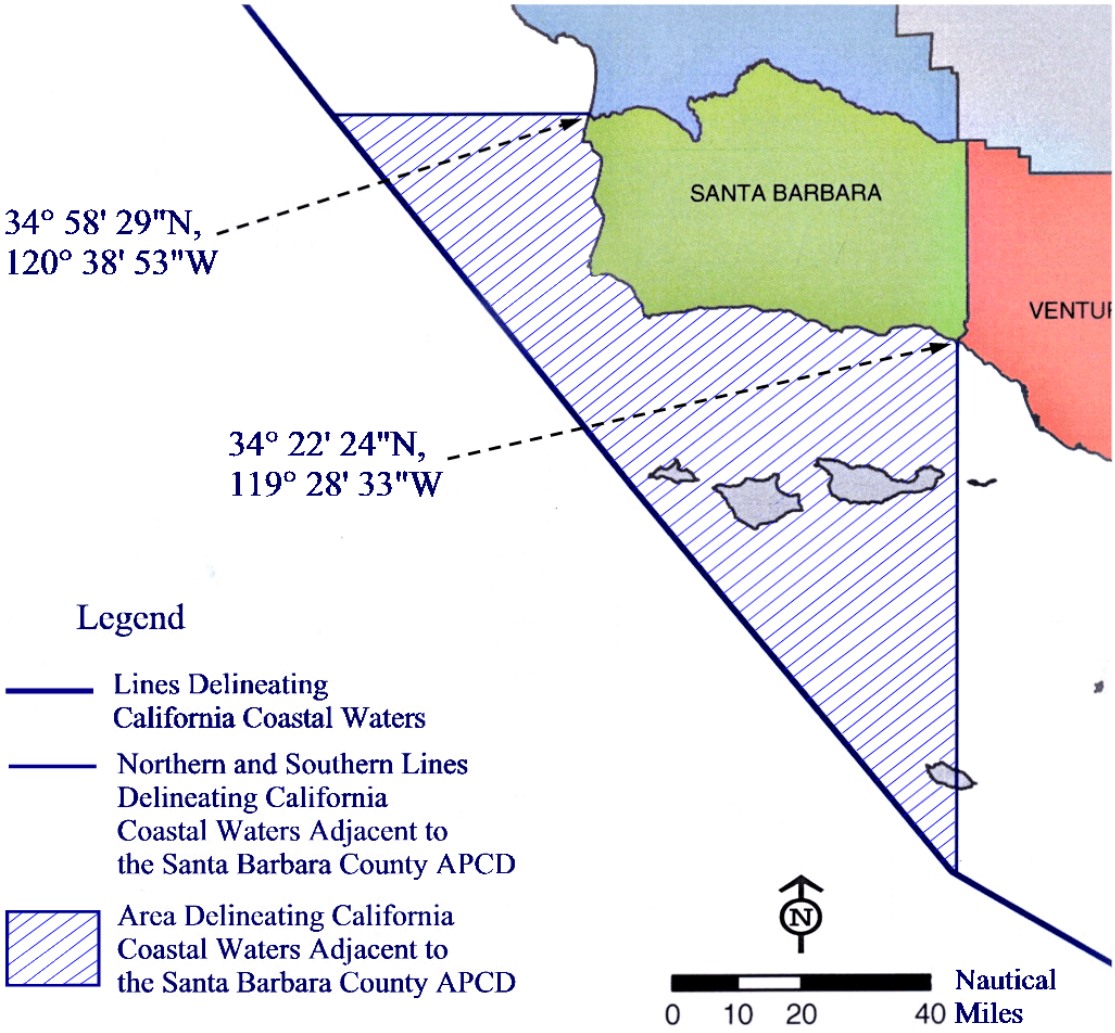

Figure 1301. MAP DEPICTING THE CALIFORNIA COASTAL WATERS ADJACENT TO THE SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT

"Building Maintenance Equipment" as referred to in the stationary source definition means internal combustion engines used exclusively at a Department of Defense facility for the maintenance of buildings that meet the definition of **"nonroad engine,"** and are exempt from permit under Regulation II.

"Infrastructure Maintenance Equipment" as referred to in the stationary source definition means internal combustion engines used exclusively at a Department of Defense facility to maintain roads and public service utilities that meet the definition of **"nonroad engine"** and are exempt from permit under Regulation II.

"Installation" as referred to in the stationary source definition includes any operation, article, machine, equipment, contrivance or grouping of equipment belonging to the same two-digit standard industrial classification code, which emits or may emit any regulated pollutant or HAP, and are located on one or more contiguous properties and under common control.

"Internal Ccombustion Eengine" shall mean a reciprocating internal combustion engine.

"Military Tactical Support Equipment" as referred to in the stationary source definition means a portable internal combustion engine that meets the definition of **"nonroad engine"** that is built to

military specifications, owned by the U.S. Department of Defense, and/or the U.S. military services, and is used in combat, combat support, combat service support, tactical or relief operations, or training for such operations. Examples include, but are not limited to, engines associated with portable generators, aircraft start carts, heaters, and lighting carts.

"Nonroad Engines" as used in the definitions of **"Building Maintenance Equipment," "Infrastructure Maintenance Equipment"** and **"Military Tactical Support Equipment,"** mean any internal combustion engine:

1. in or on a piece of equipment that is self propelled or serves a dual purpose by both propelling itself and performing another function; or

2. in or on a piece of equipment that is intended to be propelled while performing its function (such as lawn mowers), or

3. that, by itself or in or on a piece of equipment, is portable or transportable, meaning designed to be and capable of being carried or moved from one location to another. Indications of transportability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform.

An internal combustion engine is not a nonroad engine if:

1. the engine is regulated by a federal New Source Performance Standard promulgated under Section 111 of the federal Clean Air Act, or

2. the engine otherwise included in paragraph 3 above and remains or will remain at a location for more than 12 consecutive months or a shorter period of time for an engine located at a seasonal source. A location is any single site at a building, structure, facility, or installation. Any engine (or engines) that replaces an engine at a location and that is intended to perform the same or similar function as the engine replaced will be included in calculating the consecutive time period. An engine located at a seasonal source is an engine that remains at a seasonal source 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 (that is, at least two years) and that operates at that single location approximately three months (or more) each year. This paragraph does not apply to an engine after the engine is removed from the location.

As applied to an attainment pollutant, **"stationary source"** shall be interpreted to mean facility-wide. The term **"installation"** shall have the same meaning as **"building, structure, or facility."**

"Title I (or Major) Modification" means a modification that meets any of the following criteria:

1. The potential to emit from any new or modified emissions unit(s) at the major stationary source which are covered by the application(s) for such permit modification(s) plus all other net emissions increases at the source which occurred during the specified contemporaneous evaluation period listed below, are equal to or greater than the limits in Table 1301-A.~~,~~

[reformatted table and added in $PM_{2.5}$ significance threshold, as designated in 40 CFR]

Table 1301-A

Pollutant	Threshold
Carbon Monoxide	100.0 tons/yr
Volatile Organic Compounds (VOC)	40.0 tons/yr
Nitrogen Oxides (NOx)	40.0 tons/yr
Sulfur Oxides (SOx)	40.0 tons/yr
Particulate Matter (PM_{10})	15.0 tons/yr
Particulate Matter ($PM_{2.5}$)	10.0 tons/yr direct $PM_{2.5}$ emissions, or 40.0 tons/yr NOx emissions, or 40.0 tons/yr SOx emissions
Lead	0.6 tons/yr

~~Particulate Matter (PM_{10}) 15.0 tons/yr~~
~~Sulfur Oxides(SOx) 40.0 tons/yr~~
~~Carbon Monoxide 100.0 tons/yr~~
~~VOC 40.0 tons/yr~~
~~Nitrogen Oxides(NOx) 40.0 tons/yr~~
~~Lead 0.6 ton/yr~~

2. The potential to emit any regulated hazardous air pollutant (HAP) from any new or modified emission unit(s) at the Part 70 source which are covered by the application(s) for such permit modification(s) plus all other net emissions increase at the source which occurred during the specified contemporaneous period would be equal to or greater than the de minimis level for such regulated HAP specified by USEPA rulemaking pursuant to Section 112(g) of the federal CAA.

3. For the purpose of defining Title I modification, the specified contemporaneous evaluation period to compute emissions increase shall consist of a period of five (5) consecutive calendar years, ending with the calendar year during which the complete application for such proposed change is submitted to the District~~.~~. For computing Title I emission decreases, the period shall expand and extend further to the date on which operation begins for the proposed modified emissions unit.

4. Title I modifications include all modifications under part 60.

D. Requirements

All Part 70 source permits and permit applications for issuance, amendments, modifications and renewals shall be drafted based on the definitions listed in this r~~R~~ule along with the provisions listed in Regulation XIII.

A person shall operate all equipment and emission units located at a Part 70 source in compliance with all terms, applicable requirements and conditions specified in the Part 70 permit at all times. ~~-~~Any noncompliance with a Part 70 permit term, requirement or condition is a violation of Regulation XIII. Additionally, any noncompliance with a federally enforceable requirement or resultant permit term or condition constitutes a violation of the federal CAA and its implementing regulations. ~~-~~Each day during any portion of which a violation occurs is a separate offense. ~~-~~Any Part 70 permit noncompliance shall be grounds for appropriate enforcement action under the California Health & Safety Code and/or the federal CAA and its implementing regulations.

E. Compliance Schedule

Provisions of this r~~R~~ule become effective on the date this r~~R~~ule is approved by the USEPA. All Part 70 sources subject to this r~~R~~ule, except the outer continental shelf (OCS) sources, shall comply with this r~~R~~ule effective that date. All OCS sources shall comply with this rule either on the USEPA's approval date for this rule or on the date USEPA delegates the OCS program to the District, whichever is later.

[Deleted the unnecessary language]

~~**F. Effective Date of Rule**~~

~~The requirements of this rule shall become effective on the date of approval of this rule by the USEPA.~~

RULE 202. EXEMPTIONS TO RULE 201

(Adopted 10/18/1971, revised 5/1/1972 and 6/27/1977, readopted 10/23/1978, revised 12/7/1987, 1/11/1988, 1/17/1989, 7/10/1990, 7/30/1991, 11/05/1991, 3/10/1992, 5/10/1994, 6/28/1994, 4/17/1997, 3/17/2005, 1/17/2008, 6/19/2008, 9/20/2010, 1/20/2011, 3/17/2011, ~~and~~ 6/21/2012, and [*date of revised rule adoption*])

A. Applicability

An Authority to Construct or Permit to Operate shall not be required for equipment, operations and activities described herein.

B. Exceptions

Notwithstanding any exemption created by this rule, any:

1. Equipment, activity or operations proposed by an applicant for use as an Emission Reduction Credit is not exempt.

2. Emission unit that functions for distributed electrical generation and is not certified under the regulations of the Air Resources Board is not exempt.

C. Definitions

See Rule 102, Definitions, for definitions.

D. General Provisions

1. The owner or operator shall maintain records which clearly demonstrate that the exemption threshold has not been exceeded. These records shall be made available to the District upon request and shall be maintained for a minimum of three calendar years. Failure to maintain records which meet the above requirements or exceedance of the emission exemption threshold or violation of any District rule may result in the immediate loss of the permit exemption. By accepting the terms of the exemption the owner or operator agrees to allow District personnel access to any records or facilities for inspection per Sections 42303 and 41510 of the California Health and Safety Code and Section 114 of the Clean Air Act.

2. For the purposes of demonstrating that the emissions exempted do not exceed the aggregate exemption limit specified in Sections G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, or V of this Rule the owner or operator may base the demonstration on actual emissions provided the owner or operator keeps material use records in a manner approved by the Control Officer. Otherwise the owner or operator must maintain records that demonstrate that the potential to emit of the equipment will not exceed the applicable aggregate exemption emission limit. When calculating the actual emissions for determining whether the aggregate emission limit in this Rule is exceeded, greenhouse gases shall not be included.

   [*Revised agricultural exemption in accordance with SB 700. All other exemptions in CH&S 42310 are already in the District's rulebook, except for family dwellings, which was added as D.18]]*

3. A permit shall not be required for an agricultural operation at a stationary source that, in aggregate, produces actual emissions less than all of the following:

   a. 50 percent of any applicable emission threshold for a major source in the District,
   b. 5 tons per year of any single Hazardous Air Pollutant, and
   c. 12.5 tons per year of combined Hazardous Air Pollutants.

For the purposes of determining permitting applicability, fugitive emissions, except fugitive dust emissions, are included in determining aggregate emissions. This exemption shall not apply to an agricultural source required to obtain a Title V permit.

~~A permit shall not be required for equipment, operations, or activities described in Section 42310 of the California Health and Safety Code. However, the exemption for vehicles shall not be applicable to any article, machine, equipment or other contrivance mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.~~

4. Trains and aircraft used to transport passengers or freight are exempt from permit requirements.

5. Temporary Equipment

A permit shall not be required for temporary equipment where the projected actual aggregate emissions of all affected pollutants do not exceed 1 ton (except carbon monoxide, which shall not exceed 5 tons) and the use of each individual piece of equipment does not exceed one 60 day period in any consecutive 12 month period. Such equipment shall also meet one of the following requirements:

a. the temporary equipment is not part of an existing operating process of a stationary source; or

b. the temporary equipment replaces equipment that has qualified for a breakdown pursuant to Rule 505, Breakdown Conditions.

To qualify for this exemption, the owner or operator shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. This request shall identify the temporary equipment, its location, any equipment being replaced, and shall include the emission calculations and assumptions that demonstrate that the equipment meets the exemption criteria. The temporary project may commence as soon as the written request has been made, however, project commencement with equipment that is later found ineligible for the exemption shall constitute a violation of the District's Rules and Regulations. This exemption shall not apply to equipment used for the specific purpose to control emissions of Toxic Air Contaminants. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees.

6. *De minimis* Exemption

Any physical change in an existing stationary source that meets ~~each~~all of the requirements below is exempt. Emission increases shall be based on the uncontrolled potential to emit, less emission reductions achieved through Rule 331, Fugitive Emissions Inspection and Maintenance, and shall not be reduced (netted out) by emission reductions achieved through the removal or control of any component.

a. The emission increase for any one emission unit shall not exceed 2.40 pounds per day of any affected pollutant, except carbon monoxide, which shall not exceed 19.20 pounds per day.

b. The aggregate emissions increase at the stationary source due to all de minimis physical changes at the stationary source ~~since November 15, 1990,~~ shall not exceed 24.00 pounds per day, except carbon monoxide, which shall not exceed 60.00 pounds per day. Any increase shall be reduced to the extent it is included in the source's potential to emit~~net emission increase pursuant to District Rules and Regulations~~.

c. The physical change does not require a change to any article, machine, equipment or contrivance used to eliminate or reduce or control the issuance of air contaminants.

d. The article, machine, equipment or contrivance is not subject to an Airborne Toxic Control Measure adopted by the Air Resources Board.

e. The article, machine, equipment or contrivance is not subject to New Source Performance Standards or National Emission Standards for Hazardous Air Pollutants promulgated by the Environmental Protection Agency; or Hazardous Air Pollutant requirements under Section 112 of the Clean Air Act.

f. The owner or operator shall maintain a record of each *de minimis* change, which shall include emission calculations demonstrating that each physical change meets the criteria listed in (a) and (b), above. Such records shall be made available to the District upon request.

7. Stationary Source Permit Exemption

A permit shall not be required for any new, modified or existing stationary source if the uncontrolled actual emissions of each individual affected pollutant from the entire stationary source are below 1.00 ton per calendar year, unless:

a. the source is subject to EPA promulgated New Source Performance Standards or National Emission Standards for Hazardous Air Pollutants, or the federal operating permit program (40 CFR Part 70), or Hazardous Air Pollutant requirements of Section 112 of the federal Clean Air Act, or

b. the source is subject to a California Air Resources Board Airborne Toxic Control Measure; or

c. the source is subject to Public Notification or Risk Reduction under the requirements of California Health and Safety Code Section 44300 et seq.; or

d. the Control Officer makes a determination that a permit is necessary to ensure that emissions remain below one ton per year; or

e. the source is a new or modified source which emits hazardous air emissions and is located within 1,000 feet from the outer boundary of a school site (Health and Safety Code Section 42301.6, et *seq*.); or

f. the source is listed below and subject to the California Code of Regulations, Title 17, Division 3, Subchapter 10, Article 4, Regulations to Achieve Greenhouse Gas Emission Reductions:

Subarticle 2, Semiconductors and Related Devices (Section 95334320 *et seq*.) in effect March 17, 2011.

Each owner or operator seeking this exemption shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees.

8. A permit shall not be required for routine repair or maintenance of permitted equipment, not involving structural changes. As used in this paragraph, maintenance does not include operation.

9. A permit shall not be required for equivalent routine replacement in whole or in part of any article, machine, equipment or other contrivance where a Permit to Operate had previously been granted under Rule 201, Permits Required, providing emissions are not increased and there is no potential for violating any ambient air quality standard. An equivalent piece of equipment has a Potential to Emit, operating design capacity or actual demonstrated capacity less than or equal to that of the original piece of equipment, and is subject to the same limitations and permit conditions as the equipment being replaced. The owner or operator shall notify the District within 30 days of an equivalent routine replacement, unless the replacement equipment is identical as to make and model, and routine in which case notification is not required. This provision shall not grant any exemption from New Source Performance Standards.

10. Notwithstanding any exemption defined in this rule, no new or modified stationary source that has the potential to emit air contaminants in excess of the amounts specified shall be exempt from permit requirements:

a. 3.28 pounds per day of lead
b. 0.04 pounds per day of asbestos
c. 0.0022 pounds per day of beryllium
d. 0.55 pounds per day of mercury
e. 5.48 pounds per day of vinyl chloride
f. 16.44 pounds per day of fluorides
g. 38.45 pounds per day of sulfuric acid mist, or
h. 54.79 pounds per day of total reduced sulfur or reduced sulfur compounds.
i. 0.0000035 tons per year municipal waste combustor organics.
j. 15 tons per year municipal waste combustor metals.
k. 40 tons per year municipal waste combustor acid gases.
l. In addition, notwithstanding any exemption defined in this rule, no stationary source that has the potential to emit any air contaminants in excess of the amounts specified shall be exempt from permit requirements:

1) more than one gallon per year of any one of the exempt compounds listed below. The one gallon per year per stationary source limit is a per compound limit for each compound in aggregate for the entire stationary source and includes any amounts of the compound used in mixed or diluted product.

a) dimethyl carbonate; or
b) methyl formate; $HCOOCH_3$; or
c) HCFC-225ca (3,3-dichloro-1,1,1,2,2-pentafluoropropane); or
d) HCFC-225cb (1,3-dichloro-1,1,2,2,3-pentafluoropropane); or
e) HFC-43-10mee (1,1,1,2,3,4,4,5,5,5-decafluoropentane); or
f) HFC-245fa (1,1,1,3,3-pentafluoropropane); or
g) HFC-365mfc (1,1,1,3,3-pentafluorobutane); or
h) HFE-7100; $(CF_3)_2CFCF_2OCH_3$; (2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane); or
i) HFE-7100; $C_4F_9OCH_3$; (1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane); or

2) more than one gallon per year of tertiary-butyl acetate; $C_6H_{12}O_2$ ("acetic acid, 1,1-dimethylethyl ester"). Tertiary-butyl acetate (also known as t-butyl acetate or tBAc) shall be considered exempt as a reactive organic compound only for purposes of reactive organic compound emissions limitations or reactive organic compound content requirements and shall be considered a reactive organic compound for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling, and inventory requirements which apply to reactive organic compounds. The one gallon per year per stationary source limit for tertiary-butyl acetate is an aggregate limit for the entire stationary source and includes any amounts of the compound used in mixed or diluted product.

11. Where an exemption is described in this rule for a general category of equipment, the exemption shall not apply to any component which otherwise would require a permit under the provisions of these Rules and Regulations.

12. Emission control equipment, directly attached to equipment which is exempt from permit by provisions of this Rule, is exempt.

13. A change in location of an emission unit within the boundaries of a stationary source shall not require a permit modification unless the location of the equipment is prescribed in the source's permit and a specific location was assumed in an Air Quality Impact Analysis or a Health Risk Assessment that formed the basis of the issuance of the permit.

14. Application of architectural coating in the repair and maintenance of a stationary structure is exempt from permit requirements.

15. For the purposes of the exemptions set forth in F.1.e, F.1.f, F.1.g, and G.1, the ratings of all engines or combustion equipment used in the same process shall be accumulated to determine whether these exemptions apply.

16. Notwithstanding any exemption in these rules and regulations, if the combined emissions from all construction equipment used to construct a stationary source which requires an Authority to Construct have a projected actual in excess of 25 tons of any pollutant, except carbon monoxide, in a 12 month period, the owner of the stationary source shall provide offsets as required under the provisions of Rule 804, ~~Emission~~ Offsets, and shall demonstrate that no ambient air quality standard would be violated.

17. No additional permit shall be required at a stationary source in the District for equipment permitted by the District for various location uses provided the following conditions are met:

    a. The owner or operator of the equipment has a valid Permit to Operate issued by the District that specifically denotes the equipment as being usable at various locations within the District and that the terms and conditions of the Permit to Operate are fully complied with.

    b. The equipment is not used to replace equipment which is part of an existing process at the stationary source.

    c. The equipment is used for repair and maintenance related purposes only.

    d. The stationary source reports all uses (including the start and end dates) and associated emissions for each use under this exemption to the District in their next annual report (or semi-annual report for Part 70 sources).

    [*Exemption was previously listed under D.3, as it is part of CH&S Section 42310. Now it is listed directly in our rulebook.]*

18. Any structure designed for and used exclusively as a dwelling for not more than four families and any incinerator used exclusively in connection with such structure.

E. Compliance with Rule Changes

The provisions of this section shall apply when an exemption for existing equipment is removed by revision of this Rule. The equipment owner shall file a complete application for a permit required by the exemption change within ninety (90) days after adoption of the revised rule; or for sources on the Outer Continental Shelf, within 90 days after the date the revision to this Rule is added to the Outer Continental Shelf Air Regulations (40 CFR Part 55). If no application is filed within the ninety (90) day period, the application filing fee prescribed in Rule 210, Fees, shall be doubled and the equipment owner shall be subject to a Notice of Violation and to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

If an application is filed within the ninety (90) day filing period after adoption of the revised rule but the application is deemed incomplete by the District, the applicant shall be notified by the District that a complete application must be filed within thirty (30) days of the notification. If a complete application is not received within thirty (30) days after the notification, the prescribed filing fee shall be doubled and the owner of the equipment shall be subject to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

F. Internal Combustion Engines

1. A permit shall not be required for internal combustion engines if any of the following conditions is satisfied:

   a. Engines used in aircraft and in locomotives;

   b. Engines used to propel marine vessels, except vessels associated with a stationary source which shall be regulated as specified under the provisions of Regulation VIII.

   c. Engines used to propel vehicles, as defined in Section 670 of the California Vehicle Code, but not including any engine mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.

   d. Spark ignition piston-type internal combustion engines used exclusively for emergency electrical power generation or emergency pumping of water for flood control or firefighting if the engine operates no more than 200 hours per calendar year, and where a record is maintained and is available to the District upon request; the record shall list the identification number of the equipment, the number of operating hours on each day the engine is operated and the cumulative total hours.

   e. Compression ignition engines with a rated brake horsepower of less than 50. No compression ignition engine otherwise subject to permit shall be exempt because it has been derated.

f. Spark ignition piston-type internal combustion engines with a rated brake horsepower of less than 50. Notwithstanding the previous sentence, none of the individual engines in the range of less than 50 but greater than 20 rated brake horsepower are exempt if such engines at a stationary source have a total rated brake horsepower rating of 400 or greater.

No spark ignition piston-type internal combustion engine otherwise subject to permit shall be exempt because it has been derated. Spark ignition piston-type internal combustion engines exempt under other provisions of Section F and permitted spark ignition piston-type internal combustion engines shall not count toward the 400 rated brake horsepower aggregate limit.

g. Gas turbine engines with a maximum heat input rating of 3 million British thermal units per hour or less at standard conditions. No gas turbine engine otherwise subject to permit shall be exempt because it has been derated. For the purposes of this section, power generating microturbines fired on natural gas which meets General Order 58-A of the Public Utility Commission that have been certified by the Air Resources Board to meet the applicable distributed generation standards certified by a current Air Resources Board Executive Order are not subject to the provisions of Section D.15 if the potential annual emissions of each affected pollutant does not exceed 1 ton (except carbon monoxide, which shall not exceed 5 tons).

2. A permit shall not be required for portable engines registered in the Statewide Registration Program, pursuant to California Code of Regulations, title 13, section 2451 *et seq.* and Health and Safety Code Section 41753 *et seq.* Notwithstanding this provision, the requirements of Section D.16 shall apply to such portable engines. All operators using this permit exemption shall comply with the State Portable Equipment Registration Program and Air Resources Board-issued registration.

3. A permit shall not be required for engines used for aircraft shows or to power amusement rides at seasonal or special occasion shows, fairs, expositions, circuses or carnival events, provided that the duration of such event is less than 18 days in any calendar year.

4. A permit shall not be required for engines with a rated brake horsepower of less than 50 used:

a. for military tactical support operations including maintenance and training for such operations;

b. to power temperature and humidity control systems on cargo trailers used to transport satellites and space launch equipment;

c. exclusively for space launch facility support and which power hoists, jacks, pulleys, and other cargo handling equipment permanently affixed to motor vehicles or trailers pulled by motor vehicles.

5. A permit shall not be required for specialty equipment. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. For specialty equipment emergency use, operations may commence as soon as the written request has been made; however, operation of equipment which is later found ineligible for the exemption shall constitute a violation of the District's Rules and Regulations.

6. An internal combustion engine which powers an item of equipment identified as exempt in any other part of this rule is not exempt unless the engine qualifies for an exemption pursuant to this rule.

7. A permit shall not be required for equipment, including associated marine vessels, used for pile driving adjacent to or in waterways, or cable and pipe-laying vessels/barges or derrick barges if the potential to emit of such equipment per stationary source is less than 25 tons per year of any affected pollutant during any consecutive 12 month period. The Control Officer shall not require Best Available Control Technology for such sources if federal law preempts this requirement. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request for exemption to the Control Officer, who shall make a determination in writing approving or denying the request. The request shall identify the equipment, its location, and shall include the emission calculations and assumptions that demonstrate that the equipment meets the exemption criteria. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. Alternatively, an owner or operator of the stationary source may qualify for an exemption from the New Source Review provisions of Regulation VIII by obtaining an Authority to Construct and Permit to Operate which limits the potential to emit of such equipment to less than 25 tons per year of any affected pollutant during any consecutive 12 month period.

8. For purposes of Regulation VIII, the following shall not be subject to New Source Review: Marine vessel engines (propulsion engines, auxiliary engines and permanently affixed support engines) associated with construction, maintenance, repair and/or demolition activities at a stationary source provided the duration of the activities do not exceed 12 consecutive months and the potential to emit of such engines per stationary source is less than 10 tons per stationary source of oxides of nitrogen, oxides of sulfur, reactive organic compounds or particulate matter. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request for exemption to the Control Officer, who shall make a determination in writing approving or denying the request. The request shall identify the marine vessels, project activities, duration, and shall include the emission calculations and assumptions demonstrating that the engines meet the exemption criteria. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. Alternatively, an owner or operator of the stationary source may qualify for an exemption by obtaining an Authority to Construct and Permit to Operate which limits the potential to emit of such equipment to less than 10 tons per year. Such Authority to Construct/Permit to Operate shall be exempt from Regulation VIII.

G. Combustion Equipment (Other than Internal Combustion Engines)

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 25 tons per calendar year of any affected pollutant is not exempt.

1. Combustion equipment with a maximum heat input of less than or equal to two (2) million British thermal units per hour is exempt from permit requirements if fired exclusively with one of the following:

   a. Natural or produced gas which meets General Order 58-A of the Public Utility Commission,

   b. Liquefied petroleum gas, which meets Gas Processors Association Standards,

   c. A combination of natural or produced and liquefied petroleum gas, meeting the requirements of subdivisions (a) and (b) above.

   Combustion equipment with a maximum heat input rate of 1 million British thermal units per hour or less is exempt and does not count towards the 25 tons per calendar year stationary source exemption threshold listed above, provided the equipment is fired exclusively with fuel listed above in a, b, or c. No combustion equipment otherwise subject to permit shall be exempt because it has been derated.

2. Combustion equipment (other than internal combustion engines) which provides heat energy to any item of equipment identified as exempt in any other part of this rule, is not exempt unless the combustion equipment is exempt as specified in G.1.

3. Combustion equipment (other than internal combustion engines) identified as exempt in any other section of this rule does not count toward the 25 ton per year aggregate emission limit.

H. Abrasive Blast Equipment

The following listed abrasive blast equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Abrasive blast cabinet-dust filter integral combination units where the total internal volume of the blast section is 50 cubic feet or less.

2. Blast cleaning equipment using a suspension of abrasive in water.

3. All portable abrasive blast equipment, excluding any internal combustion engine associated with such equipment which must comply with the requirements of Section F. of this rule.

I. Coatings Applications Equipment and Operations

The following listed coating applications equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Dipping operations for coating objects with oils, waxes or greases where no organic solvents, diluents or thinners are used.

2. Dipping operations for applying coatings of natural or synthetic resins which contain no organic solvents.

3. Equipment used in surface coating operations provided that the total amount of coatings and solvents used does not exceed 55 gallons per year. Solvents meeting the criteria of Section U.2.b or Section U.2.c or that have a reactive organic compound content of 50 grams per liter or less, as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer, do not contribute to the 55 gallons per year per stationary source limitation. However, such sources need not obtain permits for air pollution control equipment (i.e., spray booths, carbon adsorbers, incinerators, thermal oxidizers, dust collectors, etc.) unless control equipment is required by District prohibitory rules. For equipment owned or operated by a stationary source owner or operator and used as part of the stationary source operations, the 55 gallon per year exemption shall be based on the total coatings and solvents usage of all such equipment at the stationary source.

   To qualify for this exemption, the owner or operator shall maintain records of the amount of coating and/or solvents used for each calendar year. These records shall be kept for a minimum of 3 years and be made available to the District on request.

4. Air brushing operations.

5. Powder coating operations, provided the powder coating material reactive organic compound content is equal to or less than five percent, by weight.

6. Unheated non-conveyorized coating dip tanks of 100 gallons or less capacity.

J. Drycleaning and Fabric Related Equipment and Operations

The following listed drycleaning and fabric related equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Equipment used exclusively for the dyeing or stripping (bleaching) of textiles where no organic solvents, diluents or thinners are used.

2. Lint traps used exclusively in conjunction with dry cleaning tumblers.

3. Laundry dryers, extractors or tumblers used for fabrics cleaned only with water solutions of bleach or detergents.

K. Food Processing and Preparation Equipment

The following listed food processing and preparation equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Equipment used in eating establishments for the purpose of preparing food for human consumption.

2. Smokehouses in which the maximum horizontal inside cross-sectional area does not exceed 20 square feet

3. Ovens, mixers and blenders used in bakeries where the products are edible and intended for human consumption.

4. Confection cookers where the products are edible and intended for human consumption.

5. Equipment used exclusively to grind, blend or package tea, cocoa, spices or roasted coffee.

6. Barbecue Equipment.

7. Fermentation, aging, and bottling process operations conducted at wineries, breweries, distilleries and similar facilities, provided the projected actual emissions from such operations for each individual affected pollutant from the entire stationary source are below 1.00 ton per calendar year. To qualify for this exemption, the owner or operator shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees.

L. General Utility Equipment and Operations

The following listed general utility equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Heat exchangers.

2. Comfort air conditioning or comfort ventilating systems which are not designed to remove air contaminants generated by or released from specific units or equipment.

3. Refrigeration units except those used as, or in conjunction with, air pollution control equipment.

4. Water cooling towers and water cooling ponds not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers.

5. Equipment used exclusively for steam cleaning.

6. Equipment used exclusively for space heating.

7. Compressors of, and holding tanks for, dry natural gas.

8. Natural draft hoods, natural draft stacks or natural draft ventilators where natural draft means the flow of gases is not augmented by mechanical means.

9. Vacuum cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes.

10. Rail cleaning operations.

11. Aerobic wastewater treatment equipment, including primary/secondary settling, trickling filter, and sludge drying beds.

12. Ozone generators used for water treatment, provided that the ozone is not released to the atmosphere.

13. Water well, water filtration systems, reverse osmosis units.

14. Fuel Cells, and any associated fuel input conditioning exclusively servicing such fuel cell, in which electro-chemically reactive materials are supplied to a cell and consumed to produce electricity.

15. Notwithstanding G.2 of this rule, portable steam cleaning/pressure washing equipment with maximum heat input rating less than 1 million British thermal units per hour fired exclusively on diesel fuel.

16. Notwithstanding G.2 of this rule, portable water heaters used exclusively for underwater diving activities with a maximum heat input rating less than 1 million British thermal units per hour fired exclusively on diesel fuel.

M. Glass, Ceramic, Metallurgical Processing and Fabrication Equipment and Operations

The following glass, ceramic, metallurgical processing and fabrication equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Porcelain enameling furnaces, porcelain enameling drying ovens, vitreous enameling furnaces or vitreous enameling ovens.

2. Crucible type or pot type furnaces, except those specified in M.8, with a brimful capacity of less than 463 cubic inches of any molten metal.

3. Kilns used for firing ceramic ware.

4. Equipment used exclusively for forging, pressing, rolling or drawing of metals or for heating metals immediately prior to forging, pressing, rolling or drawing.

5. Equipment used exclusively for the sintering of glass or metals.

6. Equipment used for washing or drying products fabricated from metal or glass, provided that no volatile organic materials are used in the process and that no oil or solid fuel is burned.

7. Equipment used exclusively for heat treating glass or metals, or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects.

8. Crucible furnaces, pot furnaces or induction furnaces, with a capacity of 1000 pounds or less each, in which no sweating or distilling is conducted and from which only the following metals are poured or in which only the following metals are held in a molten state:

   a. Aluminum or any alloy containing over 50 percent aluminum.
   b. Magnesium or any alloy containing over 50 percent magnesium.
   c. Lead or any alloy containing over 50 percent lead.
   d. Tin or any alloy containing over 50 percent tin.
   e. Zinc or any alloy containing over 50 percent zinc.
   f. Copper or any alloy containing over 50 percent copper.
   g. Precious metals.

9. Tumblers used for the cleaning or deburring of metal products without abrasive blasting.

10. Shell core and shell-mold manufacturing machines.

11. Molds used for the casting of metals.

12. Equipment used for inspection of metal products.

13. Die casting machines.

14. Atmosphere generators used in connection with metal heat treating processes.

15. Brazing, soldering or welding equipment.

16. Foundry sand mold forming equipment to which no heat is applied.

17. Equipment using aqueous solutions for the surface preparation, cleaning, stripping or etching (does not include chemical milling) of the following base metals: brass, bronze, copper, iron, lead, nickel, tin, zinc or precious metals provided that volatile organic materials used in the aqueous solutions do not exceed one percent by volume.

N. Laboratory Equipment and Operations

The following laboratory equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Laboratory equipment used exclusively for chemical or physical analyses and bench scale laboratory equipment.

2. Vacuum producing devices used in laboratory operations.

O. Material Working and Handling Equipment and Operations

The following material working and handling equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Presses used exclusively for extruding metals, minerals, plastics or wood.

2. Equipment used exclusively to mill or grind coating and molding compounds where all materials charged are in a paste form.

3. Equipment used for buffing (except automatic or semi-automatic tire buffers) or polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding, or turning of ceramic artwork, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite.

4. Equipment used for carving, cutting, drilling, surface grinding, planing, routing, sanding, sawing, shredding or turning of wood, or the pressing or storing of sawdust, wood chips or wood shavings.

P. Miscellaneous Equipment and Operations

The following miscellaneous equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Transporting materials on streets and highways.

2. Equipment used exclusively for the melting or applying of wax where no organic solvents, diluents or thinners are used.

3. Equipment used for hydraulic or hydrostatic testing.

4. Equipment used exclusively for binding lining to brake shoes.

5. Equipment used exclusively for the manufacture of water emulsions of asphalt, greases, oils or waxes.

6. Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives.

7. Equipment used to liquefy or separate oxygen, nitrogen or the rare gases from the air.

8. Paving activities except scarification, "cutback" asphalt or batch plant operations at paving sites.

9. Equipment used for bioremediation of diesel and crude oil contaminated soil.

10. Safety flares used for emergencies or for search and rescue operations.

11. Fire training facilities necessary for the instruction of public or industrial employees in the methods of fire fighting.

12. Flares used to combust gaseous hydrogen during rocket fueling operations.

13. Explosive ordnance detonation.

14. For purposes of Regulation VIII, the following shall not be subject to New Source Review: Marine vessel engines (propulsion engines, auxiliary engines and permanently affixed support engines) associated with launch vehicle recovery operations for the Missile Defense Agency's Airborne Laser program provided the potential to emit is less than 5 tons per year of oxides of nitrogen, oxides of sulfur, reactive organic compounds or particulate matter. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request for exemption to the Control Officer, who shall make a determination in writing approving or denying the request. The request shall identify the marine vessels, project activities, duration, and shall include the emission calculations and assumptions demonstrating that the engines meet the exemption criteria. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. Alternatively, an owner or operator of the stationary source may qualify for an exemption by obtaining an Authority to Construct and Permit to Operate which limits the potential to emit of such equipment to less than 5 tons per year. Such Authority to Construct/Permit to Operate shall be exempt from Regulation VIII.

Q. Mixing, Blending and Packaging Equipment and Operations

The following mixing, blending, and packaging equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Batch mixers of 5 cubic feet rated working capacity or less.

2. Equipment used exclusively for the packaging of lubricants or greases.

3. Equipment used exclusively to package pharmaceuticals and cosmetics or to coat pharmaceutical tablets.

R. Plastics, Composite and Rubber Processing Equipment and Operations

The following plastics, composite and rubber processing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Ovens used exclusively for the curing of plastics which are concurrently being vacuum held to mold or for the softening or annealing of plastics.

