

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
REGULATION II
PERMITS**

RULE 207. REVIEW OF NEW OR MODIFIED SOURCES

(Adopted 9-1-74; Revised 7-15-76, 7-18-79, 1-30-80, 1-27-82, 12-15-82, 6-15-84, 12-13-84, 2-17-88, 5-18-88, 7-27-88, 9-19-90, 4-21-93, 5-17-95, 3-20-96, 12-18-96, 9-15-99; 12-13-2000; 6-21-06; 2-21-07; and April 20, 2011.)

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PART 1 GENERAL

1.1 Purpose

This Rule provides for the review of new and modified stationary air pollution sources to meet:

requirements for the review of new and modified stationary sources (NSR) and for the Prevention of Significant Deterioration (PSD), under the provisions of the federal Clean Air Act; and

requirements for NSR under the provisions of the California Clean Air Act.

The intent of this Rule is to insure that the most stringent requirements of these programs shall be applied. This Rule provides mechanisms by which Authorities to Construct may be granted to such sources without interfering with the attainment or maintenance of ambient air quality standards.

1.2 Applicability

This Rule shall apply to all new stationary sources and all modifications to existing stationary sources which, after construction or modification, emit or have the potential to emit any affected pollutants, as defined in Section 2.1 herein.

1.3 Exemptions

1.3.1 Exemption: Gasoline Storage and Dispensing. Gasoline storage and dispensing equipment subject to District Rules 418 (Transfer of Gasoline into Stationary Storage Containers) and 1002 (Transfer of Gasoline into Vehicle Fuel Tanks) shall be exempt from the requirements of this Rule.

1.3.2 Exemption: The requirements of Sections 4.1, 4.2, 5.2 and 5.3 of this Rule shall not apply to modifications made to an existing source solely to comply with regulatory requirements or prohibitory rules and where there is no actual or potential emissions increase.

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- 1.3.2.1 The requirements of Sections 4.2 and 5.3 shall not apply to any potential emission increase that is less than the threshold for a federal major modification at a source that results from the installation, operation, or other implementation of any emission control device or technique used to comply with a District, state, or federal emission control requirement, including, but not limited to, requirements for the use of reasonably available control technology or best available retrofit control technology, unless there is a modification that results in an increase in capacity of the unit being controlled.
- 1.3.3 Exemption: The requirements of Sections 4.2 and 5.3 of this Rule shall not apply to any Emergency Internal Combustion Engine that is either only used for emergency power when normal power line service fails, or are used only for the emergency pumping of water, and are operated less than 60 hours per year for testing and exercise.
- 1.3.4 Exemption: The requirements of Sections 3.2 (*Visibility, Soils, and Vegetation Analysis*), 4.2 (*"federal" Offsetting Requirements*), 5.3 (*State Offsetting Requirements*), and 6.6 (*Air Quality Increment Analysis*) of this Rule shall not apply to any Stationary Source that has emissions less than 10 tons/year of all individual criteria pollutants.
- 1.3.5 Exemption: The requirements of Sections 1.6.2 (*Statewide Compliance Certification*) and 6.1 (*Alternative Siting*) of this Rule shall not apply to an existing Stationary Source unless the modification is a federal Major Modification.
- 1.3.6 Exemption: Innovative Control Technology. The District may exempt an applicant from the requirements of Section 4.1, Subsections 4.2.2, 4.2.3, 4.2.11, 4.2.12, 4.3.3, Sections 4.4, 5.2 and 5.3 of this Rule for a specified pollutant if all the criteria in Subsections 1.3.6.1 through 1.3.6.5 below are met:
- 1.3.6.1 the source is not a major source, as defined by Title 40, Code of Federal Regulations, Part 51, Section 165 (40 CFR Part 51.165); and
- 1.3.6.2 it is determined through the use of the air quality impact table in Section 9.4, or through air quality modeling, as in Section 9.1 herein, that emissions from the new or modified stationary source will result in a net air quality benefit and will not cause or contribute to the violation of any ambient air quality standard or emissions increment established pursuant to this Rule; and
- 1.3.6.3 the source will utilize unique and innovative control technology which will result in a significantly lower emission rate for the above-specified pollutant from the installation than would have occurred with the use of previously known best available control technology (BACT); and
- 1.3.6.4 the above-specified technology will likely serve as a model for technology to be applied to similar installations within the state; and
- 1.3.6.5 emission reductions which create the air quality benefit must occur by the time a new or modified source commences operation, be quantifiable, real, surplus, permanent, enforceable and meet the requirements of Sections 3.4, 6.12, and 6.13 herein.

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- 1.3.6.6 If the source meets all criteria except Subsection 1.3.6.1 of Subsection 1.3.6 above, the District may only exempt the applicant from the requirements of Sections 4.1 and 5.2 of this Rule for a specified pollutant.
- 1.3.7 The District shall withdraw any approval to employ a system of innovative control technology approved under this Rule if:
- 1.3.7.1 the proposed system fails to achieve the required continuous emission reduction rate within a time period specified by the District in the Authority to Construct, or the Permit to Operate, not to exceed two years from the date of initial startup; or
- 1.3.7.2 the proposed system contributes to an unreasonable risk to public health, welfare, or safety; or
- 1.3.7.3 the proposed system becomes a public nuisance.
- 1.3.8 If a source or modification fails to meet the required level of continuous emissions reduction or its approval is withdrawn pursuant to this Section, the District may allow the source up to an additional two years to meet the requirements of BACT.
- 1.3.9 If a source or modification fails to meet the required level of continuous emissions reduction or its approval is withdrawn pursuant to this Section, the source shall provide offsets for the residual emissions that were not offset.
- 1.3.10 Exemption: Expired or Revoked Permit. The owner or operator of a source whose District permit has expired or been revoked for nonpayment of fees under the provisions of Regulation III (Fees), who subsequently applies for reissuance of a permit for that source, shall be exempt from the provisions of this Rule provided no modifications have been made to the source since that source last held a valid District permit.
- 1.4 Effective Date
- This Rule, as most recently revised, is effective on April 20, 2011.
- 1.5 References
- 1.5.1 The requirements of this Rule arise from the provisions of the California Clean Air Act and amendments (Health and Safety Code Section 40910 *et seq.*) and the federal Clean Air Act and amendments (42 U.S.C. Section 7401 *et seq.*)
- 1.5.2 Other related or referenced District rules or regulations include: Rule 101 (Definitions); Rule 200 (Permits Required); Rule 201 (Sources Not Requiring Permits); Rule 215 (Banking of Emissions Reductions); Rule 218 (Title V: Federal Operating Permits); Regulation III (Fees); Rule 418 (Transfer of Gasoline into Stationary Storage Containers); and Rule 1002 (Transfer of Gasoline into Vehicle Fuel Tanks).

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1.6 Permit Denial

The District shall deny an Authority to Construct or a Permit to Operate for any new stationary source or modification to an existing source unless:

- 1.6.1 the new source or modification complies with all applicable rules and regulations; and
- 1.6.2 the applicant certifies that all other major stationary sources, which are owned or operated by such person (or by any entity controlling, controlled by, or under common control with such a person) in California and which are subject to emission limitations are in compliance, or on a schedule for compliance, with all applicable emission limitations and standards.

PART 2 DEFINITIONS

For the purpose of this Rule, the definitions below shall apply.

2.1 Affected Pollutants

These species include:

- 2.1.1 all pollutants for which an ambient air quality standard has been established by the United States Environmental Protection Agency or the Air Resources Board, as well as the precursors to such pollutants; and
- 2.1.2 all pollutants regulated by the United States Environmental Protection Agency under the federal Clean Air Act or by the Air Resources Board under the Health and Safety Code; and
- 2.1.3 all the pollutants which the United States Environmental Protection Agency after the notice and opportunity for public comment, or, the Air Resources Board, or the District after public hearing, determine may have significant adverse effect on the environment, the public health, or the public welfare; and
- 2.1.4 include, but are not limited to:
 - 2.1.4.1 volatile organic compounds (VOCs),
 - 2.1.4.2 nitrogen oxides (NO_x),
 - 2.1.4.3 sulfur oxides (SO_x),
 - 2.1.4.4 particulate matter less than 10 micrometers in aerodynamic diameter (PM₁₀),
 - 2.1.4.5 particulate matter less than 2.5 micrometers in aerodynamic diameter (PM_{2.5}),
 - 2.1.4.6 particulate matter (PM),
 - 2.1.4.7 carbon monoxide (CO),
 - 2.1.4.8 lead,
 - 2.1.4.9 fluorides,

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- 2.1.4.10 sulfuric acid mist,
- 2.1.4.11 hydrogen sulfide (H₂S),
- 2.1.4.12 total reduced sulfur compounds, and
- 2.1.4.13 reduced sulfur compounds.

2.2 Air Basin

The geographic area containing Monterey, San Benito, and Santa Cruz counties.

2.3 Air Pollution Control Officer (APCO)

The Air Pollution Control Officer for the Monterey Bay Unified Air Pollution Control District, or his/her authorized representative.

