

Draft 3-16-94 2:04 pm

Title V Operating Permit Program Submittal

For The _____ District

_____ District
(street address and/or P.O. Box #)

(Generic Title V Program 3-16-94)

(city), California (zip)

Contact Person: (APCO or his designee)

Phone () _____

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May __, 1994

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on November 15, 1993 for all districts in the State of California

Appendix B - Documents specific to the _____
_____ District

I. Introduction

This is a program submittal for implementing a federally-mandated operating permit program in the _____ District (District). This submittal is intended to fulfill the requirements of Title V of the federal Clean Air Act as amended in 1990 (CAA). The CAA requires state and local permitting authorities to submit operating permit programs to the U.S. Environmental Protection Agency (U.S. EPA) by November 15, 1993. On July 21, 1992, the U.S. EPA promulgated regulations in 40 CFR Part 70 (Part 70) to specify the minimum requirements for state and local operating permit programs.

The _____ District is one of 34 air pollution control districts (districts) in California. Title V requires all districts to develop, submit, and implement Title V programs. Title V operating permits will be used to carry out CAA requirements, current as well as future, and pertains to attainment as well as nonattainment pollutants. A Title V operating permit will contain all the requirements of the CAA and California state law applicable to a stationary source. A Title V operating permit will include requirements from the State Implementation Plan, the hazardous air pollutants (HAPs) program promulgated through Section 112, the acid rain program promulgated through Title IV, as well as many other provisions of the CAA.

II. Legal Opinion on Adequacy of Authority

A comprehensive review of the legal authority of the District and state agencies affected by Title V is provided in a legal opinion from the Attorney General of the State of California. A copy of the legal opinion is included in Appendix A-1.

III. Program Description

A. Program Submittal and Stationary Sources Not Yet In Program

California state law exempts agricultural production sources from air permit requirements. Title V does not accommodate the state exemption; any agricultural production source that is a major source is subject to Title V requirements. In the District there are (#) agricultural production source(s) identified as Title V source(s). However, the Title V sources that the District will permit during the transition period constitute more than 60 percent of the total sources, and more than 80 percent of the total emissions.

B. How the Program Will Be Carried Out

Title V program elements will be added to the current permit program and some processes in the current program will be modified for consistency with Title V. The following discusses how the program will be changed for Title V, provides a background description of the current program, and explains how certain changes will interface with the current program. The changes will not be effective until the U.S. EPA approves the program (on the "effective date" of the program). [Optional: ... , except for Title V fee collection which will begin on _____, 199 . The fee collection will enable the District to collect fees for start-up funding irrespective of when the U.S. EPA provides program approval.]

1. Permit Program Changes for Title V

a. Non-Integrated Program

As in many other areas of California, the District has had a successful permit program for many years. To comply with new requirements from Title V, which are essentially administrative

and procedural, permit program changes will be made in a manner that involves the least amount of disruption.

The District's submittal is for a "non-integrated" Title V program, in which the Title V operating permit process will be separate from the preconstruction review process. When preconstruction review is involved, it would either be completed first or processed concurrently with the Title V process. The feasibility for concurrent processing would depend on the applicant's plans and timetable, the availability of information from the preconstruction review needed for the Title V process, and the separate requirements and processing timeframes for preconstruction and Title V permit issuance. In general, the preconstruction permit must be issued first to specify applicable federal requirements from preconstruction review. These applicable federal requirements are needed to prepare the proposed Title V permit, before it can be transmitted to the U.S. EPA for review.

The main advantage of the "non-integrated" approach is that changes to the current permit process would be minimal since the new Title V requirements are essentially added-on to the requirements in the District-only permit to operate rule. However, this approach would involve some duplication of effort. For example, the preconstruction review and the Title V review would likely each need separate public notice and U.S. EPA review.

For the Title V program, the District would issue to Title V sources permits to operate that consolidate the preexisting District-only permit to operate process with new procedures, new requirements, and new permit conditions resulting from the "Title V" rule. The comprehensive permit to operate will directly address all pertinent District, state, and federal air quality requirements. Federally-enforceable air quality requirements will be delineated to clearly distinguish them from District and state requirements. Payment of permit fees will be required annually as it is now, however, permit renewal will be required only once every five years as allowed by Title V (for solid waste incinerators renewal once every 12 years and permit review

once every 5 years), rather than annually as for a District-only permit to operate. The program does not [or does] incorporate the option for the use of "general permits."