2. Ovens used exclusively for the curing of vinyl plastisols by the closed mold curing process.

3. Ovens used exclusively for curing potting materials or casting made with epoxy resins.

4. Presses used for the curing of rubber products and plastic products.

5. Equipment used exclusively for conveying and storing plastic pellets.

6. Equipment used for compression molding and injection molding of plastics.

7. Mixers for rubber or plastics where no material in powder form is added and no organic diluents or thinners are emitted.

8. Roll mills or calendars for rubber or plastics where no organic diluents or thinners are emitted.

S. Printing and Reproduction Equipment and Operations

The following printing and reproduction equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. All sheet-fed printing presses, and all other printing presses without dryers, excluding rotogravure and flexographic printing presses.

2. Platen presses used for laminating.

3. Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy.

4. Stenciling and dyeing operations.

T. Semiconductor and Electronics Manufacturing Equipment and Operations

The following semiconductor and electronics manufacturing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of one ton per calendar year of any affected pollutant is not exempt. Notwithstanding the listed exemptions, any article, machine, equipment or other contrivance that utilizes or creates fluorinated gas(es) or uses fluorinated heat transfer fluids is not exempt.

1. Vacuum deposition.

2. Ion implantation.

3. Sputtering.

4. Ozone/plasma/ion etching or ashing.

5. Vacuum bake systems.

6. Furnaces used for crystal growth, liquid phase epitaxial, compounding and/or refining, and carbon coating.

7. Automated epoxy adhesive, potting compound, conformal coating dispensing machines and associated equipment used for mixing, injection and curing.

8. Ovens used exclusively for curing epoxies and adhesives. Ovens used exclusively for curing permitted paint application processes.

9. Ovens for drying parts cleaned with water.

U. Solvent Application Equipment and Operations

The following solvent cleaning, solvent cleaning machines and their operations are exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or

other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Unheated nonconveyorized solvent rinsing containers of 1.00 gallon or less capacity provided that solvent cleaning performed in association with such containers complies with the requirements in Rule 321, Solvent Cleaning Machines and Solvent Cleaning.

2. Single solvent cleaning machines, which use unheated solvent, and which:

   a. have a liquid surface area (i.e., the area of the drain for remote reservoir cleaning machines or the solvent/air interface area for other solvent cleaning machines) of less than 929 square centimeters (1.0 square foot), unless the aggregate liquid surface area of all solvent cleaning machines at a stationary source, covered by this exemption is greater than 0.929 square meter (10 square feet), or

   b. use only solvents with an initial boiling point of 150 degrees Celsius (302 degrees Fahrenheit) or greater as determined by ASTM D-1078-05, "Standard Test Method for Distillation Range of Volatile Organic Liquids," ASTM International, or

   c. use solvents with a reactive organic compound content of two percent or less by weight as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer.

   d. The liquid surface area of any solvent cleaning machine using the following solvent shall not be counted towards the 0.929 square meter (10 square feet) aggregate limit in subsection a. above:

      1) any solvent that has a reactive organic compound content of 50 grams per liter or less, as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer; or

      2) any solvent exempt pursuant to subsection b. or subsection c. above.

3. Wipe cleaning operations, provided that the solvents used do not exceed 55 gallons per year per stationary source and that the solvent cleaning complies with the requirements in Rule 321, Solvent Cleaning Machines and Solvent Cleaning.

   To qualify for this exemption, the owner or operator shall maintain records of the amount (gallons per year) of solvents used for wipe cleaning at the stationary source for each calendar year. These records shall be maintained on site for at least 3 years and be made available to the District on request. Thereafter, the records shall be maintained either on site or readily available for expeditious inspection and review for an additional 2 years.

   Solvents meeting the criteria of 2.b. or c. above or that have a reactive organic compound content of 50 grams per liter or less, as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer, do not contribute to the 55 gallons per year per stationary source limitation.

4. Notwithstanding the Section U.3 exemption above, solvent cleaning to disinfect and decontaminate surfaces and equipment in hospitals, clinics, medical facilities, dentistry facilities, and other health care facilities, including but not limited to, sanatoriums, convalescent hospitals, convalescent homes, skilled nursing facilities, nursing homes, blood banks, and bloodmobiles.

5. Notwithstanding the Section U.3 exemption above, solvent cleaning associated with janitorial cleaning, including graffiti removal.

V. Storage and Transfer Equipment and Operations

The following storage and transfer equipment and operations are exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt. Containers, reservoirs, tanks, sumps or ponds with a capacity of 55 gallons or less are exempt and do not count towards the 10 ton per year aggregation threshold.

1. Unheated storage of liquid organic materials, except refined fuel oils, with an initial boiling point of 300°F or greater at one atmosphere pressure.

2. Storage of refined fuel oils with an American Petroleum Institute gravity of 40 degrees or lower as determined by ASTM D-4057-06, "Standard Practice for Manual Sampling of Petroleum and Petroleum Products," ASTM International.

3. Storage of lubricating oils.

4. Storage of organic liquids except gasoline, normally used as solvents, diluents or thinners, inks, colorants, paints, lacquers, enamels, varnishes, liquid resins or other surface coatings, and having a capacity of 1,500 gallons or less.

5. Storage of liquid soaps, liquid detergents, vegetable oils, waxes or wax emulsions.

6. Storage of asphalt.

7. The storage of gasoline (defined as any petroleum distillate having a Reid vapor pressure of 4.0 pounds per square inch or greater) having a capacity of less than 250 gallons.

8. Storage of liquefied or compressed gases which do not exceed Gas Processors Association specifications for maximum volatile sulfur content of commercial grade liquefied petroleum gas.

9. Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of fresh commercial or purer grades of:

    a. Sulfuric acid with an acid strength of 99 percent or less by weight.

    b. Phosphoric acid with an acid strength of 99 percent or less by weight.

    c. Nitric acid with an acid strength of 70 percent or less by weight.

10. Closed loop transfer of rocket propellant from a tanker truck, cylindrical tank, or drum, to a satellite, satellite placement system, nutation control system, apogee kick motor, or any other non-booster segment of a space launch vehicle, provided there is no venting of vapors to the atmosphere during the propellant transfer.

RULE 204. APPLICATIONS.

(Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 7/1979, 8/8/1988, and 4/17/1997, and [*date of revised rule adoption*])

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions

None.

C. Definitions

See Rule 102, Definitions, for definitions.

D. Requirement – Permit Application Completeness

Every application for an Authority to Construct or Permit to Operate required under Rule 201, Permits Required, shall be filed in the manner and form prescribed by the Control Officer, and shall give all the information necessary to make the determination required for the issuance of a permit. This information includes, but is not limited to, analyses, plans, or specifications which will disclose the nature, extent, quantity or degree of air contaminants which are, or may be, discharged by the source for which the permit was applied. The Control Officer may, during the processing of the application request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application. The application shall be submitted and all information therein shall be attested to be accurate to the best knowledge of the applicant.

E. Requirements – Information Required

1. General Information

a. This section outlines information required of applicants seeking permits to construct or modify pollution sources or control devices and specifies time frame for processing required of the District. All information required pursuant to District Rules and Regulations, and specified by the Control Officer on a list(s) maintained pursuant to Government Code Section 65940 shall be submitted before an application can be considered to be complete.

b. The information requirements are divided into five parts. Section E.2 of this rule identifies the information required of all applicants seeking permits. Section E.3 of this rule identifies additional information required for applications where Best Available Control Technology, but not Air Quality Impact Analysis, is mandatory. Section E.4 of this rule identifies further information required for applications where Air Quality Impact Analysis is mandatory. Where a modified source is subject to Best Available Control Technology or Air Quality Impact Analysis, some of the information required in this rule may also be required for the existing portion of the facility. Section E.5 of this rule identifies emission offset information requirements and Section E.6 of this rule identifies health risk assessment information requirements.

c. The District urges all applicants to discuss their projects with our staff prior to the filing of applications. If ambient monitoring data is needed, these discussions should take place more than a year prior to application. For some projects, it may not be necessary to submit all the information listed to have an application deemed complete. Consultation

with District staff will expedite the process by identifying the specific information that will be required of an applicant.

d. Prior to filing an application with the District, when applicable, all applicants are urged to participate fully in the early stages of the environmental review process being undertaken by the lead agency for the applicant's project in order: (1) to be apprised of the applicable air quality and other environmental constraints, and (2) to make such project modifications as may be necessary to satisfy those constraints.

e. Results of all analyses and tests submitted to the District shall be calculated and reported at standard conditions. Such results shall contain sample calculations that verify standard conditions.

f. An applicant seeking an exemption provided for in any rule or regulation of the District must supply the Control Officer with all information necessary, including applicable emission calculation sheets, to determine whether such an exemption applies.

g. Where offsets are required and the applicant proposes to obtain them from the Source Register, the applicant shall obtain them prior to Authority to Construct approval in accordance with Regulation VIII and Section E.5 of this r~~R~~ule.

2. Information Required – Applications

All applications for an Authority to Construct shall be accompanied by information sufficient to make a completeness determination. The Control Officer shall maintain a list(s) pursuant to Government Code Section 65940 specifying information required of an applicant for a permit. The District will provide the applicant with one or more lists which specify in detail the information required and will indicate the criteria which the District will apply in order to determine application completeness.

3. Information Required – Best Available Control Technology

All applicants for an Authority to Construct which require Best Available Control Technology shall submit the following:

a. Best Available Control Technology – Nonattainment Review

1) Individual Best Available Control Technology determinations pursuant to Rule 802, New Source Review, must address air pollution controls for each pollutant subject to review at a stationary source. It is the applicant's responsibility to submit a Best Available Control Technology proposal for evaluation by the District.

2) Justification of selected control technology as Best Available Control Technology.

3) Documentation of technical infeasibility which would preclude the use of a more effective control technology.~~;~~

4) Operating conditions at which the maximum daily and hourly emissions will be generated (baseline parameters).

5) Maximum daily and hourly emissions at the conditions, described in (4) above, for each potential control technology and the basis of how the emission rates were estimated.

6) Calculations, emission data, and/or other information to determine control effectiveness (percent pollutant removed) of each potential control technology.

7) Emission limits shall be expressed both in terms of an emissions cap (e.g. pounds per day) and in terms which ensure compliance at any operating capacity (e.g., pounds per million British thermal units, or parts per million by volume). Where appropriate, on a case-by-case basis, emission limits may be expressed in alternate terms for determining compliance with the Best Available Control Technology ~~S~~standards. The source must comply with both limits to demonstrate compliance.

8) Applicants shall describe how the selected Best Available Control Technology is to be monitored for its emission reduction effectiveness.

b. Best Available Control Technology Information – ~~–~~ Prevention of Significant Deterioration Requirements

[*The following amended text is made for improved rule clarity.*]

In addition to the requirements of Section E.3.a of this ~~R~~rule, sources which trigger an attainment pollutant Best Available Control Technology requirement pursuant to Rule ~~803~~802, New Source Review, shall submit the following information. The District shall consider technical feasibility and energy, environmental (cross-media) and economic impacts in evaluating an applicant's Best Available Control Technology proposal:

1) A comprehensive list of potential control technologies.~~;~~

2) A ranking of potential control technologies by control effectiveness (percent pollutant removed) in accordance with the Environmental Protection Agency's Top-Down procedure.~~;~~

3) Itemized capital cost, including installation and/or modification cost for each proposed control technology.~~;~~

4) Itemized annual operating cost, including fuel cost for each proposed control technology.~~;~~

5) Energy impacts of each proposed control technology (British thermal units, kilowatt hours).~~;~~

6) Estimated equipment life and its salvage value.

4. Information Required – Air Quality Impact Analysis

a. All applicants for an Authority to Construct new or modified sources which require an Air Quality Impact Analysis shall submit the following:

1) A description of any monitoring stations that may be installed by applicant.

2) Sufficient data, approved by the Control Officer consistent with the Air Quality and Meteorological Monitoring Protocol for Santa Barbara County, California, to perform an air quality impact analysis from all emission release points including fugitive emissions. The data shall include:

a) At least one full calendar year (twelve consecutive months) of meteorological data consistent with Appendix W of 40 CFR 51 Guideline on Air Quality Models.

b) Topographical data including receptor points by Universal Transverse Mercator coordinates and map of receptor points and source.

c) At least one full calendar year (twelve consecutive months) of recent air quality background data from the last 3 years prior to application completeness.

d) Computer modeling data:

(1) Mass emission rate and stack concentration of air pollutants.
(2) Stack diameter.
(3) Stack location in Universal Transverse Mercator coordinates.
(4) Stack height above ground level.
(5) Exhaust temperature.
(6) Exhaust velocity.
(7) Exhaust flow rate (volumetric).
(8) Buildings whose wakes may affect the plume of the stack, including Universal Transverse Mercator coordinates of building.
(9) Dimensions (length, width, height) of the buildings identified above.
(10) Maximum modeled concentration of air pollutants for all averaging times of concern and all applicable receptors of concern.
(11) Model used to perform air quality impact analysis.
(12) Model input and output files on computer diskette and hardcopy.
(13) Name, address, telephone number, and qualifications of company and/or person who performed air quality impact analysis.
(14) Terrain description and effects.

3) Identify all facilities within the air basin that are owned or operated by the applicant and the compliance status of each.

4) Power Consumption of Facility (for PSD permits only)

a) Total amount of electrical power to be consumed by the new facility or the increase in the amount of electrical power to be consumed due to the modification.

b) Percentage of electrical power provided by off-site generating facilities; identify the source of power.

5) Cargo Carriers

List the frequency of visits, describe types and sizes of all cargo carriers (other than motor vehicles), identify nature of cargo, and conditions under which the cargo is transferred.

6) For major stationary sources, provide an analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source that compares the benefits of the proposed source to its environmental and social costs.

5. Information Required – Description of Emission Reduction Credits to be ~~U~~used as Offsets

If offsets are required for the project, then information sufficient to determine the adequacy of Emission Reduction Credits must be submitted before an Authority to Construct application will be deemed complete. In addition, Emission Reduction Credits proposed for use must be documented in the following ways:

a. If a source is proposed as an offset, the date of issue and number of the existing Permit to Operate and the complete application for the Emission Reduction Credits.

b. If the Emission Reduction Credits proposed for use have been registered by the District, the Emission Reduction Credit certificates identifying numbers and date of issue shall be included in the Authority to Construct application. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, price paid per ton per pollutant, and the total cost per pollutant.

c. If the Emission Reduction Credits proposed for use are not owned by the applicant, a letter from the owner of the Emission Reduction Credit certificates stating that the Emission Reduction Credits will be available at least two weeks before the Authority to Construct is issued. Alternatively, an applicant may provide a copy of the contract to obtain Emission Reduction Credits that is signed by the Emission Reduction Credit provider and by the applicant and which names the District as a third party beneficiary. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, the price paid per ton per pollutant, and the total cost per pollutant.

d. List proposed mitigating measures:

1) Air pollution control equipment proposed.

2) Process changes or operations utilized to reduce emissions.

3) Other.

e. Identify any air quality impacts from any precursor-secondary pollutant relationships.

6. Information Required – Health Risk Assessment~~.~~

The Health Risk Assessment shall be consistent with methodology approved by the California Air Pollution Control Officers Association Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines, prepared by the Toxics Committee of the California Air Pollution Control Officers Association, October, 1993, or most recent version, and shall address the following:

a. Unit risk factors used in determining lifetime cancer risk.

b. Population characterization (e.g., numbers, location, sensitive receptors).

c. Exposure assessment (e.g., working hours, family relocation).

d. Risk estimates for all parameters of concern, including multi-pathway analysis.

e. Analysis of potential health effects of non-carcinogenic air pollutants.

f. Map showing the receptor areas of concern drawn to scale with the sensitive receptors clearly marked. All applicants are encouraged to consult with the District staff as to an appropriate distance for health risk assessment.

g. Name, address, telephone number, and qualifications of company and/or person who performed health risk assessment.

h. Input and output computer files.

RULE 801. NEW SOURCE REVIEW – DEFINITIONS AND GENERAL REQUIREMENTS.
(Adopted 4/17/1997, revised [*date of amended rule adoption*])

A. Applicability

This Rule and this Regulation shall apply to any applicant for a new or modified stationary source which emits or may emit any affected pollutant.

[*The following Section B exemption provision is being moved to PAR 802.B.1.*]

B. Exemptions

~~The provisions of this Regulation shall not apply to any existing stationary source which was previously exempt from the permit provision of these Rules and Regulations and a Permit to Operate is required solely because of a change in Permit exemptions.~~]None

C. Definitions ~~The following definitions apply to Regulation VIII.~~

See Rule 102, Definitions, for definitions not limited to this regulation. For the purposes of Regulation VIII, the following definitions shall apply:

[*This term is already defined in Rule 102.*]

~~**"Ambient Air Quality Standards"** means state and federal ambient air quality standards. For the purpose of submittal to the Environmental Protection Agency for the inclusion in the State Implementation Plan, all references in this Regulation to ambient air quality standards shall be interpreted as national ambient air quality standards.~~

"Enforceable" means capable of being enforced by the District, including through either the SIP or inclusion of conditions on an Authority to Construct, Permit to Operate, Determination of Issuance, or Emission Reduction Credit certificate, or a legally binding written contract executed with the District.

"Federal Land Manager" means, with respect to any lands in the United States, the Secretary of the department with authority over such lands.

"Municipal ~~w~~Waste ~~c~~Combustor ~~o~~Organics, ~~m~~Metals, and ~~a~~Acid ~~g~~Gases" shall have the meaning set forth in 40 CFR Section 52.21(b)(23), in effect on April 17, 1997.

"Net Air Quality Benefit" means a net improvement in air quality resulting from actual emission reductions impacting the same general area affected by the new or modified source and which will be consistent with reasonable further progress.

[*Delete the "Net Emissions Increase" definition. The definition will no longer be needed because the revised Reg. VIII provisions are going to be based on "Potential to Emit" (PTE). Rule 102 includes a definition of PTE.*]

~~**"Net Emissions Increase"** means the sum of all increases in emissions of any given pollutant from a new or modified stationary source occurring since November 15, 1990 minus any reduction in emissions of that pollutant at the stationary source occurring since November 15, 1990 subject to the provisions of Section D.2 of Rule 804 (mandated reductions, not applicable). Where an Authority to Construct has been issued for a stationary source and that source has not received a Permit to Operate for the entire stationary source as of November 15, 1990, the net emission increase for that source shall be as specified in the Authority to Construct, subject to increases and decreases as authorized by these Rules and Regulations. Net emissions increases shall be calculated using the formula given below and in accordance with the provisions of~~

~~Section F of Rule 802 for nonattainment pollutants and Section J of Rule 803 for attainment pollutants. Reductions in emissions shall be valid for determining net emissions increases only if they are established pursuant to Authorities to Construct and Permits to Operate. In no event shall the net emission increase for a stationary source be less than zero. However, emission reductions may be registered as emission reduction credits pursuant to Rule 806.~~

~~Net emission increase shall be calculated as follows.~~

~~New Source~~

~~Net emission increase = I~~

~~Where~~

~~I = Potential to emit of the new source~~

~~Modification to an existing source~~

~~Net emission increase = I + (P1 – P2) – D~~

~~Where~~

~~I = potential to emit of the modification.~~

~~P1 = All prior increases in potential to emit resulting from permit actions at the stationary source where the emission unit creating the increase was permitted on or after November 15, 1990 and where the permit action was subject to New Source Review.~~

~~P2 = All decreases in potential to emit resulting from permit actions at the stationary source, including the proposed modification where the modification reduces the potential to emit of the emission unit, and where the emission unit creating the decrease was permitted on or after November 15, 1990 provided the emissions were included in P1 above.~~

~~D = Decreases in actual emissions resulting from permit actions at the stationary source provided the emissions are not included in P2 above and are not included in the source register.~~

~~The value of "I" cannot be negative. A negative net emission increase may be entered into the source register pursuant to Rule 806.~~

"Permanent" means reductions that will endure and are otherwise creditable for the entire term of the proposed use of the emission reduction credit. Permanence is generally assured by requiring federally enforceable changes in federally enforceable permits, regulations in the applicable State Implementation Plan, or some other federally enforceable instrument.

"Project" means any article, machine, equipment or contrivance belonging to the same emission unit at a stationary source and applied for in one or more applications for an Authority to Construct permit. Project shall not include any article, machine, equipment or contrivance described in any application for an Authority to Construct permit submitted more than 12 months after issuance of the Permit to Operate. Notwithstanding the above, Project shall include any application to increase permitted emissions due primarily to an increase in throughput or usage not associated with any new or modified article, machine, equipment or contrivance, regardless of the time between permit applications.

"Quantifiable" means emission reductions (and increases) ~~are those~~ for which both the amount and the character can be determined. Quantification may be based on emission factors, stack tests, monitored

values, operating rates and averaging times, process or production inputs, modeling, or other reasonable measurement practices. The quantification methods "shall be credible, workable, and replicable." "Replicable" refers to "methods which are sufficiently unambiguous such that the same or equivalent results would be obtained by the application of the method by difference users." The same method for calculating emissions should be used to measure the emissions both before and after the changes in emission levels, both at the generator and at the user of the Emission Reduction Credits. Quantification must be based on the actual emissions from the source prior to the reduction.

"Real" means an emission reduction where actual air emissions are reduced and not artificially devised.

"Surplus" means emission reductions not required by current regulations in the State Implementation Plan, not already relied upon for State Implementation Plan planning purposes; and not used by the source to meet any other regulatory requirement, including, at the Emission Reduction Credits time of use, Reasonable Available Control Technology, Best Available Retrofit Control Technology, Reasonable Further Progress or milestones therefor, or demonstration of attainment.

D. Requirements – General

1. Regulations in Force Govern

The granting or denial of an Authority to Construct shall be governed by the requirements of this r~~R~~egulation in force on the date the application is deemed complete. In addition, the Air Pollution Control Officer shall deny any Authority to Construct for any new stationary source or modification, or any portion thereof, unless:

a. The new source or modification, or applicable portion thereof, complies with the provisions of this ~~R~~rule and all other applicable District rules and regulations; and

b. The ~~owner or operator~~applicant for ~~of~~ the proposed new or modified source has demonstrated that all major stationary sources owned or operated by such person, or by any entity controlling, controlled by, or under common control with such person, in California and all stationary sources in the air basin which are subject to emission limitations are in compliance, or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act (42 USC 7401 *et seq*.) and all applicable emission limitations and standards which are part of the State Implementation Plan approved by the Environmental Protection Agency.

2. Denial, Failure to Meet Standards

The Control Officer shall deny any Authority to Construct or Permit to Operate if the Control Officer finds that the subject of the application would not comply with the standards set forth in this Regulation.

3. Certification Statement

Any application for an Authority to Construct any new stationary source or modification, or portion thereof, shall certify, at the time of application, that all major stationary sources in the State and all stationary sources in the air basin which are owned or operated by the applicant, or by an entity controlling, controlled by, or under common control with the applicant, are in compliance, or are on approved schedule for compliance, with all applicable emission limitations and standards under the Clean Air Act (42 USC 7401 *et seq*.) and all applicable emission limitations and standards which are part of the State Implementation Plan approved by the Environmental Protection Agency. The Control Officer may request any necessary information from the applicant to make this determination.

4. State Ambient Air Quality Standards

All references in this Regulation to national ambient air quality standards shall be interpreted to include State ambient air quality standards. While State standards are to be considered in the application evaluation mentioned, they are not meant to be part of the State Implementation Plan.

E. Requirements – Conditions of Granting Permits

1. The Control Officer shall deny an Authority to Construct or Permit to Operate unless the applicant demonstrates that the source will be operated consistent with the application, supplements and clarifications provided by the applicant, and engineering evaluation used in making the analysis for compliance with the Rules and Regulations.

2. The Control Officer shall not issue a Permit to Operate unless it is determined that:

   a. The new or modified stationary source will operate without emitting pollutants in violation of any applicable state, federal or local emission limitations or these Rules and Regulations; and

   b. The emissions of any pollutants from the new or modified stationary source are less than or equal to the emissions contained in the application, supplements and clarifications provided by the applicant, and engineering evaluation used by the Control Officer in granting an Authority to Construct; and~~.~~

   c. The offsets required as a condition of the Authority to Construct will commence at the time or prior to initial operations of the new source or modification, and that the offsets will be maintained throughout the operation of the new or modified source. In the case of a new or modified source which will be, in whole or in part, a replacement for an existing source on the same property, the Control Officer may allow a maximum of ninety (90) days as a start-up period for simultaneous operation of the existing source and the new source or replacement; and

   [*Deletes vague language*.]

   d. All conditions specified in the Authority to Construct have been or ~~likely~~ will be complied with by any dates specified.

[*New text that ensures that applicants comply with all regulatory requirements*]

F. Requirements – Compliance with All Regulatory Requirements

Issuance of any Authority to Construct or Permit to Operate under this regulation does not relieve the applicant from complying with any applicable local, state or federal regulation.

RULE 802. ~~NONATTAINMENT~~ NEW SOURCE **REVIEW**~~.~~
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

[*Non-federal New Source Review requirements are being consolidated into Rule 802. Many of these new provisions are being relocated from Rule 803, Prevention of Significant Deterioration. The requirements of Rule 803 are being moved to Rules 802, 804 and 805. Rule 803 will be eliminated. Certain Rule 802 offset and modeling requirements are being moved to Rules 804 and 805, respectively.*~~-~~]

A. Applicability

The purpose of ~~Nonattainment~~ New Source Review is to provide for the review of new and modified stationary sources of air pollution and provide mechanisms by which Authorities to Construct for such sources may be granted without interfering with the attainment or maintenance of any ~~national primary~~ ambient air quality standard, ~~or~~ preventing reasonable further progress towards the attainment or maintenance of any ~~national primary~~ ambient air quality standard and without interfering with the protection of areas designated attainment or unclassifiable. This rule shall apply to any applicant for a new or modified stationary source which emits or may emit any affected pollutant. ~~This Rule shall apply to all new or modified stationary sources which are subject to Rule 801 and which emit or may emit any nonattainment pollutants or their precursors.~~

B. Exemptions

[*The following provision is from Rule 801.B.*]

1. The provisions of this ~~Regulation~~ rule shall not apply to any existing stationary source which was previously exempt from the permit provision of these Rules and Regulations and a Permit to Operate is required solely because of a change in p~~P~~ermit exemptions.

[*The following item is newly proposed*]

2. The Control Officer may exempt any equipment replacement from the offset requirements of Section E of this rule if:

    a. The replacement is functionally equivalent,

    b. There is no increase in the potential to emit of any air contaminant,

    c. The applicant applies Best Available Control Technology, and

    d. The replacement does not debottleneck the process (e.g., increase the system's production rate).

[*The following is an existing exemption from Rule 804, Section D.8 with revisions as shown.*]

3. ~~Offsets shall not be required for any emission increase at a source where prohibited by~~ Projects that meet the requirements of Health and Safety Code sections 42301.2 and 42301.13 are exempt from the offset requirements of Section E of this rule. If such emission increases are later reduced or eliminated, the emission reduction shall not be considered surplus for the purpose of emission reduction credits.

[*The following exemption for emergency standby generator, flood control, and firewater pump engines reflects actual District practice since 2005 that applied to most sources and now will apply to all sources.*

Prior to 2005, all piston-type internal combustion engines powering emergency generators, flood control, and firewater pumps were exempt from permit.]

4. Emergency standby generator, flood control, and firewater pump piston-type internal combustion engines are exempt from the offset requirements of Section E of this rule.

C. Definitions

See Rule~~s~~ 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions.

~~C~~D. Requirements – Best Available Control Technology

1. An applicant shall apply Best Available Control Technology to a new or modified stationary source which has a potential to emit any nonattainment pollutant or its precursors which meets or exceeds any ~~emission level~~ threshold specified in Table 1 or has a potential to emit any attainment pollutant or its precursors which meets or exceeds any threshold specified in Table 2. For the purposes of this s~~S~~ection, "potential to emit" for modified stationary sources means the potential to emit from the project.

Table 1: Nonattainment Pollutant ~~BACT~~ Best Available Control Technology Thresholds

Pollutant	Pounds/day
Any nonattainment pollutant or its precursors (except c~~C~~arbon m~~M~~onoxide)	25
Carbon Monoxide – if designated nonattainment	150

[*The following table is being transferred from Rule 803.D.1. The table's title changed. Clarified NOx and SOx and added a new PM2.5 threshold. Deleted PM10 precursors as the precursors are*

listed separately in the table and to reflect actual District practices. Revised the CO threshold to be consistent with PAR 809 requirements.]

Table ~~1~~2: ~~ PSD~~ Attainment Pollutant
Best Available Control Technology~~ & Modelling~~ Thresholds

Pollutant	Pounds/day	Tons/year
Particulate Matter	120	--
PM_{10}~~ and its precursors~~	80	--
$PM_{2.5}$	55	--
Carbon Monoxide	~~550~~500	--
Nitrogen Oxides (~~NO_x~~as Nitrogen Dioxide)	120	--
Sulfur Oxides (as ~~SO_x~~Sulfur Dioxide~~,~~)	120	--
Reactive Organic Compounds (~~ and~~ ROCs)	120	--
Lead	3.28	--
Asbestos	0.04	--
Beryllium	0.0022	--
Mercury	0.55	--
Vinyl Chloride	5.48	--
Fluorides	16.4	--
Sulfuric Acid Mist	38.4	--
Total Reduced Sulfur (including H_2S)	54.8	--
Reduced sulfur compounds	54.8	--
Municipal waste combustor organics	--	0.0000035
Municipal waste combustor metals	--	15
Municipal waste combustor acid gases	--	40
All other attainment pollutants or precursors	120	--

2. For any stationary source subject to ~~this Rule,~~ a nonattainment pollutant Best Available Control Technology requirement, Best Available Control Technology shall be the more stringent of:

   a. The most effective emission control device, emission limit, or technique which has been achieved in practice for the type of equipment comprising such stationary source; or

   b. The most stringent limitation contained in any State Implementation Plan; or

   c. Any other emission control device or technique determined after public hearing to be technologically feasible and cost-effective by the Control Officer.

[*New Section D.3 is from Rule 803.D.2 with amended text.*]

3. For any stationary source subject to~~ this Rule~~ an attainment pollutant Best Available Control Technology requirement, Best Available Control Technology shall be an emission limitation based on the maximum degree of reduction achievable for each pollutant. ~~which would be emitted from any new or modified stationary source, which~~ Best Available Control Technology shall be determined on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs.~~, is achievable for such source or modification through~~ Best Available Control Technology may consist of any of the following: application of alternative production processes, ~~or available methods, systems, and techniques, including~~ fuel cleaning or treatment, ~~or~~ innovative fuel combustion techniques, or any other technique for control of ~~such~~ each pollutant. In no event shall application of Best Available Control Technology result in emissions which would exceed the emissions allowed under the applicable New Source Performance Standards~~ of Performance~~.

[*New Section D.4 is from Rule 803.D.1 with amended text. Section D.1 addresses attainment BACT in general. This section retains the Class I area BACT provision.*]

4. An applicant shall apply attainment pollutant Best Available Control Technology ~~to a new source or modification of an existing source, for any net emissions increases of any attainment pollutant which is equal to or greater that any emission level shown in Table 1. In addition, an applicant shall apply Best Available Control Technology~~ to a new source or modification of an existing major stationary source ~~or major modification~~, for any ~~net~~ emissions increase which would construct within 10 kilometers of a Class I area and which would have an impact on such area equal to or greater than 1 microgram per cubic meter (24-hour average).

[*The Rule 802 "Requirements - Emission Offsets" section is being amended and relocated here to go before the Rule 802 "Requirements - Air Quality Impact Analysis Thresholds" requirements. Consolidated Rule 803 offset thresholds here*]

E. Requirements – ~~Emission~~ Offsets Thresholds~~.~~

~~1.~~ The applicant for a ~~N~~new or modified stationary source~~s~~ with a potential to emit ~~net emissions increases~~ of any ~~nonattainment~~ affected pollutant or its precursors which is equal to or greater than any ~~emission level~~threshold shown in Table 3 shall mitigate the project's potential to emit ~~those net emissions increases through actual emission reductions~~ by providing ERCs ~~reducing emissions from existing stationary or non-stationary sources~~as qualified under Rule 806, Emission Reduction Credits. The applicant subject to offsets shall comply with the requirements in Rule 804, Offsets.

[*These revisions reflect the Districts change to the State-mandated 25 tpy offsets threshold. The 240 lb/day threshold for attainment pollutants was transferred from Rule 803.E.1.b. $PM_{2.5}$ is not proposed for addition since it is already included as a component of PM_{10}*]

Table 3: ~~Nonattainment Pollutant~~ Offset Thresholds

Pollutant	Pounds/day	Tons/year
~~PM_{10}~~	~~80~~	~~15~~
Carbon Monoxide – if designated nonattainment	150	25
~~All other n~~Nonattainment pollutants and precursors (except carbon monoxide and $PM_{2.5}$)	~~55~~--	~~10~~25
Attainment pollutants and precursors (except carbon monoxide and $PM_{2.5}$)	240	--

[*Deleted 802.E.2 has been relocated to Rule 804.D.1.*]

~~2. Emission reductions shall be actual, average quarterly enforceable emission reductions from existing sources sufficient to offset all anticipated quarterly emission increases associated with a new or modified stationary source and which will result in a net air quality benefit.~~

[*The following is being relocated to Rule 804.D.7*]

~~3. Emission reductions shall be sufficient to offset any net emissions increase, result in a net air quality benefit and shall take effect at the time, or before initial operation, of the new or modified source.~~

[*The following deleted emission offset text and ratio requirements are being replaced by provisions in proposed amended Rule 804.D.8, D.9, and D.10.*]

~~4. Emission reductions shall be provided at a ratio as specified in Table 4, below .~~

~~Table 4 – Nonattainment Pollutant Offset Ratios~~

~~Ratio~~	~~Location of ATC Source~~	~~Location of Offsets~~
~~1.2 to 1~~	~~North Zone~~	~~North Zone (within 7.5 miles)~~
~~1.5 to 1~~	~~North Zone~~	~~North Zone~~
~~1.2 to 1~~	~~South Zone~~	~~South Zone (Within 7.5 miles)~~
~~1.5 to 1~~	~~South Zone~~	~~South Zone~~
~~6.0 to 1~~	~~North Zone~~	~~South Zone~~
~~6.0 to 1~~	~~South Zone~~	~~North Zone~~
~~6.0 to 1~~	~~South Zone~~	~~Adjacent Areas of Ventura County~~
~~No Trades~~	~~South Zone~~	~~Cuyama~~
~~No Trades~~	~~Cuyama~~	~~South Zone~~

~~Cuyama is part of the Northern Zone, except for trading purposes between Cuyama and the Southern Zone. For the purposes of Table 4, Cuyama shall be considered to be the area north of the crest of the Sierra Madre Mountains.~~

[*The following Section F title is being deleted as it is no longer needed with the F.1 deletion and the F.2 relocation.*]

~~F. Requirements - Calculations~~

[*The following Section F.1 has been deleted as it is redundant to the Rule 102 definition of "Potential to Emit."*]

~~1. The maximum design capacity (potential to emit) at a new stationary source or modification shall be used to determine the maximum hourly, maximum daily, maximum quarterly, and annual maximum emissions from the new source or modification. However, the applicant may agree to federally enforceable limitations on the operation of the new source or modification. If these limitations are included in both Authority to Construct and Permits to Operate issued according to this Regulation, then those limitations shall be used to establish the emission from the new source or modification.~~

[*The following deleted Section F.2 has been relocated to Rule 804.E.*]

~~2. The emissions from an existing source to be used as an offset, shall be based upon the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years. The Control Officer may approve any other time period of at least three years within five years prior to the date of application that is more representative of normal source operation. If violation of Laws, Rules, Regulations, Permit conditions or orders of the District, the Air Resources Board or the Environmental Protection Agency occurred during the period used to determine the operating conditions, an adjustment shall be made to determine the emissions the existing source would have caused without such violations.~~

[*Requirements - Air Quality Impact Analysis is being relocated here from Rule 802.D to follow the offset threshold provisions.*]

~~D~~F. Requirements – Air Quality Impact Analysis Thresholds

[*A portion of Rule 803.F.1 is being integrated into proposed amended Rule 802.F.1.*]

1. ~~**Thresholds**~~

~~Any~~ The applicant for any new or modified stationary source with a potential to emit ~~net emissions increase~~ of any ~~nonattainment~~ pollutant or its precursors which is equal to or greater than ~~the~~ any ~~emission level~~threshold shown in ~~Table 2~~ Table 4 shall submit an Air Quality Impact Analysis with their ~~an~~ application. The Air Quality Impact Analysis shall be conducted pursuant to Rule 805, Air Quality Impact Analysis, Modeling, Monitoring, and Air Quality Increment Consumption, and shall demonstrate ~~containing information that demonstrates, by Air Quality Impact Analysis,~~ to the satisfaction of the Control Officer~~,~~ that the emissions will not cause a violation or interfere with the expeditious attainment or maintenance of any ~~national primary~~ ambient air quality standard~~;~~ or prevent reasonable progress towards the expeditious attainment or maintenance of any ~~national~~ ambient air quality standard or cause any ambient air quality increment to be exceeded. For the purposes of this section, "potential to emit" for modified stationary sources means the potential to emit from the project. In addition, the Control Officer may require an Air Quality Impact Analysis for any new or modified stationary source that the Control Officer has determined has the potential to cause or contribute to a violation of any ambient air quality standard or increment. This paragraph shall not require an Air Quality Impact Analysis for the assessment of the effects of ozone precursor emissions on ozone.

[Combined the AQIA thresholds from the previous Table 2 of Rule 802 and the previous Table 1 of Rule 803. Revised the table to include $PM_{2.5}$ and revised CO threshold to be consistent with the new

Table 2 changes. The values in Table 4 are now identical to the new Table 2, except for the last value which applies to both attainment and nonattainment pollutants.]

