

## **Rule 110 New Source Review (NSR) And Prevention of Significant Deterioration (PSD)**

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### **RULE 110 NEW SOURCE REVIEW (NSR)**

#### **1.0 PURPOSE**

- 1.1** The purpose of this Rule is to establish pre-construction 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 State or Federal Ambient Air Quality Standards.
- 1.2** This Rule shall provide for no net increase in emissions, pursuant to Section 40918 of the California Health & Safety Code (HSC), from new or modified stationary sources which emit, or have the potential to emit, 25 tons per year or more of any non-attainment pollutant or its precursors.

## 2 APPLICABILITY:

- 2.1** This Rule shall apply to all new and modified stationary sources which are subject to the North Coast Unified Air Quality Management District (AQMD) 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.
- 2.2** Any facility or source subject to this rule which has ceased operation for two or more continuous years, excluding minimal maintenance activities, shall be presumed to have been permanently shutdown. Any permanently shutdown facility or source seeking reactivation is subject to re-evaluation under the requirements of Rule 110, NSR and PSD, including the requirement for BACT, NSR and PSD, provided, however, the APCO may determine that retrofit BACT is not economical based on the expected life of the facility and if the calculated increased incidence of cancer risk value is less than ten (10) increased incidences of cancer per million population taking into consideration all compounds designated by CARB as carcinogenic. The presumption a facility is permanently shutdown is refutable, and the burden of disproving the presumption rests with the permittee. In rebutting this presumption, the APCO shall take into consideration the totality of the circumstances including but not limited to: intent of the owner or operator, age of the facility, likelihood of reactivated operations may cause or contribute to a public nuisance, conflicting statements of intent by the owner and operator, frequently of equipment and facility upsets and equipment breakdowns, and ongoing maintenance. However, in any event, every facility and source subject to the provisions of this rule which has not operated for five (5) or more continuous years shall be considered to have been permanently shutdown for the purposes of this Rule.

**3 EFFECTIVE DATE:** This Rule shall become effective April 22, 2005.

**4 DEFINITIONS:** For the purposes of this Rule, the following definitions shall apply:

- 4.1 Actual Emissions** means the measured or estimated emissions which most accurately represent the emissions from an emissions unit.
- 4.2 Actual Emissions Reduction (AER)** means a reduction in actual emissions from an emissions unit selected for emission offsets or banking. Actual emissions reductions shall be calculated pursuant to Section 6 of this Rule and meet the following criteria:
- 4.2.1** Actual emission reductions shall be real, enforceable, quantifiable, and permanent.
- 4.2.2** Actual emission reductions shall be in excess of any emission reduction which is:
- 4.2.2.1** required or encumbered by any laws, rules, regulations, or orders; or
  - 4.2.2.2** attributed to a control measure noticed for workshop, or proposed or contained in a State implementation plan; or,
  - 4.2.2.3** contained as near-term measures in the adopted AQMD Air Quality Attainment Plan for attaining annual reductions required for the California Clean Air Act (CCAA).
- 4.2.3** Actual emission reductions attributed to a proposed control measure may be re-eligible as actual emission reductions in the following circumstances:

- 4.2.3.1** for control measures identified in the AQMD'S Air Quality Attainment Plan or State Implementation Plan, if 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;
- 4.2.3.2** for control measures not identified in the AQMD'S Air Quality Attainment Plan or State Implementation Plan, if no rule has been adopted within two (2) years from the date of the latest public workshop notice.
- 4.3** **Affected Pollutant** means an air pollutant for which an ambient air quality standard has been established by the United States Environmental Protection Agency (EPA) or the California Air Resources Board (CARB), the precursors to such pollutants, and those substances regulated by EPA or CARB, or listed under Section 5.1 of this Rule.
- 4.4** **Ambient Air Quality Standards** means those ambient air quality standards which 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. For the purposes of applicability of this Rule to the AQMD'S Air Quality Attainment Plan, all references to ambient air quality standards shall be interpreted as State Ambient Air Quality Standards.
- 4.5** **Best Available Control Technology (BACT)** means for any emissions unit, the more stringent of:
- 4.5.1** the most effective emission control device, emission limit, or technique which 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
- 4.5.2** 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 AQMD, State, or federal laws or regulations, unless the applicant demonstrates to the satisfaction of the APCO that such limitations are not achievable.
- 4.6** **Complete Application** means an application that contains all information required by the AQMD to adequately evaluate the nature and extent of potential emissions of the new or modified emissions unit proposed for use in accordance with a list of required information as adopted by the AQMD pursuant to Article 3, Sections 65940 through 65944 of Chapter 4.5, Division 1, Title 7 of the Government Code.
- 4.7** **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.