[Districts Using "Integrated" Approach and "General Permits" Will Need To Describe Them]

b. Deferral of Non-Major Stationary Sources

The District program will cover all major stationary sources, all non-major acid rain (Title IV) sources, and non-major solid waste incinerators (Section 129(e)) that are subject to Title V requirements. Other stationary sources will not be subject until the U.S. EPA makes specific non-major stationary source categories subject to Title V requirements in future rulemaking. In addition, the U.S. EPA has discretion for redefining major sources of HAPs by lowering the currently assigned U.S. EPA threshold. The District's program will have the flexibility to accommodate new U.S. EPA rulemaking to include stationary sources that become subject to Title V requirements in the future.

c. No Permit Shield

The program does not incorporate the option for the use of a "permit shield." The Title V sources must comply with all pertinent District, state, and federal air quality laws and regulations as well as all terms and conditions in Title V permits to operate.

[Option For Districts Allowing Permit Shield: District will need to describe how the permit shield will be used and the reasons for allowing permit shields. Please note that Part 70 has certain restrictions that specify when a permit shield is not allowed.]

d. Application Forms

The District will use a set of application forms that includes a summary form for general information and more specific forms for different types of emissions units, emission control equipment, exempt equipment, and a compliance plan. Sources that are not complying with an applicable federal requirement at the time of permit issuance or renewal will be required to submit a compliance schedule with the application forms. Acid rain sources must additionally use application forms which include elements required by 40 CFR Part 72. A list of the application forms is provided below and copies are included in Appendix B-1.

Stationary Source Summary	Form XXX-A1 and XXX-A2
Combustion Emission Unit	Form XXX-B
Coating/Solvent Emission Unit	Form XXX-C
Organic Liquid Storage Unit	Form XXX-D1 and D2
General Emission Unit	Form XXX-E
Emission Control Unit	Form XXX-F
Exempt Equipment	Form XXX-G
Compliance Plan	Form XXX-H
Compliance Plan Certification	Form XXX-I

As a service to owners and operators of Title V sources preparing Title V applications, the District plans to make available reference copies of the CAA, U.S. EPA regulations pertaining to applicable federal requirements, and U.S. EPA guidance documents. The copies will serve as a

Title V reference library for industry as well as the District staff.

e. Insignificant Activities

The District will use the current exemptions listed in Rule ____ - [General Exemptions] - to specify insignificant activities in the application forms. The District will require that insignificant activities be listed in the applications by category, however, other information such as emissions data will not be required unless the District has reason to request further information. A copy of Rule _____ is included in Appendix B-2 [if using exemption list].

[District should discuss criteria for determining insignificant activities. An example is presented below.]

New and modified stationary sources with net increases in emissions equal to or exceeding "significant" levels in Rule ____ are subject to new source review and may not be exempted. Therefore, the District's "significant" levels are the limits for insignificant activities.

f. Permit Forms and Reporting Forms

The District intends to prepare each permit individually, based mainly on the content of each application and the applicable District, state, and federal requirements pertinent to the source, without the use of specific permit forms. Each permit will have three major sections. One section will contain general conditions common to all, or almost all, permits. Examples include conditions for right-of-entry, severability clause, mandatory payment of fees, and emergency

provisions. The second section will contain source specific federally-enforceable conditions such as emission limits and emissions monitoring methods that must be used. The third section will contain state and District-only conditions, except that general conditions may be placed in the first section. As the District gains experience with Title V, the use of permit forms may be considered at a later date. Since only (#) stationary sources are identified at this time to be Title V sources, the use of standardized permit forms does not appear warranted.

The District will use certification and monitoring report forms (Form XXX-J1 and J2) to be completed in accordance with requirements specified in Title V permits. For all sources issued Title V permits, the owner/operator must complete and submit monitoring reports every six months, and the responsible official must certify these reports. The reports must identify deviations from permit requirements, probable causes of deviations, and preventative or corrective actions taken. The reports must cover upset conditions, whether or not they were previously reported to the District. Copies of the forms are included in Appendix B-1.

For noncomplying sources with compliance schedules, the owner/operator must complete and submit semi-annual progress reports, and the responsible official must certify these reports. Forms XXX-J1, XXX-H, and XXX-I must be used. Copies of the forms are included in Appendix B-1.

g. Changes to District Staff

[Option: No Change to District Staff.]

To provide the anticipated (#) person-year level of staffing for Title V as described in Section VI of this submittal, the District plans to redirect the existing staff as needed for Title V purposes. In addition, the District may use private contractors to assist in the preparation of Title V permits

and in other activities related to Title V.

[Option: Increase District staff.]

To provide the anticipated (#) person-year level of staffing for Title V as described in Section VI of this submittal, the District plans to increase the positions for Air Pollution Engineer by (#) person-year and for clerical support by (#) person-year. In addition, the District will redirect existing staff into the Title V program as needed.

2. Current Program

a. Description of District and State Permit Processes

The District has primary authority for the air permitting of stationary sources. The current permit program is directed toward requirements of District rules and state law, as well as federal requirements that have been incorporated into District rules and state law. (State law and District rules were modified to allow the District to directly incorporate all applicable federal requirements into Title V permits). All emissions-related equipment not specified in the District's permit exemption list are already required to be permitted by the District. In addition, several state agencies have responsibilities associated with certain aspects of Title V.