2.4 Air Quality Impact Table

An air quality simulation table used to estimate maximum ground level impacts of a source of emissions of PM_{2.5}, PM₁₀, CO, oxides of sulfur and oxides of nitrogen, assuming one hundred percent conversion of nitrogen oxides into NO₂ and calculating all emissions of sulfur oxides as SO₂ (table contained in Section 9.4 herein).

2.5 Air Quality Increment

A maximum allowable increase in concentration of a pollutant, beyond baseline, as established by the District Board and at least as stringent as provided in the federal Clean Air Act provisions in Section 163(b) and 40 CFR Part 51.166; or, for pollutants for which no increment has been established pursuant to the federal Clean Air Act, a maximum allowable increase in concentration of a pollutant as established by the District Board.

- 2.5.1 In establishing air quality increment for sulfur dioxide, the District Board shall take into consideration the impact of emissions on neighboring areas. Baseline air quality shall be the ambient concentration level reflecting actual air quality as monitored or modeled as of the existing baseline date of July 18, 1979, minus any contribution attributable to emissions from major stationary sources and modifications constructed since January 6, 1975. In establishing air quality increments for carbon monoxide, hydrogen sulfide, and lead, baseline air quality shall be the ambient concentration as of January 1, 1984. In establishing air quality increments for nitrogen dioxide, the baseline air quality shall be the ambient concentration as of February 8, 1988. Air quality increments for PM₁₀ are in effect as of August 19, 1983. In establishing air quality increments for PM_{2.5}, the baseline air quality shall be the ambient concentration as of October 20, 2010.

- 2.5.2 In accordance with the criteria contained in Subsection 2.5.1 herein, the District Board defines the following increments of allowable air quality degradation, beyond

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the existing air quality levels, for pollutants for the respective areas indicated as designated attainment:

Table 2.5.2 District Board-Defined Air Quality Increments
Allowable Air Quality Degradation Beyond
Existing Air Quality Levels

Pollutant	Designated Area A and Area A Impact Zones ($\mu\text{g}/\text{m}^3$)	Designated Areas C, D, and F ($\mu\text{g}/\text{m}^3$)	Designated Areas B and E ($\mu\text{g}/\text{m}^3$)	Averaging Period
Carbon Monoxide (CO)	4,000	8,000	12,000	1-hour
Nitrogen Dioxide (NO ₂)	2.5	20	25	annual
Hydrogen Sulfide (H ₂ S)	4.2	8.4	12.6	1-hour
Lead	.15	.30	.45	30-day
PM _{2.5}	1 2	1 2	4 9	annual 24-hour
PM ₁₀	2.8 5.7	2.8 5.7	10.8 21.1	annual 24-hour
Sulfur Dioxide (SO ₂)	2 5 25	2 5 25	20 91 512	annual 24-hour 3-hour

2.6 Air Resources Board (ARB)

State of California Air Resources Board.

2.7 Ambient Air Quality Standards

See National Ambient Air Quality Standards and State Ambient Air Quality Standards.

2.8 Area A Impact Zone

All lands outside of the designated Area(s) A but within a 15-mile distance beyond the boundary of the designated Area(s) A, or other areas established by the District 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 Area A Impact Zone. See Subsection 2.18.1 herein for the definition of designated Area(s) A.

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2.9 Authority to Construct

A written permit, as provided by Part 3.1 of Rule 200, issued by the District to a specific applicant:

- 2.9.1 prior to the building, erection, alteration, or replacement of any article, machine, equipment or other contrivance which may cause the issuance of air contaminants or the use of which may eliminate, reduce or control the issuance of air contaminants; or
- 2.9.2 alternatively, to create federally enforceable conditions, accepted voluntarily by a source for purposes of limiting its potential emissions, applicable to any article, machine, equipment or other contrivance which may cause the issuance of air contaminants or the use of which may eliminate, reduce or control the issuance of air contaminants.

2.9.3 Application Deemed Complete

The District's action of deeming an Authority to Construct application complete, or the California Energy Commission's action of accepting an Application for Certification (AFC).

2.9.4 Authority to Construct is Issued

The District's action of granting an Authority to Construct, or the California Energy Commission's action of issuing its affirmative decision on an Application for Certification (AFC).

2.10 Best Available Control Technology (BACT)

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 class or category of source, or modification through application of production processes or available methods, systems, and techniques.

- 2.10.1 BACT shall not be less stringent than the emission control required by any applicable provision of District, ARB, State, or federal laws or regulations, unless the applicant demonstrates to the satisfaction of the District that such limitations are not achievable.
- 2.10.2 In no event shall the application of BACT result in the emissions of any pollutant which exceed the emissions allowed by any applicable standard in 40 CFR Part 60 (New Source Performance Standards), or in 40 CFR Part 61 (National Emission Standards for Hazardous Air Pollutants), or in 40 CFR Part 63 (National Emission Standards for Hazardous Air Pollutants for Source Categories).

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2.11 California Coastal Waters

Those waters that are 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.

2.12 Cargo Carriers

Cargo carriers include trains and marine vessels dedicated to a specific stationary source.

2.13 Chlorofluorocarbon (CFC)

The family of chemical compounds containing carbon, fluorine and chlorine; containing at least one carbon atom and having no hydrogen atoms and no double bonds; and which includes, without limitation, trichlorofluoromethane (CFC-11), dichlorodifluoromethane (CFC-12), 1,1,2-trichloro-1,2,2-trifluoroethane (CFC-113), 1,2-dichloro-1,1,2,2-tetrafluoroethane (CFC-114), and chloropentafluoroethane (CFC-115).

2.14 Class I Area

Any area having air quality or air quality related values requiring special protection, which has been designated Class I by a federal or state authority empowered to make such a decision.

2.15 Complete Application

Completeness of an application for an Authority to Construct a new or modified stationary source shall be evaluated on the basis of the list of required information which was adopted by the District pursuant to Article 3, Sections 65940 through 65944 of Chapter 4.5 of Division 1 of Title 7 of the Government Code as it exists on the date on which the application is received.

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2.16 Contiguous Property

Two or more parcels of land with a common boundary or separated solely by a public roadway or other public right-of-way.

2.17 Cost-Effective

A cost per unit of emissions reduction which is lower than or equivalent to the maximum unit costs of the same emission reduction through the use of BACT calculated in current year dollars.

2.18 Designated Areas, A, B, C, D, E, and F

For the purposes of implementing the provisions of this Rule the following locations, which are shown in Figure 1, are recognized as designated areas A, B, C, D, E, and F, respectively:

2.18.1 Area(s) A includes locations determined as Class I areas mandated by the federal Clean Air Act and amendments (42 U.S.C. Section 7401 *et seq.*)

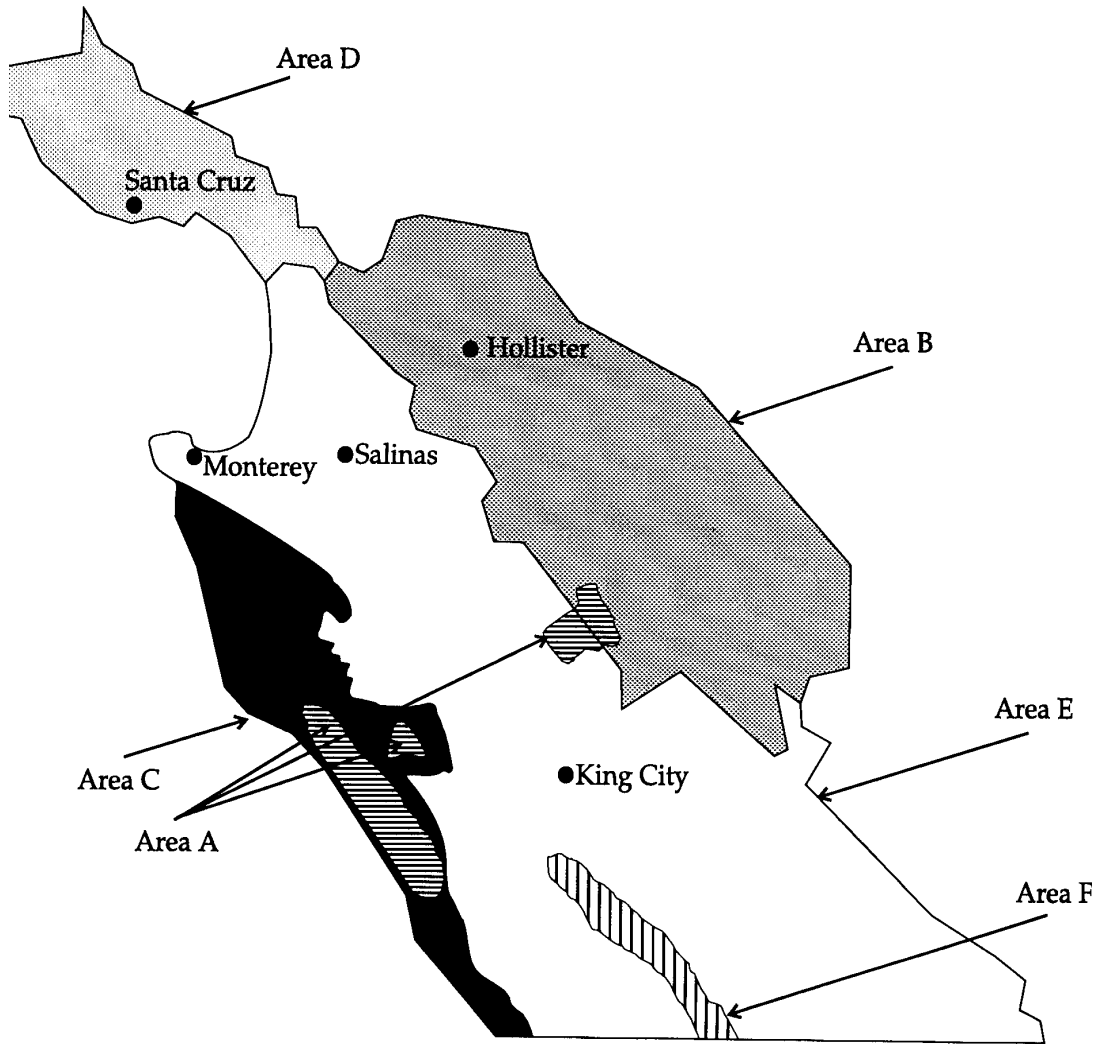
The Class I areas located within the boundaries of the District designated Areas A include the Pinnacles National Monument and the Ventana National Wilderness.







