State of California

AIR RESOURCES BOARD

Resolution 79-56

July 26, 1979

WHEREAS, Health and Safety Code §42301 requires that district permit systems prohibit the issuance of a permit for the construction, alteration, use or operation of any emission source where the same will prevent or interfere with the attainment or maintenance of any applicable air quality standard;

WHEREAS, the Board is empowered by Health and Safety Code §§41500, 41502 and 41504 to review the rules and regulations of a district to determine whether they make reasonable provision to achieve and maintain state air quality standards and, after a public hearing, establish rules and regulations for a district which so provide if the district has not established such rules and regulations;

WHEREAS, the Board adopted on February 16, 1979, suggested new source review rules which meet the aforesaid state and federal mandates, and by letter dated March 12, 1979, requested the Colusa County Air Pollution Control District to adopt the suggested new source review rules or equivalent rules;

WHEREAS, the Board finds that the Colusa County Air Pollution Control District has not adopted new source review rules or regulations which adequately require the denial of a permit for the construction, alteration, use or operation of emission sources which will prevent or interfere with the attainment or maintenance of the state ambient air quality standards;

WHEREAS, the Board is requested by Assembly Concurrent Resolution 19, adopted August 1977, to review the new source review regulations of California air pollution control districts and to propose amendments to improve the consistency and effectiveness of such rules throughout the state;

WHEREAS, Health and Safety Code §39002 directs the state board, after public hearing, to undertake control activities in any area wherein it determines that the local or regional authority is not meeting the responsibilities given to it by Division 26 of the Health and Safety Code or by any other provision of law;

WHEREAS, the Board has held the public hearing required by Health and Safety Code §§39002 and 41502 and EPA regulations to determine whether the district has adopted rules and regulations which assure that reasonable provision is made to achieve and maintain state and national ambient air quality standards;

WHEREAS, the Board finds that without new source review rules substantially equivalent to those proposed for adoption by the staff, the rules and regulations of the Colusa County Air Pollution Control District do not make reasonable provision to achieve and maintain state and national ambient air quality standards;

NOW, THEREFORE BE IT RESOLVED:

1. The Colusa County Air Pollution Control District Rules and Regulations (Rules 2.7 and 2.8 New Source Review) are amended to read as set forth in Attachment A to this Resolution; and

2. The District may further amend any rules that are amended hereby, but such further amendments shall not be effective until the Executive Officer of the Air Resources Board makes a finding that they do not diminish the effectiveness of the District's Rules and Regulations.

I certify that the above is a true and correct copy of Resolution 79-56 as passed by the Air Resources Board

Helen Forrest

Helen Forrest

ATTACHMENT A
TO RESOLUTION 79-56

Rescind Colusa County APCD Rules 2.7, Standards for Granting Applications for Permits, and 2.8, Conditional Approval, and replace them with the following New Source Review rules.

Rule 2.7 Standards for Authority to Construct in the Sacramento Valley Air Basin

1) Applicability and Exemptions:

a) Sections 2 through 10 of this rule shall apply to new stationary sources or modifications which result in either:

(1) A net increase in emissions from any stationary source of 250 pounds or more, excluding seasonal sources, during any day of any pollutant for which there is a national ambient air quality standard (excluding carbon monoxide), or any precursor to such a pollutant.

(2) A net increase in emissions from seasonal sources of 50 tons per year (or 1000 pounds per day) for particulate matter.

(3) A net increase in emissions of 1000 or more pounds during any day of carbon monoxide.

b) New sources and modifications as defined in 1) a) shall be exempt from the requirements for offsets (Section 5), although Best Available Control Technology (BACT) for those pollutants defined in 1) a) is still required providing the source:

(1) Which uses innovative control equipment or processes which will likely result in a significantly lower emission rate from the stationary source than would have occurred with the use of previously recognized best available control technology, and which can be

expected to serve as a model for technology to be applied to similar stationary sources within the state resulting in a substantial air quality benefit, provided the applicant establishes by modeling that the new stationary source or modification will not cause the violation of any national ambient air quality standard at the point of maximum ground level impact. This exemption shall apply only to pollutants which are controlled by the innovative control equipment or processes. The Air Pollution Control Officer shall obtain concurrence from the Sacramento Valley Basinwide Air Pollution Control Council after properly notified public hearing prior to granting an exemption pursuant to this subsection, and findings of such hearing sent to ARB for concurrence.