Table ~~2~~4: ~~Nonattainment Pollutant AQIA~~Air Quality Impact Analysis Thresholds

Pollutant	Pounds/day	Tons/year
Particulate Matter	120	--
PM_{10}	80	--
$PM_{2.5}$	55	--
Carbon Monoxide	500	--
Nitrogen Oxides (as Nitrogen Dioxide)	120	--
Sulfur Oxides (as Sulfur Dioxide)	120	--
Reactive Organic Compounds (ROCs)	120	--
Lead	3.28	--
Asbestos	0.04	--
Beryllium	0.0022	--
Mercury	0.55	--
Vinyl Chloride	5.48	--
Fluorides	16.4	--
Sulfuric Acid Mist	38.4	--
Total Reduced Sulfur (including H_2S)	54.8	--
Reduced sulfur compounds	54.8	--
Municipal waste combustor organics	--	0.0000035
Municipal waste combustor metals	--	15
Municipal waste combustor acid gases	--	40
All other attainment or nonattainment pollutants or precursors	120	--

~~Pollutant~~	~~Pounds/day~~
~~PM_{10}~~	~~80~~
~~Carbon Monoxide – if designated nonattainment~~	~~550~~
~~All other nonattainment pollutants and precursors~~	~~120~~

[*The following is being deleted as it is redundant to Rule 810*]

~~**2. Major Stationary Sources and Major Modified Stationary Sources: Alternative Sites Analysis**~~

~~For major stationary sources and major modified stationary sources, the Air Quality Impact Analysis shall include an analysis of alternative sites, sizes, production processes, and environmental control techniques which demonstrate that the benefits of the proposed source significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.~~

[*The following threshold is being relocated from Rule 803.F.2 with text amendments.*]

2. The applicant for a new or modified stationary source which ~~emits in its entirety~~ has the potential to emit more than 20 pounds per hour of any attainment pollutant or total suspended particulates shall demonstrate to the satisfaction of the Control Officer through use of air quality models meeting the requirements of ~~Section K(3)~~ Rule 805, Section D.1 (Air Quality Models) and Rule

805, Section F (Requirements – Ambient Air Quality Standards and Air Quality Increments~~Air Quality Impact Analysis~~), that their emissions will not cause an~~no~~ ambient air quality standard or increment to be exceeded.

[*The following Section G.1 - 4 text and Table 5 have been relocated from Rule 803.G and the text was modified.*]

G. Requirements – Air Quality Impact Analysis: Pre and Post Construction Monitoring

1. The ~~owner or operator~~applicant for ~~of~~ a new or modified stationary source which will have a ~~net emissions increase~~ potential to emit any attainment pollutant greater than a threshold ~~of more than any emission level~~ shown in Table ~~2~~5 ~~of any other attainment pollutant~~ shall conduct ambient air quality monitoring ~~with pre-construction monitoring not less than~~ for at least one year ~~in duration~~ before commencing construction.

   The Control Officer may exempt ~~N~~new non-major stationary sources or modifications ~~can be exempt~~ from this requirement if ~~the Control Officer finds that~~ there ~~will be~~ is sufficient data ~~available~~ to determine the effects that the emissions from the stationary source or modification may have~~, or are having~~ on air quality in the area.

   [*The following text is deleted as this is covered by Rule 810*]

   ~~New major stationary sources and major modifications must comply with the pre-construction monitoring requirement unless the Control Officer finds that there will be sufficient data available to determine the effects that the emissions from the stationary source or modification may have, or are having, on air quality, in the area; and if the applicant can demonstrate to the satisfaction of the Control Officer that the new major source or major modification impacts less than those listed in 40 CFR 52.21(I)(8).~~

   [*The following table is from Rule 803.G.1. Was Table 2 in Rule 803. Added $PM_{2.5}$ to the table.*]

Table ~~2~~5: ~~Prevention of Significant Deterioration~~ Attainment Pollutant Monitoring Thresholds

Pollutant	Pounds/day
Particulate Matter	120
PM_{10}	80
$PM_{2.5}$	55
All other attainment pollutants	240

2. The applicant shall conduct ~~P~~post construction monitoring ~~shall be required~~ until ~~such time as~~ the Control Officer determines the effects of emissions from the stationary source or modification. ~~may have.~~

3. All monitoring shall comply with Environmental Protection Agency guidelines (see 40 CFR 58~~, Appendix B~~) and other instructions of the Control Officer.

~~2~~4. Protection of Class I Areas

   ~~Any net emissions increase of less than 120 pounds per day of an attainment pollutant or total suspended particulates, except PM_{10}, which is 80 pounds per day, or 15 tons per year, associated~~

~~with a stationary source emitting over 100 tons per year of any attainment pollutant which would construct~~
The applicant for any new or modified stationary source shall conduct post-construction monitoring if all the following conditions are met:

a. The source will be within a Class I or Class I impact area, ~~and~~

b. The source ~~would~~ will increase ambient pollutant concentration within the Class I area by one microgram per cubic meter (24 hour average) ~~or more shall be subject to monitoring.~~, and

c. The source has the potential to emit over 100 tons per year of any attainment pollutant.

[*The following is relocated from Rule 803.H and the text was modified.*]

H. Requirements ~~–~~ – Visibility, Soils, and Vegetation Analysis

For a new or modified stationary source ~~which emits~~with a potential to emit any attainment pollutant ~~, in its entirety, more than~~ over any ~~emission level~~ threshold shown in Table ~~2~~5, ~~of any attainment pollutant,~~ the applicant shall provide the Control Officer with an analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the source or modification and of general commercial, industrial, and other growth associated with the source or modification.

~~G~~I. Requirements – Administration

1. Analysis, Notice and Reporting

[*The following revision clarifies District practice that this applies to ATC applications. EPA references are deleted as this rule is not being submitted to the SIP. The text has been reworded to be more straight-forward.*]

~~Before granting or denying an application for any new or modified stationary source subject to an air quality impact analysis or requiring emission offsets,~~ T~~t~~he Control Officer shall comply with the following requirements for any new or modified stationary source with an emission increase of any air pollutant (or its precursors) which is equal to or greater than any threshold shown in Tables 3 and 4 of this rule.

~~a. Analyze the effect of the stationary source on air quality. Such analysis shall be based on the application of existing federal, state and local control strategies and the requirements of this Regulation. Such analysis shall be completed within 120 days after an application for an Authority to Construct has been deemed complete.~~

~~b. Following completion of the analysis and, before granting approval, the Control Officer shall:~~

a.~~1)~~ Make available for public inspection at the District's office~~, except as limited by controls on release of confidential information submitted by the applicant,~~ the ~~District's~~ analysis of the effect of the source on air quality and the preliminary decision to grant or deny the Authority to Construct ~~or Permit to Operate~~.

~~2)~~b. Publish a notice once by advertisement in at least one newspaper of general circulation in the District, stating where the public may inspect the information on the preliminary decision to grant an Authority to Construct. The notice shall provide 30 days ~~beginning on the date of publication,~~ for the public to submit comments on the application, beginning on the date of publication.

~~3)~~c. Notify~~, in writing, at the time of public notice,~~ the applicant, ~~Environmental Protection Agency,~~ Air Resources Board, and adjoining air pollution control districts of the District's preliminary decision to grant the Authority to Construct ~~or Permit to Operate~~. The notice will be provided in writing at the time of public notice. The Air Resources Board ~~and Environmental Protection Agency wi~~shall be provided an analysis support package for the determination ~~made when the source is required to obtain offsets pursuant to this Rule~~.

~~4)~~d. Consider all comments submitted. If within the 30-day notice period the Control Officer receives a written request from ~~either Environmental Protection Agency or~~ the Air Resources Board to defer his or her decision pending ~~the~~ that ~~requesting~~ agency's review of the application, the Control Officer shall defer any decision for a period of 30 days from the date of such request. ~~Within the applicable time period specified in Rule 208,~~ T~~t~~he Control Officer shall take final action on the application after considering all written comments.

[*The following is transferred from Rule 803.K.6 with text revisions.*]

~~5)~~e. The public notice will include notification of the opportunity for a public hearing and will indicate the anticipated degree of increment consumption. A public hearing may be called if sufficient interest is generated or if any aggrieved party so requests in writing within the 30-day comment period. ~~-~~All public hearings shall have a public notice issued at least 30 days prior to the hearing. After considering all comments, including those presented at any hearings held, the Control Officer will reach a decision and notify the ~~appropriate parties~~applicant, Air Resources Board, adjoining air pollution control districts, and any person who has made a written request to be notified of the final decision. The Control Officer's notification of the final decision may be made electronically.

2. Conditional Requirements for Authority to Construct

The Control Officer shall, as a condition for the issuance of an Authority to Construct for a new stationary source or modification and with the prior written consent of the ~~owner or operator~~applicant for ~~of~~ any source which provides offsets:

a. Require that the new source or modification and any sources which provide offsets be operated in the manner assumed in making the analysis. The ~~Permit~~ permit shall, if applicable, include an emissions limitation which corresponds with the application of Best Available Control Technology or innovative control technology.

b. Modify, or require modification of, the Authority to Construct and Permit to Operate for any source used to provide offsets to ~~insure~~ ensure that emissions reductions at that source which provide offsets will be enforceable and maintained throughout the operation of the new or modified source which is the beneficiary of the offsets.

c. Permit any ~~federally~~ enforceable methods, other than those described in sub-section b), which ~~the Control Officer is satisfied,~~ will assure that all required offsets are achieved~~,~~ and meets the requirements of ~~Regulation~~ Rule 804. ~~(Emission~~ Offsets~~)~~.

3. Issuance of Permit to Operate

a. The Control Officer shall issue a Permit to Operate if it is determined that:

1) The new or modified stationary source will operate without emitting pollutants in violation of any applicable state, federal or local emission limitation or these Rules and Regulations; and

2) The emissions of any pollutants from the new or modified stationary source are less than or equal to the emissions used by the Control Officer in granting an Authority to Construct; and

3) The offsets required as a condition of the Authority to Construct will commence at the time of or prior to initial operations of the new source or modification, will be maintained throughout the operation of the new or modified source, and are ~~federally~~ enforceable. In the case of a new or modified source which will be, in whole or in part, a replacement for an existing source on the same property, the Control Officer may allow a maximum of ninety (90) days as a start-up period for simultaneous operation of the existing source and the new source or replacement; and

4) All conditions specified in the Authority to Construct have been or will ~~likely~~ be complied with by any dates specified.

4. Denial of Authority to Construct

The Control Officer shall deny an Authority to Construct for any new stationary source or modification, or any portion thereof unless the new source or modification, or applicable portion thereof, complies with the provisions of this ~~R~~rule and all other applicable District Rules and Regulations.

[*The following tracking requirement was created to satisfy one of the CARB's concerns regards the offset exemption for equipment replacements*]

5. Offset Exemption Tracking

The Control Officer shall prepare an annual report that lists all equipment units that have been exempted from offset requirements under the equipment replacement provisions in Section B.2. The report shall include a comparison of the emissions of the new equipment and the emissions of the replaced equipment. This report shall be made available to the public and the Air Resources Board.

~~5. State Implementation Plan~~

~~The Control Officer shall issue an Authority to Construct for a major new stationary source or major modification to a stationary source, which is subject to this Rule, only if all District Regulations contained in the State Implementation Plan submitted to the EPA are being carried out in accordance with that Plan.~~

RULE 803. PREVENTION OF SIGNIFICANT DETERIORATION.
(Adopted 4/17/1997 and repealed [*date of rule repeal*])

[*The District proposes to relocate Rule 803 provisions into Rules 802, 804, and 805 and repeal Rule 803. This consolidation is intended to simplify, reorganize and clarify the requirements of NSR. Further, numerous requirements in Rule 803 are redundant to existing rules (e.g., Rule 810) and are simply being deleted*.]

Repealed by the Santa Barbara County Air Pollution Control District Board on [*date of rule repeal*].

~~**A. Applicability**~~

[*Now part of proposed amended Rule 802.A*]

~~The purpose of Prevention of Significant Deterioration is to provide for the review of new and modified stationary sources of air pollution and provide mechanisms by which Authorities to Construct such sources may be granted without interfering with the protection of areas designated attainment or unclassifiable.~~

[*Requirements for modeling, monitoring, etc. are now in proposed amended Rule 805.A.*]

~~Prevention of Significant Deterioration requirements shall apply to all new stationary sources and all modifications to existing stationary sources which, after construction emit or may emit any attainment pollutants. Stationary sources which emit or may emit precursors to nonattainment pollutants shall, in addition to the requirements of Nonattainment Review, be subject to the increment protection provisions contained within the Prevention of Significant Deterioration requirements; including Section F (Modeling), G (Pre and Post Construction Monitoring), (Visibility, Soils, and Vegetation Analysis), G.2 (Protection of Class I Areas) and I (Ambient Air Quality Standards and Air Quality Increments).~~

[*Deleted because the District does not issue permit for such operations.*]

~~**B. Exemptions**~~

~~**1.** This Rule shall not apply to prescribed burning of forest, agriculture or range land, road construction or any other non-point source, common to timber harvesting or agricultural practices.~~

~~**C. Definitions**~~

~~See Rules 102 and 801 for definitions applicable to this Rule.~~

~~**D. Requirements -- Best Available Control Technology**~~

[*Relocated to proposed amended Rule 802.D.1 with amended text.*]

~~**1.** An applicant shall apply Best Available Control Technology to a new source or modification of an existing source, for any net emissions increases of any attainment pollutant which is equal to or greater that any emission level shown in Table 1. In addition, an applicant shall apply Best Available Control Technology to a new source or modification of an existing major stationary source or major modification, for any net emissions increase which would construct within 10 kilometers of a Class I area and have an impact on such area equal to or greater than 1 microgram per cubic meter (24-hour average).~~

[*Relocated to proposed amended Rule 802.D.1 with amended text.*]

Table 1 – PSD Best Available Control Technology & Modelling Thresholds

Pollutant	Pounds/day	Tons/year
Particulate Matter	120	
PM_{10} and its precursors	80	
Carbon Monoxide	550	
NO_x, SO_x, and ROCs	120	
Lead	3.28	
Asbestos	0.04	
Beryllium	0.0022	
Mercury	0.55	
Vinyl Chloride	5.48	
Fluorides	16.4	
Sulfuric Acid Mist	38.4	
Total Reduced Sulfur (including H_2S)	54.8	
Reduced sulfur compounds	54.8	
Municipal waste combustor organics		0.0000035
Municipal waste combustor metals		15
Municipal waste combustor acid gases		40
All other attainment pollutants or precursors	120	

[*Relocated to proposed amended Rule 802.D.3 with amended text.*]

2. For any stationary source subject to this Rule, Best Available Control Technology shall be an emission limitation based on the maximum degree of reduction for each pollutant which would be emitted from any new or modified stationary source, which on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant. In no event shall application of Best Available Control Technology result in emissions which would exceed the emissions allowed under the applicable New Source Standards of Performance.

E. Requirements - Emission Offsets

1. Offset Requirement, General

[*Deleted because the provision is similar to the Rule 802.E.2 text and the proposed amended Rule 804.D.1 text. The Rule 802.E.2 text is being relocated into proposed amended Rule 804.D.1 with amended text.*]

a. Offsets shall be actual, average quarterly enforceable emission reductions from existing sources sufficient to offset all anticipated quarterly emission increases, as calculated according to Section J. of this Rule, associated with a new or modified stationary source and which will result in a net air quality benefit.

[*Now integrated into proposed amended Rule 802.E, Table 3, with amended text.*]

~~b. In areas other than Class I areas or Class I impact areas, offsets as specified in E.2 below shall be required for any attainment pollutant or total suspended particulates for a new or modified stationary source with a net emissions increase exceeding 240 pounds per day, for reactive organic compounds, nitrogen oxides, sulfur oxides, total suspended particulates, or PM_{10}.~~

[*Now integrated into proposed amended Rule 804.D.8 - 10 with amended text and deleted items a-c.*]

~~**2. Location of Offsets and Offset Ratios**~~

~~Net emissions increases from a proposed new or modified source subject to this Rule, which is to be located outside a Class I area or Class I impact area, are to be offset with emissions reductions from within a 15 mile radius of the proposed source. The offset ratio shall be 1.2 to 1 for reductions in emissions located outside of the proposed source but within the 15 mile radius, and the Control Officer shall analyze the impact on the air quality increment.~~

~~a. If an applicant demonstrates to the satisfaction of the Control Officer that sufficient offsets do not exist at sources owned by the applicant, and are not available at other sources within a 15 mile radius of the proposed source, offsets shall be obtained from an upwind area, within the air basin at a ratio as specified by the Control Officer, and the Control Officer shall analyze the impact on the air quality increment.~~

~~b. If an applicant demonstrates to the satisfaction of the Control Officer that sufficient offsets do not exist at sources owned by the applicant, and are not available at other sources within the 15 mile radius of the proposed source, or within the upwind portion of the air basin, offsets shall be obtained from an upwind area, outside the air basin at a ratio and distance based on an air quality analysis sufficient to demonstrate that no air quality increment will be exceeded.~~

~~c. If an applicant demonstrates to the satisfaction of the Control Officer that sufficient offsets do not exist at sources owned by the applicant and are not available at other sources within a 15 mile radius or in an upwind area, the Control Officer may choose to allow an applicant to use a portion of the remaining air quality increment.~~

~~F. Requirements - Air Quality Impact Analysis: Modeling~~

[*This provision are being integrated into proposed amended Rule 802.F.1 with text amendments.*]

~~**1.** The applicant for a new or modified stationary source which will have a net emissions increase of any attainment pollutant which is equal to or greater than any amount specified in Table 1 shall demonstrate, by Air Quality Impact Analysis, to the satisfaction of the Control Officer through use of air quality models meeting the requirements of Section K(3) (Air Quality Models) and Rule 805 (Air Quality Impact Analysis) that their emissions will cause no ambient air quality standard or increment to be exceeded. In addition, the Control Officer may require an Air Quality Impact Analysis for any new or modified stationary source that the Control Officer has determined has the potential to cause or contribute to a violation of an air quality standard or consume the maximum allowable increment increase.~~

[*This is relocated to proposed amended Rule 802.F.2 with text amendments.*]

~~**2.** The applicant for a new or modified stationary source which emits in its entirety more than 20 pounds per hour of any attainment pollutant or total suspended particulates shall demonstrate to the satisfaction of the Control Officer through use of air quality models meeting the requirements~~

of Section K(3) (Air Quality Models) and Rule 805 (Air Quality Impact Analysis that their emissions will cause no ambient air quality standard or increment to be exceeded.

[*This is relocated to proposed amended Rule 805.E.*]

3. If a new or modified source will impact a Class I Area, the applicant shall analyze the stationary source's impact on air quality related values for those values which the Federal Land Manager has identified.

G. Requirements - Air Quality Impact Analysis: Pre and Post Construction Monitoring

[*Rule 803.G.1 and Table 2 are being relocated to proposed amended Rule 802.G.1-3 with text amendments.*]

1. The owner or operator of a new or modified stationary source which will have a net emissions increase of more than any emission level shown in Table 2 of any other attainment pollutant shall conduct ambient air quality monitoring with pre-construction monitoring not less than one year in duration. New non-major stationary sources or modifications can be exempt from this requirement if the Control Officer finds that there will be sufficient data available to determine the effects that the emissions from the stationary source or modification may have, or are having on air quality in the area. New major stationary sources and major modifications must comply with the pre-construction monitoring requirement unless the Control Officer finds that there will be sufficient data available to determine the effects that the emissions from the stationary source or modification may have, or are having, on air quality, in the area; and if the applicant can demonstrate to the satisfaction of the Control Officer that the new major source or major modification impacts less than those listed in 40 CFR 52.21(I)(8). Post construction monitoring shall be required until such time as the Control Officer determines the effects emissions from the stationary source or modification may have. All monitoring shall comply with Environmental Protection Agency guidelines (see 40 CFR 58, Appendix B) and other instructions of the Control Officer.

Table 2: Prevention of Significant Deterioration Monitoring Thresholds

Pollutant	Pounds/day
Particulate Matter	120
PM_{10}	80
All other attainment pollutants	240

[*Relocated to proposed amended Rule 802.G.4 with amended text.*]

2. Protection of Class I Areas

Any net emissions increase of less than 120 pounds per day of an attainment pollutant or total suspended particulates, except PM_{10}, which is 80 pounds per day, or 15 tons per year, associated with a stationary source emitting over 100 tons per year of any attainment pollutant which would construct within a Class I or Class I impact area and would increase ambient pollutant concentration within the Class I area by one microgram per cubic meter (24 hour average) or more shall be subject to monitoring.

[*Relocated to proposed amended Rule 802.H with amended text.*]

H. Requirements - Visibility, Soils, and Vegetation Analysis

For a new or modified stationary source which emits, in its entirety, more than any emission level shown in Table 2 of any attainment pollutant, the applicant shall provide the Control Officer with analysis of impairment to visibility, soils, and vegetation that would occur as a result of the source or modification and general commercial, industrial, and other growth associated with the source or modification.

[*Relocated to proposed amended Rule 805.F with amended text.*]

I. Requirements - Ambient Air Quality Standards and Air Quality Increments

1. In no case shall the emissions from the new or modified stationary source cause the violation of an ambient air quality standard or lead to the violation of any air quality increment. The provisions contained in Rule 805, shall be used to estimate the effects of a new or modified source. In making this determination the Control Officer shall take into account the mitigation of emissions through offsets obtained pursuant to this Rule.

2. The applicant may consume the full increment range, where noted in Table 3, if the applicant enters into a Memorandum of Agreement with the District providing for alternative mitigation. The cost of such mitigation shall not exceed $333 per year per microgram/m^3 over the lower level of the increment range for this pollutant based on the maximum modeled concentration of the first year of operation of the stationary source, and thereafter based on the single actual worst case contribution by the stationary source to monitored concentrations during the previous year. If post-construction monitoring shows no consumption beyond the lower level of the increment range for any period of three consecutive years after the year of peak projected emissions, then no further monitoring or mitigation shall be required for the purposes of this sub-section. If, subsequent to the termination of monitoring or mitigation, the APCD determines that consumption has increased beyond the lower level of the increment range, District may require reinstatement of post-construction monitoring or mitigation. As an alternative to monitoring-based mitigation costs, the applicant may choose, with consent of the District, to base the maximum cost of mitigation for the first year on the maximum modeled concentration of the projected peak emissions year, thereafter depreciating this amount by 10 percent per year over 10 years or the life of the project, whichever is less. The District's consent shall not be unreasonably withheld provided that the 10 year depreciation schedule results in an equitable, realistic approximation of the applicant's projected annual emission rate. Cost of mitigation during the final year of the project shall be prorated to reflect the portion of the year during which the facility is in operation.

This increment and mitigation requirement shall be reviewed if the Air Resources Board or Environmental Protection Agency develop an increment or other alternative with supporting technical rationale.

Baseline air quality shall be the ambient concentration level reflecting actual air quality as monitored or modeled as of the existing baseline date shown in the air quality increments table, minus any contribution attributable to emissions from major stationary sources and modifications (as defined in 40 CFR 52.21(b) as it existed on 8-7-80) constructed since January 6, 1975.

Table 3 - AIR QUALITY INCREMENTS

Pollutant: Monitoring Level	Maximum Allowable Increase (in micrograms/cubic meter) Class I	Class II	Baseline Date	Air Quality Standard
Total Suspended Particulates:				
Annual Geometric Mean	5	19	8-7-77	
24-Hour Maximum	10	37		
Sulfur Dioxide:				
Annual Arithmetic Mean	2	20	8-7-77	80
24-Hour Maximum	5	91	8-7-78	365
3-Hour Maximum	25	512	8-7-78	1,3000
Nitrogen Oxides:				
Annual Arithmetic Mean	2.5	25	2-8-88	100
1-Hour Maximum[1,*]	10	100 to 470	1-1-84	470
Carbon Monoxide:				
8-Hour Maximum	200	2500	1-1-84	10,000
1-Hour Maximum[1]	800	10000	1-1-84	40,000
Reactive Organic Compounds[1]:				
3-Hour Maximum*	3	40-160	1-1-84	
Particulate Matter (<10 µm):				
Annual Arithmetic Mean	4	17	8-7-77	50
24-Hour Maximum	8	30	8-7-77	150
24-Hour Maximum[1,*]		12-30	1-1-84	50

* The applicant may consume the full increment range pursuant to the requirements of Section I.2.

1 Not a federal increment.

[*The following Section J provisions are being transferred to proposed amended Rule 805.G with amendments and deletion of Section J.3.*]

J. Requirements - Calculations

1. The maximum design capacity (potential to emit) of a new stationary source or modification shall be used to determine the emissions from the new source or modification. However, the applicant may agree to federally enforceable limitations on the operation of the new source or modification. If those limitations are included in both Authorities to Construct and Permits to Operate issued according to the Rule, then those limitations shall be used to establish the emissions from the new source or modifications.

2. The emissions from an existing source shall be based on the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years. The Control Officer may approve any other time period of at least three years within five years prior to the date of application that is more

representative of normal source operation. If violation of laws, rules, regulations, permit conditions, or orders of the District, the Air Resources Board, or the Environmental Protection Agency occurred during the period used to determine the operating conditions, then adjustments to the operating conditions shall be made to determine the emissions the existing source would have caused without such violations.

3. The maximum net increase in quarterly (January through March, April through June, July through September, October through December) emissions from new stationary sources and modifications shall be offset by the average quarterly decrease in emissions from one or more existing sources, after this decrease has been reduced by the appropriate ratio in Section E.2.

K. Requirements - Administration

[*The following is being transferred to proposed amended Rule 805.H*]

1. Air Quality Increment Analysis

The Control Officer shall evaluate the impact on the air quality increment of the emissions from the proposed source and any offsets obtained pursuant to Section F.2. (offset requirement). Any emissions from secondary emissions associated with the source shall be included in the determination of increment consumption.

[*The following is being deleted as it is redundant to Rule 810 requirements for federal PSD sources*]

2. Review of Air Quality Increment Consumption

The Control Officer shall assess the remaining air quality increment a minimum of once every five years. Should a stationary source subject to E.2. be cited, the frequency of assessment of the remaining air quality increment shall be every two years. The assessment of the remaining air quality increment shall be based on any changes in emissions including area sources and any changes in air quality background levels. For sulfur dioxide and particulate matter, the emissions from major stationary sources (as defined in 40 CFR 52.21(b) as it existed on 8-7-80) constructed since January 6, 1975 shall be included in air quality increment consumption. For nitrogen dioxide, the emissions from major stationary sources constructed since February 8, 1988 shall be included in air quality increment consumption. Within sixty days of a determination of an increment violation the District will initiate action to mitigate the violation.

[*The following is being deleted because the provisions are generally redundant to those found in proposed amended Rule 805.D.1.*]

3. Air Quality Models

All air quality models used for the purposes of this Rule shall be consistent with the requirements specified in Rule 805.D.1 for air quality models unless the Control Officer finds that such model is inappropriate for use. After making such finding the Control Officer may designate an alternate model only after allowing for public comment and only with concurrence of the Air Resources Board and the Environmental Protection Agency. All modeling costs associated with siting of a stationary source shall be borne by the applicant.

[*The following is being deleted as it is redundant to Rule 810 requirements for federal PSD sources and Rule 802.I.1*]

4. Permit Notice

~~The Control Officer shall provide a copy of the portion of the application dealing with the emissions and air quality impacts of a new source, for any permit application for a proposed major stationary source whose emissions would affect a Class I area, to the Federal Land Manager and the federal official charged with direct responsibility for management of the affected lands within 10 days of the determination that a Class I area will be impacted. The Federal Land Manager shall be notified within 10 days of all subsequent actions relating to the consideration of such Permit.~~

[*The following is deleted because the provisions are generally redundant to those in proposed amended Rule 802.I.1.*]

~~5. Preliminary Decision~~

~~Following acceptance of an application as complete, the Control Officer shall perform the evaluations required to determine compliance with this Rule and make a preliminary written decision as to whether an authority to construct should be approved, conditionally approved, or disapproved. The decision shall be supported by a succinct written analysis. The District shall transmit to the Air Resources Board its preliminary written decision and analysis for sources subject to E (Emission Offsets), F (Modeling), G.2. (Protection of Class I Areas), and I (Air Quality Increments) no later than the date of publication as required in Section K 6), below. For major sources, the District shall transmit to USEPA its preliminary written decision and analysis.~~

[*The following is deleted because the provisions are generally redundant to those in proposed amended Rule 802.I.1.*]

~~6. Publication and Public Comment~~

~~Within 10 days following a preliminary decision to approve or conditionally approve a permit pursuant to Sections E (Offsets) and G 2) (Protection of Class I Areas) of this Rule, Control Officer shall publish in at least one newspaper of general circulation in the District a public notice stating the preliminary decision of the Control Officer, noting how pertinent information can be obtained, and inviting written public comment for a 30 day period following the date of publication. The public notice will include notification of the opportunity for a public hearing and will indicate the anticipated degree of increment consumption. A public hearing may be called if sufficient interest is generated or if any aggrieved party so requests in writing within the 30 day comment period. After considering all comments, including those presented at any hearings held, the Control Officer will reach a decision and notify the appropriate parties.~~

[*The following is being deleted as it is redundant to Rule 810 requirements for federal PSD sources.*]

~~7. Sources Impacting Class I Areas~~

~~The Control Officer shall accept, and consider comments offered within public comment period following date of publication, by the Federal Land Manager of any lands contained within a Class I area impacted by a proposed facility or modification. If the Federal Land Manager demonstrates that the emissions from a proposed facility or modification would have an adverse impact on the air quality related values (including visibility) of any federal mandatory Class I areas, and if the Control Officer concurs with such demonstration, then the Control Officer shall deny the Authority to Construct.~~

[*The following is being deleted because Health and Safety Code Section 42302.1 defines the appeal method*.]

8. Federal Land Manager Appeals

If the Control Officer issues an authority to construct with which the Federal Land Manager or the federal official charged with direct responsibility over the specified lands does not concur, the decision may be appealed to the Hearing Board.

[*The following is deleted because the provisions are generally redundant to those in proposed amended Rule 802.I.1*.]

9. Public Inspection

The Control Officer shall make available for public inspection at the District's office the information submitted by the applicant and the Control Officer's analysis no later than the time that notice of the preliminary decision is published, pursuant to Section K.5), above. Information submitted which contains trade secrets shall be handled in accordance with Section 6254.7 of the Government Code and relevant sections of the Administrative Code of the State of California. Further, all such information shall be transmitted, no later than the date of publication, to the Air Resources Board and the Environmental Protection Agency regional office, and to any party which requests such information at the current cost of mailing and duplication.

[*The following is deleted because the provisions are generally redundant to those in proposed amended Rule 802.I.1*.]

10. Authority to Construct, Final Action

Within the applicable time period specified in Rule 208, the Control Officer shall take final action on the application after considering all written comments. The Control Officer shall provide written notice of the final action to the applicant, the Environmental Protection Agency, and the Air Resources Board, and shall publish a notice of approval of the permit in a newspaper of general circulation and shall make the notice and all supporting documents available for public inspection at the District's office.

[*The following is deleted because the provisions are redundant to those in proposed amended Rule 804.D.6*]

11. Requirements, Permit to Operate

As a condition for the issuance of a permit to operate, the Control Officer shall require that the new source or modification, and any sources which provide offsets, be operated in the manner assumed in making the analysis to determine compliance with this Rule, or as conditioned in the Authority to Construct. The Permit to Operate shall include specific emissions limitations which reflect Best Available Control Technology.

The operation of any source which provides offsets shall be subject to enforceable permit conditions, containing specific emissions limitations to ensure that the emission reductions will be provided in accordance with the provisions of this Rule and maintained throughout the operation of the new or modified source which is the beneficiary of the offsets. Where the source of offsets is not subject to a permit, a written contract shall be required between the applicant and the owner or operator of such source, which contract, by its terms, shall be enforceable by the Control Officer. The permit and contract shall be submitted to the Air Resources Board to be forwarded to the Environmental Protection Agency as part of the State Implementation Plan. A violation of the emission limitation provisions of any such contract shall be chargeable to the applicant.

[*The following is deleted because the provisions are redundant to those in proposed amended Rule 802.I.3 and proposed amended Rule 801.E.2.c.*]

~~**12. Issuance, Permit to Operate**~~

~~The Control Officer shall issue a Permit to Operate a stationary source subject to the requirements of this Rule if it is determined that any offsets required as a condition of an Authority to Construct or amendment to a Permit to Operate will commence not later than the initial operation of the new or modified source, and that the offsets shall be maintained throughout the operation of the new or modified source which is the beneficiary of the offsets. Further, the Control Officer shall determine that all conditions specified in the Authority to Construct have been or will be complied with by any dates specified. Conditions which have not been met at the time the Permit to Operate is issued shall be incorporated into the Permit to Operate. Where a new or modified stationary source is, in whole or in part, a replacement for an existing stationary source on the same property, the Control Officer may allow a maximum 90 days as a start-up period for simultaneous operation of the existing stationary source and the new source or replacement.~~

RULE 804. ~~EMISSION~~ **OFFSETS**~~.~~
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

A. Applicability

This rule shall apply to any applicant required to obtain offsets under Rule 802, New Source Review, ~~applicant for a new or modified source or owner or operator of an existing source which is required by these Rules and Regulations to obtain offsets~~and to any applicant who creates emission reduction credits under Rule 806, Emission Reduction Credits.

B. Exemptions

None.

C. Definitions

See Rule~~s~~ 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions.

D. Requirements – General

[*The deleted text below is replaced by text in Sections D.1, D.8, D.9, D.10 and Section F below*]

1. ~~The maximum quarterly (January through March, April through June, July through September, October through December) emissions of a new or modified source shall be offset at a ratio, specified in these Rules and Regulations by the average quarterly emissions from an existing source, as determined in Rule 802.G (Calculations) for nonattainment pollutants and Rule 803.J (Calculations) for attainment pollutants.~~

   [*The following new sentence is modified text from Rule 802.E.2*]

   Emission reductions shall be actual~~,~~ average ~~quarterly~~ annual ~~enforceable emission~~ reductions of emissions from existing sources that are enforceable, are sufficient to offset ~~all anticipated quarterly emission increases associated with a new or modified stationary source~~ the annual potential to emit of the project and which will result in a net air quality benefit using the offset ratios listed in Sections D.8, D.9 and D.10 below.

2. No emission reduction shall be eligible as an emission offset unless the Control Officer finds that the emission reduction is real, surplus, permanent~~enforceable~~, quantifiable, and enforceable ~~permanent~~ and has complied with Rule 806, Emission Reduction Credits. Emission reductions resulting from any permits, agreements or orders, or from requirements of federal, State, or District laws, rules and regulations or required by the District approved federal or State attainment or maintenance plan shall not be available for offsets.

   [*See Section D.10 below*]

~~3. Emission reductions from sources located outside of the District shall not be allowed as offsets unless:~~

~~a. allowed pursuant to Rule 802.E Table 4, and~~

~~b. the emission reductions are contemporaneous.~~

~~4~~3. In no case shall halogenated hydrocarbons be used as offsets for reactive organic compounds. [*Moved from below.*] Also, in no case shall exempt compounds or the other compounds excluded from the definition of reactive organic compounds be used as offsets for reactive organic compounds.

~~5~~4. In no case shall the following be allowed as offsets:

a. E~~e~~mission reductions achieved through a shift-in-load; or

b. E~~e~~mission reductions from gas stations, dry cleaners, body shops, and other businesses characterized by inelastic demand.

~~6~~5. Inter-pollutant offsets may~~will~~ be allowed between precursor contaminants. ~~Precursors of secondarily-formed PM_{10} may include reactive organic compounds which forms secondary organic compounds, sulfur dioxide which forms sulfate compounds, and oxides of nitrogen which forms nitrate compounds. Precursors of ozone are oxides of nitrogen and reactive organic compounds.~~ [*This deleted text is not necessary since "precursor is defined in Rule 102*.] Such offsets shall~~may~~ be approved by the ~~Environmental Protection Agency~~District (using Environmental Protection Agency guidelines) on a case-by-case basis, provided that the applicant demonstrates, on the basis of the Environmental Protection Agency-approved methods (where possible), that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard. In such cases, the Control Officer shall, based on air quality ~~analysis~~analyses, impose offset ratios equal to or greater than those specified by this rule~~egulation~~. ~~Interpollutant offsets between PM_{10} and PM_{10} precursors may only be allowed if PM_{10} precursors contribute significantly to PM_{10} levels that exceed the PM_{10} ambient standards.~~ [*The preceding deleted text has been moved to item "a" below.*] ~~In no case shall exempt compounds or the other compounds excluded from the definition of reactive organic compounds be used as offsets for reactive organic compounds.~~[*The preceding deleted text has been moved to D.3, above.*]

a. [*Moved from above.*] Inter-pollutant offsets between PM_{10} and PM_{10} precursors may only be allowed if PM_{10} precursors contribute significantly to PM_{10} levels that exceed the PM_{10} ambient standards.

~~7~~6. In order to verify that emission sources used as ~~emission~~ offsets will be maintained throughout the operation of the new or modified source:

a. Permitted sources which provide emission reductions as offsets will have their Authority to Construct and Permit to Operate revised or canceled.

b. Statutorily exempt sources used as emissions offsets will require a written contract between the applicant and the non-permitted source which shall be agreeable to and enforceable by the Control Officer and names the District as third party beneficiary. Notwithstanding any exemption from permit authorized by these Rules and Regulations any source exempt from permit that provides emission reductions as Emission Reduction Credits shall, as a condition of being allowed to obtain an Emission Reduction Credit, obtain an Authority to Construct and Permit to Operate as required by this r~~R~~ule. ~~The permit and contract shall be submitted to the Air Resources Board to be forwarded to the Environmental Protection as part of the State Implementation Plan.~~ A violation of the emission limitation provisions of any such contract shall be chargeable to the applicant.

c. The operation of any source which provides offsets shall be subject to enforceable permit conditions, containing specific emission limitations, to ensure that the emission reductions will be provided in accordance with the provisions of this Rule and shall

continue for the reasonably expected life of the proposed new or modified source using the offsets.

[*The following exemption has been relocated to Rule 802.B.4.*]

~~8. Offsets shall not be required for any emission increase at a source where prohibited by Health and Safety Code sections 42301.2 and 42301.13. If such emission increases are later reduced or eliminated, the emission reduction shall not be considered surplus for the purpose of emission reduction credits.~~

[*The following subsection is transferred from Rule 802.E.3 and modified as shown.*]

7. Except as otherwise provided in Rule 802, Section I.3.a.3, all ~~E~~emission reductions used as offsets shall ~~be sufficient to offset any net emissions increase, result in a net air quality benefit and shall take effect~~ occur at the same time as, or before~~, initial operation, of the new or modified source~~ the emission increases from the project.

[*The following three subsections (8, 9, and 10) replace the offset ratio provisions in Rule 802.E.4 and Rule 803.E.2.*]

8. Emission reductions occurring at the same stationary source as an emission increase shall be provided at an offset ratio of 1.1 to 1.