2.18.2 Area(s) B includes the entirety of San Benito County except those areas designated as Area A or Area A Impact Zones;

2.18.3 Area(s) C includes the City of Carmel-by-the-Sea and the Carmel Valley south to the San Luis Obispo County line, including the Big Sur Coast, and the area described by the boundary commencing with the northern city limits of Carmel at the Pacific Ocean, and is coterminous with the northern Carmel city limits to Serra Avenue; then follows Serra Avenue to Highway 1, north to Aguajito Road, to Loma Alta Road up to Jacks Peak Park; is bordered on the north by the southern boundary of the Jacks Peaks Park; then proceeds easterly to the west crest of the Sierra De Salinas Mountain Range; then continues in a southeasterly direction to the Palo Escrito Mountain Peak; through the Middle of Bear Canyon, following Cachagua Conejo Creek; up Pine Creek to the junction of the Los Padres National Forest boundary; is bordered on the east by the eastern border of the Los Padres National Forest from the Pine Creek junction in a southerly

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Figure 1. Map of District Designated Areas



-  Area A: Pinnacles National Monument, Ventana Wilderness Area
-  Area B: San Benito County other than Area A and Area A Impact Zones
-  Area C: Carmel-By-The-Sea, Carmel Valley, and the Big Sur Coast other than Area A
-  Area D: Santa Cruz County
-  Area E: Monterey County other than Areas A, C, & F, and Area A Impact Zones
-  Area F: San Antonio Valley

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direction to the San Luis Obispo County line, including all lands within the area defined above except those areas designated as Area A or Area A Impact Zones;

- 2.18.4 Area(s) D includes the entirety of Santa Cruz County;
- 2.18.5 Area(s) E includes the entirety of Monterey County except areas designated A, C, F or Area A Impact Zones; and,
- 2.18.6 Area(s) F includes the area described by the boundary starting at the northern intersection of the boundary of the federal reservation of Ft. Hunter Liggett and Highway G-14 (Jolon Highway); proceeding north along G-14 3.5 miles to the mouth of Crazy Canyon; up Crazy Canyon southeast to the crest of the Sierra De Salinas Mountains; then in a general southeasterly direction crossing Highway G-18 at benchmark 352.9; proceeding still southeasterly along the crest of the ridge line to Sulphur Canyon Road, approximately 1 mile downstream from the San Antonio Dam; west along the road to the boundary between Monterey and San Luis Obispo Counties, following the county line west to the western intersection of Highway G-14 and the county boundary; northwest along Highway G-14 to the southern intersection of Highway G-14 and the reservation boundary of Ft. Hunter Liggett; then following the eastern boundary of Fort Hunter Liggett to the northern intersection of the reservation boundary and Highway G-14.
- 2.18.7 Other areas within the District having air quality or air quality related values requiring special protection may be redesignated to a more protective designation by the District Board after holding a public hearing, noticed 30 days in advance, to consider public input concerning such designation.

2.19 District

Refers to the Monterey Bay Unified Air Pollution Control District (MBUAPCD) and its authorized representatives.

2.20 District Board

Refers to the Monterey Bay Unified Air Pollution Control District Board.

2.21 Emissions Increment

The increase in emissions of any pollutant which can be allowed in an area without causing the exceedance of any air quality increment.

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2.22 Emission Reduction Credit (ERC)

An actual emission reduction of specific type and quantity that is registered with the District in accordance with Rule 215. Must be surplus, quantifiable, permanent, real and enforceable.

2.23 Enforceable Emission Reduction

As defined by District Rule 215, an emission reduction which can be verified for accuracy by the District. In general, specified by restrictions imposed by conditions of an Authority to Construct and/or Permit to Operate.

2.24 Exempt Compounds

As defined in District Rule 101, Definitions.

2.25 Federal Land Manager

The Secretary of the Department with authority over the specified federal lands.

2.26 Federal Major Modification

A Major Modification as defined in 40 CFR §51.165, except that the term “reviewing authority” as used in that Section shall mean the District, and the term “Significant” shall mean the same as a Major Modification to an Existing Source as defined in this Rule.

2.27 Federally Enforceable Condition

A condition that is enforceable by EPA and citizens under the Clean Air Act. Such conditions shall include emission limitations, controls, and other requirements that are permanent, quantifiable, and otherwise enforceable as a practical matter. Federally enforceable conditions established pursuant to Section 2.33.5 must meet the procedural requirements for public and EPA review in Sections 6.9, 6.10, and 1.3.6, 1.3.6, 6.11 of this Rule. Conditions in a District Permit to Operate that meet the requirements in this Rule for federally enforceable conditions shall be specifically designated as federally enforceable in the permit.

2.28 Fugitive Emission

Any emission that could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening.

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2.29 Hydrochlorofluorocarbon (HCFC)

Any member of the family of chemical compounds containing hydrogen, carbon, fluorine and chlorine, and which includes, without limitation, chlorodifluoromethane (HCFC-22).

2.30 Hydrofluorocarbon (HFC)

Any member of the family of chemical compounds containing hydrogen, carbon, and fluorine, and which includes, without limitation, trifluoromethane (HFC-23).

2.31 Major Modification to an Existing Source

A modification to a stationary source in an air basin which has been designated as being either in attainment or nonattainment of national ambient air quality standards, which may result in the potential to emit greater than the threshold levels provided by the federal Clean Air Act (42 U.S.C. Section 7401 *et seq.*) for that designation and pollutant.

2.32 Major Stationary Source

A stationary source in an air basin which has been designated as being either in attainment or nonattainment of national ambient air quality standards, which has the potential to emit greater than the threshold levels provided by the federal Clean Air Act (42 U.S.C. Section 7401 *et seq.*) for that designation.

2.33 Modification

May be any of the following:

- 2.33.1 Any physical change, change in method of operation of, or addition to an existing stationary source that would result in an actual or potential emissions increase from any permit unit (as defined in Part 2 herein) or sum of permit units under consideration as a result of the proposed modification; or
- 2.33.2 any physical change, change in method of operation of, or addition to an existing stationary source for which an application to bank emissions reductions credits is submitted to the District; or
- 2.33.3 any process or process material change, including alternate fuels, production or raw materials, that would result in an actual or potential emissions increase, unless specifically allowed by an Authority to Construct or Permit to Operate; or
- 2.33.4 any change in hours of operation or production rate which would necessitate a change in permit conditions of an Authority to Construct or Permit to Operate; or

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- 2.33.5 any change to a District Authority to Construct or Permit to Operate to establish federally enforceable conditions in the permit that are accepted voluntarily by the source for purposes of limiting its potential emissions.
- 2.33.6 A reconstructed source, as defined in Section 2.55 herein, shall be treated as a new stationary source.
- 2.33.7 Unless previously limited by a permit condition of an Authority to Construct or a Permit to Operate, the following shall not be considered physical changes:
- 2.33.7.1 routine maintenance or repair; or
 - 2.33.7.2 transfer of location of any article, machine, equipment or other contrivance for which a Permit to Operate has previously been granted under Rule 200, and for which no alteration or addition has been made.
- 2.33.8 Unless previously limited by a permit condition of an Authority to Construct or a Permit to Operate, the following shall not be considered changes in the method of operation:
- 2.33.8.1 an increase in the production rate if such an increase does not exceed the operating design capacity or the actual demonstrated capacity of the stationary source as approved by the District in the Authority to Construct and Permit to Operate; or
 - 2.33.8.2 a change in ownership; or
 - 2.33.8.3 a replacement of a piece of equipment with an identical piece of equipment with emissions less than or equal to those from the original piece of equipment.
- 2.34 National Ambient Air Quality Standards (NAAQS)
- Air quality standards set by the Administrator of the United States Environmental Protection Agency to protect public health and welfare and, in general, consisting of primary and secondary standards. Primary standards are to protect the public health, while secondary standards are intended to protect the public welfare, *e.g.*, plants, crops, and materials.
- 2.35 Net Air Quality Benefit
- A net improvement in air quality resulting from actual emissions reductions impacting the same general area affected by the new or modified source and which will be consistent with reasonable further progress.

