

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

RULE 3.4 - NEW SOURCE REVIEW

*(Adopted 9/22/93; Revisions 2/23/94, 11/8/95, 12/11/96;
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100 GENERAL

101 - PURPOSE: The purpose of this rule is to provide for the review of new and modified stationary air pollution sources and to provide mechanisms, including emission offsets, by which authorities to construct such sources may be granted without interfering with the attainment or maintenance of ambient air quality standards.

102 - APPLICABILITY: This rule shall apply to all new stationary sources and emissions units and all modifications to existing stationary sources and emissions units which are subject to Rule 3.1, GENERAL PERMIT REQUIREMENTS, and which, after construction or modification, emit or may emit any affected pollutants. This rule shall not apply to prescribed burning of forest, agriculture or range land, road construction or any other non-point source common to timber harvesting or agricultural practices. This section shall not be used to exempt any stationary source or modification, which would be subject to review under U.S. Environmental Protection Agency regulations.

103 - SEVERABILITY: If a court of competent jurisdiction issues an order that any provision of this rule is invalid, it is the intent of the Board of Directors of the District that other provisions of this rule remain in full force and affect, to the extent allowed by law.

110 - EXEMPTION - EMERGENCY EQUIPMENT: The Air Pollution Control Officer

shall exempt an emissions unit from the requirements of Sections 302, and 303, if it would provide emergency electrical power, emergency water pumping for flood control or fire fighting provided the following requirements are met.

(110.1) Operation for maintenance purposes shall be limited to 50 hours per year, and such maintenance shall be scheduled in cooperation with the District so as to limit air quality impact, and

(110.2) Operation of the equipment shall be limited to a total of 200 hours per year, and

110.3 Operation of the equipment shall not be for supplying power to a serving utility for distribution on the grid, and

(110.4) Operation for other than maintenance purposes shall be limited to actual interruptions of electrical power by the serving utility or emergency water pumping for flood control or fire fighting, or maintaining the safety and preserving the integrity of nuclear power generating systems.

111 - EXEMPTION - TEMPORARY SOURCE: The Air Pollution Control Officer may exempt an emissions unit from the requirements of Sections 302 and 303, if the emissions unit is a temporary source and is not: a major stationary source, a major modification, or located at a major stationary source.

112 - EXEMPTION - NOTIFICATION REQUIREMENTS: The requirements of Sections 404, 405, 406, 407 and 408.2 relating to notification, publication, and public inspection of Preliminary Decisions; and notification, publication, and public inspection of Final Action shall not apply if the application is for a new or modified stationary source or emissions unit which has an increase in historic potential to emit, calculated pursuant to Sections 414, 415, 416 or 417 as applicable, of less than:

Pollutant	lbs/quarter
Reactive organic compounds	7,500
Nitrogen oxides	7,500
Sulfur oxides	13,650
PM ₁₀	13,650
Carbon monoxide	49,500

Provided the increase is not a major modification.

113 - EXEMPTION: REPLACEMENT EQUIPMENT: The requirements of Sections 302 and 303 shall not apply to replacement equipment.

114 - EXEMPTION: RULE COMPLIANCE: The requirements of Sections 302 and 303 shall not apply to modifications necessary to comply with standards contained in Regulation 2, PROHIBITION EXCEPTIONS - REQUIREMENTS, or in the State Implementation Plan. Where more than one compliance option is allowed, then this exemption only applies to the emissions resulting from the least emissive option. The incremental emissions difference between the least emissive option and the selected option must comply with Sections 302 and 303. This exemption shall not apply to modifications in production rate, hours of operation, or other changes or additions to existing equipment not necessary for compliance with standards contained in District Regulation 2, PROHIBITION, EXCEPTIONS - REQUIREMENTS, or in the State Implementation Plan. If the modifications for compliance with standards contained in District Regulation 2, PROHIBITION, EXCEPTIONS - REQUIREMENTS, or the State Implementation Plan are significant modifications under the United States Environmental Protection Agency regulations promulgated pursuant to Title 1 of the Federal Clean Air Act including 40 CFR Parts 51 and 52, the United States Environmental Protection Agency may require the stationary source to offset the emissions increases resulting from the modifications.

200 DEFINITIONS: Unless otherwise defined below, the terms in this rule are defined in Rule 3.1, GENERAL PERMIT REQUIREMENTS, Rule 3.5, EMISSION REDUCTION CREDITS, and Rule 3.8, FEDERAL OPERATING PERMITS.

201 - ACTUAL EMISSIONS: Measured or estimated emissions which most accurately represent the emissions from an emissions unit.

202 - ACTUAL EMISSIONS REDUCTIONS: Reductions of historic actual emissions from an emissions unit selected for on-site or off-site emissions offsets. Historic actual emission reductions shall be calculated, adjusted and certified pursuant to Rule 3.5, EMISSION REDUCTION CREDITS.

203 - ACTUAL INTERRUPTIONS OF ELECTRICAL POWER: When electrical service is interrupted by an unforeseeable event.

204 - ACTUAL OPERATING DAYS: Any day of operation which results in the emission of an affected pollutant from the emissions unit.

205 - AFFECTED POLLUTANTS: Reactive organic compounds (ROC), nitrogen oxides (NO_x), sulfur oxides (SO_x), PM₁₀, carbon monoxide (CO), lead.

206 - AIR POLLUTION CONTROL OFFICER (APCO): "Air Pollution Control Officer" refers to the Air Pollution Control Officer of the Yolo-Solano Air Quality Management District, or his or her designee.