(2) Will be used exclusively for providing public services, such as schools, hospitals or police and fire fighting facilities, but specifically excluding sources of electrical power generation other than for emergency standby use at essential public service facilities.

(3) Is exclusively a modification to convert from use of a gaseous fuel to a liquid fuel because of a demonstrable shortage of gaseous fuels, provided the applicant establishes to the satisfaction of the Air Pollution Control Officer that it has made its best efforts to obtain sufficient emissions offsets pursuant to Section 5 of this rule, that such efforts had been unsuccessful as of the date the application was filed, and the applicant agrees to continue to seek the necessary emissions offsets until construction on the new stationary source or modification begins. This exemption shall only apply if, at the time the permit to operate was issued for the gas burning equipment, such equipment could have burned the liquid fuel without additional controls and been in compliance with all applicable

District regulations.

(4) Is a cogeneration project, a project using refuse-derived or biomass-derived fuels for energy generation, or a resource recovery project using municipal wastes, provided: the applicant establishes by modeling that the new source or modification will not cause a violation of or a continuation of an existing violation of any national ambient air quality standard at the point of maximum ground level impact and allowing for the subtraction of any natural background levels of particulate matter (nonrespirable size).

2) General:

a) The Air Pollution Control Officer shall deny authority to construct for a new stationary source or modification as defined in Section 1) a) unless the applicant certifies that all other stationary sources in the state which are in excess of 50 T/yr for any pollutant for which there is a national standard (1000 lbs for CO) and owned or operated by the applicant are in compliance with all applicable emission limitations and standards under the Clean Air Act (42 USC 7401 et seq.)

b) The Air Pollution Control Officer shall deny an authority to construct for a new stationary source or modification with a net increase in emissions as specified in Section 1) a) unless the district regulations are being met by the applicant.

3) Calculation of Emissions:

a) Calculation of emissions shall be by a method approved by the APCO. Any CARB approved method is acceptable. Any method used must be approved by the APCO prior to acceptance of the application to construct as complete.

b) In determining the emissions from a proposed new or modified stationary source estimates shall be based on maximum design capacity, permit limitations on the operation of the new source or modification, or source test data from identical equipment or estimates based upon a combination of these methods.

c) In determining emissions from an existing stationary source emissions shall be based on specific limiting permit conditions, past operating history of the source, or source test data based upon normal operating conditions, or a combination of these methods.

d) Cumulative net emission changes (increases and reductions) which are represented by authorities to construct associated with the existing stationary source and issued pursuant to the district rules, excluding any emissions reductions required to comply with federal, state or district law, rules or regulations shall be taken into account.

4) Best Available Control Technology:

New stationary sources and modifications subject to this rule for those pollutants defined in 1 (a) shall be constructed using BACT irrespective or whether or not offsets are provided.

5) Mitigation (Offsets):

a) For new stationary sources and modifications as defined in 1 (a) of this rule, mitigation shall be required for net emission increases:

(1) Of each pollutant for which a national ambient air quality standard is being violated, unless the applicant demonstrates, through modeling, that the net increases in emissions from the new source or modification will not cause a new violation of any national ambient air quality standard for any pollutant, or cause the continuation of any existing violation for such a standard at the point of maximum ground level impact.

(2) Net emissions increases subject to this section may be mitigated (offset) by reduced emissions from existing stationary, nonstationary or area sources. Emission reductions shall be sufficient to offset any net emissions increase and shall take effect at the time, or before initial operation of the new source, or within 90 days after initial operation of a modification and shall continue as long as the new or modified source is operating.

(3) Emissions offset profiles may be used to determine increases from proposed new sources or modifications. For all offset sources, a yearly emissions offset profile shall be constructed in a manner similar to that used to construct the yearly emissions profile for the proposed new or modified source. A separate profile shall be constructed for each pollutant emitted. The Air Pollution Control Officer may allow an emissions tradeoff from any quarter to be applied to any other quarter of the year provided that a net air quality benefit is demonstrated.

