APPENDIX L

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 1304 (c) (4)

(formerly Rule 1304 (b) (4))

(Adopted Oct. 5, 1979)(Amended March 7, 1980)(Amended Sept. 10, 1982)
(Amended July 12, 1985)(Amended Jan. 10, 1986)(Amended August 1, 1986)
(Amended June 28, 1990)(Amended May 3, 1991)(Amended June 5, 1992)
(Amended Sept. 11, 1992)(Amended December 7, 1995)(Amended June 14, 1996)

RULE 1304. EXEMPTIONS

(a) Modeling and Offset Exemptions

Upon approval by the Executive Officer or designee, an exemption from the modeling requirement of Rule 1303 (b)(1) and the offset requirement of Rule 1303 (b)(2) shall be allowed, for the following sources.

(1) Replacements

The source is replacing a functionally identical source or is a functionally identical modification to a source and there is no increase in maximum rating, and the potential to emit of any air contaminant will not be greater from the new source than from the replaced source, when the replaced source was operated at the same conditions and as if current BACT were applied.

(2) Electric Utility Steam Boiler Replacement

The source is replacement of electric utility steam boiler(s) with combined cycle gas turbine(s), intercooled, chemically-recuperated gas turbines, other advanced gas turbine(s); solar, geothermal, or wind energy or other equipment, to the extent that such equipment will allow compliance with Rule 1135 or Regulation XX rules. The new equipment must have a maximum electrical power rating (in megawatts) that does not allow basinwide electricity generating capacity on a per-utility basis to increase. If there is an increase in basin-wide capacity, only the increased capacity must be offset.

(3) Abrasive Blasting Equipment

The source is portable abrasive blasting equipment complying with all state laws.

(4) Emergency Equipment

The source is exclusively used as emergency standby equipment for nonutility electrical power generation or any other emergency equipment as approved by the Executive Officer or designee, provided the source does

not operate more than 200 hours per year as evidenced by an engine-hour meter or equivalent method.

(5) Air Pollution Control Strategies

The source is subjected to a modification or process change solely to reduce the issuance of air contaminants. This exemption shall not apply to landfill gas control operations or to any modification or process change made for the purpose of achieving regulatory compliance.

(6) Emergencies

The source is exclusively used in emergency operations, such as emergency soil decontamination or excavation, performed by, under the jurisdiction of, or pursuant to the requirements of, an authorized health officer, agricultural commissioner, fire protection officer, or other authorized agency officer. A person shall report any emergency within one hour of such emergency to the District or within one hour of the time said person knew or reasonably should have known of its occurrence. A specific time limit for each operation will be imposed.

(7) Portable Equipment

The source is periodically relocated, and is not located more than twelve consecutive months at any one facility in the District. The residency time of twelve consecutive months shall commence when the equipment is brought into the facility and placed into operation. This paragraph does not apply to portable internal combustion engines.

(8) Portable Internal Combustion Engines

The source is periodically relocated, and is not located more than twelve consecutive months at any one facility in the District, provided that the provisions of subparagraphs (A) through (C) are met. For the purpose of this paragraph, the residency time of twelve months shall commence either when an engine is brought into the facility and placed into operation or removed from storage and placed into operation. The equipment owner or operator shall designate dedicated storage areas within the facility and demonstrate compliance with the residency time requirement by keeping records that show the equipment location and operation history. Such records shall be kept on site for at least two years and made available to the Executive Officer upon request.

(A) Emissions from the engine, by itself, do not cause an exceedance of any ambient air quality standard;

(B) Emissions from the engine do not exceed the following limits:

Volatile Organic Compounds (VOC)	55 pounds per day
Nitrogen Oxides (NO_x)	55 pounds per day
Sulfur Oxides (SO_x)	150 pounds per day
Particulate Matter (PM_{10})	150 pounds per day
Carbon Monoxide (CO)	550 pounds per day

(C) For an engine located in the SEDAB the following limits shall apply:

Volatile Organic Compounds (VOC)	75 pounds per day
Nitrogen Oxides (NO_x)	100 pounds per day
Sulfur Oxides (SO_x)	150 pounds per day
Particulate Matter (PM_{10})	150 pounds per day
Carbon Monoxide (CO)	550 pounds per day

(b) Intra-Facility Portable Equipment

(1) Upon approval by the Executive Officer or designee, using the criteria set forth below, internal combustion engines and gas turbines which must be periodically moved within a facility because of the nature of their operation shall be exempt from the allowable change in air quality concentration requirements as stated in Rule 1303 paragraph (b)(1), provided that all of the following conditions are met:

(A) The engine or turbine is used:

(i) to remediate soil or groundwater contamination as required by federal, state, or local law or by a judicial or administrative order; or

(ii) for flight-line operations.

(B) The engine or turbine is not periodically moved solely for the purpose of qualifying for this exemption.

(C) Emissions from the engine, by itself, do not cause an exceedance of any ambient air quality standard.

(D) Emissions from the engine do not exceed the following limits:

Volatile Organic Compounds(VOC)	55 pounds per day
Nitrogen Oxides (NO_x)	55 pounds per day
Sulfur Oxides (SO_x)	150 pounds per day

Particulate Matter (PM_{10})	150 pounds per day
Carbon Monoxide (CO)	550 pounds per day

(E) For an engine located in the SEDAB the following limits shall apply:

Volatile Organic Compounds (VOC)	75 pounds per day
Nitrogen Oxides (NO_x)	100 pounds per day
Sulfur Oxides (SO_x)	150 pounds per day
Particulate Matter (PM_{10})	150 pounds per day
Carbon Monoxide (CO)	550 pounds per day

(2) For the purpose of clause (b)(1)(A)(ii), flight-line operations mean operations for the ground support of military and commercial aircraft, and includes, but is not limited to, the operation of power-generating internal combustion engines and gas turbines used to support aircraft systems or start up aircraft power plants.