Currently, the District issues operating permits that are closely tied to preconstruction permits, because many permit conditions in operating permits are developed through and taken from the preconstruction process. For stationary sources and source equipment that did not receive preconstruction permits because they were built before such permits were required, the District may issue operating permits to facilitate enforcement of District prohibitory rules.

Preconstruction Review Preconstruction review applies to the construction of new equipment and the physical or functional modification of existing equipment. Since Title V applies only to the operation of equipment, not construction, Title V does not change preconstruction review requirements.

During preconstruction review, the owner/operator of a new or modified stationary source must obtain an "authority to construct" before commencing any construction, modification, or operational change in accordance with District rules. The District evaluates the project proposal to determine whether it meets the requirements of New Source Review, District prohibitory rules, District administrative requirements, Prevention of Significant Deterioration (PSD) requirements, and California and federal laws and regulations, as applicable. For the more significant permitting actions, in particular those involving a significant net increase in regulated emissions, the District must provide a 30-day comment period for the public, Air Resources Board (ARB), and the U.S. EPA.

For PSD permitting, ...

[Option: District Has Delegation Authority]

... the U.S. EPA has delegated authority to the District through a delegation agreement, pursuant to 40 CFR Section 52.21(u) - Delegation of Authority. The agreement states that District authorities to construct issued in accordance with 40 CFR Section 52.21 will be deemed to meet federal PSD permit requirements pursuant to the provisions of the delegation agreement. A copy of the delegation agreement is included in Appendix B-_____.

[Option: District has PSD-Type Rule Approved in SIP]

... the U.S. EPA has delegated authority to the District by approval of the District's NSR/PSD rule and by designating these rule(s) as part of the State Implementation Plan.

[Option: U.S. EPA Entirely Responsible For PSD]

... the U.S. EPA implements the program and issues PSD permits directly to PSD sources.

In the authority to construct process the District evaluates criteria pollutant emissions and also determines whether there is a potential to emit noncriteria or toxic air pollutants. The stationary source must comply with all District, state, and federal requirements for these pollutants. California's air toxics program was established in 1983 under Assembly Bill (AB) 1807. Information on the California air toxics program is included in Appendix A-3. In general, the District may require air quality analyses and health risk assessments for toxic air pollutants to determine whether a project creates a nuisance or endangers public health. The District/state air toxics program is an existing program separate from the federal hazardous air pollutants program mandated by section 112 of the CAA.

Operational Review For operational review in the current program, the owner/operator must obtain a "permit to operate" in accordance with District rules. After receiving an authority to construct and completing the construction or modification as specified by the terms of the authority to construct, the owner/operator must apply for a permit to operate to allow operation. Before issuance of the permit to operate, the District must make a determination that the stationary source will operate in compliance with all applicable District, state, and federal air quality requirements.

For new and modified sources that have completed construction under an authority to construct permit, California law allows the District to issue a temporary permit to operate for a reasonable period of time. The authority to construct may serve as a temporary permit to operate for equipment start-up and testing to assess whether the source will operate in accordance with the permit conditions specified in the authority to construct. (This process was modified to meet Title V requirements. A temporary permit to operate may not substitute for a Title V permit. Title V sources must obtain Title V permits.)

After a permit to operate is issued, California law allows the District to annually review, update, and revise the permit to operate. The purpose of the annual review is to ensure compliance with District rules, both those at the time the permit to operate was originally issued and those that subsequently become effective for the source in later years. (This process was modified to meet Title V requirements. The District's annual update process alone may not be used to change federally-enforceable permit conditions. Title V permit modifications must be processed in accordance with Title V procedures.)

The Hot Spots Act (also called Assembly Bill 2588) requires owners or operators of stationary sources to prepare emission inventory reports which list and quantify the toxic substances they use, manufacture, or emit. This information is submitted to the District for review and prioritization. Based on the emissions information, the District may require the owner or operator to prepare an evaluation of the potential health effects (health risk assessment) associated with the source's air toxics emissions. The risk assessment results are used by the District to identify sources that will notify the exposed public of potential health risks. Hot Spots fees associated with air toxics emission inventory and the District's Title V program are discussed in Section III.B.3.b. (Page 16).

Permit Fees Permit fees are required by the District in accordance with Regulation __ - Fees, included in Appendix B-3 of this submittal. Initial fees are generally based on ...

[Option: District Uses Equipment Schedule for Charging Fees]:

... number, type, size of equipment, type of permit process, and actual cost of services such as for engineering evaluation, source testing, emission analysis, and monitoring (for ambient air concentrations as well as for direct emissions). Annual renewal fees are determined in a similar manner.

[Option: District Uses Emissions-Based Schedule for Charging Fees]

... number, type, and size of equipment. Annual renewal fees are based on annual emissions and the emissions-based fee rates in Rule __.