(4) A ratio of emissions offsets to emissions from the new source or modification (offset ratio) of 1.2:1 shall be required for emissions offsets located within a 15 mile radius of the new source or modification. For offsets located outside of the 15 mile radius, the applicant shall demonstrate by modeling that the offsets will result in a net air quality benefit.

(5) Notwithstanding any other provision of this section any emissions reductions may be used as offsets of emissions increases from the proposed source provided the applicant demonstrates that such reductions will result in a net air quality benefit in the area affected by emissions from the new source or modification, and provided the written concurrence of the ARB is obtained.

(6) If an applicant certifies that the proposed new source or modification is a replacement for the applicant's pre-existing source which was shut down or curtailed after July 13, 1978, emissions reductions associated with such shutdown or curtailment may be used as offsets for the proposed source, subject to the offset provision of this section.

(7) Emissions reductions resulting from measures required by adopted federal, state or district laws, rules or regulations which were necessary for the attainment of national ambient air quality standards shall not be allowed as emissions offsets unless a complete application incorporating such offsets was filed with the district prior to the date of adoption of the laws, rules and regulations.

(8) The Air Pollution Control Officer may allow emissions reductions which exceed those required by this rule for a new source or modification to be banked for use in the future. Such reductions, when used as part of a mitigation plan, shall be used in conformance with Part (5)(a)(4) of this rule.

(9) Emissions reductions of one precursor (or primary pollutant) may be used to offset emission increases of another precursor of the same secondary pollutant. The ratio of emission reductions for interpollutant offsets shall be based on existing air quality data and subject to the approval of the Air Resources Board.

6) Permit Condition Requirements:

The APCO shall place written conditions on the permits of the new stationary source or modification and the source(s) used to provide offsets for that source to ensure that all sources are operated in a manner consistent with those conditions assumed in making the analysis required to determine compliance with this rule. Any emission limitations corresponding to the application of BACT shall be specified on the permit. In no event shall the emission rate reflected by the control technique or limit exceed the amount allowable under applicable New Source Performance Standards (NSPS). If offsets are obtained from a source for which there is no permit to operate, a written contract shall be required between the applicant and the owner or operator of such source which contract, by its terms, shall be enforceable.

7) Analysis, Notice and Reporting:

Following acceptance of an application as complete for any source subject to review under this rule, the APCO shall:

a) Perform the evaluations required to determine compliance with this rule and make a preliminary written evaluation as to whether a permit to construct should be approved, conditionally approved or disapproved. The evaluation shall be supported by a written analysis.

b) Within 10 calendar days following such evaluation, publish a notice by prominent advertisement in at least one newspaper of general circulation in the district stating the preliminary evaluation of the APCO and where the public may inspect the required information. The notice shall provide 30 days from the date of publication for the public to submit written comments on the preliminary evaluation.

c) At the time notice of the preliminary evaluation is published, make available for public inspection at the Air Pollution Control District's office the information submitted by the applicant, the Air Pollution Control Officer's analysis and the preliminary evaluation, including any proposed conditions, and the reasons therefor.

d) No later than the date of publication of the notice, forward the analysis, the preliminary evaluation and copies of the notice to the Air Resources Board and the Regional Office of the U.S. Environmental Protection Agency.

e) Consider all written comments submitted during the 30 day public comment period.

f) Within 180 days after acceptance of the application as complete, take final action on the application after considering all written comments. The Air Pollution Control Officer shall provide written notice of the final action to the applicant, the Environmental Protection Agency and the California Air Resources Board. The APCO 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 Air Pollution Control District's office.

8) <u>Power Plants</u>:

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 may be evaluated in accordance with the ARB/CEC agreement adopted on January 23, 1979.

The Air Pollution Control Officer, pursuant to Section 25538 of the Public Resources Code, may apply for reimbursement of all costs, including cost fees, incurred in order to compy with the provisions of this section.

9) Permits to Operate:

a) The Air Pollution Control Officer shall deny a permit to operate for any new or modified stationary source or any portion thereof to which this rule applies unless:

(1) The new or modified source has been determined to emit quantities of air contaminants which are consistent with the emission limitations imposed by this rule, and

(2) The Air Pollution Control Officer has determined that the source and any sources which provide offsets have been constructed and/or modified to operate, and emit quantities of air contaminants, consistant with the conditions imposed on their respective permits, and

(3) Conditions imposed on the authority of construct are also included on the permit to operate as necessary to ensure compliance with these rules.

b) The Air Pollution Control Officer shall exempt for the provisions of this Rule any stationary source which is a continuing operation, without modification or change in operating conditions, when a permit to operate is required solely because of permit renewal or change of ownership.