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2.36 Net Emissions Increase

2.36.1 The sum of all increases in potential emissions of any given pollutant except PM_{2.5} or PM₁₀ from a new or modified stationary source occurring since July 15, 1976, minus any reductions in emissions of that pollutant at the stationary source occurring since July 15, 1976, calculated according to the provisions of Part 7 of this Rule; or

2.36.2 the sum of all increases in potential emissions of PM_{2.5} from a new or modified stationary source occurring since October 20, 2010, minus any reductions in emissions of PM_{2.5} at the stationary source occurring since October 20, 2010, calculated according to the provisions of Part 7 of this Rule.; or

2.36.3 the sum of all increases in potential emissions of PM₁₀ from a new or modified stationary source occurring since August 19, 1983, minus any reductions in emissions of PM₁₀ at the stationary source occurring since August 19, 1983, calculated according to the provisions of Part 7 of this Rule.

2.36.3.1 The PM₁₀ emissions from an existing stationary source shall be recalculated from the PM emission increases and reductions which have occurred since August 19, 1983 using PM₁₀ emission factors. When PM₁₀ emissions factors do not exist, 50 percent of the total TSP shall be assumed to be PM₁₀. All PM emission increases and decreases occurring prior to August 20, 1983 are zeroed.

2.36.3.2 If the applicant has provided full offsets for PM emissions occurring since August 19, 1983 but before April 21, 1993 those PM emissions need not be recalculated as PM₁₀ because the net emissions increase at the time of the offset is considered zero.

2.37 New Emissions Increase

The sum of all increases in potential emissions of any given pollutant from a new or modified stationary source. The increases shall be calculated according to the provisions of Part 7 of this Rule.

2.38 New Source

A location at which new equipment is being installed, on or after the appropriate applicability date, which does not currently hold a valid District Authority to Construct or Permit to Operate. For the purposes of Part 4 of this Rule, the applicability date shall be July 15, 1976. For the purposes of Part 5 of this Rule, the applicability date shall be April 21, 1993.

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2.39 New Source Review (NSR)

A system designed, through the use of a permitting program applicable to new or modified sources, to reduce ambient air concentrations of pollutants for which specific areas have been designated as nonattainment.

2.40 Nitrogen Oxides (NO_x)

The molecular forms of nitrogen oxide and nitrogen dioxide. When measured or calculated, the total of the two molecular forms as nitrogen dioxide.

2.41 Nonattainment Pollutant

Any pollutant for which an ambient air quality standard was exceeded within the air basin 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 the Authority to Construct was filed; or

which has been designated nonattainment pursuant to final rulemaking either by the United States Environmental Protection Agency and published in the Federal Register, or by the Air Resources Board, as well as any precursors of such pollutants.

2.42 Offset

Where used as a noun, an emission reduction from an existing source, whether or not under the same ownership as a proposed project, that is necessary to mitigate an emission increase of an affected pollutant from the proposed project that would otherwise prevent the lawful issuance by the District of an Authority to Construct or a Permit to Operate. When used as a verb, the process of providing such an emission reduction.

2.43 Permanent Emission Reduction

As defined in District Rule 215, an emission reduction which is assured for the life of the corresponding increase, whether limited or unlimited in duration, and that the benefits of the emission reduction do not diminish or disappear over time.

2.44 Permit to Operate

A written permit, as provided by Part 3.1 of Rule 200, with any specified conditions required, issued by the Monterey Bay Unified Air Pollution Control District to a specific applicant for the operation or use of any article, machine, equipment or other contrivance which may cause the issuance of air contaminants or the use of which may eliminate, reduce or control the issuance of air contaminants.

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2.45 Permit Unit

A piece of equipment, product line, system, unit, process line or process that produces a product or performs a function independently of other equipment, product lines, systems, units, process lines or processes. (From District Rule 101, Definitions.)

2.46 PM (Particulate Matter); Previously Total Suspended Particulates (TSP)

Any airborne finely divided solid or liquid material with an aerodynamic diameter less than 100 micrometers (μm).

2.47 $\text{PM}_{2.5}$

Particulate matter with aerodynamic diameter smaller than or equal to a nominal 2.5 micrometers (μm) as measured by an appropriate reference test method.

2.48 PM_{10}

Particulate matter with aerodynamic diameter smaller than or equal to a nominal 10 micrometers (μm) as measured by an appropriate reference test method.

2.49 Pollutant

See Affected Pollutant.

2.50 Potential to Emit

The maximum daily capacity of a permit unit to emit a pollutant under its physical and operational design. Any physical or operational limitation on the daily capacity of the unit to emit a pollutant, including pollution control equipment and restrictions in hours or 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, or the effect it would have on daily emissions, is incorporated into the applicable Authority to Construct and Permit to Operate as an enforceable permit condition.

2.51 Precursor

A directly emitted pollutant that, when released to the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which a national ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more national ambient air quality standards. The following precursor-secondary pollutant relationship shall be used for purposes of this Rule:

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	Precursor	Secondary Pollutant
2.51.1	volatile organic compounds (VOCs)	1) ozone 2) organic fraction of particulate matter (PM ₁₀)
2.51.2	nitrogen oxides (NO _x)	1) ozone 2) nitrogen dioxide (NO ₂) 3) nitrate fraction of particulate matter (PM ₁₀) 4) nitrate fraction of particulate matter (PM _{2.5})
2.51.3	sulfur oxides (SO _x)	1) sulfur dioxide (SO ₂) 2) sulfates (SO ₄) 3) sulfate fraction of particulate matter (PM ₁₀) 4) sulfate fraction of particulate matter (PM _{2.5})
2.52	Prevention of Significant Deterioration (PSD) A system designed, through the use of a permitting program applicable to new or modified sources, to avert consequential increases in ambient air concentrations of pollutants for which specific areas have been designated as either attainment or unclassifiable under federal guidelines.	
2.53	Quantifiable Emission Reduction As defined in District Rule 215, an emission reduction, the rate and characteristics of which can be determined by the District with reasonable accuracy. 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.	
2.54	Real Emission Reduction As defined in District Rule 215, those emission reductions that have actually occurred, have been implemented and are not artificially devised.	
2.55	Reconstructed Source Any source undergoing physical modification where the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost of a comparable entirely new stationary source. Fixed capital cost means that capital needed to provide all the depreciable components.	

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2.56 Seasonal Source

Any source with more than 75 percent of its annual emissions within a consecutive 90-day period.

2.57 Source

See Stationary Source.

2.58 State Ambient Air Quality Standards

Air quality standards set by the California Air Resources Control Board "in consideration of the public health, safety, and welfare, including, but not limited to, health, illness, irritation to the senses, aesthetic value, interference with visibility, and the effects on the economy" (California Health and Safety Code Section 39606 [b]). A distinction is not made between standards to protect public health and welfare, *i.e.*, primary and secondary standards.

2.59 State Implementation Plan (SIP)

Plan which is required to be submitted by each State under 42 U.S.C. Section 7401 *et seq.* (federal Clean Air Act) to achieve and maintain national ambient air quality standards (NAAQS).

2.60 Stationary Source

Any building, structure, facility, or installation which emits or may emit any affected pollutant directly or as a fugitive emission.

2.60.1 Installation includes any operation, article, machine, equipment or other contrivance which emits or may emit any affected pollutant.

2.60.2 Building, structure, or facility includes all pollutant emitting activities, including activities located in California coastal waters adjacent to the District boundaries which:

2.60.2.1 belong to the same industrial grouping;

2.60.2.2 are located on one or more contiguous or adjacent properties (except for activities located in coastal waters); and,

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

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2.60.3 Pollutant emitting activities shall be considered as part of the same industrial grouping if:

2.60.3.1 they belong to the same two-digit standard industrial classification code, or,

2.60.3.2 they are part of a common production process. (Common production process includes industrial processes, manufacturing processes, and any common raw material).

2.60.4 The emissions within District boundaries and California coastal waters as defined in Section 2.11 herein, from cargo carriers associated with the stationary source shall be considered emissions from the stationary source to the extent provided in Subsections 7.3.4, 7.3.4.1, and 7.3.5 herein.

2.61 Sulfur Oxides (SO_x)

The chemical species of sulfur dioxide and sulfur trioxide. When measured or calculated, the total of the two chemical species as sulfur dioxide.

2.62 Surplus Emission Reduction

As defined in District Rule 215, emission reductions not already encumbered by any federal, State, ARB, District, or local agreement, law, order, plan, regulation, requirement, or rule.

2.63 Upwind Areas

The area bounded by a line passing through the site of the new or modified source perpendicular to the predominant summer wind flow line and extending to the boundaries of the same air basin in the direction opposite the predominant summer wind flow, except where the District determines that for reasons of topography or meteorology such a definition is inappropriate.

2.64 Volatile Organic Compounds (VOCs)

As defined in District Rule 101, Definitions.

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PART 3 GENERAL REQUIREMENTS

Any source subject to this Rule shall be subject to the following requirements.