9. Emission reductions that do not occur at the same stationary source as an emission increase shall be provided at an offset ratio of 1.3 to 1, except as provided in Section D.10.

10. Pursuant to California Health and Safety Code Section 40709.6, emission reductions located in Ventura County and San Luis Obispo County may be considered for use at stationary sources in the District. A minimum offset ratio of 1.5 to 1 shall apply to these reductions. ~~-~~A higher offset ratio may be established on a case-by-case determination by the District.

[*The following is amended text from Rule 802.F.2, which is similar to Rule 803.J.2 text.*]

E. Requirements – Baseline Calculations for Affected Pollutants

The emissions from an existing source to be used as an offset~~,~~ shall be based upon the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years. The Control Officer may approve any other time period of at least three years within five years prior to the date of application that is more representative of normal source operation. If a violation of ~~L~~laws, ~~R~~rules, ~~R~~regulations, ~~P~~permit conditions or orders of the District, the Air Resources Board or the Environmental Protection Agency occurred during the period used to determine the operating conditions, an adjustment shall be made to determine the emissions the existing source would have caused without such violation~~s~~.

RULE 805. AIR QUALITY IMPACT ANALYSIS, ~~AND~~ MODELING, MONITORING, AND AIR QUALITY INCREMENT CONSUMPTION~~.~~
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

[*Many of these new provisions are being relocated from Rule 803.*]

A. Applicability

This rule shall apply to any new or modified stationary source ~~where~~ that requires an air quality impact analysis, ~~or~~ modeling, monitoring, or air quality increment analysis ~~is required~~. ~~-~~Projects subject to Federal Prevention of Significant Deterioration shall also comply with the requirements of Rule 810, Federal Prevention of Significant Deterioration.

B. Exemptions

None.

C. Definitions

~~See Rules 102 and 801 for definitions.~~See Rule 102, Definitions, and Rule 801, New Source Review - Definitions and General Requirements, for definitions.

[*Deleted since the term is not necessary.]*
~~**"Excessive pollutant concentrations**" means that concentration in excess of any applicable ambient air quality standard or increment.~~

[*Relocated to Rule 102.]*
~~"**Effective Stack Height**" means the height equal to the lesser of 1) 30 meters, or 2) H + 1.5 L, where H is the height of, and L is the lesser dimension (height or width) of, the source, or nearby structure, or, 3) such other height as is demonstrated to ensure that emissions do not result in excessive pollutant concentrations in the immediate vicinity of the source as a result of atmospheric downwash, eddies, or wakes which may be created by the source, nearby structures or terrain.~~

D. Requirements – General

[*The following updates reflect actual District practice. EPA modeling guidance is found in Appendix W to Part 51 of the Code of Federal Regulations. Fee provision is already covered by Rule 210*]

1. Air Quality Models~~:~~

All air quality models shall be consistent with the requirements provided in the most recent "Guideline~~s~~ on Air Quality Models" prepared by the Environmental Protection Agency (Appendix W to 40 CFR Part 51) unless the Control Officer finds that such a model is inappropriate for use. ~~As of the adoption date of this rule, "Guideline on Air Quality Models," is 450/2-78-027R, July 1986.~~ -After making such finding, the Control Officer may designate an alternate model only after allowing for public comment and only with concurrence of the California Air Resources Board and the Environmental Protection Agency. ~~District costs relating to modeling shall be reimbursed by the applicant pursuant to District cost reimbursement provisions.~~

2. ~~Requirement –~~ Effective Stack Height

For the purposes of determining effective stack height, the influence of a nearby structure is limited to five times its height or width, whichever is less, downwind. In meeting the requirements of this ~~R~~rule pertaining to compliance with applicable ambient air quality standards or increments, the degree of emission limitation required shall not be affected by:

a. so much of the stack height of any source as exceeds good engineering practice, or

b. any other dispersion technique.

E. Requirements – Air Quality Impact Analysis: Class I Area

[*The following is transferred from Rule 803.F.3.*]

If a new or modified source will impact a Class I Area, the applicant shall analyze the stationary source's impact on air quality related values for those values which the Federal Land Manager has identified.

[*The following is transferred from Rule 803.I with text modifications to simplify the process. Since federal PSD projects are also subject to Rule 810, we are able to simplify the process under this rule by eliminating the complex procedures regarding baselines and have simplified the increment consumption options. These changes reflect our actual practice over the years for non-federal PSD projects. These more complex procedures remain under Rule 810 for projects subject to federal PSD requirements.*]

F. Requirements – Ambient Air Quality Standards and Air Quality Increments

1. In no case shall the emissions from the new or modified stationary source cause the violation of an ambient air quality standard or lead to the violation of any air quality increment. ~~The provisions contained in Rule 805, shall be used to estimate the effects of a new or modified source. In making this determination the Control Officer shall take into account the mitigation of emissions through offsets obtained pursuant to this Rule.~~

[*Moved from below to enhance clarity]*

2. Baseline air quality shall be the ambient concentration level reflecting actual air quality as monitored by District monitoring equipment or by applicant pre-construction monitors installed pursuant to Rule 802.G, Requirements – Air Quality Impact Analysis: Pre and Post Construction Monitoring.

3. The applicant may consume the full increment range, where ~~noted~~ provided in Table ~~3~~1, if the applicant ~~enters into a Memorandum of Agreement with the District~~ provides~~ing~~ ~~for~~ alternative mitigation as required herein. The cost of such mitigation shall not exceed $333 per year per microgram/m^3 over the lower level of the increment range for this pollutant. ~~based on the maximum modeled concentration of the first year of operation of the stationary source, and thereafter based on the single actual worst case contribution by the stationary source to monitored concentrations during the previous year. If post-construction monitoring shows no consumption beyond the lower level of the increment range for any period of three consecutive years after the year of peak projected emissions, then no further monitoring or mitigation shall be required for the purposes of this sub-section. If, subsequent to the termination of monitoring or mitigation, the APCD determines that consumption has increased beyond the lower level of the increment range, District may require reinstatement of post-construction monitoring or mitigation. As an alternative to monitoring-based mitigation costs, the applicant may choose, with consent of the District, to base t~~The maximum cost of mitigation for the first year shall be based on the maximum modeled concentration of the projected peak emissions year, thereafter depreciating this amount by 10

percent per year over 10 years or the life of the project, whichever is less. ~~The District's consent shall not be unreasonably withheld provided that the 10 year depreciation schedule results in an equitable, realistic approximation of the applicant's projected annual emission rate.~~ Cost of mitigation during the final year of the project shall be prorated to reflect the portion of the year during which the facility is in operation.

~~This increment and mitigation requirement shall be reviewed if the Air Resources Board or Environmental Protection Agency develop an increment or other alternative with supporting technical rationale~~

~~Baseline air quality shall be the ambient concentration level reflecting actual air quality as monitored or modeled as of the existing baseline date shown in the air quality increments table, minus any contribution attributable to emissions from major stationary sources and modifications (as defined in 40 CFR 52.21(b) as it existed on 8-7-80) constructed since January 6, 1975.~~

[*Note: The Rule 803 Table 3 is being transferred here with amendments. The baseline date column was deleted, but does not show as such due to MS Word limitations.*]

Table ~~3~~1: ~~–~~Air~~IR~~ Quality~~UALITY~~ Standards and I~~NCREMENTS~~ncrements [1]

~~Maximum Allowable Increase (in micrograms/cubic meter)~~

Pollutant: ~~Monitoring Level~~Averaging Period	Maximum Allowable Increase – Increments (ug/m^3) Class I	Class II	Air [2] Quality Standard (ug/m^3)
***Total Suspended Particulates*:**			
Annual Geometric Mean	5	19	--
24-Hour Maximum	10	37	--
Sulfur Dioxide:			
Annual Arithmetic Mean	2	20	80
24-Hour Maximum	5	91	~~365~~105
3-Hour Maximum	25	512	1,300
1-Hour Maximum	--	--	196
Nitrogen ~~Oxides~~Dioxide:			
Annual Arithmetic Mean	2.5	25	~~100~~57
1-Hour Maximum~~1~~,3	10	100~~- to 470~~188	~~470~~188
Carbon Monoxide:			
8-Hour Maximum	200	2,500	10,000
1-Hour Maximum~~1~~	800	10,000	~~40,000~~23,000
Reactive Organic Compounds~~1~~:			
3-Hour Maximum3	3	40-160	--
Particulate Matter (<10 µm):			
Annual Arithmetic Mean	4	17	~~50~~20
~~24-Hour Maximum~~	~~8~~	~~30~~	~~150~~

24-Hour Maximum~~1,~~[3]	8	12-30	50
Particulate Matter (<2.5 µm):			
Annual Arithmetic Mean	1	4	12
24-Hour Maximum	2	9	35

[1] Also see Rule 809 and Rule 810 for projects subject to Federal review. ~~Not a federal increment.~~

[2] Air Quality Standards represent the most stringent of State and Federal standards.

~~*~~[3] The applicant may consume the full increment range pursuant to the requirements of Section ~~I~~F.3~~2~~.

[*The following is transferred from Rule 803.J with slight text modifications.*]

G. Requirements – Calculations for an Air Quality Impact Analysis and/or Modeling

1. The maximum design capacity (potential to emit) of a new stationary source or modification shall be used to determine the emissions from the new source or modification. However, the applicant may agree to ~~federally~~ enforceable limitations on the operation of the new source or modification. If those limitations are included in both Authorities to Construct and Permits to Operate issued according to the r~~R~~ule, then those limitations shall be used to establish the emissions from the new source or modifications.

2. The emissions from an existing source shall be based on the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years. The Control Officer may approve any other time period of at least three years within five years prior to the date of application that is more representative of normal source operation. If violation of laws, rules, regulations, permit conditions, or orders of the District, the Air Resources Board, or the Environmental Protection Agency occurred during the period used to determine the operating conditions, then an adjustment~~s to the operating conditions~~ shall be made to determine the emissions the existing source would have caused without such violations.

[*The following is transferred from Rule 803.K.1. Except for the Air Quality Increment Analysis section, the remaining provisions of Rule 803.K are not being transferred as they are redundant to Rules 802 and 810*]

H. Requirements – Air Quality Increment Analysis~~Administration~~

~~1. Air Quality Increment Analysis~~

The Control Officer shall evaluate the impact on the air quality increment of the emissions from the proposed source~~and any offsets obtained pursuant to Section F.2. (offset requirement)~~. Any emissions from secondary emissions associated with the source shall be included in the determination of increment consumption.

RULE 806. EMISSION REDUCTION CREDITS.
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

A. Applicability

This Rrule shall apply to any person seeking to register emission reductions of affected pollutants as Emission Reduction Credits for use as offsets pursuant to Rule 804, Offsets.

B. Exemptions

None.

C. Definitions

See Rules 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions applicable to this Rule.

D. Requirements – Eligibility of Emission Reductions.

1. Emission Reduction Credits shall be allowed for actual emission reductions which have been demonstrated to the satisfaction of the Control Officer to be real, surplus, permanent, quantifiable, and enforceable and which meet the requirements of these Rules and Regulations.

2. Emission reductions shall meet all requirements specified in Rule 804.D for sources which provide emission offsets and all requirements of this Rrule to be eligible for registration as offsets. Emission Reduction Credits shall not be allowed for emission reductions occurring in another district or for Outer Continental Shelf Sources for which the District is not the corresponding onshore area.

3. Emission reductions which occur prior to the Control Officer's determination that the application for the Emission Reduction Credit is complete shall not be eligible as Emission Reduction Credits.

4. Emission reductions for Toxic Air Contaminants shall be eligible for Emission Reduction Credits only as the appropriate criteria pollutant.

5. Emission Reduction Credits shall be subject to all requirements of the Environmental Protection Agency prior to use.

6. Withdrawal of an application by an applicant shall result in the cancellation of the application. Any resubmittal shall be evaluated using a baseline calculated as of the date of application completeness.

7. **Department of Defense Credits:** Emission reduction credits recognized though a memorandum of agreement between the Board and the Department of Defense shall be registered pursuant to this Rrule in order to be used as Emission Reduction Credits.

    a. The applicant shall be subject to and comply with the requirements of Section F (Application Procedures), G (Source Register), H.(1) (Certificates), J (Use), K (Moratoriums) and L (Fees) of this Rrule. The applicant shall file an application to register such Emission Reduction Credits pursuant to Section F.1 within 90 days after the date of adoption of this Rrule.

b. Notwithstanding any other provisions of these Rules, Emission Reduction Credits held by the Department of Defense that were created pursuant to a memorandum of agreement between the Board and the Department of Defense shall:

[*Added text that clarified the original intent that these credits may be used for NASA activities operated under the VAFB stationary source. This does not apply to Commercial Space operations – these fall under a separate SIC*].

1). ~~b~~Be used solely for a single stationary source whose activities have a standard industrial classification code for national defense or space research and technology;

2). ~~n~~Not be transferable;

3) N~~n~~ot be subject to Reasonably Available Control Technology discounting upon use; and

4) A~~a~~fter use, may be re-registered for the full original value, as Emission Reduction Credits pursuant to Section G and be used in accordance with this ~~R~~rule.

E. Requirements – Emission Reduction Discounts

Emission reductions that result from a shutdown or a reduction in throughput shall be discounted by the greater of the following:

1. T~~t~~he amount of the emissions reduction that could be controlled by the application of the best available control technology applicable on the date the application to register emission reduction credits is deemed complete if:~~,~~

   a. T~~t~~he actual emission reductions are greater than 25 ~~lbs/day~~pounds per day, and

   b. T~~t~~here is no reasonably available control technology for the emission unit.

2. T~~t~~wenty (20) percent.

F. Requirements – Emission Reduction Credit Application Procedures

1. **Application Form and Completeness:** The Application Form and Completeness procedures of Rule 208, Action on Applications – Time Limits, shall apply to the submission of applications for Emission Reduction Credits. An application for an Emission Reduction Credit shall include an application for an Authority to Construct or to cancel or revise the Permit to Operate for the source providing the emission reduction. For purposes of processing, the application for the Emission Reduction Credit and the application for the modification to the Authority to Construct or cancellation or revision of the Permit to Operate shall be considered one application.

2. **Source Tests:** The Control Officer may require source test results, continuous emission monitoring, production records, fuel use records and any other information necessary to evaluate an application. All source testing shall be conducted in accordance with District approved protocols.

3. **Preliminary Decision:** After an application has been deemed complete, the Control Officer shall analyze the application based on applicable federal, state, and local control strategies and the requirements of these Rules and Regulations. Such analysis shall be completed within 120 days after a determination that the application is complete.

4. **Publication and Public Comment:** Within 10 days of any preliminary decision pursuant to F.3, above, which proposes to allow the registration of emissions which exceed the emission reduction levels specified in Table 1, below, the Control Officer shall publish in at least one newspaper of general circulation throughout the District a public notice stating the preliminary decision of the Control Officer, noting how pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication. The notice shall identify the applicant and the quantity of emission reductions requested as Emission Reduction Credits.

Table 1: Public Notice Thresholds for ~~ERC~~ Emission Reduction Credit Approvals

Pollutant	Proposed ~~ERC~~Emission Reduction Credit (Tons per Year)
PM_{10}	15
Carbon Monoxide	25
All ~~other n~~Nonattainment pollutants (except CO and PM_{10})	10
~~Carbon Monoxide~~	~~25~~
All ~~other a~~Attainment pollutants (except CO and PM_{10})	20

5. **Decision**

Within 180 days after the applicant submits a complete application pursuant to F.~~.~~1, above, and after considering all comments received pursuant to F.~~4~~, above, the Control Officer ~~wi~~shall reach a decision and notify the applicant. If the Control Officer approves the application for Emission Reduction Credits, the Control Officer shall:

a. ~~a~~Approve a Decision of Issuance that approves the emission reduction credits subject to appropriate conditions;

b. ~~i~~Issue an Authority to Construct permit or, for sources which are providing emission reductions due to being shutdown, the Control Officer shall cancel the Permit to Operate; and

c. P~~p~~ublish a notice of that decision in accord with the provisions of F.4, above, if the amount of the approved Emission Reduction Credit exceeds any threshold set forth in Table 1.

6. **Appeals**

a. The applicant may appeal the Control Officer's decision to the Hearing Board within 30 days after receipt of the Control Officer's decision.

b. Within 30 days of any decision to issue an Emission Reduction Credit, any aggrieved person who, in person or through a representative, appeared, submitted written testimony, or otherwise participated in the action before the District, may request the Hearing Board to hold a public hearing to determine whether the Emission Reduction Credit application was properly issued.

c. Any appeal shall follow the procedures for filing petitions set forth in Regulation V, Hearing Board, and pay fees set forth in Schedule F.12 of Rule 210, Fees, that apply~~is applicable~~ to appeals of permit decisions.

7. **Modification/Cancellation of Permit to Operate**

Prior to the issuance of any Certificate or entry in the Source Register of any Emission Reduction Credit, the applicant shall modify the Permit to Operate or, for emission reduction due to shutdowns, the Permit to Operate shall be cancelled or revised, for the source providing the emission reduction.

G. Requirements – Source Register

Upon the Control Officer's determination to approve an Emission Reduction Credit and the issuance or cancellation of the Permit to Operate for the source providing the emission reduction, the Control Officer shall register such Emission Reduction Credit in the Source Register. The Source Register shall provide the name of the owner(s), amount and type of pollutant qualified as Emission Reduction Credits, the date of registration, the ~~zone within the District where the~~ location of the source supplying the emission reduction ~~is located~~, and any other information deemed necessary by the Control Officer. The Emission Reduction Credits shall be registered until cancelled or nullified by operation of law.

H. Requirements – Emission Reduction Certificates

1. Upon registration in the Source Register, the Control Officer shall issue a Certificate evidencing all approved reductions of emissions of pollutants to the owner or owners of the emissions source. Certificates evidencing ownership of approved reductions shall not constitute instruments, securities or any other form of property.

2. Emission Reduction Credits shall be valid for a period of 5 years from the date of registration. Such credits may be renewed if all requirements of these Rules and Regulations are met and an application for renewal is submitted to the District prior to expiration. The application shall be on a form approved by the Control Officer and shall be accompanied by a filing fee pursuant to item 1 of Schedule F of Rule 210, Fees. Failure to timely file an application for renewal ~~shall~~ may result in ~~automatic~~ the termination of the Emission Reduction Credit.

I. Requirements – Transfers

1. Transfer of all or any portion of an Emission Reduction Credit shall be in writing and signed by the transferor in a form authorized by law. Involuntary transfers shall conform to the requirements of Health and Safety Code section 40711. The instrument shall be filed with the District within 30 days of signing and shall specify or be accompanied by the following:

   a. T~~t~~he amount and type of Emission Reduction Credits transferred;

   b. A~~a~~ copy of the current Emission Reduction Credit Certificate which is to be cancelled or modified and reissued by the District;

   c. A~~a~~n application on a form prescribed by the Control Officer requesting the issuance of a new Emission Reduction Credit Certificate; and

   d. ~~t~~The cost, in dollars per ton of each pollutant, paid for the purchase of the Emission Reduction Credit.

2. A filing fee as specified in item 1 of Schedule F of Rule 210, Fees, shall accompany any application for transfer an Emission Reduction Credit.

3. No transfer shall be effective until the required written notice, fee for transfer, and any other delinquent fees due to the District are paid.

4. Upon filing a copy of the instrument of transfer, application and fee for transfer, and all delinquent fees with the District, the transfer shall be complete and the title so transferred shall vest in the transferee. A new Certificate shall be issued to the transferee and the last previous original Certificate shall be cancelled or modified as necessary. The new Certificate and cancelled or modified Certificate shall be recorded in the Source Register.

J. Requirements – Use of Emission Reduction Credits

An Emission Reduction Credit may be used by the owner to provide offsets required by these Rules and Regulations to the extent allowed by state and federal law. An Emission Reduction Credit shall qualify as an offset upon surrender of the Certificate to the District subject to the requirements of these Rules and Regulations. Such Emission Reduction Credit shall be used in a manner consistent with the Certificate and in accordance with all other requirements of these Rules and Regulations at the time of use, including the applicable offset ratio.

K. Requirements – Moratorium on Registered Emission Reduction Credits

If the Control Officer determines that additional mandatory emission reductions will be necessary to attain an ambient air quality standard, the Control Officer may declare a full or partial moratorium on the use of emission reduction credits, after opportunity for public comment which complies with the notice requirements of Section F.4. Such a moratorium shall be lifted after the Control Officer determines that the District's air quality attainment plan demonstrates attainment of such standards.

L. Requirements – Fees

Processing of applications for Emission Reduction Credits shall be subject to the Cost Reimbursement provisions of Rule 210, Fees.

RULE 102. DEFINITIONS

(Adopted 10/18/1971, revised 1/12/1976, readopted 10/23/1978, revised 7/11/1989, 7/10/1990, 7/30/1991, 7/18/1996, 4/17/1997, 1/21/1999, 5/20/1999, 6/19/2003, 1/20/2005, 6/19/2008, 1/15/2009, 9/20/2010, 1/20/2011, 3/17/2011, 6/21/2012, and [*date of amended rule adoption*])

These definitions apply to the entire rulebook. Definitions specific to a given rule are defined in that rule or in the first rule of the relevant regulation. Except as otherwise specifically provided in these Rules where the context otherwise indicates, words used in these Rules are used in exactly the same sense as the same words are used in Division 26 of the Health and Safety Code.

"Actual Emission Reductions" means a reduction of actual emissions from the stationary source selected for emission offsets, from a baseline which is representative of normal operations approved by the Air Pollution Control Officer. This baseline shall be determined in accordance with Rule 804.E.

"Aerosol Product" means a hand-held, non-refillable container that expels pressurized product by means of a propellant-induced force.

"Affected Pollutants" means all pollutants for which an ambient air quality standard has been established by the Environmental Protection Agency or the Air Resources Board and the precursors to such pollutants, all pollutants regulated by the Environmental Protection Agency under the Clean Air Act or by the Air Resources Board under the Health and Safety Code, including reactive organic compounds, nitrogen oxides, sulfur oxides, PM_{10} (particulate matter with aerodynamic diameter of ten micrometers or less as measured by reference method 40 Code of Federal Regulations Part 50 Appendix J), $PM_{2.5}$ (particulate matter with aerodynamic diameter of 2.5 micrometers or less as measured by reference method 40 Code of Federal Regulations Part 50 Appendix L), carbon monoxide, total suspended particulates, ethylene, lead, asbestos, beryllium, mercury, vinyl chloride, fluorides, sulfuric acid mist, hydrogen sulfide, total reduced sulfur, and reduced sulfur compounds. Also, all of the pollutants which the Environmental Protection Agency after notice and opportunity for public comment, or the Air Resources Board, or the District after public hearing, determine may have a significant adverse effect on the environment, the public health, or the public welfare.

"Agricultural Burning" means "agricultural burning" as defined in Health and Safety Code Section 39011.

"Agricultural Operations" means the growing and harvesting of crops or raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural operations do not include the processing or distribution of crops or fowl.

"Air Contaminant" includes, but is not limited to, smoke, charred paper, dust soot, grime, carbon, noxious acids, fumes, gases, odors, or particulate matter, or any combination thereof.

"Air Pollutant" means "Affected Pollutant" as defined in this rule.

"Air Quality Impact Analysis" means the use of an air quality simulation model, based on specified assumptions and data, to predict the maximum impact of the pollutant in areas over land and water accessible to the public.

"Air Quality Increment" means an increment of allowable air quality degradation, beyond the baseline air quality level.

"Air Quality Related Value" means a feature or property of an area that is affected in some way by the air pollution in issue. Identified values are visibility, odor, flora, fauna, soil, water, geologic features and cultural resources.

"Alternative Diesel Fuel" means any fuel used in a compression ignition engine that is not commonly or commercially known, sold, or represented by the supplier as diesel fuel No. 1-D or No. 2-D, pursuant to the specifications in ASTM D 975, "Standard Specification for Diesel Fuel Oils," ASTM International, or an alternative fuel, and does not require engine or fuel system modifications for the engine to operate, although minor modifications (e.g., recalibration of the engine fuel control) may enhance performance. Examples of alternative diesel fuels include, but are not limited to, biodiesel; Fischer-Tropsch fuels; emulsions of water in diesel fuel; and fuels with a fuel additive, unless:

1. the additive is supplied to the engine fuel by an on-board dosing mechanism, or
2. the additive is directly mixed into the base fuel inside the fuel tank of the engine, or
3. the additive and base fuel are not mixed until engine fueling commences, and no more additive plus base fuel combination is mixed than required for a single fueling of a single engine.

"Ambient Air Quality Standards" means those standards set by the State or Federal governments.

"Application Equipment" means a device or equipment used to apply solvent, sealant, adhesive, coating, ink, or polyester resin materials.

"ASTM" means American Society for Testing and Materials. In 2001, the American Society for Testing and Materials officially changed its name to "ASTM International."

"Atmosphere" means the air that envelopes or surrounds the earth. Where air pollutants are emitted into a building not designed specifically as a piece of air pollution control equipment, such emission into the building shall be considered an emission into the atmosphere.

"Attainment Pollutant" means any affected pollutant which is not a nonattainment pollutant. For the purposes of this definition greenhouse gases are not attainment pollutants.

"Authority to Construct" means a permit issued by the Control Officer for activities described in Rule 201.A.

"Avionic Equipment" means any electronic system used on any aircraft, aerospace vehicle, satellite, or space vehicle.

"Best Available Control Technology" means, for nonattainment pollutants, "Best Available Control Technology" as it is described in Section D.2 of Rule 802. For attainment pollutants, "Best Available Control Technology" is as described in Section D.3 of Rule 802, New Source Review.

"Best Available Retrofit Control Technology" means "Best Available Retrofit Control Technology" as defined in Health and Safety Code Section 40406.

"Board" means the Air Pollution Control Board of the Air Pollution Control District of Santa Barbara County.

"Boundary Line" means, for source emission purposes, a separation such as a fence, abutment or device that restricts public entry to any given area containing a source of emissions by locked gate or attendant. If no boundary restriction exists, or if such boundary restriction includes habitations occupied or regularly used by humans, the boundary line shall be deemed to be such distance from a source of emissions as the evaluating officer deems appropriate for measurements to be best taken, but not closer than 100 feet from such source.

"Burn Day" A "No Burn Day" means any day on which agricultural burning is prohibited by the Air Resources Board or the District. A "Permissive Burn Day" means any day on which agricultural burning is not prohibited by the Air Resources Board. The District may declare any Permissive Burn Day designated by the State Air Resources Board to be a No Burn Day if necessary to maintain suitable air quality.

"California Coastal Waters" means that area between the California coastline and a line starting at the California-Oregon border at the Pacific Ocean,

thence to 42.0 N 125.5 W
thence to 41.0 N 125.5 W
thence to 40.0 N 125.5 W
thence to 39.0 N 125.0 W
thence to 38.0 N 124.5 W
thence to 37.0 N 123.5 W
thence to 36.0 N 122.5 W
thence to 35.0 N 121.5 W
thence to 34.0 N 120.5 W
thence to 33.0 N 119.5 W
thence to 32.5 N 118.5 W
and ending at the California-Mexico border at the Pacific Ocean.

"Capture Efficiency" means the percentage by weight of affected pollutants delivered to a control device divided by the weight of total affected pollutants generated by the source.

"Carbon Adsorber" means a bed of activated carbon into which an air-solvent gas-vapor stream is routed and which adsorbs the solvent on the carbon.

"Catalytic Incinerator" means any device that burns reactive organic compounds or toxic air contaminants in air using a material that increases the rate of combustion without itself undergoing a net chemical change in the process. Common catalyst materials include but are not limited to, platinum alloys, chromium, copper oxide, and cobalt.

"CFR" means the Code of Federal Regulations, an official compilation of federal regulations generated by federal administrative agencies.

"Class I Area" means any area having air quality or air quality related values requiring special protection, and which has been designated Class I by a federal or state authority empowered to make such designation.

"Class I Impact Area" means all lands outside of a Class I area but within a 10 kilometer (6.2 miles) distance beyond the boundary of a Class I area, or other areas established by the Control Officer based on standard meteorological techniques such as hourly wind roses, frequency distribution of atmospheric wind classes, morning and afternoon mixing depths and any other meteorological or geographical considerations needed to establish the Class I impact area.

"Class II Area" means any area not designated as a Class I or Class III Area pursuant to 40 CFR 51.166(e)

"Clean Air Act" means, unless otherwise indicated, the federal Clean Air Act as amended, 42 United States Code 7401, *et seq*.

"Coating" means a material applied onto or impregnated into a substrate for protective, decorative, or functional purposes. Such materials include, but are not limited to, paints, varnishes, sealers, and stains.

"Combustible Refuse" is any solid or liquid combustible waste material containing carbon in a free or combined state.

"Combustion Contaminants" are particulate matter discharged into the atmosphere from the burning of any kind of material containing carbon in a free or combined state.

"Compression Ignition Engine" means a type of reciprocating, internal combustion engine that is not a spark ignition engine.

"Condensed Fumes" means minute solid particles generated by the condensation of vapors from solid matter after volatilization from the molten state, sublimation, distillation, calcination, or chemical reaction, when these processes create air-borne particles.

"Construction" means any physical change or change in the method of operation (including fabrication, erection, installation, or modification of an emission unit) which would result in a change in actual emissions or the source's potential to emit.

"Contiguous Property" means two or more parcels of land with a common boundary or point or separated solely by a public roadway or other public right of way.

"Control Device" means any destruction and/or recovery equipment used to destroy or recover affected pollutant emissions generated by a regulated operation.

"Control Device Efficiency" means the percentage of affected pollutants entering a control device that is not present in the exhaust to the atmosphere of that control device.

"Control Officer" means the Air Pollution Control Officer of the Air Pollution Control District of Santa Barbara County.

"Cured Adhesive, Cured Coating, or Cured Ink" means an adhesive, coating, or ink that is dry to the touch.

"Days" means calendar days unless otherwise stated. Where any deadline prescribed by these Rules and Regulations falls on a weekend or state or federal holiday, the deadline shall be the first business day after the weekend or holiday.

"Degreaser" means a "Solvent Cleaning Machine" as defined in this rule.

"Derated" means any physical change to an emission unit to physically limit and restrict the equipment's power rating from the power rating specified by the manufacturer on the date of initial manufacture of the equipment.

"Diesel Engine" means a type of internal combustion engine that uses low-volatility petroleum fuel and fuel injectors and initiates combustion using compression ignition (as opposed to spark ignition that is used with gasoline engines).

"District" means the Santa Barbara County Air Pollution Control District unless otherwise specifically indicated.

"Dual-Fuel Engine" means any compression ignition engine that is engineered and designed to operate on a combination of alternative fuels, such as compressed natural gas (CNG) or liquefied petroleum gas (LPG) and diesel fuel or an alternative diesel fuel. These engines have two separate fuel systems, which inject both fuels simultaneously into the engine combustion chamber.

"Dusts" are minute solid particles released into the air by natural forces or by mechanical process such as crushing, grinding, milling, drilling, demolishing, shoveling, conveying, covering, bagging, sweeping, etc.

"Effective Stack Height" means the height equal to the lesser of 1) 30 meters, or 2) H + 1.5 L, where H is the height of, and L is the lesser dimension (height or width) of, the source, or nearby structure, or, 3) such other height as is demonstrated to ensure that emissions do not result in excessive pollutant concentrations in the immediate vicinity of the source as a result of atmospheric downwash, eddies, or wakes which may be created by the source, nearby structures or terrain.

"Electronic Components" means the portions of an assembly, including, but not limited to: circuit card assemblies, printed wire assemblies, printed circuit boards, soldered joints, ground wires, bus bars, magnetic tapes and tape drive mechanisms, discs and disc drive mechanisms, electro-optical devices (e.g., optical filters, sensor assemblies, infrared sensors, charged coupled devices, thermal electric coolers, and vacuum assemblies), solid state components, semiconductors (e.g., diodes, zeners, stacks, rectifiers, integrated microcircuits, transistors, solar cells, light sensing devices, and light-emitting devices), and other electrical fixtures, except for the actual cabinet in which the components are housed.

"Electrostatic Spray" means any method of applying a spray coating in which an electrical charge is applied to the coating and the substrate is grounded. The coating is attracted to the substrate by the electrostatic potential between them.

"Emission Reduction Credit" means an actual emission reduction of specific type and quantity that is registered with the District in accordance with Rule 806, Emission Reduction Credits.

"Emission Reduction Credit Certificate" means a document that represents emission reduction credits registered in the Source Register, is transferable, is initially issued by the District to a source that qualifies its actual emission reductions for registration in the Source Register by meeting the requirements of Rule 806, Emission Reduction Credits.

"Emission Unit" means any identifiable piece of equipment or activity that is part of a stationary source which emits or would have the potential to emit any affected pollutant.

"Enclosed Cleaning System" means any application equipment cleaner (e.g., an enclosed gun washer) that totally encloses spray guns, cups, nozzles, bowls, and other parts during solvent washing, rinsing, and draining procedures. An enclosed cleaning system for cleaning application equipment is not a solvent cleaning machine.

"Exempt Compound" means any compound listed as an exempt compound in the definition of **"**Reactive Organic Compound.**"** Tertiary-butyl acetate (also known as t-butyl acetate or tBAc) shall be considered exempt as a reactive organic compound only for purposes of reactive organic compound emissions limitations or reactive organic compound content requirements and shall be considered a reactive organic compound for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling, and inventory requirements which apply to reactive organic compounds.

"Federally Enforceable" means all limitations and conditions which are enforceable by the Administrator of the Environmental Protection Agency.

"Flexographic Printing" means any printing method in which the image area is raised relative to the non-image area and utilizes flexible rubber or other elastomeric plate and rapid drying liquid inks.

"Fluid System" means a power transmission system that uses the force of flowing liquids and gases to transmit power. Fluid systems include hydraulic systems and pneumatic systems.

"Fluorinated Gases" means a compound that contains fluorine and exists in a gaseous state at 25 degrees Celsius and 1 atmosphere of pressure. Fluorinated gases include, but are not limited to:

1. hexafluoroethane (C_2F_6), (CFC-116),
2. octafluoropropane (C_3F_8), (PFC 218),
3. octafluorocyclopentene (C_5F_8), (PFC C-1418),
4. tetrafluoromethane (CF_4), (CFC-14),
5. trifluoromethane (CHF_3), (HFC-23),
6. difluoromethane (CH_2F_2), (HFC-32),
7. octafluorocyclobutane (c-C_4F_8), (RC 318),
8. octafluorotetrahydrofuran (C_4F_8O),

9. hexafluoro-1,3-butadiene (C_4F_6),
10. carbon fluoride oxide (COF_2),
11. nitrogen trifluoride (NF_3), and
12. sulfur hexafluoride (SF_6).

"Forest Management Burning" means the use of open fires, as part of forest management practice, to remove forest debris. Forest management practices include timber operations, silvicultural practices and forest protection practices.

"Fuel" means any substance that is burned, combusted, or incinerated in an engine, boiler, heater, burner, steam generator, process heater, flare, thermal oxidizer, or any other combustion unit, and which includes, but is not limited to, gasoline, natural gas, field gas, produced gas, waste gas, methane, digester gas, landfill gas, contaminated soil/water cleanup gaseous effluent, ethane, propane, butane, liquefied petroleum gas (LPG), jet propellants, diesel fuels, and distillate fuels.

"Fuel Additive" means any substance designed to be added to fuel or fuel systems or other engine-related engine systems such that it is present in-cylinder during combustion and has any of the following effects: decreased emissions, improved fuel economy, increased performance of the engine; or assists diesel emission control strategies in decreasing emissions, or improving fuel economy or increasing performance of the engine.

"Fugitive Emission" means an emission which could not reasonably pass into the atmosphere through a stack, chimney, vent or other functionally equivalent opening.

"Gasoline" means any organic liquid (including petroleum distillates and methanol) having a Reid vapor pressure, as measured using California Code of Regulations, Title 13, Division 3, Chapter 5, Article 4, section 2297, "Test Method for the Determination of the Reid Vapor Pressure Equivalent Using an Automated Vapor Pressure Test Instrument," of 4.0 pounds per square inch or greater and used as a motor vehicle fuel or any fuel which is commonly or commercially known or sold as gasoline, including aviation gasoline.

"Grams of Reactive Organic Compound Per Liter of Material" means the weight of reactive organic compound per volume of material and can be calculated by the following equation:

$$\textit{Grams of reactive organic compounds per liter of material} = \frac{W_s - W_w - W_e}{V_m}$$

Where:
W_s = Weight of volatile compounds in grams
W_w = Weight of water in grams
W_e = Weight of exempt compounds in grams
V_m = Volume of material in liters

"Greenhouse Gas" or **"Greenhouse Gases"** means **"Greenhouse gas"** or **"greenhouse gases"** as defined in Health and Safety Code Section 38505(g).

"Hazardous Air Pollutant" means any substance listed in or pursuant to Section 112(b) of the Clean Air Act.

"Hearing Board" means the Hearing Board provided for in Section 40801 of the Health and Safety Code as appointed by the Air Pollution Control Board of Santa Barbara County.

"High-Precision Optics" means any optical element used in an electro-optical device that is designed to sense, detect, or transmit light energy, including specific wavelengths of light energy and changes in light energy levels.

"Higher Heating Value" means the total heat liberated per mass of fuel burned (British thermal unit per pound), when fuel and dry air at standard conditions undergo complete combustion and all resulting products

are brought to their standard states at standard conditions. "Gross heating value" shall have the same meaning as "higher heating value."

"Internal Combustion Engine" means an engine in which both the heat energy and the ensuing mechanical energy are produced inside the engine. Internal combustion engines include gas turbines, spark ignition, and compression ignition engines.

"Janitorial Cleaning" means the cleaning of building or facility components including, but not limited to, floors, ceilings, walls, windows, doors, stairs, bathrooms, furnishings, and exterior surfaces of office equipment; excluding the cleaning of work areas associated with:

1. research and development, manufacturing, and repair activities; and

2. laboratory tests and analyses (including quality assurance and quality control activities) and bench scale projects.

