

COLUSA COUNTY AIR POLLUTION CONTROL DISTRICT

REGULATION III - PERMITS

RULE 3.6 - STANDARDS FOR AUTHORITY TO CONSTRUCT (NEW SOURCE REVIEW)

(Adopted 09/14/93)

a. GENERAL

1. PURPOSE

A. The purpose of this rule is to establish preconstruction review requirements for new and modified stationary sources of air pollution for use of Best Available Control Technology (BACT), analysis of air quality impacts, and to ensure that the operation of such sources does not interfere with the attainment or maintenance of ambient air quality standards;

B. This regulation shall provide for no net increase in emissions, pursuant to Section 40918 of the California Health and Safety Code, from new or modified stationary sources that emit, or have the potential to emit, 25 tons per year or more of any nonattainment pollutant or its precursors.

2. APPLICABILITY

This rule shall apply to all new and modified stationary sources that are subject to District permit requirements, and after construction, emit or may emit any affected pollutants. This rule shall apply to any application for an Authority to Construct which is deemed complete after the effective date.

3. EFFECTIVE DATE

This rule shall become effective upon the date of adoption.

b. DEFINITIONS

For the purpose of this rule, the definitions below shall apply:

1. ACTUAL EMISSIONS

"Actual emissions" are the measured or estimated emissions that most accurately represent the emissions from an emissions unit.

2. ACTUAL EMISSION REDUCTIONS

"Actual emission reductions" means a reduction in actual emissions from an emissions unit selected for emission offsets or banking. Actual emission reductions shall be calculated on a quarterly basis, pursuant to Section d. of this rule, and shall meet the following requirements:

- A. Emission reductions shall be real, enforceable, quantifiable, and permanent.
- B. Emission reductions shall be in excess of any emission reductions that are:
 - 1. Required or encumbered by any laws, rules, regulations or orders; or
 - 2. Attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan; or
 - 3. Contained as near-term measures in the adopted District Air Quality Attainment Plan for attaining annual reductions required for the California Clean Air Act (CCAA).

Actual emission reductions attributed to a proposed control measure, may be re-eligible as actual emission reduction in the following circumstances:

- A. For control measures identified in the District Air Quality Attainment Plan or State Implementation Plan, no rule has been adopted within two (2) years from the scheduled adoption date provided, however, the Air Pollution Control Officer (APCO) has not extended the scheduled adoption date;
- B. For control measures not identified in the District Air Quality Attainment Plan or State Implementation Plan, no rule has been adopted within two (2) years from the date of the latest public workshop notice.

3. AFFECTED POLLUTANT

"Affected pollutants" are all air pollutants for which an ambient air quality standard has been established by the U.S. Environmental Protection Agency (EPA) or the California Air Resources Board (ARB), and the precursors to such pollutants.

4. AMBIENT AIR QUALITY STANDARDS

"Ambient air quality standards" shall be interpreted to include Federal and State Ambient Air Quality Standards. For purposes of applicability of this rule to the State Implementation Plan (SIP), all references to ambient air quality standards shall be interpreted as National Ambient Air Quality Standards.

5. BEST AVAILABLE CONTROL TECHNOLOGY (BACT)

"Best available control technology" means for any emissions unit the more stringent of:

- A. The most effective emission control device, emission limit, or technique that has been required or used for the type of equipment comprising such emissions unit unless the applicant demonstrates to the satisfaction of the APCO that such limitations are not achievable; or
- B. Any other emission control device or technique, alternative basic equipment, different fuel or process, determined to be technologically feasible and cost-effective by the APCO. The cost-effective analysis shall be performed in accordance with the methodology and

criteria specified by the APCO;

Under no circumstances shall BACT be determined to be less stringent than the emission control required by any applicable provision of District, State, or Federal laws or regulations, unless the applicant demonstrates to the satisfaction of the APCO that such limits are not achievable.

6. COMPLETE APPLICATION

A "complete application" is an application that contains all information required by the District to adequately evaluate the nature and extent of potential emissions from a new or modified emissions unit proposed for use in accordance with a list of required information as adopted by the District pursuant to Article 3, Sections 65940 through 65944 of Chapter 4.5 of Division 1, Title 7 of the Government Code.