(c) Offset Exemptions

Upon approval by the Executive Officer or designee, an exemption from the offset requirement of Rule 1303(b)(2) shall be allowed, for the following sources.

(1) Relocations

The source is a relocation of an existing source within the District, under the same operator and ownership, and provided that the potential to emit of any air contaminant will not be greater at the new location than at the previous location when the source is operated at the same conditions and as if current BACT were applied. The relocation shall also meet either the location requirements specified in Rule 1303(b)(3), or the applicant must demonstrate to the Executive Officer or designee a net air quality benefit in the area to which the facility will locate.

In addition, the potential to emit of the combined facility for any air contaminant after the relocation shall be less than the amounts in Table A of Rule 1304 (d) whenever either the relocating facility or existing facility received the facility offset exemption pursuant to Rule 1304(d).

(2) Concurrent Facility Modification

The source is part of a concurrent facility modification with emission reductions occurring after the submittal of an application for a permit to construct a new or modified source, but before the start of operation of the

source, provided that it results in a net emission decrease, as determined by Rule 1306, and that the same emission reductions are not:

(A) required by a Control Measure of the AQMP which has been assigned a target implementation date; or

(B) required by a proposed District rule for which the first public workshop to consider such a rule has been conducted. This exclusion shall remain in effect for 12 months from the date of the workshop, or until the Executive Officer or designee determines that the proposed rule is abandoned; or

(C) required by an adopted federal, State, or District rule, regulation or statute; or

(D) from a category or class of equipment included in a demonstration program required by a District rule or regulation.

(3) Resource Recovery and Energy Conservation Projects

The source is a cogeneration technology project, resource recovery project or qualifying facility, as defined in Health and Safety Code Sections 39019.5, 39019.6, 39047.5 and 39050.5, to the extent required by state law, including Health and Safety Code Sections 42314, 42314.1, 42314.5, 41605, and 41605.5. In no case shall these sections provide an exemption from federal law.

(4) Regulatory Compliance

The source is installed or modified solely to comply with District, state, or federal air pollution control laws, rules, regulations or orders, as approved by the Executive Officer or designee, and provided there is no increase in maximum rating.

(5) Regulatory Compliance for Essential Public Services

The source is installed or modified at an Essential Public Service solely to comply with District, state, or federal pollution control laws, rules, regulations or orders, and verification of such is provided to the Executive Officer or designee; and sufficient offsets are not available in the Priority Reserve.

(6) Replacement of Ozone Depleting Compounds (ODCs)

The source is installed or modified exclusively for the replacement of ODCs, provided the replacement is performed in accordance with the

District's ODC Replacement Guidelines. The Executive Officer or designee shall publish and update, as required, such guidelines indicating the administrative procedures and requirements for the replacement of ODCs. The ODC Replacement Guidelines shall ensure to the extent possible that:

(A) the replacements minimize emission increases of VOC, or optimize such emission increases if there is a potential conflict with the requirements of subparagraphs (B), (C) or (D);

(B) the replacements are not toxic, as determined and published by the California Air Resources Board (ARB) or the federal EPA, unless no other alternatives are available;

(C) the replacements do not increase the emissions of other criteria pollutants or global warming compounds; and

(D) there are no adverse or irreversible water quality impacts through the use of such replacements.

(7) Methyl Bromide Fumigation

Any equipment or tarpaulin enclosures installed or constructed exclusively for fumigation using methyl bromide.

(d) Facility Exemption

(1) New Facility

(A) Any new facility that has a potential to emit less than the amounts in Table A shall be exempt from Rule 1303 (b)(2).

(B) Any new facility that has a potential to emit equal to or more than the amounts in Table A shall offset the total amount of emission increase pursuant to Rule 1303 (b)(2).

(2) Modified Facility

(A) Any modified facility that has a post-modification potential to emit less than the amounts in Table A shall be exempt from Rule 1303 (b)(2).

(B) Any modified facility that has a post-modification potential to emit equal to or more than the amounts in Table A shall be required to obtain offsets for the corresponding emissions increase, or the amount in excess of Table A figures if the pre-modification

potential to emit was less than the amounts in Table A in accordance with Rule 1303 (b)(2).

TABLE A

Pollutant	Emissions in Tons per Year
Volatile Organic Compounds (VOC)	4
Nitrogen Oxides (NO_x)	4
Sulfur Oxides (SO_x)	4
Particulate Matter (PM_{10})	4
Carbon Monoxide (CO)	29

(3) Determination of emissions pursuant to Table A shall include emissions from permitted equipment excluding Rule 219 equipment not subject to NSR and shall also include emissions from all registered equipment except equipment registered pursuant to Rule 2100.

(4) Emission Increases

Emission increases shall be determined pursuant to Rule 1306(b).

(5) Two-Year Limit on New Facility Exemption

Any new facility with accumulated emission increases in excess of the amounts in Table A due to permit actions within any two-year period after the date of adoption of this rule shall offset the total emission increases during such period to zero.

(e) Emission Reduction Credits Related to Positive NSR Balances

Facilities that previously provided Emission Reduction Credits for the purpose of complying with the requirement to offset positive NSR balances pursuant to Rule 1303(b)(2) after October 1, 1990 shall receive Emission Reduction Credits equal to the amount previously provided to offset their pre-modification positive NSR balance.