3.1 Pre-Construction and Post-Construction Air Monitoring

The owner or operator of a stationary source subject to the requirements of this Rule shall conduct ambient air quality monitoring as the District finds necessary to determine the effect emissions from the stationary source or modification may have, or are having, on air quality in the area. All monitoring shall comply with United States Environmental Protection Agency guidelines for monitoring (40 CFR Part 58, Appendix B).

- 3.1.1 Pre-construction air quality monitoring data must be gathered over a period of one year preceding the application of the source. If the District determines that an adequate analysis can be done over a period of less than one year, but not less than four months, the shorter period can be used. If sufficient representative monitoring data already exists for analysis, no monitoring will be required.
- 3.1.2 Post-construction air quality monitoring data must be collected as deemed necessary by the District to determine the effect emissions from the stationary source or modification are having on air quality.

3.2 Visibility, Soils, and Vegetation Analysis

The applicant shall provide the District with analysis of impairment to visibility, soils, and vegetation, and the projected air quality impact for the area, that would occur as a result of the source or modification and general commercial, residential, industrial, and other growth associated with the source or modification.

3.3 Ambient Air Quality Standards and Emission Increments

In no case shall the emissions from the new or modified stationary source, or in conjunction with other increases in emissions, cause or contribute to the violation of an ambient air quality standard or exceed any air quality increment. The air quality impact table contained in Section 9.4 or appropriate air quality modeling as in Section 9.1 herein shall be used to estimate the effects of a new or modified source. In making this determination the District shall take into account the mitigation of emissions through offsets obtained pursuant to this Rule.

3.4 Mandated Reductions

Emission reductions required by any permits, agreements, orders, plans or requirements of federal, State, Air Resources Board, or District laws, rules and regulations, or the State Implementation Plan shall not be used as offsets.

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3.5 Source Shutdowns and Curtailments

Source shutdowns and curtailments may not be given emission reduction credits in the case of precursor organic pollutants if they occurred prior to the date of application unless the proposed new source or modification is a replacement at the same source, and the shutdown or curtailment occurred after August 7, 1977.

3.6 Interpollutant Offsets

The District may approve interpollutant offsets on a case-by-case basis, provided that the trade is technically justified and that the applicant demonstrates to the satisfaction of the District, through the use of the air quality impact table contained in Section 9.4 or by appropriate air quality modeling as in Section 9.1 herein, that the emission increases from the new or modified source or in conjunction with other increases in emissions will result in a net air quality benefit and will not cause or contribute to a violation of an ambient air quality standard or exceed any air quality increment established pursuant to this Rule. In such cases, the District shall, based on air quality analysis, impose offset ratios greater than the requirements of Section 4.3 herein.

Interpollutant trades between PM₁₀ and PM₁₀ precursors may be allowed. PM₁₀ emissions shall not be allowed to offset NO_x or VOC emissions in ozone nonattainment areas. PM₁₀ emissions shall not be allowed to offset SO_x emissions in sulfate nonattainment areas.

PART 4 FEDERAL CLEAN AIR ACT REQUIREMENTS

4.1 Best Available Control Technology (BACT) Requirements

An applicant shall apply BACT to a new stationary source or modification of an existing source, except cargo carriers, for each affected pollutant, under the following conditions:

- 4.1.1 a new stationary source which has the potential to emit greater than or equal to any one of the affected pollutant levels listed in Table 4.1.1 below:

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Table 4.1.1 Emission Thresholds for BACT

POLLUTANT	EMISSION RATE IN POUNDS/DAY
VOC	150
NO _x as NO ₂	150
SO _x as SO ₂	150
PM	150
PM ₁₀	82
PM _{2.5}	54.79
CO	550
Lead	3.28
Fluorides	16.44
Sulfuric Acid Mist	38.35
Hydrogen Sulfide (H ₂ S)	54.79
Total Reduced Sulfur Compounds (including H ₂ S)	54.79
Reduced Sulfur Compounds (including H ₂ S)	54.79

or,

- 4.1.2 a modification of an existing stationary source which has the potential to result in a new emissions increase, as defined in Section 2.37 herein, occurring after October 20, 2010 for PM_{2.5} or after August 19, 1983 for PM₁₀ or after July 15, 1976 for any other affected pollutant, from any permit unit or sum of permit units from the same source of an affected pollutant by an amount in excess of any of the limits stated in Subsection 4.1.1 herein.
- 4.1.3 For a modified source, BACT shall be applied to the new or modified equipment whose emissions trigger the requirement for BACT.
- 4.1.4 A new source or modification subject to BACT for any pollutant subject to this Section shall apply BACT for any other affected pollutant emitted from the new source or modification, if the District should so require.

4.2 Offset Requirement, General

- 4.2.1 In Area A and Area A Impact Zones, offsets as specified in Subsections 4.3.1 and 4.3.2 herein shall be required from a new or modified stationary source with net emissions increases equal to or exceeding 150 pounds per day of volatile organic compounds, or nitrogen oxides, or sulfur oxides, or particulate matter (PM) or carbon

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monoxide; or 82 pounds per day of PM₁₀. This information is summarized in table 4.2.2 below.

- 4.2.2 In areas other than Area A or Area A Impact Zones, offsets as specified in 4.3.3 shall be required for an affected pollutant from a new or modified stationary source with a net emissions increase equal to or exceeding 150 pounds per day for volatile organic compounds, or nitrogen oxides or sulfur oxides, or particulate matter (PM); 550 pounds per day of carbon monoxide; or 82 pounds per day of PM₁₀, as summarized in table 4.2.2 below:

Table 4.2.2 Emissions Thresholds for Offsets

POLLUTANT	EMISSIONS INCREASE IN AREA A AND AREA A IMPACT ZONES	EMISSIONS INCREASE IN B,C,D,E AND F AREAS
VOC	150 pounds per day	150 pounds per day
NO _x as NO ₂	150 pounds per day	150 pounds per day
SO _x as SO ₂	150 pounds per day	150 pounds per day
CO	150 pounds per day	550 pounds per day
PM	150 pounds per day	150 pounds per day
PM ₁₀	82 pounds per day	82 pounds per day

- 4.2.3 Offsets for increases in carbon monoxide shall not be required if the applicant demonstrates to the satisfaction of the District, through the use of the air quality impact table contained in Section 9.4 of this Rule, or by approved air quality modeling as in Section 9.1 herein, that the ambient air quality standards are not violated in the areas to be affected, and such emissions will not cause or contribute to a violation of ambient air quality standards.
- 4.2.4 Offsets shall be actual, quarterly, enforceable emissions reductions for existing sources, sufficient to offset all anticipated quarterly emission increases as calculated according to Sections 7.3, 7.4 and 7.5 of this Rule, associated with new or modified stationary sources and which will result in a net air quality benefit.
- 4.2.5 The amount of offsets obtained shall be at least equal to the net emissions increase from the proposed new source or modification.
- 4.2.6 Increases in emissions shall be determined in accordance with the calculation methods described in Subsections 2.36.1, 2.36.2, 2.36.3, Sections 7.3, 7.4 and 7.5 of this Rule, or an equivalent calculation procedure approved by the District.
- 4.2.7 Reductions in emissions shall be valid for determining net emissions increases only if they are established pursuant to an Authority to Construct and a Permit to Operate.

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- 4.2.8 Mandated reductions of emissions shall not be used as offsets, pursuant to Section 3.4 herein.
- 4.2.9 All emission reductions must be identified and enforceable prior to issuance of the Authority to Construct.
 - 4.2.9.1 The emission reductions must be eligible under the provisions of District Rule 215; and
 - 4.2.9.2 must be entered in the District ERC Registry, unless the emission reductions are made at the same time as the permit application is made and on-site at the same stationary source.
 - 4.2.9.2.1 For emission reductions made at the same time as the permit application is made and on-site at the same stationary source, permit modifications to ensure permanent emission reductions must be made.
- 4.2.10 In no case shall exempt compounds as defined in Section 2.24, 2.26 of this Rule, be used as offsets for volatile organic compounds as defined in Section 2.64 of this Rule.
- 4.2.11 If a source is required to obtain offsets for a pollutant pursuant to this Section, then that source must obtain offsets, at least equal to the net emissions increase, for any increase in emissions of all the following pollutants: volatile organic compounds, nitrogen oxides, sulfur oxides, particulate matter (PM), and PM₁₀.
- 4.2.12 The District may exempt a source from offset requirements for all the attainment pollutants, and any nonattainment pollutants which do not exceed levels specified in Subsections 4.2.1 and 4.2.2 provided that the applicant demonstrates to the satisfaction of the District all of the following:
 - 4.2.12.1 that the requirement of offsets will result in little or no air quality benefit; and
 - 4.2.12.2 that emissions offsets are not available or would not be cost-effective; and
 - 4.2.12.3 that any net emissions increases from the new or modified stationary source or in conjunction with other increases in emissions will be consistent with reasonable further progress and will not cause a violation of an ambient air quality standard or exceed an air quality increment.