7. CONTIGUOUS PROPERTY

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

8. CONTROL EFFICIENCY

The estimated "control efficiency" of the proposed air pollution control technology that will be incorporated, by means of enforceable permit conditions in the authority to construct and the permit to operate. Emissions reductions attributed to lowering throughput rates or operating hours shall not be considered in determining control efficiency.

9. COST EFFECTIVE

"Cost effective" means the cost per pound of emission reduction that is deemed to be acceptable and feasible, on a pollutant and emissions unit basis, determined by the APCO.

10. DAILY EMISSIONS LIMITATION

"Daily emissions limitations" means one or a combination of permit conditions specific to an emissions unit that restricts its maximum daily emissions in pounds per day, at or below the emissions associated with the maximum design capacity. A daily emissions limitations must be:

A. Contained in the latest Authority to Construct and contained in or enforceable by the latest Permit to Operate for the emission unit; and

B. Enforceable on a daily basis; and

C. Established pursuant to a permitting action occurring after September 14, 1993, and used in the calculation of the net emission change.

11. EMISSIONS UNIT

An "emissions unit" is an identifiable operation, process or control equipment, such as an article, machine, or other contrivance, which emits, may emit, or results in the emissions of any affected pollutant directly or as fugitive emissions.

12. FLUORIDES

"Fluorides" include elemental fluorine and all fluoride compounds.

13. FUGITIVE EMISSIONS

"Fugitive emissions" are those emissions that could not reasonably pass through a stack, chimney, or vent, or other functionally equivalent opening.

14. HALOGENATED HYDROCARBONS

For the purposes of this rule, "halogenated hydrocarbons" are 1,1,1-trichloroethane, methylene chloride, trichlorofluoromethane (CFC-11), dichlorodifluoromethane (CFC-12), chlorodifluoromethane (HCFC-22), trifluoromethane (HFC-23), 1,1,1-trichloro-2,2,2-trifluoroethane (CFC-113), 1-chloro-1,1-difluoro-2-chloro-2,2-difluoroethane (CFC-114), chloropentafluoroethane (CFC-115), 2,2-dichloro-1,1,1-trifluoroethane (HCFC-123), 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124), pentafluoroethane (HFC-125), 1,1,2,2-tetrafluoroethane (HFC-134), 1,1,1,2-tetrafluoroethane (HFC-134a), 1,1-dichloro-1-fluoroethane (HCFC-141b), 1-chloro-1,1-difluoroethane (HCFC-142b), 1,1,1-trifluoroethane (HFC-143a), 1,1-difluoroethane (HFC-152a), and the following four classes of perfluorocarbon (PFC) compounds:

A. cyclic, branched, or linear, completely fluorinated alkanes,

B. cyclic, branched, or linear, completely fluorinated ethers with no unsaturations,

C. cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations, and

D. saturated perfluorocarbons containing sulfur with sulfur bonds only to carbon and fluorine.

Perfluorocarbon compounds will be assumed to be absent from a product or process unless a manufacturer or facility operator identifies the specific individual compounds (from the broad classes of perfluorocarbon compounds), and the amounts present in the product or process, and provides a validated test method that can be used to quantify the specific compounds.

15. . HISTORIC ACTUAL EMISSIONS

"Historic actual emissions" are actual emissions from an existing emissions unit averaged over two consecutive years immediately preceding the date of application for an Authority

to Construct. If the last two years are unrepresentative of normal operations as determined by the APCO, then two consecutive years of the last five years may be used. Where an emission unit has been in operation for less than two years, a shorter averaging period of at least one year may be used, providing it represents the full operational history of the emissions unit. For open biomass burning the emissions baseline years will be a five year period: 1988 through 1992.

16. HISTORIC POTENTIAL EMISSIONS

"Historic potential emissions" means the daily potential to emit of an existing emissions unit prior to modification. For a new emissions unit, historic potential emissions are equal to zero.

17. IMPACT ANALYSIS

An "impact analysis" is an air quality modeling analysis used to estimate the maximum ground level concentration of any pollutant subject to this rule. Maximum ground level concentration added to background levels shall be compared to ambient air quality standards.