207 - AMBIENT AIR QUALITY STANDARDS: State and federal ambient air quality standards. For the purpose of submittal to the U.S. Environmental Protection Agency for

inclusion in the California State Implementation Plan all references in this rule to Ambient Air Quality Standards shall be interpreted as National Ambient Air Quality Standards.

208 - BEST AVAILABLE CONTROL TECHNOLOGY (BACT):

(208.1) For any emissions unit the most stringent of:

- a. The most effective emission control device, emission limit, or technique, singly or in combination, which has been required or used for the type of equipment comprising such an emissions unit unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such limitations required on other sources have not been demonstrated to be achievable in practice.
- b. Any alternative basic equipment, fuel, process, emission control device or technique, singly or in combination, determined to be technologically feasible and cost-effective by the Air Pollution Control Officer.

(208.2) In making a BACT determination for each affected pollutant, the Air Pollution Control Officer may consider the overall effect of the determination on other affected pollutants. In some cases the lowest emission rates may be required for one or more affected pollutants at the cost of not achieving the lowest emission rate for other pollutants. The Air Pollution Control Officer shall discuss these considerations in the Preliminary Decision prepared pursuant to Section 404.

(208.3) 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, or contained in the implementation plan of any State for such class or category of stationary source unless the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that such limitations are not achievable.

209 - CARGO CARRIERS: Cargo carriers are trains dedicated to a specific source. The emissions within District boundaries of cargo carriers associated with the stationary source shall be considered emissions from the stationary source to the extent that emission reductions from cargo carriers are proposed as emission offsets.

210 - CEQA: The California Environmental Quality Act, Public Resources Code, Section 21000, et seq.

211 - 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.

212 - COST-EFFECTIVE: A cost per unit of emissions reduction which is lower than or equivalent to the maximum unit costs, for the affected pollutant or source category, of the same emission reduction through the use of Best Available Control Technology, calculated in current year dollars, in accordance with methodology and criteria specified in the BACT Cost-Effectiveness Guidelines developed by the District.

213 - EMISSION OFFSET: An emission reduction credit that compensates for an emission increase of an affected pollutant from a new or modified stationary source subject to the requirements of Sections 302 and 303.

214 - EMISSIONS LIMITATION: One or more permit conditions specific to an emissions unit which restricts its maximum emissions, at or below the emissions associated with the maximum design capacity. An emissions limitation shall be:

(214.1) Contained in or enforceable by the latest Authority to Construct and Permit to Operate for the emissions unit; and

(214.2) Enforceable pursuant to Section 408; and

(214.3) Enforceable on an hourly, or daily, or quarterly, and/or yearly basis; and

(214.4) No less stringent than the applicable emission standards given in 40 CFR Part 60, Standards of Performance for New Stationary Sources, and 40 CFR Part 61 and 63, National Emission Standards for Hazardous Air Pollutants.

215 - EMISSIONS UNIT: An identifiable operation or piece of process equipment such as an article, machine, or other contrivance which controls, emits, may emit, or results in the emissions of any affected pollutant or hazardous air pollutant (HAP). Emissions unit does not include the open burning of agricultural biomass.

216 - FLUORIDES: Elemental fluorine and all fluoride compounds.

217 - FUGITIVE EMISSIONS: Those emissions which could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening.

218 - HAZARDOUS AIR POLLUTANT (HAP): Any air pollutant listed pursuant to Section 112(b) (42 U.S.C Section 7412(b) of the Federal Clean Air Act).

219 - HISTORIC ACTUAL EMISSIONS: Actual emissions for the existing emissions unit averaged over the two year period immediately preceding the date of application for an Authority to Construct. If the last two years are unrepresentative of normal source operations as determined by the Air Pollution Control Officer, then any two consecutive years of the last five years that represent normal source operation may be used. If, at any time during the two year period, actual emissions exceeded allowed or permitted emission levels, then actual emissions shall be reduced to reflect emission levels that would have occurred if the unit were in compliance with all applicable limitations and rules. If less than one year has passed since the date of issuance of the Permit to Operate then the historic actual emissions shall be zero. If less than two years have passed since the date of issuance of the Permit to Operate then the historic actual emissions shall be the actual emissions over the one year period immediately preceding the date of application.

220 - HISTORIC POTENTIAL EMISSIONS: Emissions based on the potential to emit of the emissions unit prior to modification. In determining the historic potential to emit, emissions limitations shall be treated as part of an emissions unit's design only if the

limitations are representative of normal operations or if emission offsets were provided from a previous permitting action. For the purposes of the above determination, "normal operations" is defined as the usual or typical operation of an emissions unit resulting in actual emissions which are at least 80% of the specific limits contained in the emission unit's Authority to Construct or Permit to Operate. If there are no enforceable limiting conditions, or if limiting conditions are not representative of normal operating conditions then an emissions unit's potential to emit shall be the unit's historic actual emissions. For a new emissions unit, historic potential emissions are equal to zero. For BACT purposes, historic potential emissions are equal to the potential to emit without regards to the 80%.

221 - MAJOR MODIFICATION: Modification to a major stationary source which results in an increase in the potential to emit equal to or exceeding any of the following thresholds when aggregated with all other creditable increases and decreases in emissions from the source over the period of five consecutive years before the application for modification, and including the calendar year of the most recent application:

(221.1) 25 tons of reactive organic compounds; or

(221.2) 25 tons of nitrogen oxides; or

(221.3) 40 tons of sulfur oxides; or

(221.4) 25 tons of PM₁₀; or

(221.5) 100 tons of carbon monoxide.