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4.3 Location of Offsets and Offset Ratios

Table 4.3 Summary of Offset Ratio Requirements

Source Location/Area Offset Obtained	Ratio for Non-Attainment Pollutants	Ratio for Attainment Pollutants
Area A/Area A <15 miles radius	1.2:1	1.2:1
Area A Impact Zone/Area A or Area A Impact Zone <15 miles radius	1.2:1	1.2:1
Non-A/Same Source <15 miles radius	1:1 (or 1.15:1 if a major source or major modification)	1:1
Non-A/Different Source <15 miles radius	1.2:1	1.1:1
Non-A/>15 miles radius	2:1	1.2:1
Non-A/different air basin	2.5:1	1.3:1

- 4.3.1 The emissions from a proposed source, subject to this Rule, which is to be located within an Area A must be offset by emissions reductions obtained from within the same Area A, at a minimum ratio of 1.2 to 1 and within a 15-mile radius of the proposed source if that will provide for a net air quality benefit; or at a ratio and distance to be approved by the District based on air quality analysis or modeling sufficient to demonstrate a net air quality benefit in the Area A. In no case shall the offset ratio for nonattainment pollutants be lower than the 1.2 to 1 ratio required above in this Section.
- 4.3.2 Emissions from a proposed source, subject to this Rule, which is to be located in an Area A Impact Zone must be offset by emissions reductions obtained from within the impact zone, or from the affected Area A, at a minimum ratio of 1.2 to 1, and within a 15-mile radius of the proposed source if that will provide for a net air quality benefit; or at a ratio and distance to be approved by the District based on air quality analysis or modeling sufficient to demonstrate a net air quality benefit in the Area A. In no case shall the offset ratio for nonattainment pollutants be lower than the 1.2 to 1 ratio required above in this Section.
- 4.3.3 Emissions from a proposed source subject to this Rule which is to be located outside an Area A or Area A Impact Zone are to be offset with emissions reductions from within a 15-mile radius of the proposed source. The emissions shall be offset at a minimum ratio of 1 to 1 if the offsets are from the same source, unless the proposed source is a major stationary source or a major modification to an existing source. In such cases, the emissions shall be offset at a minimum ratio of 1.15 to 1 if the offsets are from the same source. The emissions shall be offset at a minimum ratio of 1.2 to 1 for nonattainment pollutants for offsets located outside of the proposed source but within the 15-mile radius and shall result in a net air quality benefit. The emissions for all other pollutants designated in Section 4.2.2 herein shall be offset at a minimum ratio of 1.1 to 1 for offsets located outside of the proposed source but

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within the 15-mile radius, and the District shall analyze the impact on the air quality increment. Based on air quality analysis or modeling, approved by the District, which demonstrates a net air quality benefit, offset ratios and distances other than those above may be applied. In no case shall the offset ratios be lower than the ratios required above in this Section.

- 4.3.3.1 If an applicant demonstrates to the satisfaction of the District 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 minimum ratio of 2.0 to 1 for nonattainment pollutants and minimum ratio of 1.2 to 1 for all other pollutants designated in Section 4.2.2 herein; or, at a ratio and distance to be approved by the District based on air quality analysis and modeling sufficient to demonstrate a net air quality benefit, or to demonstrate that no emissions increments will be exceeded within the air basin. In no case shall the offset ratios be lower than the ratios required above in this Section.
- 4.3.3.2 If an applicant demonstrates to the satisfaction of the District that sufficient offsets do not exist at sources owned by the applicant, and are not available at an upwind area within the air basin, offsets may be obtained from an upwind area outside the air basin at a minimum ratio of 2.5 to 1 for nonattainment pollutants and minimum ratio of 1.3 to 1 for all other pollutants designated in Section 4.2.2 herein; or, at a ratio and distance to be approved by the District based on air quality analysis and modeling sufficient to demonstrate a net air quality benefit, or to demonstrate that no emissions increments will be exceeded within the air basin. In no case shall the offset ratios be lower than the ratios required above in this Section.
- 4.3.3.2.1 Any offset credited pursuant to Subsection 4.3.3.2 shall be approved by a resolution adopted by the governing board of the upwind district and the District Board. In adopting a resolution pursuant to this Subsection, the District Board shall consider the impact of the offset on air quality, public health, and the regional economy.
- 4.3.3.2.2 The offsets may only be obtained from an upwind area that has been designated by EPA to have a nonattainment status equal to or more serious than the North Central Coast air basin.
- 4.3.3.2.3 The offsets may only be obtained from an upwind area that could contribute to violations of the national ambient air quality standards in the North Central Coast air basin.
- 4.3.3.3 If an applicant demonstrates to the satisfaction of the District that sufficient offsets, for emissions that do not exceed ambient air quality standards, 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 District may choose to allow an applicant to use a percentage, not to exceed 50 percent, of the remaining emissions increments, as determined by the District.

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4.4 Offsets, Seasonal Sources

Emissions offset ratios stated in Section 4.3 herein shall be required for new or modified seasonal sources (as defined in Section 2.56 herein), provided that the offsets occur within the same season during which the seasonal source operates. Offsets obtained in a season other than that in which the proposed source will be operating may be used only if the applicant demonstrates to the satisfaction of the District that such interseason tradeoffs will result in a net air quality benefit.

4.5 Protection of Class I Areas

4.5.1 Any new or modified stationary source shall be subject to the requirements of this Rule if it will:

- 4.5.1.1 have any net emissions increase greater than zero pounds per day of volatile organic compounds, or nitrogen oxides, or sulfur oxides, or particulate matter; and
- 4.5.1.2 be constructed within a designated Area A or Area A Impact Zone after July 18, 1979; and
- 4.5.1.3 increase ambient pollutant concentration of the Area A by one microgram per cubic meter (24-hour average) or more.

4.5.2 Any new or modified stationary source shall be subject to the requirements of this Rule if it will:

- 4.5.2.1 have a net emissions increase of PM₁₀ more than zero pounds per day; and
- 4.5.2.2 be constructed within a designated Area A or Area A Impact Zone after August 19, 1983; and
- 4.5.2.3 increase PM₁₀ ambient concentration of the Area A by 0.57 microgram per cubic meter (24-hour average) or more.

4.5.3 Any new or modified stationary source shall be subject to the requirements of this Rule if it will:

- 4.5.3.1 have a net emissions increase of PM_{2.5} more than zero pounds per day; and
- 4.5.3.2 be constructed within a designated Area A or Area A Impact Zone after October 20, 2010.

4.5.4 The air quality impact table in Section 9.4, or appropriate air quality modeling as in Section 9.1 herein, shall be used to estimate the impact of the source on Area A.

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PART 5 CALIFORNIA CLEAN AIR ACT (CCAA) REQUIREMENTS

This Part contains additional provisions required under the California Clean Air Act as amended.

5.1 Parallel Review and Stringency of Requirements

Each project subject to New Source Review shall undergo a review under the federal requirements contained within all other parts of this Rule, and a parallel review under the requirements of this Part. In cases where the requirements under the federal Clean Air Act and the California Clean Air Act differ, the most stringent applicable provisions shall apply.

5.2 CCAA Best Available Control Technology (BACT) Requirements

BACT shall be required for any new or modified permit unit with a potential to emit 25 pounds per day or more of VOCs or NO_x.

5.3 CCAA Offset Requirements

- 5.3.1 Any new or modified stationary source with a potential to emit 137 pounds per day or more of VOCs or NO_x shall be required to provide offsets at the ratios specified in Section 4.3 herein.
- 5.3.2 Offsets shall be actual, quarterly, enforceable emissions reductions from existing sources, sufficient to offset all anticipated quarterly emissions increases as calculated according to Subsections 5.3.3 and 5.3.4 of this Rule, associated with new or modified stationary sources, and which will result in a net air quality benefit.
- 5.3.3 The amount of offsets obtained shall be at least equal to the potential to emit from the proposed new source.
- 5.3.4 For any modified source, the amount of offsets obtained shall be at least equal to the difference between the emissions of the modified source, and the emissions of the existing source.

5.4 CCAA Stationary Source Calculations

For the purposes of determining offset requirements under this Part, emissions profiles for new sources, existing sources or modified sources shall be based on the potential to emit as described under Section 7.1 herein. Comparison of new, modified or existing sources shall be done in accordance with Sections 7.3 and 7.5 herein. Calculation of emission reductions shall be done in accordance with Section 7.6 herein.

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PART 6 ADMINISTRATIVE REQUIREMENTS

The following administrative requirements shall apply to activities pursuant to this Rule, except for the review of power plants over 50 megawatts. Power plants over 50 megawatts shall be subject to the review requirements of Part 8.

6.1 Alternative Siting

For those sources for which an analysis of alternative sites, sizes, and production processes is required under 42 U.S.C. Section 7401 *et seq.*, the District shall require the applicant to prepare an analysis functionally equivalent to the requirements of Division 13 of the Public Resources Code.

6.2 Complete Application

The District shall determine whether the application is complete no later than 30 days after receipt of the application, or after such longer time as both the applicant and the District may agree is acceptable.

If the District determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. Upon receipt of any resubmittal of the application, a new 30-day period to determine completeness shall begin.

Completeness of an application or resubmitted application shall be evaluated on the basis of the information requirements set forth in District regulations (adopted pursuant to Article 3, Sections 65940 through 65944 of Chapter 4.5 of Division 1 of Title 7 of the Government Code) and application guidance as they exist on the date on which the application or resubmitted application was received.