18. MODIFICATION

A "modification" is any physical or operational change to an existing emissions unit, including changing hours of operation or production rate, that would necessitate a change in permit conditions. A modification to a stationary source shall include any modification of its permitted emissions units or addition of any new emissions units. A reconstructed stationary source shall be treated as a new stationary source and not as a modification. A modification also occurs when there is an increase in emissions from an emissions unit which is not subject to a daily emissions limitation.

The following shall not be considered a modification:

A. Routine maintenance or repair.

B. A change in ownership.

C. Replacement of an existing emissions unit, part of an emissions unit, or emissions control device with a functionally identical piece of equipment resulting in emissions less than or equal to those from the original equipment or device and not requiring a change in permit conditions.

19. NET AIR QUALITY BENEFIT

"Net air quality benefit" means a net improvement in air quality resulting from actual emission reduction impacting the same general area affected by the new or modified source.

20. NONATTAINMENT POLLUTANT

A "nonattainment pollutant" is any pollutant as well as any precursors of such pollutant, that has been designated nonattainment by the EPA in the Federal Register, or that has been designated "nonattainment" by the ARB pursuant to Section 39607 of the California Health and Safety Code.

21. FFSETS

To "offset" means to use an emission decrease from one or more source to compensate for an emission increase in a nonattainment pollutant or its precursor from a new or modified source subject to the requirements of the District's new source review rule.

22. PM10

"PM10" means particulate matter with an aerodynamic diameter smaller than or equal to a nominal ten (10) microns as measured by an applicable reference test method, or methods found in Article 2, Subchapter 6, Title 17, of the California Code of Regulations (commencing with section 94100).

23. POTENTIAL TO EMIT

The "potential to emit" is the maximum daily capacity of a stationary source or emissions unit to emit affected pollutants under its physical and operational design. Any physical or operational limitation on the daily capacity of the source or unit to emit a pollutant, including pollution control equipment and restrictions in hours of operation, type of material combusted, stored, or processed, shall be treated as part of its design limitation if they are incorporated into the applicable permit as enforceable permit conditions.

24. PRECURSOR

"Precursor" means a directly emitted pollutant that, when released to the atmosphere, forms, or contributes to the formation of a secondary pollutant for which an ambient air quality standard has been adopted. The following precursor relationships shall be used:

PRECURSOR	SECONDARY AIR
Reactive Organic Compounds	a) Photochemical oxidants (Ozone)
	b) The organic fraction of PM10
Nitrogen Oxides	a) Nitrogen dioxide
	b) The nitrate fraction of PM10
	c) Photochemical oxidants (Ozone)
Sulfur Oxide	a) Sulfur dioxide
	b) Sulfates

||c) The sulfate fraction of PM10 ||

25. PROPOSED EMISSIONS

"Proposed emissions" means the potential to emit for a new or post-modification emissions unit.

26. REACTIVE ORGANIC COMPOUND (ROC, ROG, or VOC)

A "reactive organic compound" is any compound containing carbon, except methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonates, and halogenated hydrocarbons.

27. RECONSTRUCTED SOURCE

A "reconstructed source" is 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 costs means that capital needed to provide all the depreciable components. Reconstruction does not include modifications involving only replacement equipment.

28. REDUCED SULFUR COMPOUND

"Reduced sulfur compounds" includes the sulfur compounds hydrogen sulfide, carbon disulfide, and carbonyl sulfide.

29. SHUTDOWN

"Shutdown" means either the earlier of the permanent cessation of emissions from a source or an emitting unit or the surrender of that unit's or source's operating permit. If prior to the surrender of that operating permit, the APCO determines that the source or emitting unit has been removed or fallen in to an inoperable and unmaintained condition, the APCO may notify the owner of the intent to cancel the permit. If the owner cannot demonstrate to the satisfaction of the APCO, or does not respond within 60 days from the notice of the District's to cancel the permit, that the owner intended to operate again, then the APCO may cancel the permit and deem the source shutdown as of the date of the last emissions.

30. STATIONARY SOURCE

A "stationary source" is any building, structure, or emissions unit that emits or may emit any affected pollutant directly or as a fugitive emission.