[Other Options: Each district will need to describe.]

Pertinent fee rules include the following.

Rule __ - Permit Fees

Rule __ - Permit Fee Schedules

Rule __ - Major Emission Assessment

Rule __ - Air Toxic's "Hot Spots" Assessment (AB 2588)

Rule __ - Fees for Testing, Emissions Analysis, Monitoring Services

Fee requirements were modified to meet Title V requirements as discussed in Section III.B.3.b

below (Page (16)).

Power Plant Siting For the construction of thermal power plants, California law requires the California Energy Commission (CEC) to review projects that are 50 megawatts in capacity and larger. For air quality, the CEC coordinates its review with the District. The District must submit to the CEC a "Determination of Compliance" evaluation that is functionally equivalent to a review for an authority to construct. From the Determination of Compliance submittal, the CEC incorporates District conditions into the siting decision when a project is approved for construction. After the source commences operation, the District issues a permit to operate in accordance with District rules and procedures. (The District is required by Title V to issue or deny Title V operating permits to thermal power plants covered by Title V.) Existing law and the CEC siting procedures are compatible with Title V.

Accidental Release In accordance with Title V application requirements, an owner/operator storing certain substances in threshold amounts must file a risk management plan (RMP) with the federal Chemical Safety and Hazard Identification Board and with the state or local agency responsible for planning for, and responding to, accidental releases. The purpose of the RMP is to provide for the prevention, detection, and minimization of accidental releases of regulated toxic substances listed in U.S. EPA rulemaking pursuant to Section 112(r) of the CAA. If the District can not verify that an owner/operator has filed the required RMP, the District must include the requirement for a RMP in a compliance schedule as a permit condition.

State law authorizes the Office of Emergency Services (OES) to administer a statewide hazardous material management and prevention program. This program, which is implemented by local agencies such as fire or health departments, requires any business that handles acutely hazardous substances to develop and implement a plan to manage risk and prevent accidental releases.

To prevent similar regulation by two levels of government, the OES will introduce a bill in the California legislature which would enable that agency to seek delegation authority from the U.S. EPA for administration of the federal RMP program. To satisfy federal RMP requirements, the owner/operator will be required to file its RMP with the local implementing agency, which will verify the RMP for the District.

Radionuclides The District has the authority to enforce all the conditions of a Title V permit, including those pertaining to applicable federal requirements such as National Emissions Standards for Hazardous Air Pollutants (NESHAPs). However, the NESHAP for radionuclides presents an enforcement problem for the District, which does not have expertise in this area. Under State law, the California Department of Health Services (DHS) has the authority and responsibility to establish and enforce radiation standards. The DHS is seeking delegation authority from the U.S. EPA to administer the NESHAP for radionuclides and is working with the ARB and the U.S. EPA to facilitate such delegation.

b. Current District Organization

The District consists of the Board of Directors (Board) and the staff.

The Board includes (#) members who are (supervisors?) from (county(ies)?) in the District. The Board currently has (#) members from _____ County, (#) from _____ County, and (#) from _____ County. The Board's primary functions are to appoint the Air Pollution Control Officer, adopt the District's budget, adopt rules and regulations that govern air quality in the District (except for motor vehicle emission control, which is the responsibility of the ARB), set policies, and provide direction to the staff.

The staff includes the following positions.

The Air Pollution Control Officer (APCO)

(#) Air Pollution Engineer(s)

(#) Air Pollution Specialist(s)

(#) Air Pollution Control Inspector(s)

(#) Clerical Support

The APCO serves as Executive Officer to the Board and directs and manages all staff activities of the District. Staff activities include processing permits, inspecting stationary sources, performing compliance testing, responding to complaints, issuing violation notices, developing regulations, operating air monitoring equipment, and testifying before the Board.

The Air Pollution Engineer(s) evaluate permit applications and prepare permits; lead and oversee compliance testing, continuous emissions monitoring, and equipment breakdown; prepare emission inventories; oversee the operation and calibration of ambient air monitoring equipment; and develop regulations. The Air Pollution Specialist(s) operate air monitoring stations; maintain monitoring records; and perform specialized monitoring studies and research on air quality in the District. The Air Pollution Control Inspector(s) conduct routine surveillance of stationary sources; investigate citizen complaints; take action against violators; manage forest burning plans; and conduct surveillance of burning activities. The clerical support provides clerical/administrative services to assist the staff and Board. A summary of expenditures for fiscal year 19__ is presented in Table I (Page 30).

[Optional Depending on Whether District Has Joint Powers Agreement]

The District has maintained a joint powers agreement with the (x) District and the (y) District since (date). The agreement is for sharing of air pollution control facilities, equipment, and services when available; coordinating air pollution control programs and adopting uniform

rules to avoid unnecessary duplication or conflict; and providing reasonable compensation for use of equipment and services. A copy of the agreement is included in Appendix B-____.

