



air pollution control district SANTA BARBARA COUNTY

FAQ: Rule 801 – New Source Review – Definitions and General Requirements
DATE: October 10, 2016
REV: 2.0

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Certification Statement

- Q: *Clarify why an applicant must certify all other major stationary sources in the state and all stationary source in the air basin which are owned or operated by the applicant are in compliance with all applicable emissions limitations and standards under the Clean Air Act.*
- A: This requirement was mandated under previous New Source Review Rules pursuant to Clean Air Act, [42 US Section 7503](#), as modified for local purposes. The APCD continues to follow EPA's guidance, as modified for local purposes, on the application of this requirement.

Net Air Quality Benefit

- Q: *The rule defines net air quality benefit as "...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." What does this mean? Please elaborate.*
- A: This means that the emission reductions used to offset the proposed project are quantifiable, surplus, permanent, enforceable, real, are within the same geographic region air basin (the South Central Coast Air Basin) and will result in an overall net improvement in air quality.

The term actual emission reduction is defined in rule 102 and ensures that emission reductions are quantifiable and enforceable. Surplus means that the emission reductions are not already (or planned to in the future) required by any local, state or federal regulation. Examples include local control rules, clean air plan control measures, reductions relied upon in the clean air plan, federal and state RACT measures, New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants and State control measure for criteria and/or toxic air contaminants. Permanent means that the change that created the emission reductions is not reversed, for example removing emission control equipment. The term permanent is also used to address shift in load such as removing an emission unit but maintaining facility production by increasing throughput and emissions in another emissions unit.

Project, Clarification of the Definition

Q: *The term “project” is used to determine if a source exceeds an applicable NSR threshold such as BACT or AQIA. Explain how project is used, what constitutes a project and provide examples.*

A: The term “project” is used in Rule 802.D.1 (*Requirements – Best Available Control Technology*), Rule 802.E (*Requirements – Offsets Thresholds*), Rule 802.F (*Requirements – Air Quality Impact Analysis Thresholds*) and indirectly in Rule 802.I.1 (*Analysis, Notice and Reporting*). The term “project” is defined in Rule 801 as follows:

“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.

Emission Unit is defined in Rule 102 as follows:

“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.

In other words, an emission unit is an aggregation of components dependent upon each other to perform a necessary function or activity. Typically, these activities are composed of production or process lines within the source (i.e., they are part of the source). Examples of an emission unit are: a cogeneration system; auto body spray booth (including associated prep/touch-up and solvent usage); non-metallic mineral processing line (crusher, furnace, calciner, classifier, packing); sulfur recovery train (amine unit, sulfur recovery unit, tail gas unit).

The term “project” is used as an easy way of addressing BACT and AQIA in the New Source Review rule for modifications to existing sources. The term “project” provides more clarity for both the applicants and the APCD by focusing the review on emission units. For new sources, the project is all the emission units that comprise the new source.

It is important, therefore, to know how the definition of “project” is applied. Examples are provided below to illustrate the intent of the rule. Some generalities, however, can be made when assessing what constitutes a “project”. These are:

- A project is typically composed of all the equipment listed in an Authority to Construct or Permit to Operate application.
- All modified equipment that is part of the same emission unit is the same project. We do apply the definition of project to each individual device.
- A project incorporates equipment using the broadest scope of activities. Projects are not intended to be individual components of a process but rather to include all components or units within the process or production line.

- Modifications to a project prior to or during the SCDP are considered the same project as defined in the underlying ATC permit and supporting documentation.
- Any modifications to the affected emissions unit that occurs within 12 months of receiving a PTO for that emission unit are considered the same project. This 12-month provision does apply to increases in throughput, usage or permitted emissions where there is no substantive physical modification to the source. The determination of what a substantive physical modification will be made by the Engineering Supervisor. Circumvention (knowing or unknowing) of this provision will not be allowed.