"Emissions Unit" includes any operation, article, machine, equipment or other contrivance that emits or may emit any affected pollutant. "Building or structure" includes all pollutants emitting activities including emissions units that:

A. Are located on one or more contiguous or adjacent properties, and that may be separated by a public right of way; and

B. Are under the same or common ownership, operation, or control, or that are owned or operated by entities that are under common control and belong to the same industrial grouping either by virtue of falling within the same two digit Standard Industrial Classification (SIC) Code or by virtue of being part of a common industrial process, manufacturing process, or connected process involving a common raw material.

31. TOTAL REDUCED SULFUR COMPOUNDS

"Total reduced sulfur compounds" includes the sulfur compounds hydrogen sulfide, methyl mercaptan, dimethyl sulfide, and dimethyl disulfide.

c. REQUIREMENTS

Any emissions unit subject to this Rule shall be subject to the following requirements:

1. BEST AVAILABLE CONTROL TECHNOLOGY (BACT)

An applicant shall apply BACT to any new emissions unit or modification of an existing emissions unit, which results in an emissions increase and the potential to emit for the emissions unit which equals or exceeds the following amounts:

POLLUTANT	POUNDS PER DAY
Reactive organic compounds	25.0
Nitrogen oxides	25.0
Sulfur oxides	80.0
Particulate Matter (PM ₁₀)	80.0
Carbon monoxide	500.0
Lead	3.2
Asbestos	0.03
Beryllium	0.002
Mercury	0.5
Vinyl chloride	5.0
Fluorides	15.0
Sulfuric acid mist	35.0
Hydrogen sulfide	50.0
Total reduced sulfur compounds	50.0
Reduced sulfur compounds	50.0

2. OFFSET REQUIREMENTS, GENERAL

Emission reductions shall be required from existing emission sources, sufficient to offset calendar quarter emission increases of nonattainment pollutants or their precursors associated with a new or modified stationary source and shall be determined as follows:

A. Offsets shall be required for a new stationary source with a potential to emit, calculated pursuant to Section d.4., of nonattainment pollutants or their precursors equal to or exceeding twenty-five (25) tons per year. The amount of offsets required shall be at least equal to that portion of the potential to emit that exceeds 25 tons per year.

B. Offsets shall be required for a modified stationary source under the following conditions:

1. An existing stationary source that has the potential to emit less than 25 tons per year as of September 14, 1993, of nonattainment pollutants or their precursors, shall offset that portion of the stationary source's potential to emit that, after modification of the stationary source, exceeds 25 tons per year from new or modified emissions units.

A stationary source's potential to emit shall be calculated pursuant to Section d.4. of this rule. After the potential to emit for a stationary source has exceeded these levels, and the applicant has provided actual emission reductions to offset emission increases in excess of these levels, all future increases in potential to emit resulting from the permitting of a new or modified emission unit shall be offset.

2. An existing source that has the potential to emit, calculated pursuant to Section d.4. of this rule, of nonattainment pollutants or their precursors equal to or exceeding 25 tons per year as of September 14, 1993, shall offset any increases in potential to emit resulting from the permitting of a new or modified emissions unit.

C. Offsets shall not be required for increases in carbon monoxide if the applicant demonstrates to the satisfaction of the APCO, through an impact analysis, 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.

D. In no case shall halogenated hydrocarbons be used as offsets.

3. LOCATION OF OFFSETS AND OFFSET RATIOS

Offset ratio and the corresponding distances from the proposed stationary source shall be:

- A. On-site, at a ratio of 1:1;
- B. Within 20 miles, at a ratio of 1.2:1;
- C. 20 to 50 miles, at a ratio of 1.5:1;
- D. Over 50 miles, at a ratio of 2:1.

Use of offsite offsets must result in a net air quality benefit, as determined by the APCO.

Offsets that are obtained from a source located in another district may be used only if the provisions of Health and Safety Code 40709.6 are met, and the involved districts enter into

an agreement formalized by a memorandum of understanding.

4. INTERPOLLUTANT OFFSETS

The APCO may approve interpollutant offsets on a case by case basis, provided that the applicant demonstrates to the satisfaction of the APCO, through the use of an impact analysis, that the emission increases from the new or modified source will result in a net air quality benefit and will not cause or contribute to a violation of any air quality standard. In such cases, the APCO may, based upon an air quality analysis, impose offset ratios greater than the requirements of this rule.