"Large Source" means any stationary source that does not meet the criteria of a Small Source or a Medium Source as determined by the Control Officer:

"Major Modified Stationary Source" means a modification at an existing major source which:

1. will have emission increases greater than significance levels promulgated in 40 CFR 51.165 and 40 CFR 52.21, or
2. is located within 10 kilometers of a Class I area and the modification causes an impact greater than or equal to 1 microgram per cubic meter on that Class I area .

"Major Stationary Source" means a stationary source of air pollutants which emits or has the potential to emit one hundred tons per year or more of any pollutant.

"Medium Source" means any stationary source that is not a Small Source and where:

1. The Permitted Emissions for the stationary source will be less than all of the values listed below:

Reactive Organic Compounds	10.0 tons/year,
Oxides of Nitrogen (as NO_2)	10.0 tons/year,
Particulate Matter less than 10 microns	10.0 tons/year
Total Suspended Particulate Matter	10.0 tons/year
Sulfur Oxides (as SO_2)	10.0 tons/year,
Carbon Monoxide	25.0 tons/year

and

2. The proposed source does not trigger any toxics review requirements, Negative Declaration or Environmental Impact Report where the District is the lead agency pursuant to CEQA, federal NSPS or NESHAPS, federal operating permit program requirements (with the exception of General Permits) and is not located within 1,000 feet of the outer boundary of a school site.

"Modification" means any physical change in, or any change in method of operation of, or addition to an existing stationary source or any change in hours of operation or production rate which would necessitate a change in permit conditions, except that routine maintenance or repair shall not be considered a physical change. Unless previously limited by federally enforceable permit condition, the following shall not be considered changes in method of operation:

1. An increase in the production rate or hours of operation if such increase does not exceed the operating design capacity or the actual demonstrated capacity of the stationary source as approved by the Control Officer.
2. A change in operator or ownership of a source.

3. Use of an alternate fuel or raw material, provided that such use is expressly authorized on the Permit to Operate.

A reconstructed source shall be treated as a new stationary source.

"Multiple-Chamber Incinerator" is any article, machine, equipment, contrivance, structure or part of a structure, used to dispose of combustible refuse by burning, consisting of three or more refractory lined combustion furnaces in series, physically separated by refractory walls, interconnected by gas passage ports or ducts and employing adequate design parameters necessary for maximum combustion of the material to be burned. The refractories shall have a Pyrometric Cone equivalent of at least 17, tested according to the method described in the American Society for Testing Materials, Method C-24.

"Natural Draft Opening" means any opening in a room, building, or total enclosure that remains open during operation of the facility and that is not connected to a duct in which a fan is installed. The rate and direction of the natural draft through such an opening is a consequence of the difference in pressures on either side of the wall containing the opening.

"Natural Gas" means gas which meets General Order 58-A of the Public Utilities Commission.

"New Source" means any stationary source, which will emit any air contaminant not previously emitted at that location.

"Nonattainment Pollutant" means any pollutant as well as precursors for which an ambient air quality standard was exceeded within the District more than three discontinuous times (or, for annual standards, more than one time) within the three years immediately preceding the date when the application for Authority to Construct was found complete, or which has been designated "nonattainment" pursuant to final rulemaking by the Environmental Protection Agency as published in the Federal Register or the Air Resources Board as published in the California Code of Regulations.

"Open Burning in Agricultural Operations" in the growing of crops or raising of fowl or animals means:

1. The burning in the open of materials produced wholly from operations in the growing and harvesting of crops or raising of fowl or animals for the primary purpose of making a profit, or providing of livelihood, or of conducting agricultural research or instruction by an educational institution and
2. In connection with operations qualifying under Subdivision 1:
    a. The burning of grass and weeds in or adjacent to fields in cultivation or being prepared for cultivation; and
    b. The burning of material not produced wholly from such operations, but which are intimately related to the growing or harvesting of crops and which are used in the field, such as fertilizer and pesticide sacks or containers, where the sacks or containers are emptied and burned in the field.

"Operating Parameter Value" means any minimum or maximum value established for a control equipment or process parameter which, if achieved by itself or in combination with one or more other operating parameter values, determines that an owner or operator has continued to comply with an applicable emission limitation.

"Organic Materials" are defined as chemical compounds of carbon excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides, metallic carbonates and ammonium carbonate.

"Organic Solvents" means organic materials, including diluents and thinners which are liquid at standard conditions and which are used as, dissolvers, viscosity reducers or cleaning agents, except that such materials which exhibit a boiling point, as measured using ASTM D 1078-05, "Standard Test Method for Distillation Range of Volatile Organic Liquids," ASTM International, higher than 220°F at 0.5 millimeter mercury

absolute pressure or having an equivalent vapor pressure shall not be considered to be organic solvents unless exposed to temperatures exceeding 220°F.

"Outer Continental Shelf Source" means "Outer Continental Shelf Source" as defined by Section 2 of the Outer Continental Shelf Lands (43 U.S.C. Section 1331, *et seq*).

"Overall Efficiency" means the emission reduction, expressed as a percentage that results from the combined effect of capture and control of affected pollutants (capture efficiency multiplied by control efficiency).

"Particulate Matter" is any material, except uncombined water, which exists in a finely divided form as a liquid or solid at standard conditions.

"Permit to Operate" means the written permission, with any specified conditions required, that must be obtained from the Control Officer before any article~~,~~ machine, equipment or other contrivance, the use of which may cause, increase, eliminate, reduce, or control the issuance of air contaminants before it may be operated or used.

"Person" means any person, firm, association, organization, partnership, business trust, corporation, company, contractor, supplier, installer, user, or owner, or any federal, state or local governmental agency, or public district or any officer or employee thereof.

"PM_{10}" means Particulate Matter with aerodynamic diameter of less than 10 microns.

"$PM_{2.5}$" means Particulate Matter with aerodynamic diameter of less than 2.5 microns.

"Photochemically Reactive Solvent" means any organic solvent with an aggregate of more than 20 percent of its total volume composed of the chemical compounds classified below or which exceeds any of the following individual percentage composition limitations, referred to the total volume of organic solvent;

1. combination of hydrocarbons, alcohols, aldehydes, esters, ethers or ketones, having an olefinic or cyclolefinic type of unsaturation: 5 percent, or
2. combination of aromatic compounds with 8 or more carbon atoms to the molecule, except ethylbenzene: 8 percent, or
3. combination of ethylbenzene, ketones having branched hydrocarbon structures, trichloroethylene or toluene: 20 percent.

Whenever any organic solvent or any constituent of an organic solvent may be classified from its chemical structure into more than one of the above groups of organic compounds, it shall be considered as a member of the most reactive chemical group, i.e., that group having the least allowable percent of the total volume of organic solvents.

"Photoresist Coating" means any coating applied directly to a substrate to protect surface areas when chemical milling, etching, or other chemical surface operations are performed on the substrate.

"Pollutant" means "Affected Pollutant" as defined in this rule.

"Portable Internal Combustion Engine" means any internal combustion engine that is portable, meaning it is carried or moved from one location to another in the normal course of business. Indicia of portability shall include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, vessel, or platform. "Portable internal combustion engine" does not include an engine used to propel nonroad equipment or a motor vehicle of any kind, including, but not limited to, a heavy duty vehicle. The engine is not portable if:

1. the engine 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. The period during which the engine is maintained at a storage facility shall be excluded from the residency time determination. Any engine, such as a back-up or stand-by engine, that replace engine(s) at a location, and is intended

to perform the same or similar function as the engine(s) being replaced, will be included in calculating the consecutive time period. In that case, the cumulative time of all engine(s), including the time between the removal of the original engine(s) and installation of the replacement engine(s), will be counted toward the consecutive time period; or

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

3. the engine is moved from one location to another in an attempt to circumvent the portable residence time requirements.

"Potential to Emit" means the maximum capacity of the stationary source to emit a pollutant, including fugitive emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation is enforceable. Secondary emissions do not count in determining the potential to emit.

"Precursor" means any directly emitted pollutant that, when released into the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which an ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more ambient air quality standards. The following precursor/pollutant relationships shall be used for purposes of these Rules and Regulations:

Precursor	Secondary Pollutant
Reactive Organic Compounds	Ozone The organic fraction of PM_{10}
Oxides of Nitrogen	Ozone Nitrogen Dioxide The nitrate fraction of PM_{10} and $PM_{2.5}$
Oxides of Sulfur	Sulfates Sulfur Dioxide The sulfate fraction of PM_{10} and $PM_{2.5}$

"Process Weight Per Hour" means the total Process Weight divided by the number of hours in one complete operation from the beginning of any given process to the completion thereof, excluding any time during which the equipment is idle. "Process Weight" is the total weight of all materials introduced into any specific process which may cause any discharge into the atmosphere. Solid fuels charged will be considered as part of the process weight, but liquid and gaseous fuels and combustion air will not.

"Quarterly" means, unless otherwise indicated, January through March, April through June, July through September, and October through December.

"Range Improvement Burning" means the use of open fires to remove vegetation for a wildlife, game or livestock habitat or for the initial establishment of an agricultural practice on previously uncultivated land.

"**Rated Brake Horsepower**" means the continuous brake horsepower rating specified for the engine by the manufacturer or listed on the original nameplate of the unit, unless otherwise physically limited and specified by a condition on the engine's Permit to Operate.

"**Reactive Organic Compound"** means any compound containing at least one (1) atom of carbon, except for the following exempt compounds:

1. acetone
2. ammonium carbonate
3. carbon dioxide
4. carbon monoxide
5. carbonic acid
6. dimethyl carbonate
7. ethane
8. metallic carbides or carbonates
9. methane
10. methyl acetate
11. methyl chloroform (1,1,1-trichloroethane)
12. methyl formate; $HCOOCH_3$
13. cyclic, branched, or linear completely methylated siloxane compounds
14. methylene chloride
15. parachlorobenzotrifluoride
16. perchloroethylene (tetrachloroethylene)
17. the following four classes of perfluorocarbon (PFC) compounds:
    a. cyclic, branched, or linear, completely fluorinated alkanes,
    b. cyclic, branched, or linear, completely fluorinated ethers with no unsaturations,
    c. cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations, and
    d. sulfur containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.
18. propylene carbonate
19. tertiary-butyl acetate; $C_6H_{12}O_2$ ("acetic acid, 1,1-dimethylethyl ester")

    Tertiary-butyl acetate (also known as t-butyl acetate or tBAc) shall be considered exempt as a reactive organic compound only for purposes of reactive organic compound emissions limitations or reactive organic compound content requirements and shall be considered a reactive organic compound for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling, and inventory requirements which apply to reactive organic compounds.
20. CFC-11 (trichlorofluoromethane)
21. CFC-12 (dichlorodifluoromethane)
22. CFC-113 (1,1,2-trichloro-1,2,2-trifluoroethane)
23. CFC-114 (1,2-dichloro 1,1,2,2-tetrafluoroethane)
24. CFC-115 (chloropentafluoroethane)
25. HCFC-22 (chlorodifluoromethane)
26. HCFC-31 (chlorofluoromethane)
27. HCFC-123 (1,1,1-trifluoro 2,2-dichloroethane)
28. HCFC-123a (1,2-dichloro-1,1,2-trifluoroethane)
29. HCFC-124 (2-chloro-1,1,1,2-tetrafluoroethane)
30. HCFC-141b (1,1-dichloro 1-fluoroethane)
31. HCFC-142b (1-chloro-1,1 difluoroethane)
32. HCFC-151a (1-chloro-1-fluoroethane)
33. HCFC-225ca (3,3-dichloro-1,1,1,2,2-pentafluoropropane)
34. HCFC-225cb (1,3-dichloro-1,1,2,2,3-pentafluoropropane)
35. HFC-23 (trifluoromethane)

36. HFC-32 (difluoromethane)
37. HFC-43-10mee (1,1,1,2,3,4,4,5,5,5-decafluoropentane)
38. HFC-125 (pentafluoroethane)
39. HFC-134 (1,1,2,2-tetrafluoroethane)
40. HFC-134a (1,1,1,2-tetrafluoroethane)
41. HFC-143a (1,1,1-trifluoroethane)
42. HFC-152a (1,1-difluoroethane)
43. HFC-161 (ethylfluoride)
44. HFC-227ea (1,1,1,2,3,3,3-heptafluoropropane)
45. HFC-236ea (1,1,1,2,3,3-hexafluoropropane)
46. HFC-236fa (1,1,1,3,3,3-hexafluoropropane)
47. HFC-245ca (1,1,2,2,3-pentafluoropropane)
48. HFC-245ea (1,1,2,3,3-pentafluoropropane)
49. HFC-245eb (1,1,1,2,3-pentafluoropropane)
50. HFC-245fa (1,1,1,3,3-pentafluoropropane)
51. HFC-365mfc (1,1,1,3,3-pentafluorobutane)
52. HFE-7000; n-$C_3F_7OCH_3$; (1,1,1,2,2,3,3-heptafluoro-3-methoxy-propane)
53. HFE-7100; $(CF_3)_2CFCF_2OCH_3$; (2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane) or $C_4F_9OCH_3$; (1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane)
54. HFE-7200; $(CF_3)_2CFCF_2OC_2H_5$; (2-(ethoxydifluoromethyl)-1,1,1,2,3,3,3-heptafluoropropane) or $C_4F_9OC_2H_5$; (1-ethoxy-1,1,2,2,3,3,4,4,4-nonafluorobutane)
55. HFE-7300; (1,1,1,2,2,3,4,5,5,5-decafluoro-3-methoxy- 4-trifluoromethyl-pentane)
56. HFE-7500; (3-ethoxy- 1,1,1,2,3,4,4,5,5,6,6,6-dodecafluoro-2- (trifluoromethyl) hexane)

Rule 202.D.10.l.1 requires an Authority to Construct and Permit to Operate when using more than one gallon per year per stationary source of any one of the following exempt compounds:

(6)	dimethyl carbonate,	(37)	HFC-43-10mee,
(12)	methyl formate,	(50)	HFC-245fa,
(33)	HCFC-225ca,	(51)	HFC-365mfc, or
(34)	HCFC-225cb,	(53)	HFE-7100 [$(CF_3)_2CFCF_2OCH_3$ or $C_4F_9OC_2H_5$]

Rule 202.D.10.l.2 requires an Authority to Construct and Permit to Operate when using more than one gallon per year per stationary source of: (19) tertiary-butyl acetate.

The one gallon per year per stationary source limit is a per compound limit for each compound in aggregate for the entire stationary source and includes any amounts of the compound used in mixed or diluted product.

"Reactive Organic Compound Composite Partial Pressure" means the sum of the partial pressures of compounds defined as reactive organic compounds. Reactive organic compound composite pressure shall be calculated as follows:

$$PP_C = \frac{\sum_{i=1}^{n} (W_i)(VP_i) / MW_i}{W_w / MW_w + \sum_{e=1}^{n} W_e / MW_e + \sum_{i=1}^{n} W_i / MW_i}$$

Where: W_i = Weight of the "i"th reactive organic compound, in grams
W_w = Weight of water, in grams
W_e = Weight of the "e"th exempt compound, in grams
MW_i = Molecular weight of the "i"th reactive organic compound, in grams per grams-mole
MW_w = Molecular weight of water, in grams per grams-mole

MW_e = Molecular weight of the "e"th exempt compound, in grams per grams-mole
PP_c = Reactive organic compound composite partial pressure at 20 degrees Celsius, in millimeters of mercury
VP_i = Vapor pressure of the "i"th reactive organic compound at 20 degrees Celsius, in millimeters of mercury

"Reasonable Further Progress" means annual incremental reductions in emissions of the relevant air pollutant and its precursors required to ensure attainment of the applicable air quality standard by the applicable date.

"Reconstructed Source" means any source undergoing reconstruction where fixed capital costs of the new components exceeds fifty percent (50%) of the fixed capital cost of a comparable entirely new source. Fixed capital cost means the capital needed to provide all depreciable components.

"**Regulation"** means one of the major subdivisions of the Rules of the Air Pollution Control District of Santa Barbara County.

"Rotogravure Printing" means any printing process where the image area is etched or engraved relative to the surface of the image cylinder. Ink is transferred from minute etched wells on a plate cylinder to a substrate, which is supported by an impression roller, with excess ink removed by a doctor blade. The substrate is fed through the printing press in continuous rolls.

"Rule" means a rule of the Air Pollution Control District of Santa Barbara County.

"Scientific Instrument" means an instrument, including the components, assemblies, and subassemblies used in their manufacture, and associated accessories and reagents, that is used for the detection, measurement, analysis, separation, synthesis, or sequencing of various compounds.

"Section" means section of the Health and Safety Code of the State of California unless some other statute is specifically mentioned.

"Secondary Emissions" means emissions which would occur as a result of the construction or operation of a stationary source or modification, impact the same general area, but do not come from the source itself. Secondary emissions include emissions from any offsite support facility which would not be constructed or increase its emissions except as a result of the construction or operation of the source or modification. Secondary emissions do not include any emissions which come directly from a mobile source such as emissions from the tailpipe of a motor vehicle, from a train, or from a vessel.

"Small Source" means a stationary source that meets the following criteria as determined by the Control Officer:

1. The Permitted Emissions from the stationary source will be less than each of the values listed below:

Reactive Organic Compounds	5.0 tons/year,
Oxides of Nitrogen (as NO_2)	5.0 tons/year,
Particulate Matter less than 10 microns	5.0 tons/year
Total Suspended Particulate Matter	5.0 tons/year
Sulfur Oxides (as SO_2)	5.0 tons/year,
Carbon Monoxide	25.0 tons/year

and

2. The proposed source does not trigger any toxics review requirements, Negative Declaration or Environmental Impact Report where the District is the lead agency pursuant to CEQA, federal

NSPS or NESHAPS, federal operating permit program requirements (with the exception of General Permits) and is not located within 1,000 feet of the outer boundary of a school site, and

3. The permit application must deal exclusively with equipment that is listed by the Control Officer as certified and must not require a source test to demonstrate compliance, and
4. The applicant must be willing to accept standard permit conditions as established by the Control Officer.

"Solvent" means "Organic Solvent" as defined in this rule.

"Solvent Cleaning" means any activity, operation, or process (including, but not limited to, surface preparation, cleanup, or wipe cleaning) performed outside of a solvent cleaning machine, that uses solvent to remove uncured adhesives, uncured coatings, uncured inks, uncured polyester resin material, uncured sealant, or other contaminants, including, but not limited to, dirt, soil, oil, lubricants, coolants, moisture, fingerprints, and grease, from parts, products, tools, machinery, application equipment, and general work areas. Cleaning spray equipment used for the application of coating, adhesive, ink, polyester resin material, or sealant is also considered to be solvent cleaning irrespective of the spray material being cured.

"Solvent Cleaning Machine" means any device or piece of equipment that uses solvent liquid or vapor to remove soils, moisture, or other contaminants from the surfaces of materials. Types of solvent cleaning machines include, but are not limited to, batch cold, batch vapor, in-line cold, in-line vapor, remote reservoir, and gas-path solvent cleaners, as defined in Rule 321, Solvent Cleaning Machines and Solvent Cleaning. Buckets, pails, and beakers with capacities of 3.785 liters (1.00 gallon) or less are not considered solvent cleaning machines. However, the use of such a container or similar containers (e.g., hand-held spray bottles) with a solvent for cleaning is considered to be solvent cleaning. Any device or piece of equipment used exclusively for stripping shall not be considered to be a solvent cleaning machine.

"South Coast Air Quality Management District Method 303-91, "Determination of Exempt Compounds," August 1996," means the test method adopted by and in effect by the South Coast Air Quality Management District on June 21, 2012.

"South Coast Air Quality Management District Method 313-91, "Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry," June 1993," means the test method adopted by and in effect by the South Coast Air Quality Management District on June 21, 2012.

"Space Vehicle" means any man-made device, either manned or unmanned, designed for operation beyond earth's atmosphere. This definition includes integral equipment such as models, mock-ups, prototypes, molds, jigs, tooling, hardware jackets, and test coupons. Also included is auxiliary equipment associated with test, transport, and storage, which through contamination can compromise the space vehicle performance.

"Spark Ignition Engine" means a gasoline-fueled engine or other engine with a spark plug (or other sparking device) and with operating characteristics significantly similar to the theoretical Otto combustion cycle. Spark ignition engines usually use a throttle to regulate intake air flow to control power during normal operation.

"Specialty Equipment" means portable engines used to power equipment located in the Outer Continental Shelf or State Territorial Waters that satisfy all of the following conditions:

1. The portable engine is ineligible for registration in the State Portable Equipment Registration Program; and

2. A similar portable engine or equipment unit capable of performing the specialty work is not registered in the State Portable Equipment Registration Program or, if registered is not available for use; and

3. The portable engine/equipment unit performs a unique function or activity outside the normal scope of drilling or construction activities; and

4. The equipment will be used for less than 500 hours per stationary source in any calendar year and emit not more than 10 tons per stationary source of oxides of nitrogen, oxides of sulfur, reactive organic compounds, or particulate matter in any calendar year; and

5. Use of the equipment is not recurrent from year to year.

"Specialty Equipment Emergency Use" means that conditions giving rise to the use of the specialty equipment were due to 1) conditions beyond the reasonable control of the stationary source, including but not limited to the breakdown of essential drilling or construction equipment, and 2) the use of the specialty equipment is necessary to complete essential short-term projects.

"Standard Conditions" for gases means a temperature of 60 degrees Fahrenheit (15.6 degrees Celsius) and a pressure of 14.7 pounds per square inch absolute (760 mm of Mercury). Results of all analyses and tests shall be calculated and reported at this temperature and pressure.

"Stationary Source" means any building, structure, facility, or installation which emits or may emit any affected pollutant directly or as a fugitive emission. "Fugitive emissions" means those emissions of pollutants which could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening.

"Installation" includes any operation, article, machine, equipment, contrivance, or grouping of equipment belonging to the same two-digit standard industrial classification code, which emits or may emit any affected pollutant, and located on one or more contiguous properties and under common control.

"Building, structure, or facility" includes all pollutant-emitting activities including those located in California coastal waters adjacent to the District boundaries and those areas of Outer Continental Shelf waters for which the District is the corresponding onshore area which:

a) belong to the same industrial grouping

b) are located on one or more contiguous or adjacent properties (except for activities located in California coastal waters or are on the Outer Continental Shelf), and

c) are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.

Pollutant emitting activities shall be considered as part of the same industrial grouping if they are part of a common production process. (Common production process includes industrial processes, manufacturing processes, and any connected processes involving a common raw material.)

"Common operations" includes operations which are related through dependent processes, storage or transportation of the same or similar products or raw material. Emissions from all marine vessels, including cargo carriers, servicing or associated with a stationary source shall be considered emissions from the stationary source while operating within:

a) the District, including California Coastal Waters adjacent to the District (Figure 102);

b) the Outer Continental Shelf for which the District is the corresponding onshore area; and

c) 25 miles of an Outer Continental Shelf source for which the District is the corresponding onshore area.

The emissions from marine vessels, including cargo carriers, shall include reactive organic compound vapors that are displaced into the atmosphere; fugitive emissions; combustion emissions in the waters

described above; and emissions from the loading and unloading of cargo. The term "Cargo Carrier" shall not include trains or vehicles.

As applied to an attainment pollutant, "stationary source" shall be interpreted to mean facility wide. The term "installation" shall have the same meaning as "building, structure, or facility."

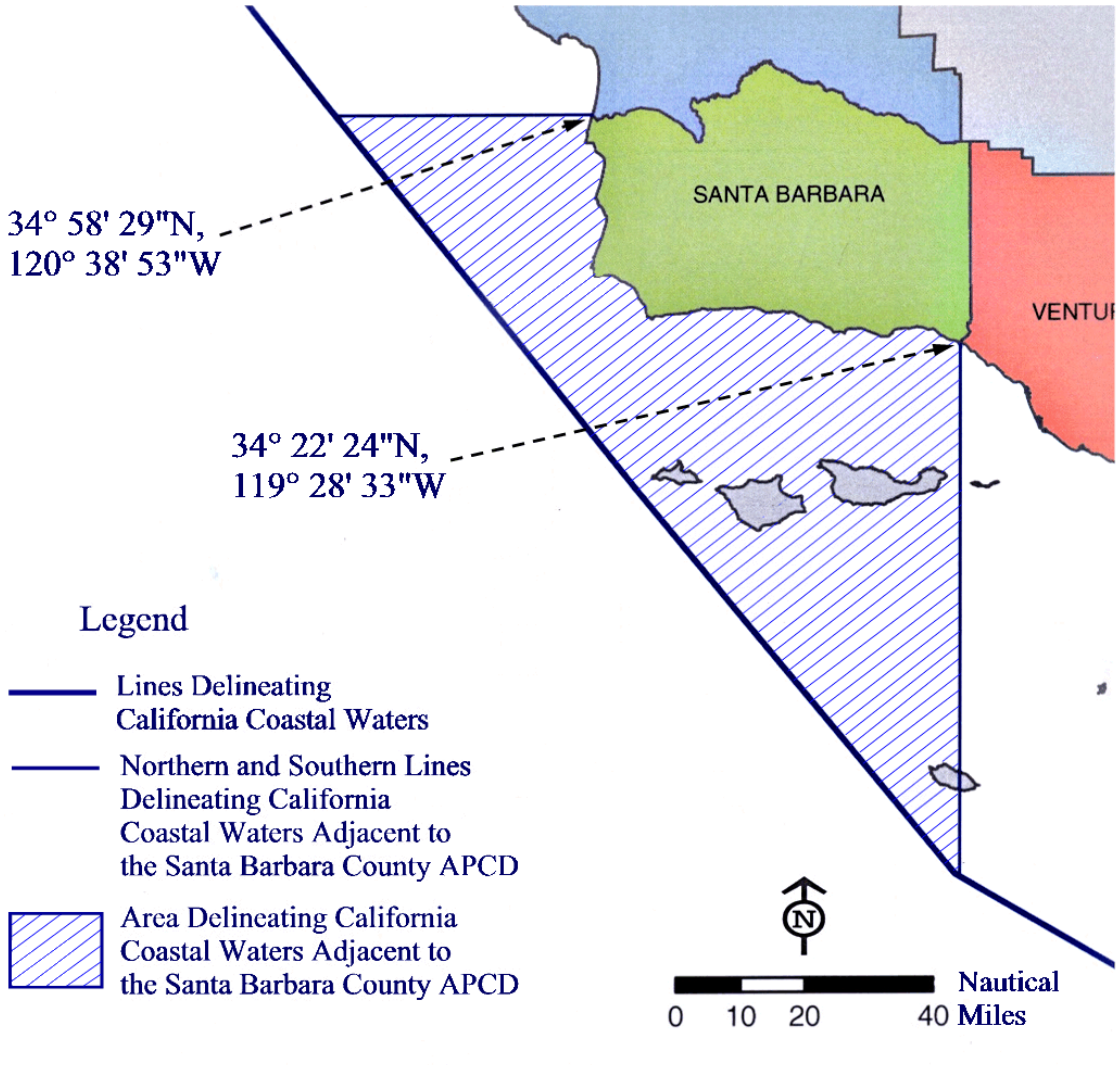

Figure 102. MAP DEPICTING THE CALIFORNIA COASTAL WATERS ADJACENT TO THE SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT

"Stripping" means the use of solvent to remove materials such as cured adhesives, cured inks, cured sealants, cured or dried paints, cured or dried paint residues, or temporary protective coatings.

"Surface Preparation" means the removal of contaminants such as dust, soil, oil, grease, moisture, etc., prior to application of an adhesive, coating, ink, polyester resin material, or sealant.

"Temporary Total Enclosure" means any total enclosure that is constructed for the sole purpose of measuring the emissions from an affected source that are not delivered to an emission control device. A temporary total enclosure must be constructed and ventilated (through stacks suitable for testing) so that it has

minimal impact on the performance of the permanent emission capture system. A temporary total enclosure will be assumed to achieve total capture of fugitive emissions if it meets the requirements found in 40 CFR Section 63.750(g)(4) and if all natural draft openings are at least four duct or hood equivalent diameters away from each exhaust duct or hood. Alternatively, the owner or operator may apply to the Control Officer for approval of a temporary enclosure on a case-by-case basis.

"Thermal Incinerator" means any device that burns reactive organic compounds or toxic air contaminants in air by direct application of heat. Thermal incinerators are usually equipped with burners, refractory lined chambers, heat recovery equipment, and process controllers.

"Total Enclosure" means any permanent structure that is constructed around a gaseous emission source so that all gaseous pollutants emitted from the source are collected and ducted through a control device, such that 100 percent capture efficiency is achieved. There are no fugitive emissions from a total enclosure. The only openings in a total enclosure are forced makeup air and exhaust ducts and any natural draft openings such as those that allow raw materials to enter and exit the enclosure for processing. All access doors or windows are closed during routine operation of the enclosed source. Brief, occasional openings of such doors or windows to accommodate process equipment adjustments are acceptable, but if such openings are routine or if an access door remains open during the entire operation, the access door must be considered a natural draft opening. The average inward face velocity across the natural draft openings of the enclosure shall be calculated including the area of such access doors. The drying oven itself may be part of the total enclosure. An enclosure that meets the requirements found in 40 CFR Section 63.750(g)(4) is a permanent total enclosure.

"Total Suspended Particulates" means "Particulate Matter" as defined in this rule.

"Toxic Air Contaminant" means "Toxic Air Contaminant" as defined in Health and Safety Code Section 39655.

"Transfer Efficiency" means the ratio of the weight of coating solids adhering to the object being coated to the weight of coating solids used in the application process, expressed as a percentage.

"Waste Solvent Residue" means sludge that may contain dirt, oil, metal particles, and/or other undesirable waste products concentrated after heat distillation of solvent either in a solvent cleaning machine itself or after distillation in a separate still.

"Wipe Cleaning" means a solvent cleaning activity performed by hand rubbing an absorbent material such as a rag, paper, sponge, brush, or cotton swab containing solvent.

"Zones of Santa Barbara County"

1. The Northern Zone of Santa Barbara County is defined as that portion of Santa Barbara County described in Section 60103(b) of Title 17 of the California Administrative Code as written on December 21, 1968 (Register 68, No. 48), State waters located offshore of that portion of Santa Barbara County lying north of the latitude of the mouth of Jalama Creek and those areas of the Outer Continental Shelf waters for which the District has been designated the corresponding onshore area by the Environmental Protection Agency.

2. The Southern Zone of Santa Barbara County is defined as that portion of Santa Barbara County described in Section 60104(c) of Title 17 of the California Administrative Code as written on December 21, 1968 (Register 68, No. 48), State waters located offshore of that portion of Santa Barbara County lying south of the latitude of the mouth of Jalama Creek and those areas of the Outer Continental Shelf waters for which the District has been designated the corresponding onshore area by the Environmental Protection Agency.

RULE 105. APPLICABILITY
(Adopted 7/30/1991, revised [*date of amended rule adoption*])

These Rules and Regulations shall apply to all sources within the County of Santa Barbara. These Rules and Regulations shall also apply to sources located on the Outer Continental Shelf, offshore of Santa Barbara County, for which the District is the corresponding onshore area, as authorized in Title VIII, Section 801, of the 1990 Federal Clean Air Act Amendments.

Unless otherwise stated, any District rule that references sections of the California Health and Safety Code, California Government Code, California Public Resources Code, California Vehicle Code, or the California Code of Regulations shall incorporate the referenced sections as they exist on the date of adoption or most recent amendment of the aforementioned District rule.

RULE 1301. PART 70 OPERATING PERMITS – GENERAL INFORMATION
(Adopted 11/09/1993, revised 8/15/1996, 4/17/1997, 9/18/1997, 1/18/2001, 6/19/2003, 1/20/2011, and [date of revised rule adoption])

A. Applicability

The provisions of this rule and of Rules 1302 through 1305 shall apply to any source that qualifies as a **"Part 70 source"** as defined in Section C below.

B. Exemptions

The requirement to obtain a Part 70 operating permit under this rule shall not apply to:

1. Any stationary source required to obtain a Part 70 permit solely because such source is subject to the provisions of 40 CFR 60, Subpart AAA, Standards of Performance for New Residential Wood Heaters; or

2. Any stationary source or operation required to obtain a Part 70 permit solely because such source is subject to the provisions of 40 CFR 61, Subpart M, National Emission Standard for Hazardous Air Pollutants for Asbestos, Section 61.145, Standard for Demolition and Renovation; or

3. Any stationary source, including an area source, required to obtain a Part 70 permit solely because such source is subject to regulations or requirements pursuant to Section 112(r) of the Clean Air Act (CAA).

C. Definitions

See Rule 102, Definitions, for definitions not limited to this regulation. For the purposes of Regulation XIII, the following definitions shall apply:

"Acid Rain Source" means any stationary source that includes one or more emission units that are subject to emission reduction requirements or limitations pursuant to Title IV (Acid Rain) of the CAA Amendments of 1990.

"Administrative Permit Amendment" means a modification to a Part 70 permit that is being made solely for the purpose of accomplishing one or more of the following objectives:

1. To correct typographical errors.

2. To make an administrative change at the source such as the name, address or phone number of a person named in the permit.

3. To require more frequent monitoring or reporting by the permittee.

4. To allow the transfer of ownership or operational control of a stationary source where the District has determined that no other change in the permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new permittee has been submitted to the District.

5. To incorporate into the Part 70 permit the terms and conditions of USEPA's preconstruction review permit or the District Authority to Construct permit issued under a program approved by USEPA as meeting procedural requirements substantially equivalent to the procedural requirements of 40 CFR 70.7 and 70.8 and the compliance requirements of 40 CFR 70.6.

Significant or minor permit modifications defined elsewhere within this rule shall not be deemed as administrative amendments.

"Air Pollutant (also Air Contaminant)" means **"Regulated Air Pollutant."**

"Affected States" means states that are contiguous to California whose air quality may be affected by emissions resulting from issuance, renewal or modification of a permit to a Part 70 source.

"Applicable Requirement" means any federal, state, or District requirement including any federally approved State Implementation Plan requirement for Santa Barbara County, and any **"federally enforceable requirement."**

"CFR" means the Code of Federal Regulations, an official compilation of federal Regulations generated by federal administrative agencies.

"Clean Air Act (Act or CAA)" means the federal Clean Air Act as amended, 42 U.S.C. 7401, *et seq*.

"Day or Days" means calendar day or days unless otherwise stated.

"District" means the Santa Barbara County Air Pollution Control District.

"Emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of a permittee, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the stationary source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventive maintenance, careless or improper operation, or operator error.

"Emissions Allowable Under the Federally Enforceable Permit" means a federally enforceable permit term or condition determined by the District or the USEPA as required under a federally enforceable requirement. The term or condition establishes an emissions limit (including a work practice standard) or a federally enforceable emission cap that the source has assumed to avoid a federally enforceable requirement to which the source would otherwise be subject.

"Emissions Unit" means any part or activity of a stationary source that emits or has the potential to emit any regulated air pollutant or any substance listed pursuant to Section 112(b) of the CAA and its implementing regulations.

"Environmental Protection Agency (USEPA) or the Administrator" means the U.S. Environmental Protection Agency or its administrator or the administrator's designee.

"Federally Enforceable Requirement" means any requirement set forth in, or authorized by the CAA and its implementing regulations or USEPA regulations. Federally enforceable requirements include requirements that have been promulgated or approved by USEPA through rulemaking at the time of issuance of a Part 70 permit but have future effective dates. Federally enforceable requirements include:

1. Title I requirements of the CAA and its implementing regulations, including:

    a. District Regulation VIII requirements in the state implementation plan approved by the USEPA and the terms and conditions of a preconstruction permit issued pursuant to such rule.

    b. New Source Review (NSR) consisting of Nonattainment Area Review (NAR) and Prevention of Significant Deterioration (PSD) review requirements and the terms and conditions of the NAR/PSD permits (40 CFR Parts 51 and 52).

c. New Source Performance Standards (40 CFR Part 60).

d. National Ambient Air Quality Standards, increment, or visibility requirements, but only as they would apply to sources permitted pursuant to Section 504(e) of the CAA and its implementing regulations.

e. National Emissions Standards for Hazardous Air Pollutants (40 CFR Part 61).

f. Any standards, determinations or other requirements under Section 112 of the CAA and its implementing regulations, including MACT and GACT Standards and MACT and GACT determinations made pursuant to CAA, Sections 112(g) and 112(j).

g. Solid Waste Incineration requirements (Section 129 of the CAA and its implementing regulations).

h. Consumer and Commercial Product requirements (Section 183 of the CAA and its implementing regulations).

i. Tank Vessel requirements (Section 183 of the CAA and its implementing regulations).

j. District rules that are approved into the state implementation plan.

k. Federal Implementation Plan requirements.

l. Enhanced Monitoring and Compliance Certification requirements (Section 114(a)(3) of the CAA and its implementing regulations).

2. Title III, Section 328 (Outer Continental Shelf or OCS) requirements of the CAA (40 CFR Part 55), upon delegation by USEPA of the OCS program to the District.

3. Title III, Section 112 (Hazardous Air Pollutant) requirements of the CAA and its implementing regulations.

4. Title IV (Acid Deposition Control) requirements of the CAA (40 CFR Parts 72, 73, 75, 76, 77, 78).

5. Title VI (Stratospheric Ozone Protection) requirements of the CAA (40 CFR Part 82).

6. Monitoring and Analysis requirements (Section 504(b) of the CAA and 40 CFR 64).

Terms and conditions of Part 70 permits are federally enforceable, unless they have been specifically designated as non-federally enforceable.

"Final Operating Permit" means a permit with District and federally enforceable conditions, which has completed all review procedures required by Rule 1304, Part 70 Operating Permits − Issuance, Renewal, Modification and Reopening, has not been disapproved by the Environmental Protection Agency and has been issued by the District.

"Fugitive Emissions" means those emissions which could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening. Fugitive emissions from a Part 70 source shall be included in the permit application and the Part 70 permit in the same manner as stack emissions.

"General Permit" means a federally enforceable operating permit that meets the requirements of 40 CFR 70.6(d).

"Generally Available Control Technology (GACT)" means a generally available control technology standard or management practice promulgated pursuant to Section 112(d) of the CAA (40 CFR 63).

"Hazardous Air Pollutant (HAP)" means any hazardous air pollutant listed in Section 112(b) of the CAA and its implementing regulations.