With the exception of PM₁₀, the thresholds listed above are based on the U.S. EPA's definition of significant as defined in the Code of Federal Regulations Section 51.165. For Prevention of Significant Deterioration (PSD) purposes only, EPA defines the significant level for PM₁₀ as 15 tons per year.

222 - MAJOR STATIONARY SOURCE: A stationary source that emits or has the potential to emit an affected pollutant in quantities equal to or exceeding any of the following thresholds:

(222.1) 25 tons per year of reactive organic compounds; or

(222.2) 25 tons per year of nitrogen oxides; or

(222.3) 100 tons per year of sulfur oxides; or

(222.4) 100 tons per year of PM₁₀; or

(222.5) 100 tons per year of carbon monoxide.

Emissions associated with emissions units exempt from permit requirements of Rule 3.1, GENERAL PERMIT REQUIREMENTS, pursuant to Rule 3.2 EXEMPTIONS

shall be included in the potential to emit of the stationary source unless total daily emissions from each emissions unit are less than 2 lbs/day of any pollutant. Fugitive emissions associated with the emissions unit or stationary source shall not be included in the potential to emit of the emissions unit or stationary source for the purpose of determining whether the source is major unless the source belongs to one of the categories of stationary sources included in 40 CFR 51.165.

223 - MODIFICATION: Any physical change, change in method of operation (including change in fuel characteristics), addition to or any change in hours of operation, or change in production rate, which:

(223.1) For an emissions unit:

- a. Would necessitate a change in permit conditions; or
- b. Is not specifically limited by a permit condition; or
- c. Results in an increase in emissions not subject to an emissions limitation.

(223.2) For a stationary source:

- a. Is a modification of an emissions unit, or
- b. Addition of any new emissions unit. The following shall not be considered a modification for the purpose of this rule:
 - i. A change in ownership, or
 - ii. Routine maintenance and repair, or
 - iii. A reconstructed stationary source or emissions unit, which shall be treated as a new stationary source or emissions unit, or
 - iv. The addition of a continuous emission monitoring system.

224 - NONATTAINMENT POLLUTANT: Any pollutant and any precursors of such pollutants which have been designated "nonattainment" for the District by the U.S. Environmental Protection Agency in the Federal Register, or by the California Air Resources Board pursuant to Section 39607 of the Health and Safety Code.

225 - PEAKING POWER PLANT: A fossil-fueled combustion turbine power generation unit with an annual capacity factor of 25% or less, which is used during periods of peak electricity demand with frequent start-ups and shutdowns.

226 - PM₁₀: Particulate matter with an aerodynamic diameter smaller than or equal to a nominal 10 microns as measured by an applicable reference test method or methods found in Article 2, Subchapter 6, Title 17, California Code of Regulations (commencing with

Section 94100).

227 - PORTABLE EQUIPMENT: Equipment which is periodically relocated and is not operated more than a total of 180 days at any one stationary source in the District within a continuous 12 month period.

228 - POTENTIAL TO EMIT: The maximum physical and operational design capacity to emit a pollutant. Limitations on the physical or operational design capacity, including emissions control devices and limitations on hours of operation, may be considered only if such limitations are incorporated into the applicable Authority to Construct and Permit to Operate. The potential to emit shall include both directly emitted and fugitive emissions.

229 - PRECURSOR: A pollutant that, when emitted into the atmosphere, may undergo chemical or physical changes, producing another pollutant for which an ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more ambient air quality standards. The following precursor-secondary air contaminant relationships shall be used for the purposes of this rule:

PRECURSOR	SECONDARY AIR CONTAMINANT
REACTIVE ORGANIC COMPOUNDS	A. PHOTOCHEMICAL OXIDANTS (OZONE)
	B. ORGANIC FRACTION OF PM ₁₀
NITROGEN OXIDES	A. NITROGEN DIOXIDE
	B. NITRATE FRACTION OF PM ₁₀
SULFUR OXIDES	C. PHOTOCHEMICAL OXIDANTS (OZONE)
	A. SULFUR DIOXIDE
	B. SULFATES
	C. THE SULFATE FRACTION OF PM ₁₀

230 - PRIORITY RESERVE BANK: A depository for preserving emission reduction credits pursuant to Rule 3.6, PRIORITY RESERVE, for use as an emission offset in accordance with Sections 302, 303 and 414.

231 - PROPOSED EMISSIONS: Emissions based on the potential to emit for the new or modified emissions unit.

232 - QUARTER/QUARTERLY: Calendar quarters beginning January 1, April 1, July 1, and October 1.

233 - REACTIVE ORGANIC COMPOUND: Any compound containing at least one atom of carbon excluding the following:

- (233.1) Carbon monoxide,
- (233.2) Carbon dioxide,
- (233.3) Carbonic acid,
- (233.4) Metallic carbides or carbonates,
- (233.5) Ammonium carbonate,
- (233.6) Methane,
- (233.7) Methylene chloride (dichloromethane),
- (233.8) 1,1,1-trichloroethane (methyl chloroform),
- (233.9) Trichlorofluoromethane (CFC-11),
- (233.10) Dichlorodifluoromethane (CFC-12),
- (233.11) 1,1,2-trichloro-1,2,2-trifluoroethane (CFC-113),
- (233.12) 1,2-dichloro-1,1,2,2-tetrafluoroethane (CFC-114),
- (233.13) Chloropentafluoroethane (CFC-115),
- (233.14) Chlorodifluoromethane (HCFC-22),
- (233.15) 1,1,1-trifluoro-2,2-dichloroethane (HCFC-123),
- (233.16) 1,1-dichloro-1-fluoroethane (HCFC-141b),
- (233.17) 1-chloro-1,1-difluoroethane (HCFC-142b),
- (233.18) 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124),
- (233.19) Trifluoromethane (HFC-23),
- (233.20) 1,1,2,2-tetrafluoroethane (HFC-134),
- (233.21) 1,1,1,2-tetrafluoroethane (HFC-134a),
- (233.22) Pentafluoroethane (HFC-125),