- 4.8 Cost-Effective** means a cost per pound of emission reduction which is deemed to be acceptable and feasible, on a pollutant and emissions unit basis, by the APCO.
- 4.9 Daily Emissions Limitation** means one or a combination of permit conditions specific to an emissions unit which restricts its maximum daily emissions in pounds per day, at or below the emissions associated with the maximum design capacity. A daily emissions limitation must be:
- 4.9.1** contained in the latest Authority to Construct and contained in or enforceable by the latest Permit to Operate for the emissions unit; and
  - 4.9.2** enforceable on a daily basis; and,
  - 4.9.3** established pursuant to permitting action occurring after January 12, 1993 and used in the calculation of the net emissions change.
- 4.10 Emissions Unit** means an identifiable operation or piece of process equipment such as an article, machine, or other contrivance which emits, may emit, or results in the emission of any affected pollutant directly or as fugitive emissions.
- 4.11 Fluorides** means elemental fluorine and all fluoride compounds.
- 4.12 Fugitive Emissions** means those emissions which could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.
- 4.13 Halogenated Hydrocarbons** means 1, 1, 1-trichloroethane, trichlorofluoromethane (CFC-11), dichlorodifluoromethane (CFC-12), chlorodifluoromethane (CFC-22), trifluoromethane (CFC-23), methylene chloride, trichlorotrifluoroethane (CFC-113), dichlorotetrafluoroethane (CFC-114), and chloropentafluoroethane (CFC-115).
- 4.14 Impact Analysis** means 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.
- 4.15 Modification** means any physical change or operational change to an existing emissions unit, including changing hours of operation or production rate, which 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 of emissions from an emissions unit which is not subject to a daily emissions limitation. The following shall not be considered a modification:
- 4.15.1** Routine maintenance or repair.
  - 4.15.2** A change in ownership.
  - 4.15.3** Replacement of an existing emissions unit, part of an emissions unit, or emissions control device with an identical (the same in all respects except for the serial number) 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.
- 4.16 Net Air Quality Benefit** means a net improvement in air quality resulting from actual emissions reductions impacting the same general area affected by the new or modified

source.

- 4.17 Non-attainment Pollutant** means any pollutant, as well as any precursors of such pollutant, which has been designated non-attainment by EPA in the Federal Register, or which has been designated non-attainment by CARB pursuant to HSC Section 39607.
- 4.18 PM-10** means particulate matter with 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).
- 4.19 Potential to Emit** means the maximum daily capacity of an emission unit to emit a pollutant under its physical and operational design. Any physical or operational limitation on the daily capacity of the unit to emit a pollutant, including pollution control equipment and restrictions in hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation or the effect it would have on daily emissions is incorporated into the applicable permit as an enforceable permit condition.
- 4.20 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 PM-10
Nitrogen oxides	a. Nitrogen dioxide b. The nitrate fraction of PM-10 c. Photochemical oxidants (ozone)
Sulfur oxides	a. Sulfur dioxide b. Sulfates c. The sulfate fraction of PM-10

- 4.21 Reactive Organic Compound or Reactive Organic Gas (ROC or ROG)** means any compound containing carbon, except methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonates, and halogenated hydrocarbons.
- 4.22 Reconstructed Source** means any source undergoing physical modification where the fixed capital cost of the new components exceeds 50% of the fixed capital cost of a comparable entirely new stationary source. Fixed capital cost means that capital needed to provide all the depreciable components.
- 4.23 Reduced Sulfur Compounds** means the sulfur compounds hydrogen sulfide, carbon disulfide, and carbonyl sulfide.
- 4.24 Stationary Source (Facility)** means any building, structure, or emissions unit which emits

or may emit any affected pollutant directly or as a fugitive emission. "Emissions unit" includes any operation, article, machine, equipment or other contrivance which emits or may emit any affected pollutant. "Building or structure" includes all pollutant-emitting activities including emissions units which:

- 4.24.1** are located on one or more contiguous or adjacent properties, and which may be separated by a public right-of-way; and,
- 4.24.2** are under the same or common ownership, operation, or control, or which are owned or operated by entities which 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.