"Insignificant Activities" mean activities whose emissions do not exceed insignificant emission levels. Activities exempted because of size, emissions levels, or production rate shall be listed in the permit application. Also, all information needed to determine the applicability of, or to impose, any applicable requirement, or to evaluate any applicable permit fees must be provided for each of the insignificant activities listed in the permit application

"Insignificant Emissions Levels" mean the emissions levels from any emission unit, that for regulated air pollutants excluding HAPs, are less than 2 tons per year potential to emit and do not exceed 0.5 tons per year potential to emit of any HAPs regulated under Section 112(g) of the Clean Air Act.

"Maximum Achievable Control Technology (MACT)" means any maximum achievable control technology emission limit or other requirement promulgated pursuant to CAA, Section 112(d) as set forth in 40 CFR 63.

"Minor Permit Modification" means a modification to a Part 70 permit that meets all of the following criteria:

1. The modification is not a Title I modification.

2. The modification does not violate any applicable requirements.

3. The modification does not require or change a case-by-case determination of an emission limitation or other standard.

4. The modification does not involve any relaxation of any existing monitoring, reporting or recordkeeping requirements in the permit, or any significant changes to existing monitoring requirements in the permit.

5. The modification does not seek to establish or change a permit condition that established a federally enforceable emissions cap assumed to avoid an otherwise federally enforceable requirement.

6. The modification does not cause a net emissions increase which triggers a significant permit modification.

"Modification" means any physical change, change in the method of operation of, or addition to an existing Part 70 source that would result in a net emissions increase of any regulated pollutant at that source. In this context, a physical change does not include routine maintenance or repair. Also, unless previously limited by a federally enforceable permit condition, the following shall not be considered changes in the method of operation:

1. An increase in the production rate if such increase does not exceed the operating design capacity or the demonstrated actual maximum capacity of the equipment;

2. A change in ownership;

3. Use of an alternate fuel or raw material, provided that such use is expressly authorized on the permit;

4. A replacement of a piece of equipment with an equivalent piece of equipment with the operating design capacity or the demonstrated actual maximum capacity less than or equal to those of the original piece of equipment. However, this exemption shall not apply to equipment used in a source category which is subject to the New Source Performance Standards stipulated by Section 111 or to the Emission Standards for Hazardous Air Pollutants mandated under Section 112 of the CAA and its implementing regulations.

A modification shall be considered **"Title I (or Major) Modification"** for a Part 70 source if the net emissions increase of any regulated pollutant equals or exceeds the levels stipulated as a **"Title I Modification."**

For Part 70 sources subject to New Source Performance Standards (NSPS), modification means any physical change, or change in the method of operation of, an existing equipment (to which NSPS can apply when newly constructed or modified) which increases the amount of any air pollutant (to which a standard applies) emitted into the air by that equipment or which results in the emission of any air pollutant (to which a standard applies) into the atmosphere not previously emitted. For Part 70 sources subject to Emission Standards for Hazardous Pollutants mandated under Section 112 of the CAA, modification means any physical change, or change in the method of operation of the source which increases the actual emissions of any hazardous air pollutant (HAP) emitted by such source by more than a de minimis amount or which results in the emission of any hazardous pollutant not previously emitted by more than a de minimis amount. The de minimis amounts mentioned above shall correspond to the levels listed by the USEPA in the federal register promulgations of the HAP standards under Section 112 of the CAA.

"National Ambient Air Quality Standards (NAAQS)" means air quality standards promulgated pursuant to Section 109 of the CAA and its implementing regulations to protect public health and welfare, and consisting of primary and secondary standards. Primary standards are aimed at protecting the public health, while secondary standards are intended to safeguard the public welfare.

"Non-Federal Minor Permit Change" means a change to a non-federally enforceable term or condition of a Part 70 permit that meets all of the following criteria:

1. The change is not addressed or prohibited by the federally enforceable portion of the Part 70 permit.

2. The change is not a Title I modification.

3. The change does not violate any applicable requirements nor any existing permit terms or conditions.

4. The change does not cause a net emissions increase which triggers a significant permit modification.

5. The change is not subject to any requirements under Title IV (Acid Rain) of the CAA and its implementing regulations.

A non-federal minor permit change requires approval through the District's NSR process and incorporation into the facility operating permit prior to its implementation.

"Outer Continental Shelf (OCS) source" includes any equipment, activity, or facility which:

1. emits or has the potential to emit any air pollutant,

2. is regulated or authorized under the Outer Continental Shelf Lands Act, and

3. is located on the OCS or in or on waters above the OCS.

Such activities include, but are not limited to, platform and drill ship exploration, construction, development, production, processing and transportation. For purposes of this subsection, emissions from any vessel servicing or associated with an OCS source, including emissions while at the OCS source or en route to or from the OCS source within 25 miles of the OCS source, shall be considered direct emissions from the OCS source. Such emissions shall be included in the **"potential to emit"** for an OCS source.

"Part 70 Permit" means that portion of any permit (or group of permits) covering a Part 70 source that is issued, renewed, amended or revised pursuant to Rules 1301 through 1305.

"Part 70 Source" means stationary sources included in the following source categories:

1. A stationary source with the potential to emit a regulated air pollutant or a hazardous air pollutant in quantities equal to or exceeding any of the following thresholds:

    a. 100 tons per year of any regulated air pollutant except greenhouse gases.

    b. Greenhouse gases that are "subject to regulation," as defined in 40 CFR 70.2 in effect August 2, 2010.

    c. 10 tons per year of any individual hazardous air pollutant or 25 tons per year of a combination of hazardous air pollutants, or any lesser quantity thresholds for any hazardous air pollutant established by Environmental Protection Agency rulemaking. Fugitive emissions of hazardous air pollutants must be counted for the purposes of determining applicability. However, emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units are Part 70 sources.

    d. Any lesser quantity thresholds established by Environmental Protection Agency rulemaking.

2. Any stationary source defined by the Environmental Protection Agency as major for the District under Title I, Part D (Plans for Nonattainment Areas) of the Clean Air Act and its implementing regulations including:

    a. For ozone nonattainment areas, sources with the potential to emit 100 tons per year or more of volatile organic compounds or oxides of nitrogen in areas classified as "marginal" or "moderate," 50 tons per year or more in areas classified as "serious," 25 tons per year or more in areas classified as "severe," and 10 tons per year or more in areas classified as "extreme."

3. Acid rain sources included under the provisions of Title IV of the Clean Air Act and its implementing regulations.

4. Any source required to have a preconstruction review permit pursuant to the requirements of the New Source Review or Prevention of Significant Deterioration program under Title I, Parts C and D of the Clean Air Act and its implementing regulations.

5. Any solid waste incineration unit required to obtain a Part 70 permit pursuant to Section 129(e) of the Clean Air Act and its implementing regulations.

6. Any stationary source required to obtain a Part 70 permit pursuant to regulations promulgated by the Environmental Protection Agency Administrator.

"Potential to Emit" means the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on the hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitations are set forth in permit conditions or in rules or regulations that are legally and practically enforceable by the USEPA and citizens or by the District. Secondary emissions do not count in determining the potential to emit of a stationary source. Secondary emissions are defined in 40 CFR 52.21(b)(18). The fugitive emissions of a stationary source shall be included in the potential to emit for the stationary source if such source category is specified by the USEPA as qualified to include fugitive emissions, e.g., source categories listed under 40 CFR 70.2 or fugitive HAP emissions from HAP sources.

"Proposed Operating Permit" means a permit with District and federally enforceable conditions proposed for issuance by the District and forwarded to the USEPA for review in compliance with Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening.

"Regulation XIII" means District Regulation XIII, District Rules 1301, 1302, 1303, 1304 and 1305.

"Regulated Air Pollutant" means any air pollutant (a) which is emitted into or otherwise enters the ambient air, as defined in 40 CFR 50.1 in effect August 2, 2010, and (b) for which the Environmental Protection Agency has adopted an emission limit, standard or other requirement. Regulated air pollutants include:

1. Oxides of nitrogen and volatile organic compounds as defined in 40 CFR 51.166 in effect August 2, 2010;

2. Any pollutant for which a national ambient air quality standard has been promulgated pursuant to Section 109 of the Clean Air Act and its implementing regulations;

3. Any pollutant subject to any standard promulgated under Section 111 (New Source Performance Standards) of the Clean Air Act and its implementing regulations;

4. Any ozone-depleting substance specified as class I or II substance pursuant to Title VI of the Clean Air Act and its implementing regulations;

5. Any pollutant subject to a standard promulgated under Section 112 (Hazardous Air Pollutants) of the Clean Air Act and its implementing regulations, including:

    a. Any pollutant listed pursuant to Section 112(r) of the Clean Air Act shall be considered a regulated air pollutant upon promulgation of the list.

    b. Any hazardous air pollutant subject to a standard or other requirement promulgated by the Environmental Protection Agency pursuant to Section 112(d) of the Clean Air Act or adopted by the District pursuant to Sections 112(g) and 112(j) of the Clean Air Act shall be considered a regulated air pollutant for all sources or source categories: (a) upon promulgation of the standard or requirement, or (b) 18 months after the standard or requirement was scheduled to be promulgated pursuant to Section 112(e)(3) of the Clean Air Act.

    c. Any hazardous air pollutant subject to a District case-by-case emissions limitation determination for a new or modified source, prior to Environmental Protection Agency promulgation or scheduled promulgation of an emissions limitation, shall be considered a regulated air pollutant when the determination is made pursuant to Section 112(g)(2) of the Clean Air Act. In case-by-case emissions limitation determinations, the hazardous air pollutant shall be considered a regulated air pollutant only for the individual source for which the emission limitation determination was made.

6. Greenhouse gases that are "subject to regulation" as defined in 40 CFR 70.2 in effect August 2, 2010.

"Responsible Official" means one of the following:

1. For a corporation: a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation, a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a Part 70 permit and either:

    a. The facilities employ more that 250 persons or have gross annual sales or expenditures exceeding $25,000,000 (in second quarter 1980 dollars); or

    b. The delegation of authority to such representatives is approved in advance by the District.

2. For a partnership or sole proprietorship: a general partner or the proprietor, respectively.

3. For a municipality, state, federal or other public agency: either a principal executive officer or ranking elected official. For the purposes of this rule, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency.

4. For acid rain sources:

    a. The designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the federal CAA or 40 CFR 72 are concerned; or

    b. The designated representative for any other purposes under Rules 1301 through 1305.

"Significant Part 70 Permit Action" means the:

1. Issuance of an initial Part 70 permit, or

2. Renewal of a Part 70 permit, or

3. Reissuance of a Part 70 permit after reopening and modification/revocation of the permit, or

4. Modification of a Part 70 permit, except an administrative permit amendment, a minor permit modification or a non-federal minor permit change.

"Significant Part 70 Permit Modification" means any of the following:

1. Any modification to a Part 70 permit that is not an administrative amendment, a minor permit modification or a non-federal minor permit change as these terms are defined herein;

2. A Part 70 permit modification that equals or exceeds any of the threshold limits triggering public review listed in the District's NSR Rules.

3. A Part 70 permit modification allowing a net emissions increase of any other regulated air pollutant from any Part 70 source that equals or exceeds the significance (or de minimis) level for the pollutant listed by the USEPA, e.g., 40 CFR 52.21 or Federal Register rulemaking promulgation pursuant to Section 112(g) of the CAA.

4. Any significant changes in existing monitoring permit terms or conditions;

5. Any relaxation of recordkeeping or reporting permit terms and conditions; and

6. Any equivalent or identical replacement of an emissions unit that is subject to standards promulgated under CAA, Sections 111 or 112.

7. Any modifications under part 60.

"State Implementation Plan (SIP)" means the USEPA-approved plan submitted by each State under 42 U.S. C., Section 7401, *et seq.* (federal CAA and its implementing regulations) to achieve and maintain federal ambient air quality standards (NAAQS).

"Stationary Source" means any building, structure, facility, or installation which emits or may emit any regulated air pollutant or any pollutant listed pursuant to Section 112 (b) of the Act.

1. Department of Defense Facilities. Department of Defense stationary sources shall be subject to the following, as applicable:

   a. Stationary Source Designations. For air pollutants regulated under Title I of the Act, a Department of Defense stationary source shall be designated as set forth below if the responsible official submits a plan to the Control Officer that meets the requirements set forth in paragraph (1)(b), below.

      1. Stationary Source Designation. Each of the following shall be a separate stationary source:

         Air Force primary mission
         Remediation
         NASA
         Flight Line
         Navy
         Range Group
         Amenities Group
         Hospital Services
         Commercial Space

      2. Exclusion of Sources. No stationary source at a Department of Defense facility shall include the following activities: military tactical support equipment, infrastructure maintenance equipment, or building maintenance equipment

   b. Emission Reductions; Plan – Requirements.

      1. Plan Submittal and Requirements. The responsible official shall submit a plan to the Control Officer which shall provide that:

         (a) By April 30, 1999, thirty percent of the candidate boilers identified in the plan shall be retrofitted or under construction;

         (b) By April 30, 2000, two tons per year of ozone precursor emission reductions shall be achieved;

         (c) By April 30, 2001, seventy percent of the candidate boilers identified in the plan shall be retrofitted or under construction; and

(d) By November 30, 2002, ten or more tons per year of ozone precursor emission reductions shall be achieved.

These milestones shall be based on actual emissions established pursuant to baseline protocols submitted as part of the plan by the responsible official and approved by the Control Officer. Failure to achieve a milestone shall result in expiration pursuant to paragraph (2)(b), below; however, such failure shall not constitute a violation of District Rules and Regulations. Achieved emission reductions shall be enforceable pursuant to paragraph (1)(b)(3), below.

2. Plan Approval. The Control Officer shall approve a plan submitted pursuant to (1)(b)(1), above, if the conditions in (1)(b)(1) are met and the Control Officer finds that the emission reductions are real, quantifiable, surplus, and enforceable. The Control Officer shall submit the approved plan to the USEPA for inclusion in the State Implementation Plan. The plan shall become federally enforceable upon the USEPA Administrator's approval into the state implementation plan. USEPA will include the plan in the state implementation plan within one year after submittal by the District if finds that the emission reductions are real, quantifiable, surplus and enforceable. The Control Officer may extend that time for good cause.

3. Final Project Agreement. The responsible official shall enter into a Final Project Agreement with the Control Officer and the USEPA which commits the Department of Defense to the emission reductions specified in paragraph (1)(b)(1) **"Emission Reductions; Plan Submittal And Requirements,"** above.

2. Department of Defense Facilities – Expiration. The provisions of paragraph (1) **"Department of Defense Facilities,"** above, shall expire if any of the following conditions occur:

a. The stationary source becomes subject to permit under this Regulation.

b. The stationary source does not achieve the emissions reductions required by this Regulation pursuant to a schedule of milestones included in the Plan approved by the Control Officer pursuant to paragraph (1)(b), above.

c. US does not approve the plan for inclusion in the state implementation plan within one year of approval of the plan by the Control Officer. The Control Officer may extend this period for up to one year or until such time as USEPA takes action on the plan, whichever occurs earlier.

3. Department of Defense Facilities - Applicable Requirements After Expiration.

a. Stationary Source Designations. Upon expiration of paragraph (1) **"Department of Defense Facilities,"** the stationary source shall include all applicable activities and sources consistent with federal and state law and these Rules and Regulations. If such inclusion subjects the stationary source to the permitting requirements of this Regulation, the responsible official shall apply for and obtain a permit in accordance with this Regulation and applicable federal regulations.

b. Achieved Emission Reductions Remain Enforceable. Notwithstanding any other provision in this Regulation, any achieved emission reductions shall remain in place and shall be enforceable. Achieved emission reductions shall be emission reductions required in an approved plan that have been implemented or are being retrofitted at the time of expiration. Failure to maintain any achieved and verified reductions obtained through execution of the plan shall constitute a violation of District Rules and Regulations.

4. This definition (**"Department of Defense Facilities," "Expiration",** and **"Applicable Requirements After Expiration"**) shall remain in effect only until January 1, 1998, and as of

such date is repealed, unless a later enacted rule, which is adopted before January 1, 1998, deletes or extends such date or unless a plan is filed with the Control Officer by that date and later approved by the Control Officer.

"Building, structure or facility" as referred to in the stationary source definition includes all pollutant emitting activities, including activities located in California coastal waters adjacent to the District boundaries and those areas of Outer Continental Shelf waters for which the District is the corresponding onshore area which:

1. belong to the same industrial grouping, and

2. are located on one or more contiguous or adjacent properties (except for activities located in California coastal waters or are on the Outer Continental Shelf), and

3. are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.

Pollutant emitting activities shall be considered as part of the same industrial grouping if they are part of a common production process. (Common production process includes industrial processes, manufacturing processes, and any connected processes involving a common raw material.)

"Common operations" include operations which are related through dependent processes, storage or transportation of the same or similar products or raw material. Emissions from all marine vessels, including cargo carriers, servicing or associated with a stationary source shall be considered emissions from the stationary source while operating within:

1. the District, including California Coastal Waters adjacent to the District (Figure 1301);

2. the Outer Continental Shelf for which the District is the corresponding onshore area; and

3. 25 miles of an Outer Continental Shelf source for which the District is the corresponding onshore area.

The emissions from marine vessels, including cargo carriers, shall include reactive organic compound vapors that are displaced into the atmosphere; fugitive emissions; combustion emissions in the waters described above; and emissions from the loading and unloading of cargo. The term "Cargo Carrier" shall not include trains or vehicles.

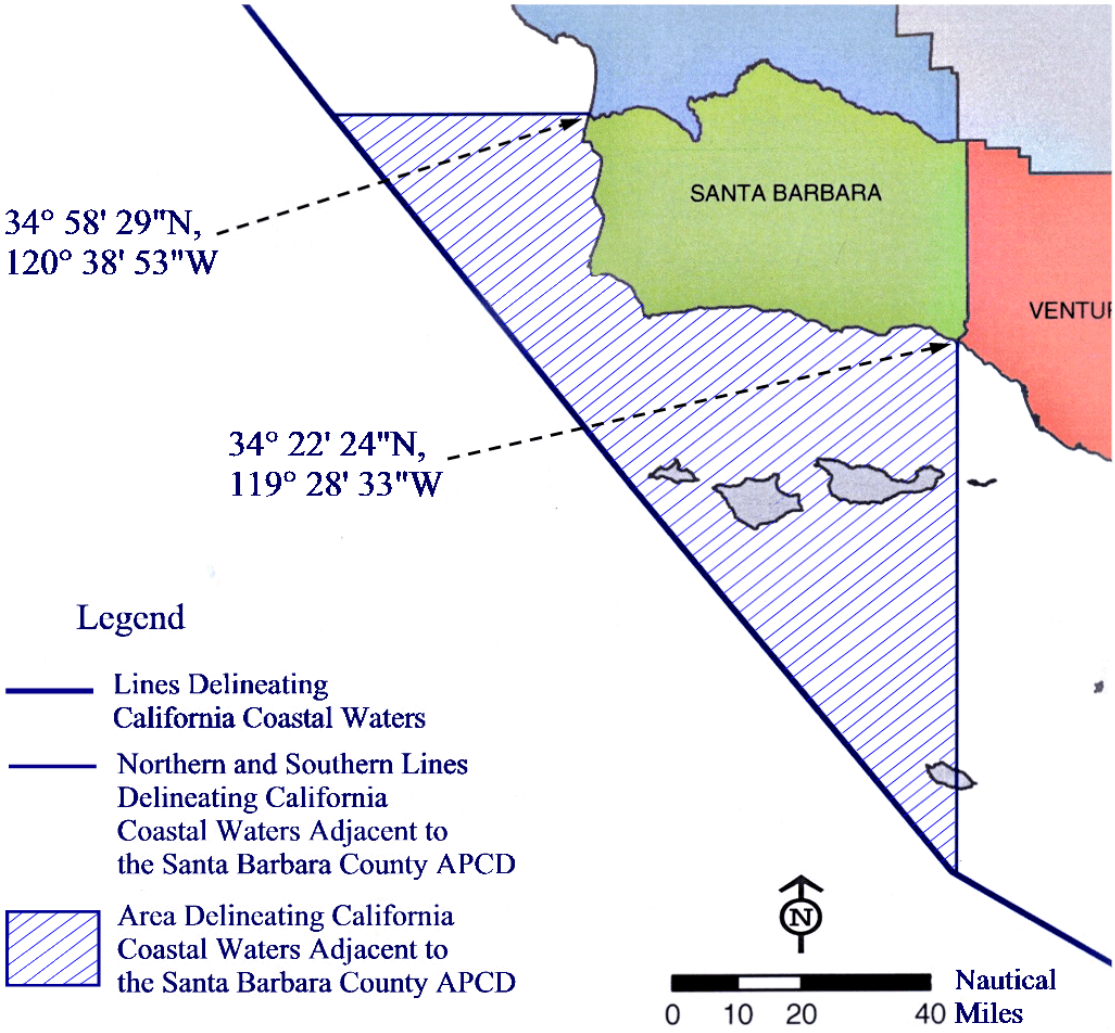

Figure 1301. MAP DEPICTING THE CALIFORNIA COASTAL WATERS ADJACENT TO THE SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT

"Building Maintenance Equipment" as referred to in the stationary source definition means internal combustion engines used exclusively at a Department of Defense facility for the maintenance of buildings that meet the definition of **"nonroad engine,"** and are exempt from permit under Regulation II.

"Infrastructure Maintenance Equipment" as referred to in the stationary source definition means internal combustion engines used exclusively at a Department of Defense facility to maintain roads and public service utilities that meet the definition of **"nonroad engine"** and are exempt from permit under Regulation II.

"Installation" as referred to in the stationary source definition includes any operation, article, machine, equipment, contrivance or grouping of equipment belonging to the same two-digit standard industrial classification code, which emits or may emit any regulated pollutant or HAP, and are located on one or more contiguous properties and under common control.

"Internal Combustion Engine" shall mean a reciprocating internal combustion engine.

"Military Tactical Support Equipment" as referred to in the stationary source definition means a portable internal combustion engine that meets the definition of **"nonroad engine"** that is built to

military specifications, owned by the U.S. Department of Defense, and/or the U.S. military services, and is used in combat, combat support, combat service support, tactical or relief operations, or training for such operations. Examples include, but are not limited to, engines associated with portable generators, aircraft start carts, heaters, and lighting carts.

"Nonroad Engines" as used in the definitions of **"Building Maintenance Equipment," "Infrastructure Maintenance Equipment"** and **"Military Tactical Support Equipment,"** mean any internal combustion engine:

1. in or on a piece of equipment that is self propelled or serves a dual purpose by both propelling itself and performing another function; or

2. in or on a piece of equipment that is intended to be propelled while performing its function (such as lawn mowers), or

3. that, by itself or in or on a piece of equipment, is portable or transportable, meaning designed to be and capable of being carried or moved from one location to another. Indications of transportability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform.

An internal combustion engine is not a nonroad engine if:

1. the engine is regulated by a federal New Source Performance Standard promulgated under Section 111 of the federal Clean Air Act, or

2. the engine otherwise included in paragraph 3 above and remains or will remain at a location for more than 12 consecutive months or a shorter period of time for an engine located at a seasonal source. A location is any single site at a building, structure, facility, or installation. Any engine (or engines) that replaces an engine at a location and that is intended to perform the same or similar function as the engine replaced will be included in calculating the consecutive time period. An engine located at a seasonal source is an engine that remains at a seasonal source 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 (that is, at least two years) and that operates at that single location approximately three months (or more) each year. This paragraph does not apply to an engine after the engine is removed from the location.

As applied to an attainment pollutant, **"stationary source"** shall be interpreted to mean facility-wide. The term **"installation"** shall have the same meaning as **"building, structure, or facility."**

"Title I (or Major) Modification" means a modification that meets any of the following criteria:

1. The potential to emit from any new or modified emissions unit(s) at the major stationary source which are covered by the application(s) for such permit modification(s) plus all other net emissions increases at the source which occurred during the specified contemporaneous evaluation period listed below, are equal to or greater than the limits in Table 1301-A.

Table 1301-A

Pollutant	Threshold
Carbon Monoxide	100.0 tons/yr
Volatile Organic Compounds (VOC)	40.0 tons/yr
Nitrogen Oxides (NOx)	40.0 tons/yr
Sulfur Oxides (SOx)	40.0 tons/yr
Particulate Matter (PM_{10})	15.0 tons/yr
Particulate Matter ($PM_{2.5}$)	10.0 tons/yr direct $PM_{2.5}$ emissions, or 40.0 tons/yr NOx emissions, or 40.0 tons/yr SOx emissions
Lead	0.6 tons/yr

2. The potential to emit any regulated hazardous air pollutant (HAP) from any new or modified emission unit(s) at the Part 70 source which are covered by the application(s) for such permit modification(s) plus all other net emissions increase at the source which occurred during the specified contemporaneous period would be equal to or greater than the de minimis level for such regulated HAP specified by USEPA rulemaking pursuant to Section 112(g) of the federal CAA.

3. For the purpose of defining Title I modification, the specified contemporaneous evaluation period to compute emissions increase shall consist of a period of five (5) consecutive calendar years, ending with the calendar year during which the complete application for such proposed change is submitted to the District. For computing Title I emission decreases, the period shall expand and extend further to the date on which operation begins for the proposed modified emissions unit.

4. Title I modifications include all modifications under part 60.

D. Requirements

All Part 70 source permits and permit applications for issuance, amendments, modifications and renewals shall be drafted based on the definitions listed in this rule along with the provisions listed in Regulation XIII.

A person shall operate all equipment and emission units located at a Part 70 source in compliance with all terms, applicable requirements and conditions specified in the Part 70 permit at all times. Any noncompliance with a Part 70 permit term, requirement or condition is a violation of Regulation XIII. Additionally, any noncompliance with a federally enforceable requirement or resultant permit term or condition constitutes a violation of the federal CAA and its implementing regulations. Each day during any portion of which a violation occurs is a separate offense. Any Part 70 permit noncompliance shall be grounds for appropriate enforcement action under the California Health & Safety Code and/or the federal CAA and its implementing regulations.

E. Compliance Schedule

Provisions of this rule become effective on the date this rule is approved by the USEPA. All Part 70 sources subject to this rule, except the outer continental shelf (OCS) sources, shall comply with this rule effective that date. All OCS sources shall comply with this rule either on the USEPA's approval date for this rule or on the date USEPA delegates the OCS program to the District, whichever is later.

RULE 202. EXEMPTIONS TO RULE 201

(Adopted 10/18/1971, revised 5/1/1972 and 6/27/1977, readopted 10/23/1978, revised 12/7/1987, 1/11/1988, 1/17/1989, 7/10/1990, 7/30/1991, 11/05/1991, 3/10/1992, 5/10/1994, 6/28/1994, 4/17/1997, 3/17/2005, 1/17/2008, 6/19/2008, 9/20/2010, 1/20/2011, 3/17/2011, 6/21/2012, and [*date of revised rule adoption*])

A. Applicability

An Authority to Construct or Permit to Operate shall not be required for equipment, operations and activities described herein.

B. Exceptions

Notwithstanding any exemption created by this rule, any:

1. Equipment, activity or operations proposed by an applicant for use as an Emission Reduction Credit is not exempt.

2. Emission unit that functions for distributed electrical generation and is not certified under the regulations of the Air Resources Board is not exempt.

C. Definitions

See Rule 102, Definitions, for definitions.

D. General Provisions

1. The owner or operator shall maintain records which clearly demonstrate that the exemption threshold has not been exceeded. These records shall be made available to the District upon request and shall be maintained for a minimum of three calendar years. Failure to maintain records which meet the above requirements or exceedance of the emission exemption threshold or violation of any District rule may result in the immediate loss of the permit exemption. By accepting the terms of the exemption the owner or operator agrees to allow District personnel access to any records or facilities for inspection per Sections 42303 and 41510 of the California Health and Safety Code and Section 114 of the Clean Air Act.

2. For the purposes of demonstrating that the emissions exempted do not exceed the aggregate exemption limit specified in Sections G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, or V of this Rule the owner or operator may base the demonstration on actual emissions provided the owner or operator keeps material use records in a manner approved by the Control Officer. Otherwise the owner or operator must maintain records that demonstrate that the potential to emit of the equipment will not exceed the applicable aggregate exemption emission limit. When calculating the actual emissions for determining whether the aggregate emission limit in this Rule is exceeded, greenhouse gases shall not be included.

3. A permit shall not be required for an agricultural operation at a stationary source that, in aggregate, produces actual emissions less than all of the following:

   a. 50 percent of any applicable emission threshold for a major source in the District,
   b. 5 tons per year of any single Hazardous Air Pollutant, and
   c. 12.5 tons per year of combined Hazardous Air Pollutants.

   For the purposes of determining permitting applicability, fugitive emissions, except fugitive dust emissions, are included in determining aggregate emissions. This exemption shall not apply to an agricultural source required to obtain a Title V permit.

4. Trains and aircraft used to transport passengers or freight are exempt from permit requirements.

5. Temporary Equipment

A permit shall not be required for temporary equipment where the projected actual aggregate emissions of all affected pollutants do not exceed 1 ton (except carbon monoxide, which shall not exceed 5 tons) and the use of each individual piece of equipment does not exceed one 60 day period in any consecutive 12 month period. Such equipment shall also meet one of the following requirements:

a. the temporary equipment is not part of an existing operating process of a stationary source; or

b. the temporary equipment replaces equipment that has qualified for a breakdown pursuant to Rule 505, Breakdown Conditions.

To qualify for this exemption, the owner or operator shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. This request shall identify the temporary equipment, its location, any equipment being replaced, and shall include the emission calculations and assumptions that demonstrate that the equipment meets the exemption criteria. The temporary project may commence as soon as the written request has been made, however, project commencement with equipment that is later found ineligible for the exemption shall constitute a violation of the District's Rules and Regulations. This exemption shall not apply to equipment used for the specific purpose to control emissions of Toxic Air Contaminants. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees.

6. *De minimis* Exemption

Any physical change in an existing stationary source that meets all of the requirements below is exempt. Emission increases shall be based on the uncontrolled potential to emit, less emission reductions achieved through Rule 331, Fugitive Emissions Inspection and Maintenance, and shall not be reduced (netted out) by emission reductions achieved through the removal or control of any component.

a. The emission increase for any one emission unit shall not exceed 2.40 pounds per day of any affected pollutant, except carbon monoxide, which shall not exceed 19.20 pounds per day.

b. The aggregate emissions increase at the stationary source due to all de minimis physical changes at the stationary source shall not exceed 24.00 pounds per day, except carbon monoxide, which shall not exceed 60.00 pounds per day. Any increase shall be reduced to the extent it is included in the source's potential to emit.

c. The physical change does not require a change to any article, machine, equipment or contrivance used to eliminate or reduce or control the issuance of air contaminants.

d. The article, machine, equipment or contrivance is not subject to an Airborne Toxic Control Measure adopted by the Air Resources Board.

e. The article, machine, equipment or contrivance is not subject to New Source Performance Standards or National Emission Standards for Hazardous Air Pollutants promulgated by the Environmental Protection Agency; or Hazardous Air Pollutant requirements under Section 112 of the Clean Air Act.

f. The owner or operator shall maintain a record of each *de minimis* change, which shall include emission calculations demonstrating that each physical change meets the criteria listed in (a) and (b), above. Such records shall be made available to the District upon request.

7. Stationary Source Permit Exemption

A permit shall not be required for any new, modified or existing stationary source if the uncontrolled actual emissions of each individual affected pollutant from the entire stationary source are below 1.00 ton per calendar year, unless:

a. the source is subject to EPA promulgated New Source Performance Standards or National Emission Standards for Hazardous Air Pollutants, or the federal operating permit program (40 CFR Part 70), or Hazardous Air Pollutant requirements of Section 112 of the federal Clean Air Act, or

b. the source is subject to a California Air Resources Board Airborne Toxic Control Measure; or

c. the source is subject to Public Notification or Risk Reduction under the requirements of California Health and Safety Code Section 44300 et seq.; or

d. the Control Officer makes a determination that a permit is necessary to ensure that emissions remain below one ton per year; or

e. the source is a new or modified source which emits hazardous air emissions and is located within 1,000 feet from the outer boundary of a school site (Health and Safety Code Section 42301.6, et *seq*.); or

f. the source is listed below and subject to the California Code of Regulations, Title 17, Division 3, Subchapter 10, Article 4, Regulations to Achieve Greenhouse Gas Emission Reductions:

Subarticle 2, Semiconductors and Related Devices (Section 95320 *et seq*.) in effect March 17, 2011.

Each owner or operator seeking this exemption shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees.

8. A permit shall not be required for routine repair or maintenance of permitted equipment, not involving structural changes. As used in this paragraph, maintenance does not include operation.

9. A permit shall not be required for equivalent routine replacement in whole or in part of any article, machine, equipment or other contrivance where a Permit to Operate had previously been granted under Rule 201, Permits Required, providing emissions are not increased and there is no potential for violating any ambient air quality standard. An equivalent piece of equipment has a Potential to Emit, operating design capacity or actual demonstrated capacity less than or equal to that of the original piece of equipment, and is subject to the same limitations and permit conditions as the equipment being replaced. The owner or operator shall notify the District within 30 days of an equivalent routine replacement, unless the replacement equipment is identical as to make and model, and routine in which case notification is not required. This provision shall not grant any exemption from New Source Performance Standards.

10. Notwithstanding any exemption defined in this rule, no new or modified stationary source that has the potential to emit air contaminants in excess of the amounts specified shall be exempt from permit requirements:

    a. 3.28 pounds per day of lead
    b. 0.04 pounds per day of asbestos
    c. 0.0022 pounds per day of beryllium
    d. 0.55 pounds per day of mercury
    e. 5.48 pounds per day of vinyl chloride
    f. 16.44 pounds per day of fluorides
    g. 38.45 pounds per day of sulfuric acid mist, or
    h. 54.79 pounds per day of total reduced sulfur or reduced sulfur compounds.
    i. 0.0000035 tons per year municipal waste combustor organics.
    j. 15 tons per year municipal waste combustor metals.
    k. 40 tons per year municipal waste combustor acid gases.
    l. In addition, notwithstanding any exemption defined in this rule, no stationary source that has the potential to emit any air contaminants in excess of the amounts specified shall be exempt from permit requirements:

        1) more than one gallon per year of any one of the exempt compounds listed below. The one gallon per year per stationary source limit is a per compound limit for each compound in aggregate for the entire stationary source and includes any amounts of the compound used in mixed or diluted product.

            a) dimethyl carbonate; or
            b) methyl formate; $HCOOCH_3$; or
            c) HCFC-225ca (3,3-dichloro-1,1,1,2,2-pentafluoropropane); or
            d) HCFC-225cb (1,3-dichloro-1,1,2,2,3-pentafluoropropane); or
            e) HFC-43-10mee (1,1,1,2,3,4,4,5,5,5-decafluoropentane); or
            f) HFC-245fa (1,1,1,3,3-pentafluoropropane); or
            g) HFC-365mfc (1,1,1,3,3-pentafluorobutane); or
            h) HFE-7100; $(CF_3)_2CFCF_2OCH_3$; (2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane); or
            i) HFE-7100; $C_4F_9OCH_3$; (1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane); or

        2) more than one gallon per year of tertiary-butyl acetate; $C_6H_{12}O_2$ ("acetic acid, 1,1-dimethylethyl ester"). Tertiary-butyl acetate (also known as t-butyl acetate or tBAc) shall be considered exempt as a reactive organic compound only for purposes of reactive organic compound emissions limitations or reactive organic compound content requirements and shall be considered a reactive organic compound for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling, and inventory requirements which apply to reactive organic compounds. The one gallon per year per stationary source limit for tertiary-butyl acetate is an aggregate limit for the entire stationary source and includes any amounts of the compound used in mixed or diluted product.

11. Where an exemption is described in this rule for a general category of equipment, the exemption shall not apply to any component which otherwise would require a permit under the provisions of these Rules and Regulations.

12. Emission control equipment, directly attached to equipment which is exempt from permit by provisions of this Rule, is exempt.

13. A change in location of an emission unit within the boundaries of a stationary source shall not require a permit modification unless the location of the equipment is prescribed in the source's permit and a specific location was assumed in an Air Quality Impact Analysis or a Health Risk Assessment that formed the basis of the issuance of the permit.

14. Application of architectural coating in the repair and maintenance of a stationary structure is exempt from permit requirements.

15. For the purposes of the exemptions set forth in F.1.e, F.1.f, F.1.g, and G.1, the ratings of all engines or combustion equipment used in the same process shall be accumulated to determine whether these exemptions apply.

16. Notwithstanding any exemption in these rules and regulations, if the combined emissions from all construction equipment used to construct a stationary source which requires an Authority to Construct have a projected actual in excess of 25 tons of any pollutant, except carbon monoxide, in a 12 month period, the owner of the stationary source shall provide offsets as required under the provisions of Rule 804, Offsets, and shall demonstrate that no ambient air quality standard would be violated.

17. No additional permit shall be required at a stationary source in the District for equipment permitted by the District for various location uses provided the following conditions are met:

    a. The owner or operator of the equipment has a valid Permit to Operate issued by the District that specifically denotes the equipment as being usable at various locations within the District and that the terms and conditions of the Permit to Operate are fully complied with.

    b. The equipment is not used to replace equipment which is part of an existing process at the stationary source.

    c. The equipment is used for repair and maintenance related purposes only.

    d. The stationary source reports all uses (including the start and end dates) and associated emissions for each use under this exemption to the District in their next annual report (or semi-annual report for Part 70 sources).

18. Any structure designed for and used exclusively as a dwelling for not more than four families and any incinerator used exclusively in connection with such structure.