3. Summary of Changes to District Rules

a. New "Title V" Rule

The District's new "Title V" rule, Rule XXX, was adopted by the District Board on _____, 1994 to implement Title V requirements. Rule XXX applies only to Title V sources. There will be no change in the permitting process for other stationary sources. Rule XXX is included in Appendix B-4.

To implement the rule, the District will send a letter to each stationary source that it identifies as a Title V source. The letter will notify the owner/operator that he/she must submit a Title V application. The District has identified (#) sources subject to Title V requirements.

For stationary sources subject to the new requirements of Rule XXX, application submittals for (#) sources are due to the District (#) months after the U.S. EPA approves the program and for all other Title V sources 12 months after U.S. EPA approval. Section VII below briefly describes how the District will implement the new rule.

Rule XXX specifies that Title V permits must include applicable federal requirements resulting from new emission control programs required by the CAA. For example, Title V permits must incorporate, when pertinent, requirements for "Maximum Achievable Control Technology"/"Generally Available Control Technology" standards (40 CFR Part 63) from the

HAPs program, preparation and registration of "Risk Management Plans" (Section 112(r) of the CAA), "Enhanced Monitoring and Compliance Certification" (Section 114(a)(3) of the CAA), "Acid Deposition Control" (Title IV of the CAA and 40 CFR Parts 72, 73, 75, 76, 77, 78 and regulations implementing Sections 407 and 410 of the CAA), and "Monitoring and Analysis" (Section 504(b) of the CAA). The District will implement the Phase II permit provisions of Section 408(d) of Title IV of the CAA (acid rain program) through its Title V permit program. The District will use acid rain application forms supplied by the U.S. EPA.

If a Title V permit has three years or more remaining in the permit term, the District must "reopen" the permit to add a new applicable federal requirement within 18 months after promulgation of the new requirement. If a Title V permit has less than three years remaining, Rule XXX requires the District to add the new applicable federal requirement upon permit renewal. Title V sources must comply with all applicable federal requirements, irrespective of the remaining length of permit term.

To interface with the federal accidental release program, Rule XXX requires that each Title V application identify whether a risk management plan is required. If so, the application must include either verification that the plan has been submitted to the authorized implementing agency or a compliance schedule for the submittal of such a plan. Rule XXX requires annual compliance certification with each permit condition, which includes proper implementation and compliance with risk management plans.

[Option For Districts With Rule Conflicts]

To interface with other rules, Rule XXX includes a policy statement that the rule supplements other District rules in existence and takes precedence where there is a conflict. This is to ensure that the administrative and procedural requirements of Rule XXX are not negated by other rules. The District, as soon as resources and time allow, will amend the other rules to make them

consistent with Rule XXX.

b. Fee Requirements

[Option For Using "Supplemental Fee" Approach in ARB Model Rule]

The District has included Rule _____ in Regulation ____ to address the fee requirements of Section 502(b)(3) of Title V and Section 70.9 of Part 70. The CAA requires the District to charge fees to Title V sources to cover both the direct and indirect costs of the Title V program. The District must ensure that fees collected will be used solely for Title V program costs. According to Section 70.9 of Part 70, fee requirements are considered sufficient if the collected fees result in not less than \$25/ton per year of actual emissions (Consumer Price Index (CPI) adjusted annually), unless there is a serious question whether fees cover costs. The \$25/ton (CPI adjusted annually) amount is called the "presumptive minimum" and is equal to \$29.26 per ton as of September 1993.

The new fee provisions in Rule ____ supplement the preexisting requirements in the District-only fee rules, Rules __ and __ , and portions of the AB 2588 California Air Toxics "Hot Spots" Information and Assessment Act program (District Rule ____), so that the combined fees will result in collection of at least \$25/ton per year (CPI adjusted annually) of actual emissions for each Title V source. Therefore, every Title V source will pay the "presumptive minimum," and the overall Title V program will also meet the "presumptive minimum." If a Title V source subject to the District-only fee rule and "Hot Spots" fees already pays at least \$25/ton per year (CPI adjusted annually), there would be no supplemental fee for that stationary source. There will be no change to the fees charged to non-Title V sources.

The supplemental fee provisions will consider that portion of District fees collected for the emissions inventory function of the California air toxics "Hot Spots" program to be fees associated with the Title V program. The purpose of the California "Hot Spots" program is to gather air toxics emission data, to identify stationary sources having localized air quality impacts, to ascertain health risks, and to notify nearby residents of significant risks. Air releases of interest are those that result from the routine operation of a stationary source or that are predictable, including but not limited to, continuous and intermittent releases and process upsets or leaks. The District collects fees to recover costs incurred by the District, ARB, and the California Office of Environmental Health Hazard Assessment.