(233.23) 1,1,1-trifluoroethane (HFC-143a),

(233.24) 1,1-difluoroethane (HFC-152a),

(233.25) Cyclic, branched, or linear completely methylated siloxanes,

(233.26) The following four classes of perfluorocarbon 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,

d. Sulfur-containing perfluorocarbons with no unsaturations and with the sulfur bonds to carbon and fluorine.

(232.27) acetone,

(232.28) ethane,

(232.29) parachlorobenzotrifluoride (1-chloro-4-trifluoromethyl benzene), and

(232.30) perchloroethylene.

Reactive organic compounds may also be referred to as volatile organic compounds (VOC).

234 - RECONSTRUCTED SOURCE: Any stationary source or emissions unit 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 or emissions unit. Fixed capital cost means the capital needed to provide and install all the depreciable components, including parts and labor. A reconstructed source shall be treated as a new stationary source or emissions unit.

235 - REDUCED SULFUR COMPOUNDS: Hydrogen sulfide, carbon disulfide, and carbonyl sulfide.

236 - REPLACEMENT EQUIPMENT: The replacement or modification of emission unit (s) where the replacement unit(s) serves the identical function as the unit(s) being replaced, and the maximum rating of the replacement unit(s) does not exceed the maximum rating of the unit(s) being replaced, and potential to emit of any pollutant from the replacement unit (s) will not be greater than the Historic Potential Emissions of the unit(s) being replaced.

237 - SACRAMENTO URBANIZED FEDERAL NON-ATTAINMENT AREA FOR

CARBON MONOXIDE: The Sacramento County portion of the Census Bureau Urbanized Area.

238 - STATIONARY SOURCE: Any building, structure, facility, or emissions unit which emits or may emit any affected pollutant directly or as a fugitive emission.

(238.1) Building, structure, facility, or emissions unit includes all pollutant emitting activities which:

- a. Belong to the same industrial grouping; and
- b. Are located on one property or on two or more contiguous properties; and
- c. Are under the same or common ownership, operation, or control, or which are owned or operated by entities which are under common control.

(238.2) Pollutant emitting activities shall be considered as part of the same industrial grouping if:

- a. They belong to the same two-digit standard industrial classification code, or
- b. They are part of a common production process. (Common production process includes industrial processes, manufacturing processes and any connected processes involving a common material.)

239 - TEMPORARY SOURCE: Emission sources such as pilot plants and portable equipment that will be terminated or located outside the district after less than a cumulative total of 90 days of operation in any continuous 12 months.

240 - TOTAL REDUCED SULFUR COMPOUNDS: Hydrogen sulfide, methyl mercaptan, dimethyl sulfide and dimethyl disulfide.

300 STANDARDS

301 - BEST AVAILABLE CONTROL TECHNOLOGY: An applicant shall apply Best Available Control Technology to a new emissions unit or modification of an existing emissions unit, except cargo carriers, for each emissions change of an affected pollutant, which would have an increase in emissions according to procedures specified in Section 411, and the potential to emit of the new or modified emissions unit exceeds the levels specified in Section 301.1. If the emissions from the new or modified emission unit triggers major modification requirements, then the applicant shall apply Best Available Control Technology to the new or modified emissions unit. The Best Available Control Technology requirements shall apply even though the emissions from the new or modified emissions unit are less than the levels specified in Section 301.1.

(301.1)

Pollutant	lb/day
Reactive organic compounds	10
Nitrogen oxides	10
Sulfur oxides	80
PM ₁₀	80
Carbon monoxide	250
Lead	3.3

302 - EMISSION OFFSET REQUIREMENTS, GENERAL:

(302.1) Except as provided in Sections 302.2 and 304, an applicant shall provide emission offsets for the affected pollutant for new and modified stationary sources where the emission increase calculated pursuant to Section 413 or 414 exceeds the following levels:

a. Pollutant	lbs/quarter
Reactive organic compounds	7,500
Nitrogen oxides	7,500
Sulfur oxides	13,650
PM ₁₀	13,650
Carbon monoxide	49,500

Emission offsets shall be obtained pursuant to Rule 3.5, EMISSION REDUCTION CREDITS or Rule 3.6, PRIORITY RESERVE.

(302.2) In addition to 302.1, an applicant for a Peaking Power Plant or for electrical generating equipment used in an auxiliary power program shall provide emission offsets for the affected pollutant for new and modified stationary sources where the emission increase calculated pursuant to Section 412 or 413 exceeds the following levels:

a. Pollutant	lb/day
Reactive organic compounds	150
Nitrogen oxides	150
Sulfur oxides	150
PM ₁₀	80
Carbon monoxide	550

(302.3) Sufficient emission offsets shall be provided, from the same calendar quarter as the proposed emissions, to offset the net emissions increase of reactive organic compounds and nitrogen oxides (except as provided in Section 302.7 and 302.8) calculated according to procedures specified in Section 415.