E. Compliance with Rule Changes

The provisions of this section shall apply when an exemption for existing equipment is removed by revision of this Rule. The equipment owner shall file a complete application for a permit required by the exemption change within ninety (90) days after adoption of the revised rule; or for sources on the Outer Continental Shelf, within 90 days after the date the revision to this Rule is added to the Outer Continental Shelf Air Regulations (40 CFR Part 55). If no application is filed within the ninety (90) day period, the application filing fee prescribed in Rule 210, Fees, shall be doubled and the equipment owner shall be subject to a Notice of Violation and to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

If an application is filed within the ninety (90) day filing period after adoption of the revised rule but the application is deemed incomplete by the District, the applicant shall be notified by the District that a complete application must be filed within thirty (30) days of the notification. If a complete application is not received within thirty (30) days after the notification, the prescribed filing fee shall be doubled and the owner of the equipment shall be subject to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

F. Internal Combustion Engines

1. A permit shall not be required for internal combustion engines if any of the following conditions is satisfied:

   a. Engines used in aircraft and in locomotives;

   b. Engines used to propel marine vessels, except vessels associated with a stationary source which shall be regulated as specified under the provisions of Regulation VIII.

   c. Engines used to propel vehicles, as defined in Section 670 of the California Vehicle Code, but not including any engine mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.

   d. Spark ignition piston-type internal combustion engines used exclusively for emergency electrical power generation or emergency pumping of water for flood control or firefighting if the engine operates no more than 200 hours per calendar year, and where a record is maintained and is available to the District upon request; the record shall list the identification number of the equipment, the number of operating hours on each day the engine is operated and the cumulative total hours.

   e. Compression ignition engines with a rated brake horsepower of less than 50. No compression ignition engine otherwise subject to permit shall be exempt because it has been derated.

   f. Spark ignition piston-type internal combustion engines with a rated brake horsepower of less than 50. Notwithstanding the previous sentence, none of the individual engines in the range of less than 50 but greater than 20 rated brake horsepower are exempt if such engines at a stationary source have a total rated brake horsepower rating of 400 or greater.

      No spark ignition piston-type internal combustion engine otherwise subject to permit shall be exempt because it has been derated. Spark ignition piston-type internal combustion engines exempt under other provisions of Section F and permitted spark ignition piston-type internal combustion engines shall not count toward the 400 rated brake horsepower aggregate limit.

   g. Gas turbine engines with a maximum heat input rating of 3 million British thermal units per hour or less at standard conditions. No gas turbine engine otherwise subject to permit shall be exempt because it has been derated. For the purposes of this section, power generating microturbines fired on natural gas which meets General Order 58-A of the Public Utility Commission that have been certified by the Air Resources Board to meet the applicable distributed generation standards certified by a current Air Resources Board Executive Order are not subject to the provisions of Section D.15 if the potential annual emissions of each affected pollutant does not exceed 1 ton (except carbon monoxide, which shall not exceed 5 tons).

2. A permit shall not be required for portable engines registered in the Statewide Registration Program, pursuant to California Code of Regulations, title 13, section 2451 *et seq.* and Health and Safety Code Section 41753 *et seq.* Notwithstanding this provision, the requirements of Section D.16 shall apply to such portable engines. All operators using this permit exemption shall comply with the State Portable Equipment Registration Program and Air Resources Board-issued registration.

3. A permit shall not be required for engines used for aircraft shows or to power amusement rides at seasonal or special occasion shows, fairs, expositions, circuses or carnival events, provided that the duration of such event is less than 18 days in any calendar year.

4. A permit shall not be required for engines with a rated brake horsepower of less than 50 used:

   a. for military tactical support operations including maintenance and training for such operations;

   b. to power temperature and humidity control systems on cargo trailers used to transport satellites and space launch equipment;

   c. exclusively for space launch facility support and which power hoists, jacks, pulleys, and other cargo handling equipment permanently affixed to motor vehicles or trailers pulled by motor vehicles.

5. A permit shall not be required for specialty equipment. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. For specialty equipment emergency use, operations may commence as soon as the written request has been made; however, operation of equipment which is later found ineligible for the exemption shall constitute a violation of the District's Rules and Regulations.

6. An internal combustion engine which powers an item of equipment identified as exempt in any other part of this rule is not exempt unless the engine qualifies for an exemption pursuant to this rule.

7. A permit shall not be required for equipment, including associated marine vessels, used for pile driving adjacent to or in waterways, or cable and pipe-laying vessels/barges or derrick barges if the potential to emit of such equipment per stationary source is less than 25 tons per year of any affected pollutant during any consecutive 12 month period. The Control Officer shall not require Best Available Control Technology for such sources if federal law preempts this requirement. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request for exemption to the Control Officer, who shall make a determination in writing approving or denying the request. The request shall identify the equipment, its location, and shall include the emission calculations and assumptions that demonstrate that the equipment meets the exemption criteria. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. Alternatively, an owner or operator of the stationary source may qualify for an exemption from the New Source Review provisions of Regulation VIII by obtaining an Authority to Construct and Permit to Operate which limits the potential to emit of such equipment to less than 25 tons per year of any affected pollutant during any consecutive 12 month period.

8. For purposes of Regulation VIII, the following shall not be subject to New Source Review: Marine vessel engines (propulsion engines, auxiliary engines and permanently affixed support engines) associated with construction, maintenance, repair and/or demolition activities at a stationary source provided the duration of the activities do not exceed 12 consecutive months and the potential to emit of such engines per stationary source is less than 10 tons per stationary source of oxides of nitrogen, oxides of sulfur, reactive organic compounds or particulate matter. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request for exemption to the Control Officer, who shall make a determination in writing approving or denying the request. The request shall identify the marine vessels, project activities, duration, and shall include the emission calculations and assumptions demonstrating that the engines meet the exemption criteria. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. Alternatively, an owner or operator of the stationary source may qualify for an exemption by obtaining an Authority to Construct and Permit to Operate which limits the potential to emit of such equipment to less than 10 tons per year. Such Authority to Construct/Permit to Operate shall be exempt from Regulation VIII.

G. Combustion Equipment (Other than Internal Combustion Engines)

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 25 tons per calendar year of any affected pollutant is not exempt.

1. Combustion equipment with a maximum heat input of less than or equal to two (2) million British thermal units per hour is exempt from permit requirements if fired exclusively with one of the following:

    a. Natural or produced gas which meets General Order 58-A of the Public Utility Commission,

    b. Liquefied petroleum gas, which meets Gas Processors Association Standards,

    c. A combination of natural or produced and liquefied petroleum gas, meeting the requirements of subdivisions (a) and (b) above.

    Combustion equipment with a maximum heat input rate of 1 million British thermal units per hour or less is exempt and does not count towards the 25 tons per calendar year stationary source exemption threshold listed above, provided the equipment is fired exclusively with fuel listed above in a, b, or c. No combustion equipment otherwise subject to permit shall be exempt because it has been derated.

2. Combustion equipment (other than internal combustion engines) which provides heat energy to any item of equipment identified as exempt in any other part of this rule, is not exempt unless the combustion equipment is exempt as specified in G.1.

3. Combustion equipment (other than internal combustion engines) identified as exempt in any other section of this rule does not count toward the 25 ton per year aggregate emission limit.

H. Abrasive Blast Equipment

The following listed abrasive blast equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Abrasive blast cabinet-dust filter integral combination units where the total internal volume of the blast section is 50 cubic feet or less.

2. Blast cleaning equipment using a suspension of abrasive in water.

3. All portable abrasive blast equipment, excluding any internal combustion engine associated with such equipment which must comply with the requirements of Section F. of this rule.

I. Coatings Applications Equipment and Operations

The following listed coating applications equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Dipping operations for coating objects with oils, waxes or greases where no organic solvents, diluents or thinners are used.

2. Dipping operations for applying coatings of natural or synthetic resins which contain no organic solvents.

3. Equipment used in surface coating operations provided that the total amount of coatings and solvents used does not exceed 55 gallons per year. Solvents meeting the criteria of Section U.2.b or Section U.2.c or that have a reactive organic compound content of 50 grams per liter or less, as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer, do not contribute to the 55 gallons per year per stationary source limitation. However, such sources need not obtain permits for air pollution control equipment (i.e., spray booths, carbon adsorbers, incinerators, thermal oxidizers, dust collectors, etc.) unless control equipment is required by District prohibitory rules. For equipment owned or operated by a stationary source owner or operator and used as part of the stationary source operations, the 55 gallon per year exemption shall be based on the total coatings and solvents usage of all such equipment at the stationary source.

   To qualify for this exemption, the owner or operator shall maintain records of the amount of coating and/or solvents used for each calendar year. These records shall be kept for a minimum of 3 years and be made available to the District on request.

4. Air brushing operations.

5. Powder coating operations, provided the powder coating material reactive organic compound content is equal to or less than five percent, by weight.

6. Unheated non-conveyorized coating dip tanks of 100 gallons or less capacity.

J. Drycleaning and Fabric Related Equipment and Operations

The following listed drycleaning and fabric related equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Equipment used exclusively for the dyeing or stripping (bleaching) of textiles where no organic solvents, diluents or thinners are used.

2. Lint traps used exclusively in conjunction with dry cleaning tumblers.

3. Laundry dryers, extractors or tumblers used for fabrics cleaned only with water solutions of bleach or detergents.

K. Food Processing and Preparation Equipment

The following listed food processing and preparation equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Equipment used in eating establishments for the purpose of preparing food for human consumption.

2. Smokehouses in which the maximum horizontal inside cross-sectional area does not exceed 20 square feet

3. Ovens, mixers and blenders used in bakeries where the products are edible and intended for human consumption.

4. Confection cookers where the products are edible and intended for human consumption.

5. Equipment used exclusively to grind, blend or package tea, cocoa, spices or roasted coffee.

6. Barbecue Equipment.

7. Fermentation, aging, and bottling process operations conducted at wineries, breweries, distilleries and similar facilities, provided the projected actual emissions from such operations for each individual affected pollutant from the entire stationary source are below 1.00 ton per calendar year. To qualify for this exemption, the owner or operator shall submit a written request to the Control Officer, who shall make a determination in writing approving or denying the request. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees.

L. General Utility Equipment and Operations

The following listed general utility equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Heat exchangers.

2. Comfort air conditioning or comfort ventilating systems which are not designed to remove air contaminants generated by or released from specific units or equipment.

3. Refrigeration units except those used as, or in conjunction with, air pollution control equipment.

4. Water cooling towers and water cooling ponds not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers.

5. Equipment used exclusively for steam cleaning.

6. Equipment used exclusively for space heating.

7. Compressors of, and holding tanks for, dry natural gas.

8. Natural draft hoods, natural draft stacks or natural draft ventilators where natural draft means the flow of gases is not augmented by mechanical means.

9. Vacuum cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes.

10. Rail cleaning operations.

11. Aerobic wastewater treatment equipment, including primary/secondary settling, trickling filter, and sludge drying beds.

12. Ozone generators used for water treatment, provided that the ozone is not released to the atmosphere.

13. Water well, water filtration systems, reverse osmosis units.

14. Fuel Cells, and any associated fuel input conditioning exclusively servicing such fuel cell, in which electro-chemically reactive materials are supplied to a cell and consumed to produce electricity.

15. Notwithstanding G.2 of this rule, portable steam cleaning/pressure washing equipment with maximum heat input rating less than 1 million British thermal units per hour fired exclusively on diesel fuel.

16. Notwithstanding G.2 of this rule, portable water heaters used exclusively for underwater diving activities with a maximum heat input rating less than 1 million British thermal units per hour fired exclusively on diesel fuel.

M. Glass, Ceramic, Metallurgical Processing and Fabrication Equipment and Operations

The following glass, ceramic, metallurgical processing and fabrication equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Porcelain enameling furnaces, porcelain enameling drying ovens, vitreous enameling furnaces or vitreous enameling ovens.

2. Crucible type or pot type furnaces, except those specified in M.8, with a brimful capacity of less than 463 cubic inches of any molten metal.

3. Kilns used for firing ceramic ware.

4. Equipment used exclusively for forging, pressing, rolling or drawing of metals or for heating metals immediately prior to forging, pressing, rolling or drawing.

5. Equipment used exclusively for the sintering of glass or metals.

6. Equipment used for washing or drying products fabricated from metal or glass, provided that no volatile organic materials are used in the process and that no oil or solid fuel is burned.

7. Equipment used exclusively for heat treating glass or metals, or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects.

8. Crucible furnaces, pot furnaces or induction furnaces, with a capacity of 1000 pounds or less each, in which no sweating or distilling is conducted and from which only the following metals are poured or in which only the following metals are held in a molten state:

    a. Aluminum or any alloy containing over 50 percent aluminum.
    b. Magnesium or any alloy containing over 50 percent magnesium.
    c. Lead or any alloy containing over 50 percent lead.
    d. Tin or any alloy containing over 50 percent tin.
    e. Zinc or any alloy containing over 50 percent zinc.
    f. Copper or any alloy containing over 50 percent copper.
    g. Precious metals.

9. Tumblers used for the cleaning or deburring of metal products without abrasive blasting.

10. Shell core and shell-mold manufacturing machines.

11. Molds used for the casting of metals.

12. Equipment used for inspection of metal products.

13. Die casting machines.

14. Atmosphere generators used in connection with metal heat treating processes.

15. Brazing, soldering or welding equipment.

16. Foundry sand mold forming equipment to which no heat is applied.

17. Equipment using aqueous solutions for the surface preparation, cleaning, stripping or etching (does not include chemical milling) of the following base metals: brass, bronze, copper, iron, lead, nickel, tin, zinc or precious metals provided that volatile organic materials used in the aqueous solutions do not exceed one percent by volume.

N. Laboratory Equipment and Operations

The following laboratory equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Laboratory equipment used exclusively for chemical or physical analyses and bench scale laboratory equipment.

2. Vacuum producing devices used in laboratory operations.

O. Material Working and Handling Equipment and Operations

The following material working and handling equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Presses used exclusively for extruding metals, minerals, plastics or wood.

2. Equipment used exclusively to mill or grind coating and molding compounds where all materials charged are in a paste form.

3. Equipment used for buffing (except automatic or semi-automatic tire buffers) or polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding, or turning of ceramic artwork, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite.

4. Equipment used for carving, cutting, drilling, surface grinding, planing, routing, sanding, sawing, shredding or turning of wood, or the pressing or storing of sawdust, wood chips or wood shavings.

P. Miscellaneous Equipment and Operations

The following miscellaneous equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Transporting materials on streets and highways.

2. Equipment used exclusively for the melting or applying of wax where no organic solvents, diluents or thinners are used.

3. Equipment used for hydraulic or hydrostatic testing.

4. Equipment used exclusively for binding lining to brake shoes.

5. Equipment used exclusively for the manufacture of water emulsions of asphalt, greases, oils or waxes.

6. Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives.

7. Equipment used to liquefy or separate oxygen, nitrogen or the rare gases from the air.

8. Paving activities except scarification, "cutback" asphalt or batch plant operations at paving sites.

9. Equipment used for bioremediation of diesel and crude oil contaminated soil.

10. Safety flares used for emergencies or for search and rescue operations.

11. Fire training facilities necessary for the instruction of public or industrial employees in the methods of fire fighting.

12. Flares used to combust gaseous hydrogen during rocket fueling operations.

13. Explosive ordnance detonation.

14. For purposes of Regulation VIII, the following shall not be subject to New Source Review: Marine vessel engines (propulsion engines, auxiliary engines and permanently affixed support engines) associated with launch vehicle recovery operations for the Missile Defense Agency's Airborne Laser program provided the potential to emit is less than 5 tons per year of oxides of nitrogen, oxides of sulfur, reactive organic compounds or particulate matter. To qualify for this exemption, the owner or operator of the stationary source shall submit a written request for exemption to the Control Officer, who shall make a determination in writing approving or denying the request. The request shall identify the marine vessels, project activities, duration, and shall include the emission calculations and assumptions demonstrating that the engines meet the exemption criteria. The owner or operator shall pay any applicable fee pursuant to Rule 210, Fees. Alternatively, an owner or operator of the stationary source may qualify for an exemption by obtaining an Authority to Construct and Permit to Operate which limits the potential to emit of such equipment to less than 5 tons per year. Such Authority to Construct/Permit to Operate shall be exempt from Regulation VIII.

Q. Mixing, Blending and Packaging Equipment and Operations

The following mixing, blending, and packaging equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Batch mixers of 5 cubic feet rated working capacity or less.

2. Equipment used exclusively for the packaging of lubricants or greases.

3. Equipment used exclusively to package pharmaceuticals and cosmetics or to coat pharmaceutical tablets.

R. Plastics, Composite and Rubber Processing Equipment and Operations

The following plastics, composite and rubber processing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Ovens used exclusively for the curing of plastics which are concurrently being vacuum held to mold or for the softening or annealing of plastics.

2. Ovens used exclusively for the curing of vinyl plastisols by the closed mold curing process.

3. Ovens used exclusively for curing potting materials or casting made with epoxy resins.

4. Presses used for the curing of rubber products and plastic products.

5. Equipment used exclusively for conveying and storing plastic pellets.

6. Equipment used for compression molding and injection molding of plastics.

7. Mixers for rubber or plastics where no material in powder form is added and no organic diluents or thinners are emitted.

8. Roll mills or calendars for rubber or plastics where no organic diluents or thinners are emitted.

S. Printing and Reproduction Equipment and Operations

The following printing and reproduction equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. All sheet-fed printing presses, and all other printing presses without dryers, excluding rotogravure and flexographic printing presses.

2. Platen presses used for laminating.

3. Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy.

4. Stenciling and dyeing operations.

T. Semiconductor and Electronics Manufacturing Equipment and Operations

The following semiconductor and electronics manufacturing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of one ton per calendar year of any affected pollutant is not exempt. Notwithstanding the listed exemptions, any article, machine, equipment or other contrivance that utilizes or creates fluorinated gas(es) or uses fluorinated heat transfer fluids is not exempt.

1. Vacuum deposition.

2. Ion implantation.

3. Sputtering.

4. Ozone/plasma/ion etching or ashing.

5. Vacuum bake systems.

6. Furnaces used for crystal growth, liquid phase epitaxial, compounding and/or refining, and carbon coating.

7. Automated epoxy adhesive, potting compound, conformal coating dispensing machines and associated equipment used for mixing, injection and curing.

8. Ovens used exclusively for curing epoxies and adhesives. Ovens used exclusively for curing permitted paint application processes.

9. Ovens for drying parts cleaned with water.

U. Solvent Application Equipment and Operations

The following solvent cleaning, solvent cleaning machines and their operations are exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

1. Unheated nonconveyorized solvent rinsing containers of 1.00 gallon or less capacity provided that solvent cleaning performed in association with such containers complies with the requirements in Rule 321, Solvent Cleaning Machines and Solvent Cleaning.

2. Single solvent cleaning machines, which use unheated solvent, and which:

   a. have a liquid surface area (i.e., the area of the drain for remote reservoir cleaning machines or the solvent/air interface area for other solvent cleaning machines) of less than 929 square centimeters (1.0 square foot), unless the aggregate liquid surface area of all solvent cleaning machines at a stationary source, covered by this exemption is greater than 0.929 square meter (10 square feet), or

   b. use only solvents with an initial boiling point of 150 degrees Celsius (302 degrees Fahrenheit) or greater as determined by ASTM D-1078-05, "Standard Test Method for Distillation Range of Volatile Organic Liquids," ASTM International, or

   c. use solvents with a reactive organic compound content of two percent or less by weight as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer.

   d. The liquid surface area of any solvent cleaning machine using the following solvent shall not be counted towards the 0.929 square meter (10 square feet) aggregate limit in subsection a. above:

      1) any solvent that has a reactive organic compound content of 50 grams per liter or less, as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer; or

      2) any solvent exempt pursuant to subsection b. or subsection c. above.

3. Wipe cleaning operations, provided that the solvents used do not exceed 55 gallons per year per stationary source and that the solvent cleaning complies with the requirements in Rule 321, Solvent Cleaning Machines and Solvent Cleaning.

   To qualify for this exemption, the owner or operator shall maintain records of the amount (gallons per year) of solvents used for wipe cleaning at the stationary source for each calendar year. These records shall be maintained on site for at least 3 years and be made available to the District on request. Thereafter, the records shall be maintained either on site or readily available for expeditious inspection and review for an additional 2 years.

   Solvents meeting the criteria of 2.b. or c. above or that have a reactive organic compound content of 50 grams per liter or less, as determined by the South Coast Air Quality Management District Method 313-91, **"**Determination of Volatile Organic Compounds by Gas Chromatography-Mass Spectrometry,**"** June 1993, or any other test methods approved by the Environmental Protection Agency, the Air Resources Board, and the Control Officer, do not contribute to the 55 gallons per year per stationary source limitation.

4. Notwithstanding the Section U.3 exemption above, solvent cleaning to disinfect and decontaminate surfaces and equipment in hospitals, clinics, medical facilities, dentistry facilities, and other health care facilities, including but not limited to, sanatoriums, convalescent hospitals, convalescent homes, skilled nursing facilities, nursing homes, blood banks, and bloodmobiles.

5. Notwithstanding the Section U.3 exemption above, solvent cleaning associated with janitorial cleaning, including graffiti removal.

V. Storage and Transfer Equipment and Operations

The following storage and transfer equipment and operations are exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt. Containers, reservoirs, tanks, sumps or ponds with a capacity of 55 gallons or less are exempt and do not count towards the 10 ton per year aggregation threshold.

1. Unheated storage of liquid organic materials, except refined fuel oils, with an initial boiling point of 300°F or greater at one atmosphere pressure.

2. Storage of refined fuel oils with an American Petroleum Institute gravity of 40 degrees or lower as determined by ASTM D-4057-06, "Standard Practice for Manual Sampling of Petroleum and Petroleum Products," ASTM International.

3. Storage of lubricating oils.

4. Storage of organic liquids except gasoline, normally used as solvents, diluents or thinners, inks, colorants, paints, lacquers, enamels, varnishes, liquid resins or other surface coatings, and having a capacity of 1,500 gallons or less.

5. Storage of liquid soaps, liquid detergents, vegetable oils, waxes or wax emulsions.

6. Storage of asphalt.

7. The storage of gasoline (defined as any petroleum distillate having a Reid vapor pressure of 4.0 pounds per square inch or greater) having a capacity of less than 250 gallons.

8. Storage of liquefied or compressed gases which do not exceed Gas Processors Association specifications for maximum volatile sulfur content of commercial grade liquefied petroleum gas.

9. Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of fresh commercial or purer grades of:

    a. Sulfuric acid with an acid strength of 99 percent or less by weight.

    b. Phosphoric acid with an acid strength of 99 percent or less by weight.

    c. Nitric acid with an acid strength of 70 percent or less by weight.

10. Closed loop transfer of rocket propellant from a tanker truck, cylindrical tank, or drum, to a satellite, satellite placement system, nutation control system, apogee kick motor, or any other non-booster segment of a space launch vehicle, provided there is no venting of vapors to the atmosphere during the propellant transfer.

RULE 204. APPLICATIONS

(Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 7/1979, 8/8/1988, 4/17/1997, and [*date of revised rule adoption*])

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions

None.

C. Definitions

See Rule 102, Definitions, for definitions.

D. Requirement – Permit Application Completeness

Every application for an Authority to Construct or Permit to Operate required under Rule 201, Permits Required, shall be filed in the manner and form prescribed by the Control Officer, and shall give all the information necessary to make the determination required for the issuance of a permit. This information includes, but is not limited to, analyses, plans, or specifications which will disclose the nature, extent, quantity or degree of air contaminants which are, or may be, discharged by the source for which the permit was applied. The Control Officer may, during the processing of the application request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application. The application shall be submitted and all information therein shall be attested to be accurate to the best knowledge of the applicant.

E. Requirements – Information Required

1. General Information

a. This section outlines information required of applicants seeking permits to construct or modify pollution sources or control devices and specifies time frame for processing required of the District. All information required pursuant to District Rules and Regulations, and specified by the Control Officer on a list(s) maintained pursuant to Government Code Section 65940 shall be submitted before an application can be considered to be complete.

b. The information requirements are divided into five parts. Section E.2 of this rule identifies the information required of all applicants seeking permits. Section E.3 of this rule identifies additional information required for applications where Best Available Control Technology, but not Air Quality Impact Analysis, is mandatory. Section E.4 of this rule identifies further information required for applications where Air Quality Impact Analysis is mandatory. Where a modified source is subject to Best Available Control Technology or Air Quality Impact Analysis, some of the information required in this rule may also be required for the existing portion of the facility. Section E.5 of this rule identifies emission offset information requirements and Section E.6 of this rule identifies health risk assessment information requirements.

c. The District urges all applicants to discuss their projects with our staff prior to the filing of applications. If ambient monitoring data is needed, these discussions should take place more than a year prior to application. For some projects, it may not be necessary to submit all the information listed to have an application deemed complete. Consultation

with District staff will expedite the process by identifying the specific information that will be required of an applicant.

d. Prior to filing an application with the District, when applicable, all applicants are urged to participate fully in the early stages of the environmental review process being undertaken by the lead agency for the applicant's project in order: (1) to be apprised of the applicable air quality and other environmental constraints, and (2) to make such project modifications as may be necessary to satisfy those constraints.

e. Results of all analyses and tests submitted to the District shall be calculated and reported at standard conditions. Such results shall contain sample calculations that verify standard conditions.

f. An applicant seeking an exemption provided for in any rule or regulation of the District must supply the Control Officer with all information necessary, including applicable emission calculation sheets, to determine whether such an exemption applies.

g. Where offsets are required and the applicant proposes to obtain them from the Source Register, the applicant shall obtain them prior to Authority to Construct approval in accordance with Regulation VIII and Section E.5 of this rule.

2. Information Required – Applications

All applications for an Authority to Construct shall be accompanied by information sufficient to make a completeness determination. The Control Officer shall maintain a list(s) pursuant to Government Code Section 65940 specifying information required of an applicant for a permit. The District will provide the applicant with one or more lists which specify in detail the information required and will indicate the criteria which the District will apply in order to determine application completeness.

3. Information Required – Best Available Control Technology

All applicants for an Authority to Construct which require Best Available Control Technology shall submit the following:

a. Best Available Control Technology – Nonattainment Review

1) Individual Best Available Control Technology determinations pursuant to Rule 802, New Source Review, must address air pollution controls for each pollutant subject to review at a stationary source. It is the applicant's responsibility to submit a Best Available Control Technology proposal for evaluation by the District.

2) Justification of selected control technology as Best Available Control Technology.

3) Documentation of technical infeasibility which would preclude the use of a more effective control technology.

4) Operating conditions at which the maximum daily and hourly emissions will be generated (baseline parameters).

5) Maximum daily and hourly emissions at the conditions, described in (4) above, for each potential control technology and the basis of how the emission rates were estimated.

6) Calculations, emission data, and/or other information to determine control effectiveness (percent pollutant removed) of each potential control technology.

7) Emission limits shall be expressed both in terms of an emissions cap (e.g. pounds per day) and in terms which ensure compliance at any operating capacity (e.g., pounds per million British thermal units, or parts per million by volume). Where appropriate, on a case-by-case basis, emission limits may be expressed in alternate terms for determining compliance with the Best Available Control Technology standards. The source must comply with both limits to demonstrate compliance.

8) Applicants shall describe how the selected Best Available Control Technology is to be monitored for its emission reduction effectiveness.

b. Best Available Control Technology Information – Prevention of Significant Deterioration Requirements

In addition to the requirements of Section E.3.a of this rule, sources which trigger an attainment pollutant Best Available Control Technology requirement pursuant to Rule 802, New Source Review, shall submit the following information. The District shall consider technical feasibility and energy, environmental (cross-media) and economic impacts in evaluating an applicant's Best Available Control Technology proposal:

1) A comprehensive list of potential control technologies.

2) A ranking of potential control technologies by control effectiveness (percent pollutant removed) in accordance with the Environmental Protection Agency's Top-Down procedure.

3) Itemized capital cost, including installation and/or modification cost for each proposed control technology.

4) Itemized annual operating cost, including fuel cost for each proposed control technology.

5) Energy impacts of each proposed control technology (British thermal units, kilowatt hours).

6) Estimated equipment life and its salvage value.

4. Information Required – Air Quality Impact Analysis

a. All applicants for an Authority to Construct new or modified sources which require an Air Quality Impact Analysis shall submit the following:

1) A description of any monitoring stations that may be installed by applicant.

2) Sufficient data, approved by the Control Officer consistent with the Air Quality and Meteorological Monitoring Protocol for Santa Barbara County, California, to perform an air quality impact analysis from all emission release points including fugitive emissions. The data shall include:

a) At least one full calendar year (twelve consecutive months) of meteorological data consistent with Appendix W of 40 CFR 51 Guideline on Air Quality Models.

b) Topographical data including receptor points by Universal Transverse Mercator coordinates and map of receptor points and source.

c) At least one full calendar year (twelve consecutive months) of recent air quality background data from the last 3 years prior to application completeness.

d) Computer modeling data:

(1) Mass emission rate and stack concentration of air pollutants.
(2) Stack diameter.
(3) Stack location in Universal Transverse Mercator coordinates.
(4) Stack height above ground level.
(5) Exhaust temperature.
(6) Exhaust velocity.
(7) Exhaust flow rate (volumetric).
(8) Buildings whose wakes may affect the plume of the stack, including Universal Transverse Mercator coordinates of building.
(9) Dimensions (length, width, height) of the buildings identified above.
(10) Maximum modeled concentration of air pollutants for all averaging times of concern and all applicable receptors of concern.
(11) Model used to perform air quality impact analysis.
(12) Model input and output files on computer diskette and hardcopy.
(13) Name, address, telephone number, and qualifications of company and/or person who performed air quality impact analysis.
(14) Terrain description and effects.

3) Identify all facilities within the air basin that are owned or operated by the applicant and the compliance status of each.

4) Power Consumption of Facility (for PSD permits only)

a) Total amount of electrical power to be consumed by the new facility or the increase in the amount of electrical power to be consumed due to the modification.

b) Percentage of electrical power provided by off-site generating facilities; identify the source of power.

5) Cargo Carriers

List the frequency of visits, describe types and sizes of all cargo carriers (other than motor vehicles), identify nature of cargo, and conditions under which the cargo is transferred.

6) For major stationary sources, provide an analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source that compares the benefits of the proposed source to its environmental and social costs.

5. Information Required – Description of Emission Reduction Credits to be used as Offsets

If offsets are required for the project, then information sufficient to determine the adequacy of Emission Reduction Credits must be submitted before an Authority to Construct application will be deemed complete. In addition, Emission Reduction Credits proposed for use must be documented in the following ways:

a. If a source is proposed as an offset, the date of issue and number of the existing Permit to Operate and the complete application for the Emission Reduction Credits.

b. If the Emission Reduction Credits proposed for use have been registered by the District, the Emission Reduction Credit certificates identifying numbers and date of issue shall be included in the Authority to Construct application. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, price paid per ton per pollutant, and the total cost per pollutant.

c. If the Emission Reduction Credits proposed for use are not owned by the applicant, a letter from the owner of the Emission Reduction Credit certificates stating that the Emission Reduction Credits will be available at least two weeks before the Authority to Construct is issued. Alternatively, an applicant may provide a copy of the contract to obtain Emission Reduction Credits that is signed by the Emission Reduction Credit provider and by the applicant and which names the District as a third party beneficiary. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, the price paid per ton per pollutant, and the total cost per pollutant.

d. List proposed mitigating measures:

1) Air pollution control equipment proposed.

2) Process changes or operations utilized to reduce emissions.

3) Other.

e. Identify any air quality impacts from any precursor-secondary pollutant relationships.

6. Information Required – Health Risk Assessment

The Health Risk Assessment shall be consistent with methodology approved by the California Air Pollution Control Officers Association Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines, prepared by the Toxics Committee of the California Air Pollution Control Officers Association, October, 1993, or most recent version, and shall address the following:

a. Unit risk factors used in determining lifetime cancer risk.

b. Population characterization (e.g., numbers, location, sensitive receptors).

c. Exposure assessment (e.g., working hours, family relocation).

d. Risk estimates for all parameters of concern, including multi-pathway analysis.

e. Analysis of potential health effects of non-carcinogenic air pollutants.

f. Map showing the receptor areas of concern drawn to scale with the sensitive receptors clearly marked. All applicants are encouraged to consult with the District staff as to an appropriate distance for health risk assessment.

g. Name, address, telephone number, and qualifications of company and/or person who performed health risk assessment.

h. Input and output computer files.

RULE 801. NEW SOURCE REVIEW – DEFINITIONS AND GENERAL REQUIREMENTS
(Adopted 4/17/1997, revised [*date of amended rule adoption*])

A. Applicability

This rule and this Regulation shall apply to any applicant for a new or modified stationary source which emits or may emit any affected pollutant.

B. Exemptions

None

C. Definitions

See Rule 102, Definitions, for definitions not limited to this regulation. For the purposes of Regulation VIII, the following definitions shall apply:

"Enforceable" means capable of being enforced by the District, including through either the SIP or inclusion of conditions on an Authority to Construct, Permit to Operate, Determination of Issuance, or Emission Reduction Credit certificate, or a legally binding written contract executed with the District.

"Federal Land Manager" means, with respect to any lands in the United States, the Secretary of the department with authority over such lands.

"Municipal Waste Combustor Organics, Metals, and Acid Gases" shall have the meaning set forth in 40 CFR Section 52.21(b)(23), in effect on April 17, 1997.

"Net Air Quality Benefit" means a net improvement in air quality resulting from actual emission reductions impacting the same general area affected by the new or modified source and which will be consistent with reasonable further progress.

"Permanent" means reductions that will endure and are otherwise creditable for the entire term of the proposed use of the emission reduction credit. Permanence is generally assured by requiring federally enforceable changes in federally enforceable permits, regulations in the applicable State Implementation Plan, or some other federally enforceable instrument.

"Project" means any article, machine, equipment or contrivance belonging to the same emission unit at a stationary source and applied for in one or more applications for an Authority to Construct permit. Project shall not include any article, machine, equipment or contrivance described in any application for an Authority to Construct permit submitted more than 12 months after issuance of the Permit to Operate. Notwithstanding the above, Project shall include any application to increase permitted emissions due primarily to an increase in throughput or usage not associated with any new or modified article, machine, equipment or contrivance, regardless of the time between permit applications.

"Quantifiable" means emission reductions (and increases) for which both the amount and the character can be determined. Quantification may be based on emission factors, stack tests, monitored values, operating rates and averaging times, process or production inputs, modeling, or other reasonable measurement practices. The quantification methods "shall be credible, workable, and replicable." "Replicable" refers to "methods which are sufficiently unambiguous such that the same or equivalent results would be obtained by the application of the method by difference users." The same method for calculating emissions should be used to measure the emissions both before and after the changes in emission levels, both at the generator and at the user of the Emission Reduction Credits. Quantification must be based on the actual emissions from the source prior to the reduction.

"Real" means an emission reduction where actual air emissions are reduced and not artificially devised.

"Surplus" means emission reductions not required by current regulations in the State Implementation Plan, not already relied upon for State Implementation Plan planning purposes; and not used by the source to meet any other regulatory requirement, including, at the Emission Reduction Credits time of use, Reasonable Available Control Technology, Best Available Retrofit Control Technology, Reasonable Further Progress or milestones therefor, or demonstration of attainment.

D. Requirements – General

1. Regulations in Force Govern

The granting or denial of an Authority to Construct shall be governed by the requirements of this regulation in force on the date the application is deemed complete. In addition, the Air Pollution Control Officer shall deny any Authority to Construct for any new stationary source or modification, or any portion thereof, unless:

a. The new source or modification, or applicable portion thereof, complies with the provisions of this rule and all other applicable District rules and regulations; and

b. The applicant for the proposed new or modified source has demonstrated that all major stationary sources owned or operated by such person, or by any entity controlling, controlled by, or under common control with such person, in California and all stationary sources in the air basin which are subject to emission limitations are in compliance, or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act (42 USC 7401 *et seq*.) and all applicable emission limitations and standards which are part of the State Implementation Plan approved by the Environmental Protection Agency.

2. Denial, Failure to Meet Standards

The Control Officer shall deny any Authority to Construct or Permit to Operate if the Control Officer finds that the subject of the application would not comply with the standards set forth in this Regulation.

3. Certification Statement

Any application for an Authority to Construct any new stationary source or modification, or portion thereof, shall certify, at the time of application, that all major stationary sources in the State and all stationary sources in the air basin which are owned or operated by the applicant, or by an entity controlling, controlled by, or under common control with the applicant, are in compliance, or are on approved schedule for compliance, with all applicable emission limitations and standards under the Clean Air Act (42 USC 7401 *et seq*.) and all applicable emission limitations and standards which are part of the State Implementation Plan approved by the Environmental Protection Agency. The Control Officer may request any necessary information from the applicant to make this determination.

4. State Ambient Air Quality Standards

All references in this Regulation to national ambient air quality standards shall be interpreted to include State ambient air quality standards. While State standards are to be considered in the application evaluation mentioned, they are not meant to be part of the State Implementation Plan.

E. Requirements – Conditions of Granting Permits

1. The Control Officer shall deny an Authority to Construct or Permit to Operate unless the applicant demonstrates that the source will be operated consistent with the application, supplements and clarifications provided by the applicant, and engineering evaluation used in making the analysis for compliance with the Rules and Regulations.

2. The Control Officer shall not issue a Permit to Operate unless it is determined that:

   a. The new or modified stationary source will operate without emitting pollutants in violation of any applicable state, federal or local emission limitations or these Rules and Regulations; and

   b. The emissions of any pollutants from the new or modified stationary source are less than or equal to the emissions contained in the application, supplements and clarifications provided by the applicant, and engineering evaluation used by the Control Officer in granting an Authority to Construct; and

   c. The offsets required as a condition of the Authority to Construct will commence at the time or prior to initial operations of the new source or modification, and that the offsets will be maintained throughout the operation of the new or modified source. In the case of a new or modified source which will be, in whole or in part, a replacement for an existing source on the same property, the Control Officer may allow a maximum of ninety (90) days as a start-up period for simultaneous operation of the existing source and the new source or replacement; and

   d. All conditions specified in the Authority to Construct have been or will be complied with by any dates specified.

F. Requirements – Compliance with All Regulatory Requirements

Issuance of any Authority to Construct or Permit to Operate under this regulation does not relieve the applicant from complying with any applicable local, state or federal regulation.

RULE 802. NEW SOURCE REVIEW
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

A. Applicability

The purpose of New Source Review is to provide for the review of new and modified stationary sources of air pollution and provide mechanisms by which Authorities to Construct for such sources may be granted without interfering with the attainment or maintenance of any ambient air quality standard, preventing reasonable further progress towards the attainment or maintenance of any ambient air quality standard and without interfering with the protection of areas designated attainment or unclassifiable. This rule shall apply to any applicant for a new or modified stationary source which emits or may emit any affected pollutant.

B. Exemptions

1. The provisions of this rule shall not apply to any existing stationary source which was previously exempt from the permit provision of these Rules and Regulations and a Permit to Operate is required solely because of a change in permit exemptions.