A. Interpollutant trades between PM10 and PM10 precursors may be allowed. PM10 emission reductions shall not be allowed to offset NOx or reactive organic compound (ROC) emissions increases in ozone nonattainment areas.

B. The PM10 emissions from an existing stationary source shall be recalculated from the TSP emissions increases and decreases which have occurred since August 20, 1983 using applicable PM10 emission factors. When applicable PM10 emission factors do not exist, assume 50 percent of TSP is PM10.

C. If the applicant has provided full offsets for TSP emissions occurring since August 20, 1983, but before September 14, 1993, those TSP emissions need not be recalculated as PM10. However, any subsequent emissions increase in PM10 emissions shall be subject to the offset requirements of the rule.

5. AMBIENT AIR QUALITY STANDARDS

In no case shall the emissions from the new or modified stationary source cause or make worse the violation of an Ambient Air Quality Standard. An impact analysis shall be used to estimate the effects of a new or modified source. In making this determination, the APCO shall take into account the mitigation of emissions through offsets obtained pursuant to this rule.

6. DENIAL, FAILURE TO MEET STANDARDS

The APCO shall deny any Authority to Construct or Permit to Operate if the APCO finds that the subject of the application would not comply with the standards set forth in the rule.

7. COMPLIANCE BY OTHER, OWNED, OR CONTROLLED SOURCES

The owner or operator of a proposed new or modified source shall demonstrate to the satisfaction of the APCO that all major stationary sources owned or operated by such person (or by an entity controlling, controlled by, or under common control with such person) in California which are subject to emission limitations are in compliance or on a schedule for compliance with all applicable emission limitations and standards.

d. CALCULATIONS

1. PURPOSE

The following calculation procedures shall be used to determine:

- A. The emission change for all new or modified emissions units; and
- B. Actual emission reductions (AERs) for all shutdowns and modified emission units; and
- C. The cumulative emissions increase from all new and modified emission units for a stationary source.

2. PROCEDURE

The calculation shall be performed separately for each pollutant and each emissions unit. Emissions increases and decreases shall be calculated separately for each calendar quarter pursuant to the following procedure:

- A. Calculate the emission change for each new or modified emissions unit and for each pollutant using Section d.3. of this rule.
- B. If an increase is calculated for a pollutant, follow the requirements in:
 - 1. Section c.1. to determine if BACT is required.
 - 2. Section c.2. and d.4. to determine the amount of offsets required.
- C. If a decrease is calculated for a pollutant, go to Section d.3.B. to determine if emission reduction credits (ERCs) are generated.
- D. For no change in emissions, no further calculations are required.

3. CALCULATING EMISSION CHANGES

A. EMISSIONS INCREASE

1. NEW OR MODIFIED EMISSIONS UNIT

The emissions change for a new or modified emissions unit shall be calculated by subtracting historic potential emissions from proposed emissions.

$$\text{Emissions change} = (\text{proposed emissions}) - (\text{historic potential emissions})$$

B. ACTUAL EMISSIONS REDUCTIONS (AER)

1. SHUTDOWN OF AN EMISSIONS UNIT

$$\text{AER} = \text{Historic actual emissions}$$

2. MODIFICATIONS

Modification consisting solely of application of control equipment or implementation of more efficient process

$$\text{AER} = (\text{historic actual emissions}) \times (\text{control efficiency})$$

3. OTHER MODIFICATIONS

$$\text{AER} = (\text{historic actual emissions}) - (\text{proposed emissions})$$

4. DETERMINING POTENTIAL TO EMIT FOR A STATIONARY SOURCE

The potential to emit for a stationary source shall be equal to the sum of potentials to emit for Permits to Operate (or Authority to Construct for emissions units for which a Permit to Operate has not been issued), issued prior to September 14, 1993, for each emissions unit within a stationary source.

In addition, emissions increases from new or modified emissions units occurring on or after September 14, 1993, shall be added to the sum of potentials to emit for existing emissions units.