Example #1:

An applicant at an existing facility wishes to add a new vapor degreaser; this addition is not associated with another project that received a PTO within the past 12 months. The “project” for this example would be the vapor degreaser. (If the application was associated with similar processes that were permitted within the past 12 months, then the “project” would include the prior project’s emission units and the new vapor degreaser).

Example #2:

An operator for an existing oil and gas plant seeks a permit to add a bypass line for one of their gas production streams. The equipment involved includes the addition of a small number of piping components in hydrocarbon service. The facility-wide permit for the plant contains enforceable permit conditions regarding the implementation of an Inspection and Maintenance Program. The “project” for this example would include all piping components associated with installation of the new by-pass line. Since the facility-wide permit already ensures that the I&M Program is enforceable, a *de minimis* exemption via Rule 202.D.6 can be requested with the potential to emit based on controlled emission factors from implementation of the existing I&M program on the new piping components.

Example #3a:

An existing sand, rock and gravel plant seeks to add a new concrete recycling facility. The equipment includes: hoppers, screens, crushers, transfer belts, stacker belts and baghouses. The “project” for this example would be all the equipment comprising the new concrete recycling facility.

Example #3b:

As a follow on to the above example, two months after the Permit to Operate for the concrete recycling facility is issued, the operator submits a new ATC permit application to expand to capacity of the facility. The “project” for this example would include the original concrete recycling facility plus the new equipment associated with the expansion. This is considered all one project as the application for the new equipment occurred within one year of the Permit to Operate issuance of the original project. If the ATC application for the new equipment is submitted 3 years after issuance of the PTO permit, the “project” would be the new equipment only. But, if the application was submitted three years after the PTO to increase the annual production rate by 50% (with no new equipment proposed), then the project would include both the original ATC and the newly requested production increase, as this would be considered an increase in throughput with no substantive physical modification to the source.

Example #4:

An applicant seeks a permit for an exploratory oil and gas well testing facility for five recently drilled exploratory wells. The equipment includes: temporary test tanks, separation vessels, flare, loading rack and piping components in hydrocarbon service. The “project” for this example would include all the equipment listed in the application because the aggregation of the listed equipment comprises an identifiable activity.

Example #5:

An existing non-metallic mineral processing plants seeks to add a new bag packing facility. The equipment includes: bag packing machines, hoppers, cyclones, bins, transfer belts and a baghouse. The “project” for this example would be all the equipment comprising the new bag packing facility.

Example #6:

An applicant seeks to install a new paint spray booth at an existing facility. The booth and its related solvent emissions (prep and touch up areas) constitute a new process at the facility. The “project” for this example includes the paint spray booth and the related solvent emissions.

Example #7:

An existing electronics manufacturing/assembly plant wishes to relocate a business unit from another company-owned site located outside Santa Barbara County. The new business unit utilizes solvent emitting equipment such as: degreasers, photoresist units, solvent work stations and a carbon adsorption unit. The equipment will be moved into an existing building alongside existing operations. The “project” for this example includes all the equipment utilized by the new business unit.

Example #8:

An existing offshore oil and gas platform operator requests to add a new skid-mounted gas compressor system. The equipment involved includes a substantial number of components in hydrocarbon service (including the compressor, valves, flanges and vessels). No other changes are proposed by the applicant. The “project” for this example would be the new skid-mounted compressor unit and all associated components. (If the application was for an entirely new oil and gas platform, part of which includes a skid-mounted compressor unit and associated components, the “project” would, in that case, be the entire platform.)

Example #9:

A company received an ATC permit for a new facility to manufacturer medical devices. The PTE for the ATC was 24 lb/day ROC. The company subsequently received its PTO and 24 months later submits a new ATC application to increase its solvent use and daily facility PTE to 45 lb/day ROC. In this example, the definition of Project in Rule 801 would treat this as a project PTE of 45 lb/day and BACT would be required for the entire facility. For this same example, if the second ATC also added a handful of new devices, but these devices by themselves had a low PTE, then the District would conclude that the increase in solvent use was the primary purpose of the second ATC, and the project PTE would be 45 lb/day and BACT would be required for the facility.