**4.25 Total Reduced Sulfur Compounds** means the sulfur compounds hydrogen sulfide, methyl mercaptan, dimethyl sulfide, and dimethyl disulfide.

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

**5.1 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 exceeds the following amounts:

Pollutant	Pounds per Day
Asbestos	0.030
Beryllium	0.002
Carbon monoxide (non-attainment area)	137.000
Carbon monoxide (attainment area)	500.000
Fluorides	15.000
Hydrogen sulfide	50.000
Lead	3.200
Mercury	0.500
Nitrogen oxides	50.000
Particulate matter (PM-10)	80.000
Reactive organic compounds	50.000
Reduced sulfur compounds	50.000
Sulfur oxides	80.000
Sulfuric acid mist	35.000
Total reduced sulfur compounds	50.000
Vinyl chloride	5.000

**5.2 Offset Requirements, General:** Emission reductions shall be required from existing emission sources, sufficient to offset calendar quarter emission increases of non-attainment pollutants or their precursors associated with a new or modified stationary source and shall be determined as follows:

**5.2.1** Offsets shall be required for a new stationary source with a potential to emit,

calculated pursuant to Section 6.5 of this Rule, non-attainment pollutants or their precursors equal to or exceeding 25 tons per year. The amount of offsets required shall be at least equal to that portion of the potential to emit which exceeds 25 tons per year.

**5.2.2** Offsets shall be required for a modified stationary source under the following conditions:

**5.2.2.1** An existing stationary source which has a potential to emit less than 25 tons per year as of January 12, 1993, of non-attainment pollutants or their precursors shall offset that portion of the stationary source's potential to emit which, 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 6.5 of this Rule. After the potential to emit for a stationary source has exceeded these levels, and the applicant has provided actual emissions reductions to offset emission increases in excess of these levels, all future increases from new or modified emissions units shall be offset;

**5.2.2.2** An existing stationary source which has a potential to emit, calculated pursuant to Section 6.5 of this Rule, non-attainment pollutants or their precursors equal to or exceeding 25 tons per year as of January 12, 1993, shall offset any increases in potential to emit resulting from the permitting of a new or modified emissions unit.

**5.2.3** Offset requirements for increases in carbon monoxide: 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.

### **5.3 Location of Offsets and Offset Ratios**

**5.3.1** Offset ratios and the corresponding distances from the proposed stationary source shall be:

**5.3.1.1** on-site, at a ratio of 1:1;

**5.3.1.2** within 20 miles, at a ratio of 1.2:1;

**5.3.1.3** from 20 miles to 50 miles, at a ratio of 1.5:1;

**5.3.1.4** 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.

**5.3.2** Offsets which are obtained from a source located in another District may be used only if the provisions of HSCode Section 40709.6 are met and the involved Districts enter into an agreement formalized by a memorandum of understanding.

**5.4 Inter-pollutant Offsets:** The APCO may approve inter-pollutant 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.

- 5.5 Ambient Air Quality Standards:** In no case shall the emissions from the new or modified stationary source cause or worsen the violation of an ambient air quality standard. An impact analysis may 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.
- 5.6 Denial, Failure to Meet Standards:** The AQMD 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 this Rule.
- 5.7 Compliance by Other Owned, Operated, or Controlled Sources:** The owner or operator of a proposed new or modified source shall certify to the APCO that all sources having a potential to emit in excess of 25 tons per year that are owned or operated by such person (or by an entity controlling, controlled by, or under common control) in California are in compliance, or on a schedule for compliance, with all applicable emission limitations and standards.