10) Modification:

a) Modification means any physical change in, change in method of operation of, or addition to an existing stationary source, except that routine maintenance or repair shall not be considered to be a physical change. A change in the method of operation, unless limited by an enforceable permit condition, shall not include:

(1) An increase in the production rate, if such increase does not exceed the operating design capacity of the source.

(2) An increase in the hours of operation.

11) Best Available Control Technology (BACT):

Best Available Control Technology means for any source the more stringent of:

a) The most effective control technique which has been achieved in practice, for such category or class of source, and which for sources locating in and impacting an attainment area, takes into account energy, environmental and economic impacts and other costs; or

b) Any other emissions control technique found by the Air Pollution Control Officer or the Air Resources Board to be technologically feasible and cost/effective for such class or category of sources; or

c) For pollutants which exceed the national ambient air quality standard in the district, the most effective emission limitation which the EPA certifies is contained in the implementation plan of any state approved under the Clean Air Act for such class or category of source, unless the owner or operator of the proposed source demonstrates to the satisfaction of the APCO that such limitations are not achievable.

12) Stationary Source:

Stationary Source means any structure, building, facility, equipment, installation, operation or aggregation thereof as determined by the APCO (other than vehicular or area sources) which is located on one or more bordering properties within the district.

13) Precursor:

Precursor means a directly emitted pollutant that, when released to the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which an ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more national ambient air quality standards.

14) Seasonal Source:

Seasonal Source means any source which emits more than 75 percent of its annual emissions within a consecutive 90 day period.

15) Modeling:

Modeling means using an air quality simulation model, based on specified assumptions and data, which has been approved by the Air Resources Board.

16) Severability

If any portion of this rule is found to be unenforceable, such finding shall have no effect on the enforceability of the remaining portions of the rule which shall continue to be in full force and effect.

Rule 2.8 State Ambient Air Quality Standards

All references in Rule 2.7 to national ambient air quality standards shall be interpreted to include state ambient air quality standards.

Rule 2.8A Implementation Plans

The Air Pollution Control Officer may issue a permit to construct for a new stationary source or modification which is subject to Section 5 of Rule 2.7 only if all district regulations contained in the State Implementation Plan approved by the Environmental Protection Agency are being carried out in accordance with that plan.

Attachment 1

State of California

AIR RESOURCES BOARD

Supplemental Staff Report Re Significant Environmental Issues
Public Hearing to Consider Amendments to the Rules and Regulations
of all of the APCDs in the Sacramento Valley Air Basin

Date of Release: May 29, 1979

Scheduled for Consideration: July 26, 1979

1. Discussion

Section 60007 of the Board's regulations in Title 17, California Administrative Code, directs the staff to report to the Board regarding environmental issues raised by public comments, for consideration by the Board on any matter for which a public hearing is required.

The staff has received no comments identifying any environmental issues pertaining to this item. The staff report also identified no environmental issues.

2. Recommendation

The staff recommends that the Board adopt, before it takes any final action on this item, the attached proposed response to Significant Environmental Issues.

Attachment 2

State of California

AIR RESOURCES BOARD

Response to Significant Environmental Issues

Item: Amendments to the Rules and Regulations of all of the APCDs in the Sacramento Valley Air Basin

Public Hearing Date: July 26, 1979

Issuing Authority: Air Resources Board

Comment: None Received

Response: N/A

CERTIFIED: Helen Farrell

Date: July 26, 1979

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Memorandum

To : Huey D. Johnson
SECRETARY
RESOURCES AGENCY

Date : August 27, 1979

Subject: Filing of Notice of Decision for the Air Resources Board

From : **Air Resources Board**

Pursuant to Title 17, Section 60007(b) and in compliance with Air Resources Board certification under Section 21080.5 of the Public Resources Code, the Air Resources Board hereby forwards for posting the attached notices of decision and response to environmental comments raised during the comment period.

Sally Rump
Sally Rump
BOARD SECRETARY

Attachments:

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