(302.4) Sufficient emission offsets shall be provided, from the same calendar quarter as the proposed emissions, to offset the net emissions increase of sulfur oxides, PM₁₀ and carbon monoxide (except as provided in Section 302.6) calculated according to procedures specified in Section 416.

(302.5) If an application for an Authority to Construct is received for an emissions unit that has obtained emission reduction credits from a shutdown under Rule 3.5, EMISSION REDUCTION CREDITS, then sufficient emission offsets shall be provided consistent with Section 302.1. If the emissions unit does not trigger emission offsets in accordance with this section then the applicant shall provide sufficient emission offsets to offset the lesser of the amount of the emission reduction obtained pursuant to Rule 3.5, EMISSION REDUCTION CREDITS, or the projected emissions from the emissions unit.

(302.6) Except for portable equipment located at a major stationary source or that is a major stationary source by itself, portable equipment requiring offsets pursuant to Section 302 of this rule shall be offset based on the offset requirements of the initial location of operation within the District. In the event such portable equipment is shutdown, emission reduction credits shall be granted based on the initial location of operation.

(302.7) Emissions of reactive organic compounds during the quarters starting April 1 and July 1 may be used to offset positive emissions changes of reactive organic compounds during the quarters starting October 1 and January 1.

(302.8) Emissions of nitrogen oxides during the quarters starting April 1 and July 1 may be used to offset positive emissions changes of nitrogen oxides during the quarters starting October 1 and January 1.

303 LOCATION OF EMISSION OFFSETS AND EMISSION OFFSET RATIOS:

(303.1) An applicant shall provide emission offsets from within the Sacramento Valley Air Basin for emissions from a proposed stationary source subject to the requirements of Section 302 according to the following ratios except as provided in 303.1(b) and 303.1(c):

a. Table of emission offset ratios (not for use with the Priority Reserve)

Location of Emission Offset	Emission Offset Ratio	
	ROC's or Nitrogen oxides	Sulfur oxides, PM ₁₀ or CO

FOR USE BY MAJOR STATIONARY SOURCES OR MAJOR MODIFICATIONS		
Same Source	1.3 to 1.0	1.0 to 1.0
Within 15-mile radius	1.3 to 1.0	1.2 to 1.0
Greater than 15-mile but within 50-mile radius	1.5 to 1.0	1.5 to 1.0
Greater than or equal to 50-mile radius	Greater than	Greater than
	1.5 to 1.0	1.5 to 1.0
	ROC's or Nitrogen oxides	Sulfur oxides, PM ₁₀ or CO
FOR USE BY NON-MAJOR STATIONARY SOURCES OR NON-MAJOR MODIFICATIONS		
Same Source	1.0 to 1.0	1.0 to 1.0
Within 15-mile radius	1.2 to 1.0	1.2 to 1.0
Greater than 15-mile but within 50-mile radius	1.5 to 1.0	1.5 to 1.0
Greater than or equal to 50-mile radius	Greater than	Greater than
	1.5 to 1.0	1.5 to 1.0

b. Applicants providing emission offsets obtained pursuant to Rule 3.6, PRIORITY RESERVE, shall provide emission offsets for all pollutants at all distances pursuant to the following:

Location of Emission Offset	Emission Offset Ratio
For use by non-major stationary sources or non-major modifications	1.0 to 1.0
For use by major stationary sources or major modifications for reactive organic compounds or nitrogen oxides	1.3 to 1.0
For use by major stationary sources or major modifications for sulfur oxides, PM ₁₀ or carbon monoxide	1.2 to 1.0

(303.2) Emission offsets which are required pursuant to Sections 302 and 303 and obtained pursuant to permitting actions in a district other than that in which the proposed source is located, may be used only if the Air Pollution Control Officer has reviewed the permit conditions issued by the other district in which the proposed emission offsets are obtained and made a determination that the impact of using such emission offsets meets the requirements of District Rules and Regulations and Health and Safety Code Section 40709.6.

(303.3) For major stationary sources or major modifications, emission offsets for reactive organic compounds and nitrogen oxides must be obtained from within the

Sacramento Federal Non-attainment Area for ozone.

304 - INTERPOLLUTANT EMISSION OFFSETS: Interpollutant emission offsets are discouraged and may only be allowed between precursor contaminants. The Air Pollution Control Officer may approve interpollutant emission offsets for precursor pollutants on a case by case basis, provided that the applicant demonstrates, through the use of an air quality model, that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard. In such cases, the Air Pollution Control Officer shall impose, based on an air quality analysis, emission offset ratios in addition to the requirements of Section 303. Interpollutant emission offsets between PM_{10} and PM_{10} precursors may be allowed, but PM_{10} emissions shall neither offset nitrogen oxides or reactive organic compound emissions in ozone nonattainment areas, nor offset sulfur oxide emissions in sulfate nonattainment areas. In no case shall the compounds excluded from the definition of Reactive Organic Compounds be used as offsets for Reactive Organic Compounds. Interpollutant emission offsets used at a major stationary source must receive written approval by the U.S. Environmental Protection Agency.

305 - AMBIENT AIR QUALITY STANDARDS: In no case shall emissions from a new or modified stationary source, prevent or interfere with the attainment or maintenance of any applicable ambient air quality standard. The Air Pollution Control Officer may require the use of an air quality model to estimate the effects of a new or modified stationary source. In making this determination the Air Pollution Control Officer shall take into account the mitigation of emissions through emission offsets obtained pursuant to this rule.