Upon determination that the application is complete, the District shall notify the applicant in writing. The District may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.

6.3 Plantwide Applicability Limit (PAL)

The operator of a major stationary source may apply to the APCO for approval to use a PAL to avoid the requirements of Sections 1.6.2 (Statewide Compliance) and 6.1 (Alternative Siting) only. The APCO shall approve use of a PAL if the source operator demonstrates that the PAL will conform with the provisions specified in 40 CFR §51.165(f)(1) through (15).

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6.4 Proposed Sources in Federal Class I Areas

- 6.4.1 Permit Notice: The District shall provide notice within ten days of determining that an application is complete which has been submitted for a proposed major stationary source or major modification of an existing source, whose emissions would affect a federal Class I Area, to the Federal Land Manager and the federal official charged with direct responsibility for management of the specified lands. The Federal Land Manager shall be provided a copy of the complete application and shall be notified of all subsequent actions relating to the consideration of such permit.
- 6.4.2 Source Impacting Class I Areas: The District shall accept and consider comments offered within public comment period following the date of publication by the Federal Land Manager of any lands contained within a federal Class I Area impacted by a proposed major stationary source or major modification to an existing stationary source. If the Federal Land Manager demonstrates that the emissions from a proposed major source or major modification would have an adverse impact on the air quality-related values (including visibility) of any federal mandatory Class I Areas, and if the District concurs with such demonstration, then the District shall deny the Authority to Construct.
- 6.4.3 Federal Land Manager Appeals: If the District recommends a permit 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.

6.5 Preliminary Decision

Following acceptance of an application as complete, the District shall perform the evaluations required to determine compliance with this Rule and make a preliminary written decision as to whether a permit to construct should be approved, conditionally approved, or disapproved.

6.6 Air Quality Increment Analysis

The District shall evaluate the impact on the air quality increment of the emissions from the proposed source and any offsets obtained pursuant to Section 4.2 herein. Any emissions from secondary source growth associated with the source shall be included in the determination of increment consumption. The District shall not grant a permit to a source which is subject to Section 4.2 herein if its emissions will exceed 50 percent of the remaining emissions increment.

6.7 Review of Air Quality Increment Consumption

The District shall assess the remaining air quality increment at least every five years, or every two years in areas where a source subject to Section 4.2 herein has been sited since the last assessment of the respective air quality increment has occurred. The reassessment of the remaining air quality increment shall be based on the changes in

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emissions including area sources and any changes in air quality background levels. The emissions from major stationary sources constructed since January 6, 1975 shall be included in the air quality increment consumption. Within 60 days of a determination of an increment violation the District will initiate action to mitigate the violation.

6.8 Air Quality Models

All air quality models used for the purposes of this Rule shall be consistent with the requirements specified in appendix W of 40 CFR Part 51 "Guidelines on Air Quality Models" unless the District finds that such a model is inappropriate for use. However, the District, on a case-by-case basis, may approve alternate models with the concurrence of the United States Environmental Protection Agency after allowing for a public comment period. Credit shall not be given for stacks higher than that dictated by good engineering practice. All modeling costs associated with the siting of a stationary source shall be borne by the applicant.

6.9 Publication and Public Comment

Within ten calendar days following a preliminary decision pursuant to Section 1.3 or Part 4 or Part 5 of this Rule, where the emission levels are greater than or equal to those threshold limits listed for Sections 4.2 or 5.3; or within ten calendar days following a preliminary decision pursuant to Subsection 1.3.2.1; or within ten calendar days following a preliminary decision on a source's application for a modification pursuant to Section 2.33.5, the District shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision of the District, noting how the pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication.

6.10 Public Inspection

The District shall make available for public inspection at the District's office the information submitted by the applicant and the District's analysis no later than the time the notice of the preliminary decision is published, pursuant to Section 6.9 herein. No later than the noticed date, all such information, including the proposed permit, shall be transmitted to the Air Resources Board, the United States Environmental Protection Agency, and any other interested public agency or party requesting it.

6.11 Authority to Construct, Final Action

Within 180 days after acceptance of an application as complete, the District shall take final action on the application after considering all written comments. The District shall provide written notice of the final action to the applicant, the United States Environmental Protection Agency, and the Air Resources Board, and shall publish such notice 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 District must provide a copy of the final permit to EPA.

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6.12 Requirements, Permit to Operate

As a condition for the issuance of a Permit to Operate, the District 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 BACT.

6.12.1 The operation of any stationary source which provides offsets shall be subject to enforceable permit conditions, containing specific emissions limitations, to ensure that the emissions reductions will be provided in accordance with the provisions of this Rule and shall continue for the reasonable expected life of the proposed source. The emission reductions used for offset purposes must be certified, approved and registered by the District in the ERC Registry, unless the emission reductions are made at the same time as the permit application is made and on-site at the same stationary source. The emission reductions must be surplus, quantifiable, real, permanent, and enforceable.

6.12.2 Where the source of offsets is not subject to a District permit, a District permit with enforceable permit conditions, containing specific emission limitations, must be obtained by the recipient of such offsets. A written agreement shall be required between the applicant and the owner or operator of such a source of offsets, which agreement, by its terms, shall be enforceable by the District as a third party beneficiary. Any breach of such an agreement shall be a violation of this Rule. The permit and agreement shall be submitted to the California Air Resources Board to be forwarded to the United States Environmental Protection Agency as part of the State Implementation Plan.

6.13 Issuance, Permit to Operate

The District shall issue a Permit to Operate to a stationary source subject to the requirements of this Rule if it is determined that all 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, a Permit to Operate shall not be issued unless the source has complied with all conditions specified on the Authority to Construct, unless the District approves the incorporation of the unmet Authority to Construct conditions into the Permit to Operate.

6.13.1 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 District may allow a maximum of 90 days as a startup period for simultaneous operation of the existing stationary source and the new source or replacement.

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6.14 Regulations in Force will Govern

The granting or denial of an Authority to Construct shall be governed by the requirements of this Rule in force on the date the application is deemed complete.

PART 7 CALCULATIONS

7.1 Determination of the Potential to Emit

The maximum design capacity of a new stationary source or modification shall be used to determine the potential to emit from the new source or modification. However, the applicant may agree to limitations on the operations on the new source or modification. If those limitations are included in both Authorities to Construct and Permits to Operate issued according to New Source Review, then those limitations shall be used to establish the potential to emit from the new source or modification.

7.2 Historical Emissions from Existing Sources

The emissions from an existing source shall be the historical emissions based on the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application.

7.2.1 In cases where the existing source has not been in operation for three consecutive years or under unusual circumstances, a shorter period or three consecutive years within the five-year period immediately preceding the date of application that best represent the normal source operations may be applicable and approved by the District.

7.2.2 If violations of laws, rules, regulations, permit conditions, or orders of the District, the California Air Resources Board, State or the United States 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.

7.3 General Stationary Source Calculations

The increase in emissions from new stationary sources and modifications which are not seasonal sources shall be determined using quarterly emissions profiles.

7.3.1 Quarterly emissions profiles for an existing or proposed stationary source or modification shall be constructed by plotting the average daily emissions from such a source.

7.3.2 A separate profile shall be constructed for each pollutant.

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- 7.3.3 The increase in emissions from a modification to an existing source shall be determined by comparing the quarterly emissions profiles for the existing source to the quarterly emissions profiles for the proposed source after modification. An increase in emissions exists whenever any part of an emissions profile for a modified source exceeds the emissions profile for the existing source.
- 7.3.4 The emissions from all marine vessels which load or unload at the stationary source shall be considered as emissions from the stationary source (as defined in Section 2.60 herein) while such vessels are operating in District waters and in California coastal waters adjacent to the District.
- 7.3.4.1 The emissions from marine vessels shall include volatile organic compounds that are displaced into the atmosphere; fugitive emissions; combustion emissions in District waters; and emissions from loading and unloading of cargo.
- 7.3.5 The emissions from all trains dedicated to a specified stationary source, while operating in the air basin, including directly emitted and fugitive emissions, shall be considered as emissions from the stationary source.
- 7.4 Increases in Emissions: Calculation Requirements for BACT and Offsets
- 7.4.1 Emissions profiles for new sources or modified sources shall be based on the potential to emit as described under Section 7.1 herein. Emissions profiles for existing sources shall be based on the historical emissions as described under Section 7.2 herein. Comparison of emissions profiles shall be done in accordance with the provisions of Sections 7.3 and 7.5 herein
- 7.4.2 The new emissions increase, as defined in Section 2.37 herein, occurring after October 20, 2010 for PM_{2.5} or after August 19, 1983 for PM₁₀ or after July 18, 1976 for any other affected pollutant, shall be used to determine BACT requirements for any new source or for any modifications to an existing source.
- 7.4.3 The net emissions increase, as defined in Section 2.36 herein, shall be used to determine offset requirements for any new source or for any modifications to an existing source.
- 7.4.3.1 When computing the net emissions increases for modifications, the District shall take into account the emissions increases and decreases, excluding any emissions reductions required to comply with federal, State, Air Resources Board, or District law, rules, regulations, agreements, or orders, and also excluding any reductions of emissions which were originally permitted under the provisions of any exemption contained in Section 1.3. All emissions decreases used in computing the net emissions increase shall be incorporated into the Authority to Construct and Permit to Operate.