In accordance with the "presumptive minimum" criteria in Title V and Part 70, supplemental fees will not be charged for carbon monoxide, ozone depletor, "accidental release," and "unregulated" emissions.

The supplemental fee provisions would require Title V sources to provide actual emissions data annually (or other acceptable time period) to the District for determining supplemental fees. In addition, the District also commits to require each Title V source to periodically provide actual emissions data, as specified in permit conditions. The submittal of the annual emissions data when so required by the District, may be coordinated with the submittal of the annual compliance certification.

[Option for Using "Multiplier Surcharge"]

The District has revised Rule ____ regarding annual renewal fees to add a new requirement applicable only to Title V sources. The new requirement would add a fee surcharge that amounts to (multiplier X) times the basic fees as determined by the fee requirements before the surcharge.

The net result would be that total fees for Title V sources under the revised fee rule would be equal to (X + 1) times the fees under the previous fee rule. The surcharge is expected to increase fees above the Title V benchmark "presumptive minimum" fee level of \$25 per ton of actual emissions as adjusted by the national CPI (\$29.26 per ton as of September 1993). There will be no change to the fees charged to non-Title V sources.

[Option For Not Changing Fee Requirements Except For Cost of Public Notice]

The current fees collected from Title V sources are already well above the "presumptive minimum" of \$25 per ton of actual emissions as adjusted by the national CPI (\$29.26 per ton as of September 1993). Table II (31) summarizes actual emissions and fees collected from Title V sources for fiscal year 19__-__ and indicates that the District is already collecting (\$) per ton. The District will not need to revise fee requirements, except for recovering the costs of providing public notice for Title V. The fee rule, Rule __, was revised accordingly.

[Other Options: Each district will need to describe.]

If the District decides to revise the fee requirements during Title V implementation, the District will amend the fee provisions and will submit a Title V program revision to the U.S. EPA. The feasibility of revising fee requirements would depend, in part, on the level of experience gained with the Title V program and the extent of associated cost data obtained by the District.

Title V fees are discussed further in Sections VI and VII below.

c. Provisions for "Operational Flexibility"

The provisions for operational flexibility for federally-enforceable permit conditions are contained in Rule XXX (copy included in Appendix B-4). These provisions are intended to meet the mandatory operational flexibility requirements of Section 502(b)(10) of Title V and Section 70.4(b)(12) of Part 70.

To qualify under the new provisions, the operational change may not constitute a "modification" as defined in Rule(s) (definitions, A/C) or under Title I of the CAA. Title I modifications include a modification that is major under federal NSR (e.g. increase of VOC/NOx emissions above 40/25 TPY "de minimis" level), a modification that is major under PSD resulting in a "significant" net emissions increase ("significant" as determined by the U.S. EPA), or a modification at a major HAPS source resulting in a "de minimis" increase of HAPs ("de minimis" as determined by the U.S. EPA). Rules that remain in effect include any current or future District or U.S. EPA rule for NSR, PSD, HAPs, NESHAPs, or New Source Performance Standards (NSPS). Any operational change that requires an authority to construct will still need to go through that process. In addition, the operational change must not result in any exceedance of permitted emission limits. Three types of operational flexibility will be allowed.

Alternative Operating Scenarios The first type is for the use of alternative operating scenarios that are allowed for in the permit to operate. The owner/operator of the stationary source has the burden of identifying and applying for the scenarios in the permit to operate application. The District must make a determination that the scenarios will not violate any applicable District, state, or federal requirement, and then allow for the scenarios in the issued permit. This type of operational flexibility is already being provided for in the current permit program through the District's authority to construct process. Therefore, there will essentially be

no change in the District's current permit to operate program, other than having provisions in the Title V rule to explicitly accommodate such operational flexibility and adding a new requirement for keeping a contemporaneous log to record changes in operating scenarios.

Voluntary Emissions Cap The second type is for the use of a voluntary emissions cap that is included in the permit to operate. This would allow a source to legally avoid certain federal control requirements, such as maximum achievable control technology (MACT) requirements for HAPs. This emissions cap would be used as a federally-enforceable permit condition to keep the facility from exceeding an emissions threshold as defined in the CAA or U.S. EPA regulations pertaining to applicable federal requirements. The provisions may not be used to avoid District-only or state requirements.

The federally-enforceable emissions cap would be applied in addition to the preexisting emission limits, in particular those limits established from District NSR requirements for individual emission units. The emissions cap requested by the applicant must be approved by the District as being quantifiable and federally-enforceable. The owner/operator has the burden to apply for and seek approval of any emissions cap. The cap may not be used to keep a stationary source out of the District's Title V program, since the stationary source must already be in the program to obtain the cap.