306 - DENIAL, FAILURE TO MEET STANDARDS: The Air Pollution Control Officer shall deny any Authority to Construct or Permit to Operate if the Air Pollution Control Officer finds that the subject of the application would not comply with the standards set forth in District, state, or federal rules, regulations, or statutes.

307 - DENIAL, FAILURE TO MEET CEQA: The Air Pollution Control Officer shall deny an Authority to Construct or Permit to Operate if the Air Pollution Control Officer finds that the project which is the subject of the application would not comply with CEQA.

400 ADMINISTRATIVE REQUIREMENTS: The administrative requirements in Sections 401-416 shall apply to any activities regulated by 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 Section 418.

401 - ALTERNATIVE SITING: For those sources for which an analysis of alternative sites, sizes, and production processes is required under Section 173 of the Clean Air Act, the Air Pollution Control Officer shall require the applicant to prepare an analysis functionally equivalent to the requirements of Division 13 of the Public Resources Code

(California Environmental Quality Act-CEQA). The District will not issue an ATC unless the APCO has concluded, based on the information included in the Alternative Siting Analysis that the benefits of the proposed source significantly outweigh the environmental and social cost imposed as a result of its location, construction, or modification.

402 - COMPLETE APPLICATION: The Air Pollution Control Officer shall determine whether the application is complete not later than 30 days after receipt of the application, or after such longer time as both the applicant and the Air Pollution Control Officer have agreed in writing. If the Air Pollution Control Officer 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 re-submittal of the application, a new 30-day period to determine completeness shall begin. Completeness of an application or re-submitted application shall be evaluated on the basis of the information requirements set forth in the District's List and Criteria (adopted pursuant to Article 3, 65940 through 65944 of Chapter 4.5 of Division 1 of Title 7 of the California Government Code) as it exists on the date on which the application or re-submitted application was received, and on payment of the appropriate fee pursuant to Rule 4.1, PERMIT FEES - STATIONARY SOURCE. The Air Pollution Control Officer may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.

403 - AIR QUALITY MODELS: All air quality models used for the purposes of this rule shall be consistent with the requirements provided in the most recent edition of U.S. Environmental Protection Agency "Guidelines on Air Quality Models, OAQPS 1.2-080" unless the Air Pollution Control Officer finds that such models are inappropriate for use. After making such finding, the Air Pollution Control Officer may designate an alternate model only after allowing for public comment, and only with concurrence of the U.S. Environmental Protection Agency. 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.

404 - ENHANCED NEW SOURCE REVIEW: Applications for which the applicant has requested review pursuant to this Section and Section 102 shall be reviewed in accordance with the procedural requirements specified in Sections 401 through 408 of District Rule 3.8, TITLE V FEDERAL OPERATING PERMIT PROGRAM, and Sections 70.6(a) through 70.6(g), 70.7(a), and 70.7(b), Part 70, Title 40, Code of Federal Regulations (40 CFR).

405 - PRELIMINARY DECISION: Except as provided in Section 112, following acceptance of an application as complete, the Air Pollution Control Officer shall perform the evaluations required to determine compliance with all applicable district, state and federal rules, regulations, or statutes and shall make a preliminary written decision as to whether an Authority to Construct should be approved, conditionally approved, or denied. The decision shall be supported by a succinct written analysis.

(405.1) The Air Pollution Control Officer shall transmit to the California Air

Resources Board and the U.S. Environmental Protection Agency its preliminary written decision and analysis for sources subject to Sections 301 or 302, or applications reviewed under the Enhanced New Source Review process pursuant to Section 404, no later than the date of publication as required in Section 406.

406 - PUBLICATION AND PUBLIC COMMENT: Except as provided in Section 112, within ten calendar days following a preliminary decision pursuant to Section 300 Standards, of this rule, the Air Pollution Control Officer shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision of the Air Pollution Control Officer, noting how pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication. The notice shall include the time and place of any hearing that may be held, including a statement of procedure to request a hearing (unless a hearing has already been scheduled). The Air Pollution Control Officer shall give notice of any public hearing at least 30 days in advance of the hearing.

407 - PUBLIC INSPECTION: Except as provided in Section 112, the Air Pollution Control Officer shall make available for public inspection at the District's office the information submitted by the applicant and the Air Pollution Control Officer's analysis no later than the date the notice of the preliminary decision is published, pursuant to Section 406. All such information shall be transmitted no later than the date of publication to the California Air Resources Board and the U.S. Environmental Protection Agency regional office, and to any party which requests such information. Information submitted which contains trade secrets shall be handled in accordance with Section 6254.7 of the California Government Code and relevant sections of the California Administrative Code.

408 - AUTHORITY TO CONSTRUCT, FINAL ACTION:

(408.1)

a. Except as provided in Sections 408.1(b) and 408.1(c), the Air Pollution Control Officer shall take final action on the application, after considering all written comments, no later than 180 days after acceptance of an application as complete.

b. The Air Pollution Control Officer shall not take final action for any project for which an Environmental Impact Report (EIR) or a Negative Declaration is being prepared until a final EIR for that project has been certified or a Negative Declaration for that project has been approved, and the Air Pollution Control Officer has considered the information in that final EIR or Negative Declaration. The Air Pollution Control Officer shall take final action on the application within whichever of the following periods of time is longer:

1. Within 180 days after the certification of the final EIR or approval of the Negative Declaration, or
2. Within 180 days of the date on which the application was determined complete by the Air Pollution Control Officer.

c. The Air Pollution Control Officer shall take final action on applications reviewed pursuant to the Enhanced New Source Review Process no later than 18 months after acceptance of an application as complete.