## 6 CALCULATIONS

- 6.1 Purpose:** The following calculations procedures shall be used to determine:
- 6.1.1** the emissions change for all new or modified emissions units; and
  - 6.1.2** actual emissions reductions for all shutdowns and modified emissions units; and
  - 6.1.3** the cumulative emissions increase from all new and modified emissions units for a stationary source.
- 6.2 Definitions:** The following terms are used in the calculations procedure and are defined as follows:
- 6.2.1 Control Efficiency** means the estimated control efficiency of the proposed air pollution control technology which will be incorporated, by means of (an) enforceable permit condition(s), in the Authority to Construct and Permit to Operate. Emission reductions attributed to lowering throughput rates or operating hours shall not be considered in determining control efficiency.
  - 6.2.2 Historic Actual Emissions** means actual emissions averaged over the two (2) year period immediately preceding the date of application. If the last two (2) years are unrepresentative of normal operations as determined by the APCO, then two (2) consecutive years of the last five (5) years may be used. Where an emissions unit has been in operation for less than two (2) years, a shorter averaging period of at least one (1) year may be used, providing it represents the full operational history of the emissions unit. If, at any time during the specified period, actual emissions exceeded allowed emission levels, then actual emissions shall be reduced to reflect emission levels that would have occurred if in compliance with all applicable limitations and rules.
  - 6.2.3 Historic Emissions** means the potential to emit of an existing emissions unit prior to modification. For a new emissions unit, historic emissions are equal to zero.



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

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

**6.3.1** Calculate the emissions change for each new or modified emissions unit and for each pollutant using Section 6.4 of this Rule.

**6.3.2** If an increase is calculated for a pollutant, follow the procedures in Sections 5.1 and 6.5 of this Rule to determine the amount of offsets required.

**6.3.3** If a decrease is calculated for a pollutant, follow the procedures in Section 6.4.2 of this Rule to determine if emission reduction credits (ERC's) are generated.

If no emissions change is calculated for a pollutant, no further calculations are required.

## **6.4 Calculating Emissions Changes**

### **6.4.1 Emissions Increase**

**6.4.1.1** New or Modified Emissions Unit: The emissions change for a new or modified emissions unit shall be calculated by subtracting historic emissions from proposed emissions:

$$\text{Emissions change} = \text{Proposed emissions} \text{ minus } \text{Historic emissions}$$

### **6.4.2 Actual Emissions Reductions (AER)**

**6.4.2.1** Shutdown of an Emissions Unit:

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

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

$$\text{AER} = \text{Historic actual emissions multiplied by Control efficiency}$$

**6.4.2.3** Other Modifications:

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

**6.5 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 January 12, 1993 for each emissions unit within a stationary source. In addition, emissions increases from new or modified emissions units occurring on or after January 12, 1993, shall be added to the sum of potentials to emit for existing emissions units. In no case shall the potential to emit for a stationary source be adjusted for actual emissions reductions which occur after January 12, 1993.

**7 AIR QUALITY IMPACT ANALYSIS:** In no case shall emissions from a new or modified emissions unit cause or worsen 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:

- 7.1** 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 alternative model only after allowing for public comment and only with the concurrence of CARB and EPA. All modeling costs associated with the site of a new or modified emissions unit shall be borne by the applicant;
- 7.2** 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.

**8 ADMINISTRATIVE REQUIREMENTS:** The following administrative requirements shall apply to this Rule:

**8.1 Complete Application:** The APCO shall determine whether the application is complete not later than thirty (30) days after receipt of the application, or after such longer time mutually agreeable to the applicant and the 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 re-submittal of the application, a new thirty (30)-day period to determine the completeness shall begin. Completeness or re-submittal of an application shall be evaluated on the basis of the information requirements set forth in AQMD Regulations (adopted pursuant to Article 3, Section 65940 through 65944 of Chapter 4.5, Division 1, Title 7 of the Government Code) as they exist on the date on which the application or re-submitted application was received. Upon determination that the application is complete, the APCO shall notify the applicant in writing. 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.

**8.2 Air Quality Models:** Only those models approved by the APCO may be used in the impact analysis.

**8.3 Preliminary Decision:** Following acceptance of an application as complete, the APCO shall perform the evaluations required to determine the 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.

**8.4 Publication and Public Comment:** This Section shall only apply to an emissions unit subject to the requirements of Section 5.2 of this Rule. Within ten (10) calendar days following a preliminary decision on the Authority to Construct, the APCO shall publish in at least one (1) 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 comment for a thirty (30)-day period following the date of publication. Copies of

such notice shall be sent to CARB and EPA.