Contravening an Express Permit Condition The third type is to allow for changes in operation that "contravene" a federally-enforceable permit condition in the permit to operate if certain conditions are met. The purpose of this type of operational flexibility, which is not anticipated for in the permit to operate, is to allow industry to make certain expeditious changes to their operations. For example, operational flexibility may be desirable to meet changing market demands quickly without waiting for a change to the permit to operate. A change under this provision must meet several qualifying conditions. The change must not result in an exceedance of any emission limit, emission standard, or performance standard. Procedurally, the

owner/operator must give the District at least a 30-day written notice before making the change. The owner/operator must also provide the District certain information about the change, and must not make the change if a written denial from the District is received during the 30-day notice period. The change must not be a "modification" as defined in Rule(s) ___ or in Title I of the CAA, and must not violate any applicable federal requirement. The provisions do not allow the contravening of permit conditions for District-only or state requirements.

d. Provisions for Expeditious Review of Permit Revisions and Modifications

Rule XXX allows four types of permit changes to meet the requirements for streamlined and expeditious review of permit revisions and modifications (Section 502(b)(6) of Title V and Sections 70.4(b)(13),(14), and (15) of Part 70). The changes include administrative permit amendment, minor permit modification, significant permit modification, and modification of a permit condition that is not federally-enforceable. The provisions are similar to and equivalent to those in Part 70 for expeditious review.

Administrative Permit Amendment The provisions for administrative permit amendment would allow changes that are essentially non-substantive, such as correcting a typographical error; changing the name, address, or phone number of any person identified in the permit; or noting the transfer of ownership or control of the facility. The change may be made immediately upon submittal of a written request. The District must take final action within 60 days after receiving the written request, and provide a copy of the revised permit to the U.S. EPA.

Minor Permit Modification The provisions for minor permit modification would allow changes to a federally-enforceable condition that are not a significant permit modification (see below) or an administrative permit amendment. For a minor permit modification proposal, the District must determine application completeness within 30 days of receipt. The District must

provide written notice of the completeness determination (including the application) and the proposed decision to the U.S. EPA (for 45-day review) and any affected state. The District must take final action within 90 days after receiving the application or 60 days after providing written notice to the U.S. EPA, whichever is later. The provisions do not [or do] include the optional "group processing" procedures allowed by Section 70.7(e)(3) of Part 70. The provisions may not be used for changing permit conditions that are for District-only or state requirements.

Significant Permit Modification The provisions for significant permit modification must be used for substantial changes to federally-enforceable conditions in the permit. The procedural requirements for significant permit modifications are the same as those for initial Title V permits and Title V permit renewals (e.g., public notification and U.S. EPA review). According to U.S. EPA criteria, substantial changes include a physical modification that is defined as major under Title I of the CAA; a case-by-case determination of a federally-enforceable emission standard or other requirement; a substantial change to monitoring methods; a change involving a condition to avoid an applicable federal requirement; and a change to relax a federal reporting or recordkeeping requirement. For a significant permit modification proposal, the District must determine application completeness within 60 days of receipt, and provide written notification and the complete application to the U.S. EPA and any affected state. In addition, the District must notify the public of the proposed decision, provide a 30-day period for public comment, and, if needed, hold a public hearing after 30-day notice for the hearing. The District must also provide the proposed permit to the U.S. EPA for 45-day review and take final action within 18 months of receiving a complete application. The District will give priority to applications for significant permit modifications involving preconstruction permits, and will attempt to take final action on these applications within a nine-month timeframe.

Modification of a Permit Condition That Is Not Federally-Enforceable The provisions for modification of a permit condition that is not federally-enforceable, such as state/District-only conditions, require that a written request be submitted to the District. When received, the District

must process the written request in accordance with the preexisting District-only permit to operate rule, Rule __. These changes will be processed in exactly the same manner as they are now, except that the District must also provide written notice to the U.S. EPA about the change when the permit is modified and issued.

This provision may be used to permit a new emissions unit at a Title V source if the new unit's operation will not affect any federally-enforceable permit condition for the existing units. In this case, the U.S. EPA requires that the new unit be handled "off-permit," that is left off the federally-enforceable part of the Title V permit until permit renewal. Such permit conditions will be included in the non-federally-enforceable part of the permit when the modification occurs.

C. Stationary Sources Subject to Title V

a. Major Sources

The District has identified (#) major sources subject to Title V. These sources are listed in Table II (Page 31).

b. Acid Rain and Solid Waste Incinerators

The power plant(s), cogeneration plant(s), and biomass plant(s) listed in Table II as major source(s) are also listed by the U.S. EPA as Phase II acid rain source(s) (??) subject to Title IV requirements. There is no (or (#)) solid waste incinerator(s) in the District subject to Title V requirements.

c. Other Sources That May Be Subject to Title V Requirements

[Option That District Is Sure There Are No Other Title V Sources]

At this time, no other source in the District is expected to be subject to Title V requirements. However, as the U.S. EPA promulgates new regulations to implement the CAA in the future, other sources will become Title V sources and will need to obtain Title V permits. As the need arises, the District's Title V program will have the flexibility to accommodate those other sources.