(408.2) Except as provided in Section 112, the Air Pollution Control Officer shall provide written notice of the final action to the applicant, the U.S. Environmental Protection Agency, and the California 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.

409 - REQUIREMENTS, AUTHORITY TO CONSTRUCT AND PERMIT TO OPERATE:

(409.1) General Conditions: As a condition for the issuance of a Permit to Operate, the Air Pollution Control Officer shall require that the emissions unit and stationary source, and any emissions units which provide emission offsets, be operated in the manner stated in the application in making the analysis required to determine compliance with this rule, and as conditioned in the Authority to Construct.

(409.2) Emissions Limitations: The following emissions limitations shall be included on the Authority to Construct and Permit to Operate, if applicable.

a. Emission limitations which reflect Best Available Control Technology. Such condition shall be expressed in a manner consistent with testing procedures, such as ppmv NO_x, g/liter VOC, or lbs/hr.

b. An emissions limitation for each affected pollutant.

c. If the Air Pollution Control Officer determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of a numerical emission standard infeasible, the Air Pollution Control Officer may instead prescribe a design, operational, or equipment standard. In such cases, the Air Pollution Control Officer shall make a best estimate as to the emission rate that will be achieved. Any permits issued without an enforceable numerical emission standard must contain enforceable conditions that assure that the design characteristics or equipment will be properly maintained, or that the operational conditions will be properly performed, so as to continuously achieve the assumed degree of control.

(409.3) Emission offsets:

a. Before the Air Pollution Control Officer shall approve or conditionally approve an application for an Authority to Construct, the applicant shall supply evidence of a sufficient number of authorized emission reduction credits to meet any offset obligation in accordance with this rule.

b. Except as provided in Section 409.3(c), the operation of any emissions unit which provides emission offsets shall be subject to enforceable permit conditions, containing specific emissions and operational limitations, to ensure that the emission reductions are provided in accordance with the provisions of this rule.

c. Where the source of emission offsets is not required to obtain an Authority to Construct or a Permit to Operate pursuant to Rule 3.1, GENERAL PERMIT REQUIREMENTS, a written contract or a functional equivalent as determined by the Air Pollution Control Officer shall be required between the applicant and the owner or operator of such source, which contract or functional equivalent, by its terms, shall be enforceable against the source of the emission reduction credits by the Air Pollution Control Officer.

d. Except as provided in Section 409.3(c), external emission offsets must be made enforceable either by conditions in an offsetting source's Authority to Construct and Permit to Operate or by submittal of a SIP revision to U.S. Environmental Protection Agency. The enforceable mechanism shall be in place prior to the construction of the new source or modification, and in effect by the time the new source or modification commences operation. The SIP submittal, pursuant to procedures contained in 40 CFR Section 51.102 shall be submitted to the California Air Resources Board to be forwarded to the U.S. Environmental Protection Agency as part of the State Implementation Plan.

e. A violation of the emission limitation provisions of any contract pursuant to 409.3(c) shall be a violation of this rule by the applicant.

f. The operation of any emissions unit which uses emission offsets provided by another emissions unit shall be subject to enforceable permit conditions, containing specific emissions and operational limits, to ensure that the emission reductions are used in accordance with the provisions of District rules and shall continue for the reasonably expected life of the proposed emissions unit.

410 - ISSUANCE, PERMIT TO OPERATE: The Air Pollution Control Officer shall issue a Permit to Operate for an emissions unit pursuant to the requirements of this rule if it is determined that any offsets required as a condition of an Authority to Construct or amendment to a Permit to Operate will commence not later than the initial operation of the new or modified source. The emission offsets shall be maintained throughout the operation of the new or modified source which is the beneficiary of the emission offsets. Further, the Air Pollution Control Officer shall determine that all conditions specified in the Authority to Construct have been, or will be, complied with by the dates specified on the Authority to Construct. Such applicable conditions shall be contained in the Permit to Operate. Where a new or modified stationary source is, in whole or in part, a replacement for an existing stationary source on the same property, the Air Pollution Control Officer may allow a maximum of 90 days as a start-up period for simultaneous operation of the existing stationary source and the new source or replacement.

411 - REGULATIONS IN FORCE GOVERN: An Authority to Construct shall be granted or denied based on Best Available Control Technology and emission offset requirements of Sections 301, 302 and 303 in force on the date the application is deemed complete as defined in Section 402. In addition, the Air Pollution Control Officer shall deny an Authority to Construct for any new stationary source or modification, or any portion thereof, unless:

(411.1) The new source or modification, or applicable portion thereof, complies with the provisions of this rule and all other applicable district rules and regulations; and

(411.2) The owner or operator of the proposed new or modified source has demonstrated 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 in the Federal Act.

412 - CALCULATION OF EMISSIONS FOR BACT: The emissions change for a new or modified emissions unit shall be calculated by subtracting historic potential emissions from proposed emissions. Calculations shall be performed separately for each emissions unit for each calendar quarter.

413 - CALCULATION OF EMISSION OFFSET TRIGGERS FOR ROC AND NO_x: Except as provided in Sections 413.1, the emission increase for each calendar quarter for a stationary source shall be the sum of emissions from Sections 413.2 and 413.3 for each calendar quarter, expressed in terms of pounds per quarter. For Peaking Power Plants and for electrical generating equipment used in an auxiliary power program, the emissions for each calendar quarter shall be divided by the number of operating days in each calendar quarter.