- 8.5 Public Inspections:** The APCO shall make available at the AQMD offices the information submitted by the applicant and the APCO's analysis no later than the time that the notice of preliminary decision is published. All such information shall also be transmitted, no later than the date of publication, to CARB and EPA. Information submitted which 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 publication to CARB and EPA.
- 8.6 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 considering all written comments. The APCO shall provide written notification of the final action to the applicant, CARB, and EPA, and shall make the notification and all supporting documents available for public inspection at the AQMD offices for all Authorities to Construct issued for emissions units subject to the requirements of Section 5.2 of this Rule.
- 8.7 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 which 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 emissions limitations which reflect applicable emissions limitations, including BACT. As a condition for the issuance of a Permit to Operate, any stationary source which provides emission offsets shall be subject to enforceable permit conditions, containing specific emissions limitations, and/or operational limitations which ensure that the emission reductions will be provided in accordance with the provisions of this Rule and shall continue for the reasonably expected life of the proposed source. When the source of offsets is not subject to a permit, a written contract shall be required 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.

Where the source of offsets is a non-permitted source, the AQMD 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 AQMD, pursuant to state laws or AQMD Regulations, cannot permit the source of 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.

- 8.8 Issuance, Permit to Operate:** The APCO shall issue a Permit to Operate for any stationary source which 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 which 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.

**8.9 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 an Authority 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 AQMD Rules and Regulations.

**8.10 Permit Conditions:** The APCO shall have the authority to place conditions on the Authority to Construct and/or Permit to Operate which 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.

**9 POWER PLANTS REVIEW PROCEDURES:** A power plant shall be defined as a stationary source that produces electricity.

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 has been accepted by the California Energy Commission (CEC). The APCO may apply for reimbursement of all costs incurred, including lost fees, in order to comply with the provisions of this section.

**9.1 Intent to Participate and Preliminary Report:** Within fourteen (14) days of receipt of an NOI, the APCO shall notify CARB and the CEC of the AQMD'S intent to participate in the NOI proceeding. If the AQMD chooses to participate in the NOI proceeding, the APCO shall prepare and submit a report to CARB 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 a minimum:

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

**9.1.2** A preliminary discussion of whether there is a substantial likelihood that the requirements of this Rule and all other AQMD Regulations can be satisfied by the proposed facility; and

**9.1.3** A preliminary list of conditions which the proposed facility must meet in order to comply with this Rule or any other applicable AQMD Regulation.

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

**9.2 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 an Authority to Construct had been received for the power plant. If the information contained in the AFC does not meet the requirements of this Rule, the 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 re-submittal.

- 9.3 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 which apply to an application for an Authority to Construct.
- 9.4 Need for Additional Information:** The APCO may request from the 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.
- 9.5 Preliminary Determination:** Within 180 days of accepting an AFC as complete, the APCO shall make a preliminary decision on:
- 9.5.1** whether the proposed power plant meets the requirements of this Rule and all other applicable DISTRICT Regulations; and
  - 9.5.2** in the event of compliance, what permit conditions will be required, including the specific BACT requirements and a description of required mitigation measures. The preliminary written decision under Section 8.5 of this Rule shall be treated as a preliminary decision under Section 8.3 of this Rule, and shall be finalized by the APCO only after being subject to the public notice and comment requirements of Sections 8.4 through 8.6 of this Rule. The APCO shall not issue a Determination of Compliance unless all requirements of this Rule are met.
- 9.6 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 inform the CEC. A Determination of Compliance shall confer the same rights and privileges as an Authority to Construct only when and if the Commission approves the AFC, and the Commission certificate includes all conditions of the Determination of Compliance.
- 9.7 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.