All banked emission reduction credits obtained from the stationary source's emissions units shall be included in the stationary source's potential to emit. Except, any emissions represented by an authority to construct (A/C), or permit to operate (P/O), which has been cancelled or has expired and any emission reduction credits associated with these specific A/Cs or P/Os have been surrendered to the District shall not be included in the determination of potential to emit for the stationary source.

e. AIR QUALITY IMPACT ANALYSIS

In no case shall emissions from a new or modified emissions unit, cause or make worse the violation of an Ambient Air Quality Standard. The APCO may require an applicant to use an air quality model to estimate the effects of a new or modified emissions unit. For the purpose of performing an impact analysis the following shall apply:

1. Air quality models shall be consistent with the requirements contained in the most recent edition of EPA's "Guidelines on Air Quality Models, OAQPS 1.2-080" unless the APCO finds that such model is inappropriate for use. After making such a finding, the APCO may designate an alternate model only after allowing for public comment and only with the concurrence of the Air Resources Board and the Environmental Protection Agency. All modeling costs associated with the siting of a new or modified emissions unit shall be borne by the applicant;
2. In performing an impact analysis, if the proposed stack height is higher than is dictated by good engineering practices, the actual height used for the purposes of modeling shall be calculated in accordance with good engineering practices.

f. ADMINISTRATIVE REQUIREMENTS

The following administrative requirements shall apply to this Rule:

1. COMPLETE APPLICATION

The Air Pollution Control Officer (APCO) shall determine whether the application is complete no later than thirty (30) days after receipt of the application, or after such longer time mutually agreeable to the applicant and APCO. If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision and of the required additional information.

Upon receipt of any resubmission 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, Section 65940 through 65944 of Chapter 4.5 of Division 1 of Title 7 of the Government Code) as they exist on the date on which the application or resubmitted application was received.

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

2. AIR QUALITY MODELS

Only those models approved by the APCO may be used in the impact analysis.

3. PRELIMINARY DECISION

Following acceptance of an application as complete, the APCO shall perform the evaluations required to determine compliance with this Rule and make a preliminary written decision as to whether an Authority to Construct should be approved, conditionally approved, or disapproved. The decision shall be supported by a written analysis.

4. PUBLICATION AND PUBLIC COMMENT PERIOD

This section shall only apply to an emissions unit subject to the requirements of Section c.2. Within ten calendar days following a preliminary decision on the Authority to Construct, the APCO shall publish in at least one newspaper of general circulation in the District, a notice stating the preliminary decision of the APCO noting how pertinent information can be obtained, and inviting written public comments for a 30 day period following the date of publication. Copies of such notice shall be sent to the ARB and EPA.

5. PUBLIC INSPECTIONS

The APCO shall make available for public inspection at the District's office the information submitted by the applicant and the APCO's analysis no later than the time that notice of the preliminary decision is published. All such information shall be transmitted no later than the date of the publication, to the ARB and the EPA regional office. Information submitted that contains trade secrets shall be handled in accordance with

Section 6254.7 of the Government Code and relevant sections of the Administrative Code of the State of California. Further, all such information shall be transmitted, no later than the date of the date of publication, to the ARB and the EPA regional office.

6. AUTHORITY TO CONSTRUCT, FINAL ACTION

Within 180 days after acceptance of an application as complete, the APCO shall take final action on the application after taking written comments.

The APCO shall provide written notice of the final action to the applicant, the EPA, and the ARB, and shall make the notice and all supporting documents available for public inspection at the District's office for all Authorities to Construct issued for emissions units subject to the requirements of Section c.2. of this rule.

7. REQUIREMENTS, PERMIT TO OPERATE

As a condition for the issuance of a Permit to Operate, the APCO shall require that the new source or modification, and any sources that provide offsets will be operated in the manner assumed in making the analysis to determine compliance with this rule.

The Permit to Operate shall include daily emission limitations, including BACT. As a condition for the issuance of a Permit to Operate, any stationary source that provides emissions offsets shall be subject to enforceable permit conditions containing specific emissions limitations, and/or operational limitations that ensure the emission reductions will be provided in accordance with the provisions of the rule and shall continue for the reasonably expected life of the proposed source.

Where the source of offsets is a non-permitted source, the District shall require the non-permitted source to obtain an enforceable permit, complete with operational and emission limitations. If the source of offsets is a permit exempt piece of equipment, that particular source must relinquish its exempt status.