(413.1) Any potential to emit represented by an Authority to Construct or Permit to Operate which has been cancelled or has expired and emission reduction credits have not been applied for pursuant to Rule 3.5, EMISSION REDUCTION CREDITS, shall not be included in the emissions increase calculation.

(413.2) The potential to emit for all emissions units shall be based on current Permits to Operate or Authorities to Construct where Permits to Operate have not been issued, including the current application(s) being reviewed.

(413.3) Emission reduction credits obtained pursuant to Rule 3.5, EMISSION REDUCTION CREDITS, from emissions units installed after January 1, 1977 shall be consistent with Section 413.1.

414 - CALCULATION OF EMISSION OFFSET TRIGGERS FOR SO_x, PM₁₀ AND CO: Except as provided in Sections 414.1, the emission increase for each calendar quarter for a stationary source shall be the sum of emissions from Sections 414.2 and 414.3 for each calendar quarter, expressed in terms of pounds per quarter. For Peaking Power Plants and

for electrical generating equipment used in an auxiliary power program, the emissions for each calendar quarter shall be divided by the number of operating days in each calendar quarter.

(414.1) Any potential to emit represented by an Authority to Construct or Permit to Operate which has been cancelled or has expired and emission reduction credits have not been applied for pursuant to Rule 3.5, EMISSION REDUCTION CREDITS, shall not be included in the emissions increase calculation.

(414.2) The potential to emit for all emissions units shall be based on current Permits to Operate or Authorities to Construct where Permits to Operate have not been issued, including the current application(s) being reviewed.

(414.3) Emission reduction credits shall be obtained pursuant to Rule 3.5, EMISSION REDUCTION CREDITS, from emissions units installed after January 1, 1977 consistent with Section 414.1.

415 - CALCULATION OF EMISSION OFFSETS - GENERAL: The emissions change for a new or modified emissions unit shall be calculated by subtracting historic potential emissions from proposed emissions. Calculations shall be performed separately for each pollutant and each emissions unit for each calendar quarter. Negative emissions changes shall be processed under the procedures specified in Rule 3.5, EMISSION REDUCTION CREDITS.

416 - CALCULATION OF EMISSION OFFSETS REQUIRED FOR ROC AND NO_x: The net emissions increase pursuant to Section 415 shall be one of the following for each calendar quarter expressed in terms of pounds per quarter, whichever is less.

(416.1) The potential to emit for the current application for new emission units or the emission increases from the current application for modifications to existing emissions units.

Any emissions increase represented by an Authority to Construct or Permit to Operate which has been cancelled or has expired shall not be included in the net emissions increase calculation.

417 - CALCULATION OF EMISSION OFFSETS REQUIRED FOR SO_x, PM₁₀ AND CO: The emission offset requirement for SO_x, PM₁₀ and CO shall be equal to the potential to emit of the current application expressed in terms of pounds per quarter.

418 - POWER PLANTS: This section 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.

(418.1) Within 14 days of receipt of a Notice of Intention, the Air Pollution Control

Officer shall notify the Air Resources Board and the California Energy Commission of the District's intent to participate in the Notice of Intention proceeding. If the District chooses to participate in the Notice of Intention proceeding, the Air Pollution Control Officer shall prepare and submit a report to the California Air Resources Board and the California Energy Commission prior to the conclusion of the non-adjudicatory hearing specified in Section 25509.5 of the California Public Resources Code. That report shall include, at a minimum:

- a. a preliminary specific definition of Best Available Control Technology for the proposed facility;
- 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 which the proposed facility must meet in order to comply with this rule or any other applicable district regulation.

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

(418.2) Upon receipt of an Application for Certification for a power plant, the Air Pollution Control Officer 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 Application for Certification does not meet the requirements of this rule, the Air Pollution Control Officer shall, within 20 calendar days of receipt of the Application for Certification, so inform the California Energy Commission, and the Application for Certification shall be considered incomplete and returned to the applicant for re-submittal.

(418.3) The Air Pollution Control Officer shall consider the Application for Certification 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.

(418.4) The Air Pollution Control Officer may request from the applicant any information necessary for the completion of the determination of compliance review. If the Air Pollution Control Officer is unable to obtain the information, the Air Pollution Control Officer may petition the presiding Commissioner of the California Energy Commission for an order directing the applicant to supply such information.

(418.5) Within 180 days of accepting an Application for Certification as complete, the Air Pollution Control Officer 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, what permit conditions will be required including the specific Best Available Control Technology requirements and a description of required mitigation measures.

(418.6) The preliminary written decision under Section 418.5 shall be finalized by the Air Pollution Control Officer only after being subject to the public notice and comment requirements of Section 404. The Air Pollution Control Officer shall not issue a determination of compliance unless all requirements of this rule are met.

(418.7) Within 240 days of the filing date, the Air Pollution Control Officer 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 an Authority to Construct only when and if the California Energy Commission approves the Application for Certification, and the California Energy Commission certificate includes all conditions of the determination of compliance.

(418.8) 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 Air Pollution Control Officer.

500 MONITORING AND RECORDS

501 - RECORDS: The following records shall be maintained for five years and provided to the Air Pollution Control Officer upon request:

(501.1) Emergency Equipment: Records of operation for maintenance purposes, for actual interruptions of power.

(501.2) Portable Equipment: Records of operating location and corresponding dates of operation.

(501.3) Temporary Equipment: Records of operating location and corresponding dates of operation.