## 10.0 EXCLUSIONS:

- 10.1** New Source Review Procedures in accordance with Rule 130.7 shall not be required for temporary stationary sources which will be in operation for less than 90 days duration providing best available control technology is applied and such operations will not interfere with the control strategy of the SIP.
- 10.2** New Source Review Procedure in accordance with Rule 130.7 shall not be required for geothermal power plants or steam transmission lines which will not, under all normal operating conditions, emit greater than 5 lbs. H<sub>2</sub>S/1,000,000 lbs. steam or 1.0 kg H<sub>2</sub>S/hr (as provided below) provided it is not considered a major source or a major modification (Reference: 40 CFR 52.21 (b)). The 1.0 kg H<sub>2</sub>S/hr exclusion shall apply only to geothermal power facilities with an electrical generating capacity of 20 Megawatts or less, provided:

- 10.2.1** No more than one such facility is within a 1.0 km radio area from any existing power plant facility (as of Jan. 1, 1985), and no more than one such facility is within a 0.5 km radius area another, or
- 10.2.2** The facility can provide a significant net annual H<sub>2</sub>S emissions reduction.

## **11.0 PREVENTION OF SIGNIFICANT DETERIORATION (PSD):**

- 11.1** Pursuant to the Federal Clean Air Act in addition to any other requirements imposed in these rules and regulations, and notwithstanding any other permit requirements, no sources subject to these rules and regulations shall be permitted to release emissions into the atmosphere which cause or create an exceedance of the maximum allowable prevention of significant deterioration (PSD) increments for Class I, Class II, or Class III areas as defined in Regulation I, Rule 101.
- 11.2** An applicant for a PSD permit is required to conduct an air quality analysis of the ambient impacts associated with the construction and operation of the proposed new source or modification to demonstrate that the new emission emitted from the proposed major source or, modification, in conjunction with other applicable emissions from existing sources (including secondary emission from growth associated with the new project), will not cause or contribute to a violation of any PSD increment.
- 11.3** A separate air quality analysis must be submitted for each regulated pollutant if the applicant proposes to emit a pollutant in a significant amount from a new major stationary source, or proposes to cause a significant net emission increase from a major modification.
- 11.4** Generally, the air quality analysis shall involve; (1) an assessment of existing air quality, which may include ambient air monitoring data and air quality dispersion modeling result, and (2) predictions, using dispersion modeling, of ambient concentrations that will result from the applications proposed project and future growth associated with the project.
- 11.5** All increment consumptions shall be determined using a baseline emission date established as a reference point for determining air quality deterioration in an area. The baseline concentration is pollutant specific and is essentially the air quality level existing at the time of the first complete PSD permit application submittal in the AQMD. On or before the first PSD application, emissions are considered to be part of the baseline concentration, and emissions of after that date affect the amount available PSD increments.
- 11.6** The amount of PSD increment that has been consumed in a PSD area is determined from the emissions increases and decreased which have occurred from sources since the applicable baseline date. In order to determine the amount of PSD increment consumed (or the amount of available increment), no determination of the baseline concentration needs to be made. Instead, increment consumption calculations must reflect only the ambient pollutant concentration change attributable to increment-affecting emissions.

Emissions increases that consume a portion of the applicable increment are, in general, all those not accounted for in the baseline concentration and specifically include;

Actual emissions increased occurring after the major source baseline date, which are

associated with physical changes or changes in the method of operation (i.e., construction) at a major stationary source.

The amount of available increment may be added to, or “expanded”.

- 11.7** From the reduction of actual emissions after the major source baseline date, if the reduction results from a physical change or change in the method of operation (i.e., construction) at a major stationary source. The reduction will add to the available increment only if the reduction is included in the federally enforceable permit or SIP provision.
- 11.8** The credible increase of an existing stack height or the application of any other credible dispersion technique may affect increment consumption or expansion in the same manner as an actual emissions increase or decrease. (The effects that a change in the effective stack height would have on ground level pollutant concentrations generally should be factored into increment analysis.) Any increase in a stack height, in order to be creditable, must be consistent with the EPA’s stack height regulations; credit cannot be given for that portion of the new height which exceeds the height demonstrated to be the good engineering practice (GEP) stack height.
- 11.9** Increment consumption (and expansion) will generally be based on changes in actual emissions reflected by the normal source operation for a period of 2 years. However, if the little or no operating data are available, as in the case of permitted emission units not yet in operation at the time of the increment analysis, the potential to emit must be used instead.

## **12.0 PERMIT PROCESSING FLOW DIAGRAM**

New Source Review & Prevention of Significant Deterioration Project Requirements.  
(See following page)

NSR/PSD