If the District, pursuant to State laws or District regulations cannot permit the source of the offsets, the source creating the offsets shall execute a legally binding contract between the applicant and the owner or operator of such offset source, which contract, by its terms, shall be enforceable by the APCO. A violation of the emission limitation provisions of any such contract shall be chargeable to the applicant.

8. ISSUANCE, PERMIT TO OPERATE

The APCO shall issue a Permit to Operate for any stationary source that meets the requirements of this rule.

Any offsets required as a condition of an Authority to Construct or amendment to a Permit to Operate shall commence not later than the initial operation of the new or modified source, and the offsets shall be maintained throughout the operation of the new or modified source that is the beneficiary of the offsets. Further, the APCO shall determine that all conditions specified in the Authority to Construct have been or will be complied

with by any dates specified.

Where a new or modified stationary source is, in whole or part, a replacement for an existing stationary source on the same property, the APCO may allow a maximum of ninety (90) days as a start up period for simultaneous operations of the existing stationary source and the new source or replacement.

9. REGULATIONS IN FORCE 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. In addition, the APCO shall deny a Permit to Construct for any new stationary source or modification, or any portion thereof, unless the new source or modification, or applicable portion thereof, complies with the provisions of this Rule and all other applicable District rules and regulations.

10. PERMIT CONDITIONS

The APCO shall have the authority to place conditions on the Authority to Construct and/or Permit to Operate that will ensure that the construction, modification, or operation of such source will comply with all applicable rules and regulations. Such conditions may include, but not be limited to hours of operation; processing parameters; periods of use; and emission limitations on an hourly, daily, or yearly basis.

g. POWER PLANTS

1. GENERAL

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

2. INTENT TO PARTICIPATE AND PRELIMINARY REPORT

Within fourteen (14) days of receipt of an NOI, the APCO shall notify the ARB and the CEC of the District's intent to participate in the NOI proceeding.

If a District chooses to participate in the NOI proceeding, the APCO shall prepare and submit a report to the ARB and the CEC prior to the conclusion of the non-adjudicatory hearing specified in Section 25509.5 of the Public Resources Code. That report shall include, at minimum:

A. A preliminary specific definition of BACT for the proposed facility; and

B. 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 facility; and

C. A preliminary list of conditions that the proposed facility must meet in order to comply with this Rule and any other applicable District regulations.

The preliminary determinations contained in the report shall be as specific as possible within the constraints of the information contained in the NOI.

3. DETERMINATION OF COMPLIANCE REVIEW

Upon receipt of an Application for Certification (AFC) for a power plant, the APCO 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 a Permit 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 APCO shall, within twenty (20) calendar days of receipt of the AFC, so inform the Commission, and the AFC shall be considered incomplete and returned to the applicant for resubmittal.

4. EQUIVALENCY OF APPLICATION

The APCO 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 that apply to application for an Authority to Construct.

5. NEED FOR ADDITIONAL INFORMATION

The APCO may request from any applicant any information necessary for the completion of the Determination of Compliance Review. If the APCO is unable to obtain the information, the APCO may petition the presiding commissioner for an order directing the applicant to supply such information.

6. PRELIMINARY DETERMINATION

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

A. Whether the proposed power plant meets the requirements of this rule and all other applicable District regulations; and

B. In the event of compliance, permit conditions will be required, including the specific BACT requirements and a description of required mitigation measures.

The preliminary written decision under Section f.5. of this rule, shall be treated as a preliminary decision under Section f.3. of this Rule, and shall be finalized by the APCO only after being subject to the public notice and comment requirements of Sections f.4. through f.6. The APCO shall not issue a Determination of Compliance unless all requirements of this rule are met.

7. DETERMINATION OF COMPLIANCE

Within 240 days of the filing date, the APCO shall issue and submit to the Commission a Determination of Compliance or, if such a determination cannot be issued, shall so inform the CEC. A Determination of Compliance shall confer the same rights and privileges as a Permit to Construct only when and if the Commission approves the AFC, and the Commission certificate includes all conditions of the Determination of Compliance.

8. PERMIT TO OPERATE

Any applicant receiving a certificate from the CEC pursuant to this section and in compliance with all conditions of the certificate shall be issued a Permit to Operate by the APCO.