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7.5 Increases in Emissions: Seasonal Source Calculations

The increase in emissions from new stationary sources and modifications which are seasonal sources shall be determined using quarterly emissions profiles.

- 7.5.1 Quarterly emissions profiles shall be constructed by plotting the average daily emissions from an existing or proposed seasonal source for the continuous 90-day period during which the greatest emissions from the proposed new or modified source will occur.
- 7.5.2 A separate profile shall be constructed for each pollutant.
- 7.5.3 The increase in emissions from a modification to an existing seasonal source shall be determined by comparing the quarterly emissions profiles for the existing source to the quarterly profiles for the proposed source after modification. An increase in emissions exists whenever any part of an emissions profile for the modified source exceeds the emissions profile for the existing source.

7.6 Calculation Requirements for Emissions Reductions

- 7.6.1 Emissions profiles for new sources or modified sources shall be based on the potential to emit as described under Section 7.1 herein. Emissions profiles for existing sources shall be based on the historical emissions as described under Section 7.2 herein. Comparison of emissions profiles shall be done in accordance with the provisions of Sections 7.3 and 7.5 herein.

PART 8 POWER PLANTS

8.1 General

Part 8 shall apply to all power plants proposed to be constructed in the District and for which a Notice of Intention (NOI) or Application for Certification (AFC) has been accepted by the California Energy Commission. The District may apply for reimbursement of all costs incurred, including lost fees, in order to comply with the provisions of this Part.

8.2 Intent to Participate and Preliminary Report

Within 14 days of receipt of an NOI, the District shall notify the Air Resources Board and the California Energy Commission of the District's intent to participate in the NOI proceeding. If the District chooses to participate in the NOI proceeding, the District shall prepare and submit a report to the Air Resources Board and the California Energy Commission prior to the conclusion of the nonadjudicatory hearing specified in Section 25509.5 of the Public Resources Code. That report shall include, at a minimum:

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- 8.2.1 a preliminary specific definition of best available control technology (BACT) for the proposed source; and,
- 8.2.2 a preliminary discussion of whether there is substantial likelihood that the requirements of this Rule and all other District regulations can be satisfied by the proposed source;
- 8.2.3 a preliminary list of conditions which the proposed source must meet in order to comply with this Rule or any other applicable District regulation. The preliminary determination contained in the report shall be as specific as possible within the constraints of the information contained in the NOI.

8.3 Determination of Compliance Review

Upon receipt of an AFC for a power plant, the District shall conduct a determination of compliance review. This determination shall consist of a review identical to that which would be performed if an application for an Authority to Construct had been received for the power plant. If the information contained in the AFC does not meet the requirements of this Rule, the District shall, within 20 calendar days of receipt of the AFC, so inform the California Energy Commission, and the AFC shall be considered incomplete and returned to the applicant for resubmittal.

8.4 Equivalency of AFC for an Authority to Construct

The District shall consider the AFC to be equivalent to an application for an Authority to Construct during the determination of compliance review, and shall apply all provisions of this Rule which apply to applications for an Authority to Construct.

8.5 Need for Additional Information

The District may request from the applicant any information necessary for the completion of the determination of compliance review. If the District is unable to obtain the information, the District may petition the presiding Commissioner for an order directing the applicant to supply such information.

8.6 Preliminary Determination

Within 180 days of accepting an AFC as complete, the District shall make a preliminary decision on:

- 8.6.1 whether the proposed power plant meets the requirements of this Rule and all other applicable District regulations, and,
- 8.6.2 in the event of compliance, what permit conditions will be required including the specific BACT requirements and a description of required mitigation measures.

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The preliminary written decision under Section 8.6 of this Rule shall be treated as a preliminary decision under Section 6.5 herein, and shall be finalized by the District only after being subject to the public notice and comment requirements of Sections 6.4, 6.5, and 6.9 herein. The District shall not issue a determination of compliance unless all requirements of this Rule are met.

8.7 Determination of Compliance

Within 240 days of the filing date, the District shall issue and submit to the California Energy Commission a determination of compliance or, if such a determination cannot be issued, shall so inform the California Energy Commission. A determination of compliance shall confer the same rights and privileges as a Authority to Construct permit only when and if the California Energy Commission approves the AFC, and the California Energy Commission certificate includes all conditions of the determination of compliance.

8.8 Permit to Operate

Any applicant receiving a certificate from the California Energy Commission pursuant to this Section and in compliance with all conditions of the certificate shall be issued a Permit to Operate by the District.

PART 9 SOURCE IMPACT ANALYSIS

9.1 Air Quality Impact Analysis

The table in Section 9.4 herein is provided as a screening method to estimate the worst case air quality impact of carbon monoxide, particulate matter, oxides of sulfur and oxides of nitrogen of a proposed point source without the use of sophisticated modeling techniques.

Modeling shall be used instead of the table if in the judgement of the District any of the following apply: the pollutant is an oxidant; another source with unknown impact is being constructed in the affected area; the impact obtained by using the table indicates concentrations will be near the national or state ambient air quality standards; the proposed source will be located in complex terrain; the source will have a volume flow rate less than 10 cubic meters per second; the stack exit gas temperature is less than 360°K; or, the physical size of the stack is greater than 100 meters. In such instances the models, data bases, and other requirements specified in appendix W of 40 CFR Part 51 "Guidelines on Air Quality Models" must be used.

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9.2 Downwind Concentrations

Using the air quality impact table in Section 9.4 herein, the estimated downwind concentrations are determined by reading the value which corresponds to the actual stack height and source strength of the proposed source. The table also provides the estimated distance from the source to the point of maximum ground level impact. If the precise actual stack height for the proposed source is not listed, interpolation can be used to determine the approximate downwind concentrations.

9.3 Example Calculations

To determine the downwind concentrations attributable to a proposed source with an actual stack height of 45 meters and a source strength of 137 pounds per hour:

- a. use 40 meter stack height;
- b. consider that the source strength lies between maximum one hour concentration values for 120 lb/hr = 1300 ug/m³ and 140 lb/hr = 120 lb/hr + 20 lb/hr = 1300 ug/m³ + 220 ug/m³ = 1520 ug/m³; and,
- c. interpolate such that

$$\begin{aligned}x \text{ ug/m}^3 &= ((137-120)(1520 - 1300)/(140 - 120)) + 1300 \\ &= 1487 \text{ ug/m}^3 \text{ (this estimated maximum one-hour concentration for the proposed 137-lb/hr source is to be added to ambient concentration levels).}\end{aligned}$$

Values for maximum concentrations for 3-hour, 8-hour, and 24-hour time periods may be obtained by multiplying the 1-hour concentrations by following factors:

3-hour = 0.9; 8-hour = 0.8; and, 24-hour = 0.4.

9.4 Air Quality Impact Table

The following table provides the worst case estimates of point source air quality impacts:

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Estimated Maximum 1-hr Concentrations (ug/m³)
for Listed Source Strengths

Stack Height (m)	Downwind Distance* (m)	5 lb/hr	10 lb/hr	20 lb/hr	40 lb/hr	80 lb/hr	120 lb/hr
5	100	3150	6300	12800	25200	50400	75700
10	100	945	1890	3840	7560	15120	22700
15	150	380	760	1530	3020	6040	9080
20	200	220	440	900	1760	3530	5300
30	300	90	190	380	760	1510	2270
40	200 to 400	50	110	220	430	870	1300
50	250 to 450	40	70	150	290	580	880
70	350	20	40	80	170	330	500
100	450	10	20	40	90	190	290

NOTE: the wind speed was assumed to be 1 m/s and the effective plume height was assumed equal to the physical stack height.

* Downwind Distances to Maximum Estimated Concentrations (m).

PART 10 FEDERAL ENFORCEABILITY, SIP REVISIONS

This Part shall apply solely for the purposes of federal enforcement of Rule 207.

10.1 Increments for Carbon Monoxide, Nitrogen Dioxide, Hydrogen Sulfide, and Lead

Increments for carbon monoxide, nitrogen dioxide, hydrogen sulfide and lead referenced in Subsection 2.5.2 herein are not submitted as a part of the SIP.

10.2 Subsection 2.5.2 of this Rule

For the purposes of the submittal to the United States Environmental Protection Agency for inclusion in the SIP, the increments of allowable air quality degradation, beyond existing air quality levels, shall be:

10.2.1 for Area A, the increment specified for Class I Areas in 40 CFR Part 51.166 (Prevention of Significant Deterioration of Air Quality), and,

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10.2.2 for Areas B, C, D, E, and F, and Area A Impact Zones, the increment specified for Class II Areas in 40 CFR Part 51.166.

10.3 Subsection 2.18.6 of this Rule
is not submitted as a SIP revision.

10.4 Section 2.21 of this Rule
is not submitted as a SIP revision. For the purposes of the SIP, emissions increment means air quality increment as defined in Section 2.5 herein.

10.5 Part 5 of this Rule
is not submitted as a SIP revision.
* * * * *