2. The Control Officer may exempt any equipment replacement from the offset requirements of Section E of this rule if:

    a. The replacement is functionally equivalent,

    b. There is no increase in the potential to emit of any air contaminant,

    c. The applicant applies Best Available Control Technology, and

    d. The replacement does not debottleneck the process (e.g., increase the system's production rate).

3. Projects that meet the requirements of Health and Safety Code sections 42301.2 and 42301.13 are exempt from the offset requirements of Section E of this rule. If such emission increases are later reduced or eliminated, the emission reduction shall not be considered surplus for the purpose of emission reduction credits.

4. Emergency standby generator, flood control, and firewater pump piston-type internal combustion engines are exempt from the offset requirements of Section E of this rule.

C. Definitions

See Rule 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions.

D. Requirements – Best Available Control Technology

1. An applicant shall apply Best Available Control Technology to a new or modified stationary source which has a potential to emit any nonattainment pollutant or its precursors which meets or exceeds any threshold specified in Table 1 or has a potential to emit any attainment pollutant or its precursors which meets or exceeds any threshold specified in Table 2. For the purposes of this section, "potential to emit" for modified stationary sources means the potential to emit from the project.

Table 1: Nonattainment Pollutant Best Available Control Technology Thresholds

Pollutant	Pounds/day
Any nonattainment pollutant or its precursors (except carbon monoxide)	25
Carbon Monoxide – if designated nonattainment	150

Table 2: Attainment Pollutant
Best Available Control Technology Thresholds

Pollutant	Pounds/day	Tons/year
Particulate Matter	120	--
PM_{10}	80	--
$PM_{2.5}$	55	--
Carbon Monoxide	500	--
Nitrogen Oxides (as Nitrogen Dioxide)	120	--
Sulfur Oxides (as Sulfur Dioxide)	120	--
Reactive Organic Compounds (ROCs)	120	--
Lead	3.28	--
Asbestos	0.04	--
Beryllium	0.0022	--
Mercury	0.55	--
Vinyl Chloride	5.48	--
Fluorides	16.4	--
Sulfuric Acid Mist	38.4	--
Total Reduced Sulfur (including H_2S)	54.8	--
Reduced sulfur compounds	54.8	--
Municipal waste combustor organics	--	0.0000035
Municipal waste combustor metals	--	15
Municipal waste combustor acid gases	--	40
All other attainment pollutants or precursors	120	--

2. For any stationary source subject to a nonattainment pollutant Best Available Control Technology requirement, Best Available Control Technology shall be the more stringent of:

   a. The most effective emission control device, emission limit, or technique which has been achieved in practice for the type of equipment comprising such stationary source; or

   b. The most stringent limitation contained in any State Implementation Plan; or

   c. Any other emission control device or technique determined after public hearing to be technologically feasible and cost-effective by the Control Officer.

3. For any stationary source subject to an attainment pollutant Best Available Control Technology requirement, Best Available Control Technology shall be an emission limitation based on the maximum degree of reduction achievable for each pollutant. Best Available Control Technology shall be determined on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs. Best Available Control Technology may consist of any of the following: application of alternative production processes, fuel cleaning or treatment, innovative fuel combustion techniques, or any other technique for control of each pollutant. In no event shall application of Best Available Control Technology result in emissions which would exceed the emissions allowed under the applicable New Source Performance Standards.

4. An applicant shall apply attainment pollutant Best Available Control Technology to a new source or modification of an existing major stationary source, for any emissions increase which would construct within 10 kilometers of a Class I area and which would have an impact on such area equal to or greater than 1 microgram per cubic meter (24-hour average).

E. Requirements – Offsets Thresholds

The applicant for a new or modified stationary source with a potential to emit of any affected pollutant or its precursors which is equal to or greater than any threshold shown in Table 3 shall mitigate the project's potential to emit by providing ERCs as qualified under Rule 806, Emission Reduction Credits. The applicant subject to offsets shall comply with the requirements in Rule 804, Offsets.

Table 3: Offset Thresholds

Pollutant	Pounds/day	Tons/year
Carbon Monoxide – if designated nonattainment	150	25
Nonattainment pollutants and precursors (except carbon monoxide and $PM_{2.5}$)	--	25
Attainment pollutants and precursors (except carbon monoxide and $PM_{2.5}$)	240	--

F. Requirements – Air Quality Impact Analysis Thresholds

1. The applicant for any new or modified stationary source with a potential to emit of any pollutant or its precursors which is equal to or greater than any threshold shown in Table 4 shall submit an Air Quality Impact Analysis with their application. The Air Quality Impact Analysis shall be conducted pursuant to Rule 805, Air Quality Impact Analysis, Modeling, Monitoring, and Air Quality Increment Consumption, and shall demonstrate to the satisfaction of the Control Officer that the emissions will not cause a violation or interfere with the expeditious attainment or maintenance of any ambient air quality standard or prevent reasonable progress towards the expeditious attainment or maintenance of any ambient air quality standard or cause any ambient air quality increment to be exceeded. For the purposes of this section, "potential to emit" for modified stationary sources means the potential to emit from the project. In addition, the Control Officer may require an Air Quality Impact Analysis for any new or modified stationary source that the Control Officer has determined has the potential to cause or contribute to a violation of any ambient air quality standard or increment. This paragraph shall not require an Air Quality Impact Analysis for the assessment of the effects of ozone precursor emissions on ozone.

Table 4: Air Quality Impact Analysis Thresholds

Pollutant	Pounds/day	Tons/year
Particulate Matter	120	--
PM_{10}	80	--
$PM_{2.5}$	55	--
Carbon Monoxide	500	--
Nitrogen Oxides (as Nitrogen Dioxide)	120	--
Sulfur Oxides (as Sulfur Dioxide)	120	--
Reactive Organic Compounds (ROCs)	120	--
Lead	3.28	--
Asbestos	0.04	--
Beryllium	0.0022	--
Mercury	0.55	--
Vinyl Chloride	5.48	--
Fluorides	16.4	--
Sulfuric Acid Mist	38.4	--
Total Reduced Sulfur (including H_2S)	54.8	--
Reduced sulfur compounds	54.8	--
Municipal waste combustor organics	--	0.0000035
Municipal waste combustor metals	--	15
Municipal waste combustor acid gases	--	40
All other attainment or nonattainment pollutants or precursors	120	--

2. The applicant for a new or modified stationary source which has the potential to emit more than 20 pounds per hour of any attainment pollutant or total suspended particulates shall demonstrate to the satisfaction of the Control Officer through use of air quality models meeting the requirements of Rule 805, Section D.1 (Air Quality Models) and Rule 805, Section F (Requirements – Ambient Air Quality Standards and Air Quality Increments), that their emissions will not cause an ambient air quality standard or increment to be exceeded.

G. Requirements – Air Quality Impact Analysis: Pre and Post Construction Monitoring

1. The applicant for a new or modified stationary source which will have a potential to emit any attainment pollutant greater than a threshold shown in Table 5 shall conduct ambient air quality monitoring for at least one year before commencing construction.

   The Control Officer may exempt new non-major stationary sources or modifications from this requirement if there is sufficient data to determine the effects that the emissions from the stationary source or modification may have on air quality in the area.

Table 5: Attainment Pollutant Monitoring Thresholds

Pollutant	Pounds/day
Particulate Matter	120
PM_{10}	80
$PM_{2.5}$	55
All other attainment pollutants	240

2. The applicant shall conduct post construction monitoring until the Control Officer determines the effects of emissions from the stationary source or modification.

3. All monitoring shall comply with Environmental Protection Agency guidelines (see 40 CFR 58) and other instructions of the Control Officer.

4. Protection of Class I Areas

The applicant for any new or modified stationary source shall conduct post-construction monitoring if all the following conditions are met:

a. The source will be within a Class I or Class I impact area,

b. The source will increase ambient pollutant concentration within the Class I area by one microgram per cubic meter (24 hour average), and

c. The source has the potential to emit over 100 tons per year of any attainment pollutant.

H. Requirements – Visibility, Soils, and Vegetation Analysis

For a new or modified stationary source with a potential to emit any attainment pollutant over any threshold shown in Table 5, the applicant shall provide the Control Officer with an analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the source or modification and of general commercial, industrial, and other growth associated with the source or modification.

I. Requirements – Administration

1. Analysis, Notice and Reporting

The Control Officer shall comply with the following requirements for any new or modified stationary source with an emission increase of any air pollutant (or its precursors) which is equal to or greater than any threshold shown in Tables 3 and 4 of this rule.

a. Make available for public inspection at the District's office the analysis of the effect of the source on air quality and the preliminary decision to grant or deny the Authority to Construct.

b. Publish a notice once by advertisement in at least one newspaper of general circulation in the District, stating where the public may inspect the information on the preliminary decision to grant an Authority to Construct. The notice shall provide 30 days for the public to submit comments on the application, beginning on the date of publication.

c. Notify the applicant, Air Resources Board, and adjoining air pollution control districts of the District's preliminary decision to grant the Authority to Construct. The notice will be provided in writing at the time of public notice. The Air Resources Board shall be provided an analysis support package for the determination.

d. Consider all comments submitted. If within the 30-day notice period the Control Officer receives a written request from the Air Resources Board to defer his or her decision pending that agency's review of the application, the Control Officer shall defer any decision for a period of 30 days from the date of such request. The Control Officer shall take final action on the application after considering all written comments.

e. The public notice will include notification of the opportunity for a public hearing and will indicate the anticipated degree of increment consumption. A public hearing may be called if sufficient interest is generated or if any aggrieved party so requests in writing within the 30-day comment period. All public hearings shall have a public notice issued at least 30 days prior to the hearing. After considering all comments, including those presented at any hearings held, the Control Officer will reach a decision and notify the applicant, Air Resources Board, adjoining air pollution control districts, and any person who has made a written request to be notified of the final decision. The Control Officer's notification of the final decision may be made electronically.

2. Conditional Requirements for Authority to Construct

The Control Officer shall, as a condition for the issuance of an Authority to Construct for a new stationary source or modification and with the prior written consent of the applicant for any source which provides offsets:

a. Require that the new source or modification and any sources which provide offsets be operated in the manner assumed in making the analysis. The permit shall, if applicable, include an emissions limitation which corresponds with the application of Best Available Control Technology or innovative control technology.

b. Modify, or require modification of, the Authority to Construct and Permit to Operate for any source used to provide offsets to ensure that emissions reductions at that source which provide offsets will be enforceable and maintained throughout the operation of the new or modified source which is the beneficiary of the offsets.

c. Permit any enforceable methods, other than those described in sub-section b), which will assure that all required offsets are achieved and meets the requirements of Rule 804, Offsets.

3. Issuance of Permit to Operate

a. The Control Officer shall issue a Permit to Operate if it is determined that:

1) The new or modified stationary source will operate without emitting pollutants in violation of any applicable state, federal or local emission limitation or these Rules and Regulations; and

2) The emissions of any pollutants from the new or modified stationary source are less than or equal to the emissions used by the Control Officer in granting an Authority to Construct; and

3) The offsets required as a condition of the Authority to Construct will commence at the time of or prior to initial operations of the new source or modification, will be maintained throughout the operation of the new or modified source, and are enforceable. In the case of a new or modified source which will be, in whole or in part, a replacement for an existing source on the same property, the Control Officer may allow a maximum of ninety (90) days as a start-up period for simultaneous operation of the existing source and the new source or replacement; and

4) All conditions specified in the Authority to Construct have been or will be complied with by any dates specified.

4. Denial of Authority to Construct

The Control Officer shall deny an Authority to Construct for any new stationary source or modification, or any portion thereof unless the new source or modification, or applicable portion thereof, complies with the provisions of this rule and all other applicable District Rules and Regulations.

5. Offset Exemption Tracking

The Control Officer shall prepare an annual report that lists all equipment units that have been exempted from offset requirements under the equipment replacement provisions in Section B.2. The report shall include a comparison of the emissions of the new equipment and the emissions of the replaced equipment. This report shall be made available to the public and the Air Resources Board.

RULE 803. PREVENTION OF SIGNIFICANT DETERIORATION
(Adopted 4/17/1997 and repealed [*date of rule repeal*])

Repealed by the Santa Barbara County Air Pollution Control District Board on [*date of rule repeal*].

RULE 804. OFFSETS
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

A. Applicability

This rule shall apply to any applicant required to obtain offsets under Rule 802, New Source Review, and to any applicant who creates emission reduction credits under Rule 806, Emission Reduction Credits.

B. Exemptions

None.

C. Definitions

See Rule 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions.

D. Requirements – General

1. Emission reductions shall be actual average annual reductions of emissions from existing sources that are enforceable, are sufficient to offset the annual potential to emit of the project and which will result in a net air quality benefit using the offset ratios listed in Sections D.8, D.9 and D.10 below.

2. No emission reduction shall be eligible as an emission offset unless the Control Officer finds that the emission reduction is real, surplus, permanent, quantifiable, and enforceable and has complied with Rule 806, Emission Reduction Credits. Emission reductions resulting from any permits, agreements or orders, or from requirements of federal, State, or District laws, rules and regulations or required by the District approved federal or State attainment or maintenance plan shall not be available for offsets.

3. In no case shall halogenated hydrocarbons be used as offsets for reactive organic compounds. Also, in no case shall exempt compounds or the other compounds excluded from the definition of reactive organic compounds be used as offsets for reactive organic compounds.

4. In no case shall the following be allowed as offsets:

    a. Emission reductions achieved through a shift-in-load; or

    b. Emission reductions from gas stations, dry cleaners, body shops, and other businesses characterized by inelastic demand.

5. Inter-pollutant offsets may be allowed between precursor contaminants. Such offsets shall be approved by the District (using Environmental Protection Agency guidelines) on a case-by-case basis, provided that the applicant demonstrates, on the basis of the Environmental Protection Agency-approved methods (where possible), that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard. In such cases, the Control Officer shall, based on air quality analyses, impose offset ratios equal to or greater than those specified by this rule.

    a. Inter-pollutant offsets between PM_{10} and PM_{10} precursors may only be allowed if PM_{10} precursors contribute significantly to PM_{10} levels that exceed the PM_{10} ambient standards.

6. In order to verify that emission sources used as offsets will be maintained throughout the operation of the new or modified source:

   a. Permitted sources which provide emission reductions as offsets will have their Authority to Construct and Permit to Operate revised or canceled.

   b. Statutorily exempt sources used as emissions offsets will require a written contract between the applicant and the non-permitted source which shall be agreeable to and enforceable by the Control Officer and names the District as third party beneficiary. Notwithstanding any exemption from permit authorized by these Rules and Regulations any source exempt from permit that provides emission reductions as Emission Reduction Credits shall, as a condition of being allowed to obtain an Emission Reduction Credit, obtain an Authority to Construct and Permit to Operate as required by this rule. A violation of the emission limitation provisions of any such contract shall be chargeable to the applicant.

   c. The operation of any source which provides offsets shall be subject to enforceable permit conditions, containing specific emission limitations, to ensure that the emission reductions will be provided in accordance with the provisions of this Rule and shall continue for the reasonably expected life of the proposed new or modified source using the offsets.

7. Except as otherwise provided in Rule 802, Section I.3.a.3, all emission reductions used as offsets shall occur at the same time as, or before, the emission increases from the project.

8. Emission reductions occurring at the same stationary source as an emission increase shall be provided at an offset ratio of 1.1 to 1.

9. Emission reductions that do not occur at the same stationary source as an emission increase shall be provided at an offset ratio of 1.3 to 1, except as provided in Section D.10.

10. Pursuant to California Health and Safety Code Section 40709.6, emission reductions located in Ventura County and San Luis Obispo County may be considered for use at stationary sources in the District. A minimum offset ratio of 1.5 to 1 shall apply to these reductions. A higher offset ratio may be established on a case-by-case determination by the District.

E. Requirements – Baseline Calculations for Affected Pollutants

The emissions from an existing source to be used as an offset shall be based upon the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years. The Control Officer may approve any other time period of at least three years within five years prior to the date of application that is more representative of normal source operation. If a violation of laws, rules, regulations, permit conditions or orders of the District, the Air Resources Board or the Environmental Protection Agency occurred during the period used to determine the operating conditions, an adjustment shall be made to determine the emissions the existing source would have caused without such violation.

RULE 805. AIR QUALITY IMPACT ANALYSIS, MODELING, MONITORING, AND AIR QUALITY INCREMENT CONSUMPTION
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

A. Applicability

This rule shall apply to any new or modified stationary source that requires an air quality impact analysis, modeling, monitoring, or air quality increment analysis. Projects subject to Federal Prevention of Significant Deterioration shall also comply with the requirements of Rule 810, Federal Prevention of Significant Deterioration.

B. Exemptions

None.

C. Definitions

See Rule 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions.

D. Requirements – General

1. Air Quality Models

   All air quality models shall be consistent with the requirements provided in the most recent "Guideline on Air Quality Models" prepared by the Environmental Protection Agency (Appendix W to 40 CFR Part 51) unless the Control Officer finds that such a model is inappropriate for use. After making such finding, the Control Officer may designate an alternate model only after allowing for public comment and only with concurrence of the California Air Resources Board and the Environmental Protection Agency.

2. Effective Stack Height

   For the purposes of determining effective stack height, the influence of a nearby structure is limited to five times its height or width, whichever is less, downwind. In meeting the requirements of this rule pertaining to compliance with applicable ambient air quality standards or increments, the degree of emission limitation required shall not be affected by:

   a. so much of the stack height of any source as exceeds good engineering practice, or

   b. any other dispersion technique.

E. Requirements – Air Quality Impact Analysis: Class I Area

If a new or modified source will impact a Class I Area, the applicant shall analyze the stationary source's impact on air quality related values for those values which the Federal Land Manager has identified.

F. Requirements – Ambient Air Quality Standards and Air Quality Increments

1. In no case shall the emissions from the new or modified stationary source cause the violation of an ambient air quality standard or lead to the violation of any air quality increment.

2. Baseline air quality shall be the ambient concentration level reflecting actual air quality as monitored by District monitoring equipment or by applicant pre-construction monitors installed

pursuant to Rule 802.G, Requirements – Air Quality Impact Analysis: Pre and Post Construction Monitoring.

3. The applicant may consume the full increment range, where provided in Table 1, if the applicant provides alternative mitigation as required herein. The cost of such mitigation shall not exceed $333 per year per microgram/m^3 over the lower level of the increment range for this pollutant. The maximum cost of mitigation for the first year shall be based on the maximum modeled concentration of the projected peak emissions year, thereafter depreciating this amount by 10 percent per year over 10 years or the life of the project, whichever is less. Cost of mitigation during the final year of the project shall be prorated to reflect the portion of the year during which the facility is in operation.

Table 1: Air Quality Standards and Increments [1]

Pollutant: Averaging Period	**Maximum Allowable Increase – Increments** (ug/m^3) **Class I**	**Class II**	**Air [2] Quality Standard** (ug/m^3)
***Total Suspended Particulates*:**			
Annual Geometric Mean	5	19	--
24-Hour Maximum	10	37	--
Sulfur Dioxide:			
Annual Arithmetic Mean	2	20	80
24-Hour Maximum	5	91	105
3-Hour Maximum	25	512	1,300
1-Hour Maximum	--	--	196
Nitrogen Dioxide:			
Annual Arithmetic Mean	2.5	25	57
1-Hour Maximum[3]	10	100-188	188
Carbon Monoxide:			
8-Hour Maximum	200	2,500	10,000
1-Hour Maximum	800	10,000	23,000
Reactive Organic Compounds:			
3-Hour Maximum[3]	3	40-160	--
Particulate Matter (<10 μm):			
Annual Arithmetic Mean	4	17	20
24-Hour Maximum[3]	8	12-30	50
Particulate Matter (<2.5 μm):			
Annual Arithmetic Mean	1	4	12
24-Hour Maximum	2	9	35

[1] Also see Rule 809 and Rule 810 for projects subject to Federal review.

[2] Air Quality Standards represent the most stringent of State and Federal standards.

[3] The applicant may consume the full increment range pursuant to the requirements of Section F.3.

G. Requirements – Calculations for an Air Quality Impact Analysis and/or Modeling

1. The maximum design capacity (potential to emit) of a new stationary source or modification shall be used to determine the emissions from the new source or modification. However, the applicant may agree to enforceable limitations on the operation of the new source or modification. If those limitations are included in both Authorities to Construct and Permits to Operate issued according to the rule, then those limitations shall be used to establish the emissions from the new source or modifications.

2. The emissions from an existing source shall be based on the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years. The Control Officer may approve any other time period of at least three years within five years prior to the date of application that is more representative of normal source operation. If violation of laws, rules, regulations, permit conditions, or orders of the District, the Air Resources Board, or the Environmental Protection Agency occurred during the period used to determine the operating conditions, then an adjustment shall be made to determine the emissions the existing source would have caused without such violations.

H. Requirements – Air Quality Increment Analysis

The Control Officer shall evaluate the impact on the air quality increment of the emissions from the proposed source. Any emissions from secondary emissions associated with the source shall be included in the determination of increment consumption.

RULE 806. EMISSION REDUCTION CREDITS
(Adopted 4/17/1997, revised [*date of revised rule adoption*])

A. Applicability

This rule shall apply to any person seeking to register emission reductions of affected pollutants as Emission Reduction Credits for use as offsets pursuant to Rule 804, Offsets.

B. Exemptions

None.

C. Definitions

See Rules 102, Definitions, and Rule 801, New Source Review – Definitions and General Requirements, for definitions.

D. Requirements – Eligibility of Emission Reductions

1. Emission Reduction Credits shall be allowed for actual emission reductions which have been demonstrated to the satisfaction of the Control Officer to be real, surplus, permanent, quantifiable, and enforceable and which meet the requirements of these Rules and Regulations.

2. Emission reductions shall meet all requirements specified in Rule 804.D for sources which provide emission offsets and all requirements of this rule to be eligible for registration as offsets. Emission Reduction Credits shall not be allowed for emission reductions occurring in another district or for Outer Continental Shelf Sources for which the District is not the corresponding onshore area.

3. Emission reductions which occur prior to the Control Officer's determination that the application for the Emission Reduction Credit is complete shall not be eligible as Emission Reduction Credits.

4. Emission reductions for Toxic Air Contaminants shall be eligible for Emission Reduction Credits only as the appropriate criteria pollutant.

5. Emission Reduction Credits shall be subject to all requirements of the Environmental Protection Agency prior to use.

6. Withdrawal of an application by an applicant shall result in the cancellation of the application. Any resubmittal shall be evaluated using a baseline calculated as of the date of application completeness.

7. **Department of Defense Credits:** Emission reduction credits recognized though a memorandum of agreement between the Board and the Department of Defense shall be registered pursuant to this rule in order to be used as Emission Reduction Credits.

    a. The applicant shall be subject to and comply with the requirements of Section F (Application Procedures), G (Source Register), H.1 (Certificates), J (Use), K (Moratoriums) and L (Fees) of this rule. The applicant shall file an application to register such Emission Reduction Credits pursuant to Section F.1 within 90 days after the date of adoption of this rule.

    b. Notwithstanding any other provisions of these Rules, Emission Reduction Credits held by the Department of Defense that were created pursuant to a memorandum of agreement between the Board and the Department of Defense shall:

1) Be used solely for a single stationary source whose activities have a standard industrial classification code for national defense or space research and technology;

2) Not be transferable;

3) Not be subject to Reasonably Available Control Technology discounting upon use; and

4) After use, may be re-registered for the full original value, as Emission Reduction Credits pursuant to Section G and be used in accordance with this rule.

E. Requirements – Emission Reduction Discounts

Emission reductions that result from a shutdown or a reduction in throughput shall be discounted by the greater of the following:

1. The amount of the emissions reduction that could be controlled by the application of the best available control technology applicable on the date the application to register emission reduction credits is deemed complete if:

   a. The actual emission reductions are greater than 25 pounds per day, and

   b. There is no reasonably available control technology for the emission unit.

2. Twenty (20) percent.

F. Requirements – Emission Reduction Credit Application Procedures

1. **Application Form and Completeness:** The Application Form and Completeness procedures of Rule 208, Action on Applications – Time Limits, shall apply to the submission of applications for Emission Reduction Credits. An application for an Emission Reduction Credit shall include an application for an Authority to Construct or to cancel or revise the Permit to Operate for the source providing the emission reduction. For purposes of processing, the application for the Emission Reduction Credit and the application for the modification to the Authority to Construct or cancellation or revision of the Permit to Operate shall be considered one application.

2. **Source Tests:** The Control Officer may require source test results, continuous emission monitoring, production records, fuel use records and any other information necessary to evaluate an application. All source testing shall be conducted in accordance with District approved protocols.

3. **Preliminary Decision:** After an application has been deemed complete, the Control Officer shall analyze the application based on applicable federal, state, and local control strategies and the requirements of these Rules and Regulations. Such analysis shall be completed within 120 days after a determination that the application is complete.

4. **Publication and Public Comment:** Within 10 days of any preliminary decision pursuant to F.3, above, which proposes to allow the registration of emissions which exceed the emission reduction levels specified in Table 1, below, the Control Officer shall publish in at least one newspaper of general circulation throughout the District a public notice stating the preliminary decision of the Control Officer, noting how pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication. The notice shall identify the applicant and the quantity of emission reductions requested as Emission Reduction Credits.

Table 1: Public Notice Thresholds for Emission Reduction Credit Approvals

Pollutant	Proposed Emission Reduction Credit (Tons per Year)
PM_{10}	15
Carbon Monoxide	25
All Nonattainment pollutants (except CO and PM_{10})	10
All Attainment pollutants (except CO and PM_{10})	20

5. **Decision**

Within 180 days after the applicant submits a complete application pursuant to F.1, above, and after considering all comments received pursuant to F.4, above, the Control Officer shall reach a decision and notify the applicant. If the Control Officer approves the application for Emission Reduction Credits, the Control Officer shall:

a. Approve a Decision of Issuance that approves the emission reduction credits subject to appropriate conditions;

b. Issue an Authority to Construct permit or, for sources which are providing emission reductions due to being shutdown, the Control Officer shall cancel the Permit to Operate; and

c. Publish a notice of that decision in accord with the provisions of F.4, above, if the amount of the approved Emission Reduction Credit exceeds any threshold set forth in Table 1.

6. **Appeals**

a. The applicant may appeal the Control Officer's decision to the Hearing Board within 30 days after receipt of the Control Officer's decision.

b. Within 30 days of any decision to issue an Emission Reduction Credit, any aggrieved person who, in person or through a representative, appeared, submitted written testimony, or otherwise participated in the action before the District, may request the Hearing Board to hold a public hearing to determine whether the Emission Reduction Credit application was properly issued.

c. Any appeal shall follow the procedures for filing petitions set forth in Regulation V, Hearing Board, and pay fees set forth in Schedule F.12 of Rule 210, Fees, that apply to appeals of permit decisions.

7. **Modification/Cancellation of Permit to Operate**

Prior to the issuance of any Certificate or entry in the Source Register of any Emission Reduction Credit, the applicant shall modify the Permit to Operate or, for emission reduction due to shutdowns, the Permit to Operate shall be cancelled or revised, for the source providing the emission reduction.

G. Requirements – Source Register

Upon the Control Officer's determination to approve an Emission Reduction Credit and the issuance or cancellation of the Permit to Operate for the source providing the emission reduction, the Control Officer shall register such Emission Reduction Credit in the Source Register. The Source Register shall provide the name of the owner(s), amount and type of pollutant qualified as Emission Reduction Credits, the date of registration, the location of the source supplying the emission reduction, and any other information deemed necessary by the Control Officer. The Emission Reduction Credits shall be registered until cancelled or nullified by operation of law.

H. Requirements – Emission Reduction Certificates

1. Upon registration in the Source Register, the Control Officer shall issue a Certificate evidencing all approved reductions of emissions of pollutants to the owner or owners of the emissions source. Certificates evidencing ownership of approved reductions shall not constitute instruments, securities or any other form of property.

2. Emission Reduction Credits shall be valid for a period of 5 years from the date of registration. Such credits may be renewed if all requirements of these Rules and Regulations are met and an application for renewal is submitted to the District prior to expiration. The application shall be on a form approved by the Control Officer and shall be accompanied by a filing fee pursuant to item 1 of Schedule F of Rule 210, Fees. Failure to timely file an application for renewal may result in the termination of the Emission Reduction Credit.

I. Requirements – Transfers

1. Transfer of all or any portion of an Emission Reduction Credit shall be in writing and signed by the transferor in a form authorized by law. Involuntary transfers shall conform to the requirements of Health and Safety Code section 40711. The instrument shall be filed with the District within 30 days of signing and shall specify or be accompanied by the following:

    a. The amount and type of Emission Reduction Credits transferred;

    b. A copy of the current Emission Reduction Credit Certificate which is to be cancelled or modified and reissued by the District;

    c. An application on a form prescribed by the Control Officer requesting the issuance of a new Emission Reduction Credit Certificate; and

    d. The cost, in dollars per ton of each pollutant, paid for the purchase of the Emission Reduction Credit.

2. A filing fee as specified in item 1 of Schedule F of Rule 210, Fees, shall accompany any application for transfer an Emission Reduction Credit.

3. No transfer shall be effective until the required written notice, fee for transfer, and any other delinquent fees due to the District are paid.

4. Upon filing a copy of the instrument of transfer, application and fee for transfer, and all delinquent fees with the District, the transfer shall be complete and the title so transferred shall vest in the transferee. A new Certificate shall be issued to the transferee and the last previous original Certificate shall be cancelled or modified as necessary. The new Certificate and cancelled or modified Certificate shall be recorded in the Source Register.

J. Requirements – Use of Emission Reduction Credits

An Emission Reduction Credit may be used by the owner to provide offsets required by these Rules and Regulations to the extent allowed by state and federal law. An Emission Reduction Credit shall qualify as an offset upon surrender of the Certificate to the District subject to the requirements of these Rules and Regulations. Such Emission Reduction Credit shall be used in a manner consistent with the Certificate and in accordance with all other requirements of these Rules and Regulations at the time of use, including the applicable offset ratio.

K. Requirements – Moratorium on Registered Emission Reduction Credits

If the Control Officer determines that additional mandatory emission reductions will be necessary to attain an ambient air quality standard, the Control Officer may declare a full or partial moratorium on the use of emission reduction credits, after opportunity for public comment which complies with the notice requirements of Section F.4. Such a moratorium shall be lifted after the Control Officer determines that the District's air quality attainment plan demonstrates attainment of such standards.

L. Requirements – Fees

Processing of applications for Emission Reduction Credits shall be subject to the Cost Reimbursement provisions of Rule 210, Fees.

RULE 809. FEDERAL MINOR SOURCE NEW SOURCE REVIEW
(Adopted [*date of rule adoption*])

A. Applicability

This rule applies to any new or modified stationary source that emits an air pollutant (or its precursors) subject to any national ambient air quality standard, and the source is not a new major stationary source or a major modified stationary source.

B. Exemptions

Equipment that qualifies as exempt under Rule 202, Exemptions to Rule 201, is exempt from this rule.

C. Definitions

See Rule 102, Definitions, for definitions not limited to this rule. For the purposes of this rule, the following definitions shall apply:

"National Ambient Air Quality Standard" means any federal ambient air quality standard promulgated by the Environmental Protection Agency.

"Project" means any article, machine, equipment or contrivance belonging to the same emission unit at a stationary source and applied for in one or more applications for an Authority to Construct permit. Project shall not include any article, machine, equipment or contrivance described in any application for an Authority to Construct permit submitted more than 12 months after issuance of the Permit to Operate.

D. Requirements – Authority to Construct and Permit to Operate

Any person building, erecting, altering, replacing, or using any article, machine, equipment or other contrivance, the use of which may cause the issuance of any air pollutant (or its precursors) subject to any national ambient air quality standard or the use of which may eliminate or reduce or control the issuance of such pollutant (or its precursors), shall first obtain an Authority to Construct for such construction and a Permit to Operate for the subsequent operation from the Control Officer. An Authority to Construct issued to a source shall remain in effect until the Permit to Operate for the project for which the application was filed is granted or denied or the application expires. Interim operations may be allowed under the provisions of the Authority to Construct permit.

E. Requirements – Air Quality Impact Analysis

1. Thresholds

The applicant for any new or modified stationary source with a potential to emit of any air pollutant (or its precursors) which is equal to or greater than any threshold shown in Table 1 shall submit an Air Quality Impact Analysis (AQIA) with their application. The Air Quality Impact Analysis shall be conducted pursuant to Subsection E.2 and must demonstrate to the satisfaction of the Control Officer that the emissions will not cause a violation or interfere with the expeditious attainment or maintenance of any national ambient air quality standard or prevent reasonable progress towards the expeditious attainment or maintenance of any national ambient air quality standard. For the purposes of this section, "potential to emit" for modified stationary sources means the potential to emit from the project. In addition, the Control Officer may require an Air Quality Impact Analysis for any new or modified stationary source that the Control Officer has determined has the potential to cause or contribute to a violation of any national ambient air quality standard. This paragraph shall not require an Air Quality Impact Analysis for the assessment of the effects of ozone precursor emissions on ozone.

Table 1 – Air Quality Impact Analysis Thresholds

Pollutant	Pounds/day
Nitrogen Oxides (as Nitrogen Dioxide)	120
Sulfur Oxides (as Sulfur Dioxide)	120
PM_{10}	80
$PM_{2.5}$	55
Carbon Monoxide	500
Lead	3.28

2. Air Quality Models

   All air quality models shall be consistent with the requirements provided in the most recent "Guideline on Air Quality Models" prepared by the Environmental Protection Agency (Appendix W to 40 CFR Part 51) unless the Control Officer finds that such a model is inappropriate for use. After making such finding, the Control Officer may designate an alternate model only after allowing for public comment and only with concurrence of the California Air Resources Board and the Environmental Protection Agency.

3. Requirements – Effective Stack Height

   For the purposes of determining effective stack height, the influence of a nearby structure is limited to five times its height or width, whichever is less, downwind. In meeting the requirements of this Rule pertaining to compliance with applicable ambient air quality standards or increments, the degree of emission limitation required shall not be affected by:

   a. So much of the stack height of any source as exceeds good engineering practice, or

   b. Any other dispersion technique.

F. Requirements – Standards for Granting Applications

1. No Authority to Construct or Permit to Operate shall be issued for any project subject to this rule unless the Control Officer has made a determination that the project will comply with all applicable State Implementation Plan (SIP) requirements.

2. No Authority to Construct or Permit to Operate shall be issued for any project subject to this rule unless the Control Officer has made a determination that the new or modified stationary source will not interfere with the District's ability (or any neighboring district's or state's ability) to attain or maintain all national ambient air quality standards.

3. Before an Authority to Construct or a Permit to Operate is granted, the Control Officer may require the applicant to provide and maintain such facilities as are necessary for sampling and testing purposes in order to secure information that will disclose the nature, extent, quantity or degree of air pollutants discharged into the atmosphere from the article, machine, equipment or other contrivance described in the Authority to Construct or Permit to Operate. The platform and access for sampling shall be constructed in accordance with the General Industry Safety Orders of the State of California.

4. The Control Officer may issue an Authority to Construct or Permit to Operate to any new stationary source or modified stationary source for which a permit is required, subject to specified written conditions. Such conditions are for the purpose of ensuring that construction and operation of the source complies with all applicable local, state, and federal air quality laws, rules, and regulations. Commencing construction or operation under such an Authority to Construct or

Permit to Operate shall be deemed acceptance of all the specified conditions. Failure to comply with any condition specified pursuant to the provisions of this rule shall be a violation of this rule.

5. The Control Officer may issue a new Permit to Operate with revised conditions upon receipt of an application which modifies the project in such a manner to ensure that the source can operate in compliance with all applicable local, state, and federal air quality laws, rules and regulations.

6. No Authority to Construct or Permit to Operate shall be issued for any project subject to this rule unless the Control Officer has complied with the Public Notice Requirements specified in Section G of this rule.

G. Requirements – Analysis and Public Notice

The Control Officer shall comply with the following requirements for any new or modified stationary source with an emission increase of any air pollutant (or its precursors) which is equal to or greater than any threshold shown in Table 1.

1. Make available for public inspection at the District's office the analysis of the effect of the source on air quality and the preliminary decision to grant or deny the Authority to Construct.

2. Publish a notice once by advertisement in at least one newspaper of general circulation in the District, stating where the public may inspect the information on the preliminary decision to grant an Authority to Construct. The notice shall provide 30 days for the public to submit comments on the application, beginning on the date of publication.

3. Notify the applicant, Environmental Protection Agency, Air Resources Board, and adjoining air pollution control districts of the District's preliminary decision to grant the Authority to Construct. The notice will be provided in writing at the time of public notice. The Environmental Protection Agency and the Air Resources Board shall be provided an analysis support package for the determination.

4. Consider all comments submitted. If within the 30-day notice period the Control Officer receives a written request from the Environmental Protection Agency or the Air Resources Board to defer his or her decision pending the requesting agency's review of the application, the Control Officer shall defer any decision for a period of 30 days from the date of such request. The Control Officer shall take final action on the application after considering all written comments.

5. The public notice will include notification of the opportunity for a public hearing. A public hearing may be called if sufficient interest is generated within the 30-day comment period. All public hearings shall have a public notice issued at least 30 days prior to the hearing. After considering all comments, including those presented at any hearings held, the Control Officer will reach a decision and notify the applicant, Environmental Protection Agency, Air Resources Board, adjoining air pollution control districts, and any person who provided comments or has made a written request to be notified of the final decision. The Control Officer's notification of the final decision may be made electronically.

H. Denial of Permit

The Control Officer shall notify the applicant in writing if the Authority to Construct or Permit to Operate is denied. This notification shall include the reasons why the application was denied.

I. Requirements – Records

All owners or operators subject to this rule shall maintain records that are required by the District to verify compliance. The required records shall be specified in the Authority to Construct and Permit to Operate. Such records shall be retained for a period of 3 years from the date of entry.

J. Requirements – Compliance with All Regulatory Requirements

Issuance of any Authority to Construct or Permit to Operate under this rule does not relieve the applicant from complying with any applicable local, state or federal regulation.

If an existing previously permitted stationary source will become a 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 major stationary source and the requirements of Rule 810, Federal Prevention of Significant Deterioration (PSD), shall apply as if construction of the stationary source had not yet commenced.

K. Expiration of Authority to Construct

If unused, an Authority to Construct shall automatically expire one year from the date of issuance.