[Option That District Is Not Sure If Title V Program Includes All Title V Sources.
Agricultural production sources that may be major should be discussed.]

The District will review (category?) sources during the first, second, third? year of the transition period to determine whether these sources are Title V sources. In addition, as the U.S. EPA promulgates new regulations to implement the CAA in the future, other sources will become Title V sources and will need to obtain Title V permits. As the need arises, the District's Title V program will have the flexibility to accommodate those other sources.

[Note: The U.S. EPA has a guideline criteria for interim approval of Title V programs that requires coverage of at least 60% of the Title V sources and at least 80% of the Title V emissions.]

IV. Submittal of District Regulations Adopted/Revised and Supporting Documentation

District regulations adopted/revised and supporting documentation are included in Appendix B and are listed below.

A. Regulations

Rule XXX- Additional Procedures for Issuing Permits to Operate for Sources Subject to Title V of the Federal Clean Air Act Amendments of 1990

Rule __- (Title V Fee Requirements)

B. Supporting Documentation

[hearing notices, hearing resolution, etc.]

V. Documentation Additional to California/District Laws/Regulations

Documentation additional to California law and District regulations are included in Appendix B and are listed below.

Application Forms (including completeness criteria) (Appendix B-1)

Certification and Monitoring Reports (Forms XXX-J1 and J2)

(Appendix B-1)

VI. Adequacy of Personnel and Funding

The District plans to issue Title V permits to (#) sources during the first year, to (#) sources during the second year, and to (#) sources during the third year of the three-year transition period (see Section VII below). In the first year, approximately (#) person-hours (or (#) person-year) of District staff services will be needed to review permit applications, prepare draft permits, send out notices, respond to comments received including objections from the U.S. EPA,

and issue final permits. In the second year, approximately (#) person-hours (or (#) person-year) will be needed. In the third year, approximately (#) person-hours (or (#) person-year) will be needed. Therefore, approximately e.g. Sum \$ @ \$8,000 per stationary source will be needed during peak year(s) to fund staff salaries and overhead. This estimate is based on a staff salary and overhead rate of e.g. \$40 per hour. Overhead is calculated as e.g. 50 percent of staff salary.

Adequate funding is expected to be available to implement the District's Title V program. Table II (Page 31) shows that for fiscal year 199_-9_ the District charged permit fees amounting to (\$) per ton, prior to revising the fee rule. With the District's adoption of new fee requirements, Title V sources will pay a supplemental/surcharge/other fee so that the District will collect an additional (\$) per year (amounting to (\$) per ton overall). This will be sufficient to recover the (\$) needed for staff services and overhead for Title V permitting. Since the surcharge/supplemental/other fee is expected to be fairly consistent each year, there should be adequate funding for processing and issuing Title V permits and for other Title V related activities, such as enforcement and updating emissions inventories, throughout the transition period and beyond.

In the future, the District staff does not expect any substantial change in actual emissions from the Title V sources. Therefore, there should be enough margin of safety with the revised fee requirements to fund the District's Title V program on a continuing basis.

All dollar amounts discussed above are assumed to be 1993 dollars.

VII. Transition Plan and Program Costs/Funding For the First Four Years

[Option for Districts Basing Transition Plan on Number of Facilities]

During the first year of the transition period, the District plans to issue Title V permits to (#) Title V sources - (#, type) plants, (#, type) plants, and etc. plants. During the second year, the District plans to issue permits to (#) Title V sources - (#, type) plants, (#, type) plants, and etc. plants. During the third year, the District plans to issue permits to the (#) remaining Title V sources - (#, type) plants, (#, type) plants, and etc. plants. The District schedule will permit at least one-third of the Title V sources each year during the three-year transition period.

[Option for Districts Basing Transition Plan on Number of Permit Units]

The District plans to issue at least one-third of the Title V permits each year based on the number of permit units, not on the number of Title V sources. A permit unit is generally either an emission unit or emission control unit. During the first year of the transition period, the District plans to issue Title V permits to (#) Title V sources - (#, type) plants, (#, type) plants, and etc. plants. During the second year, the District plans to issue permits to (#) Title V sources - (#, type) plants, (#, type) plants, and etc. plants. During the third year, the District plans to issue permits to the (#) remaining Title V sources - (#, type) plants.

During the first four years, the District estimates that (\$) in surcharge/supplemental/other fees will be collected. The costs of preparing and issuing Title V permits to the (#) Title V sources is expected to total (\$) ((\$) in the first year, (\$) in the second year, and (\$) in the third year). As required by Title V, the portion of the supplemental/surcharge/other fees not used directly for Title V permitting will be used for activities that are indirectly related to Title V. Indirect activities may include, but are not limited to: enforcement; emissions and ambient air monitoring; development of rules and guidance; performing modeling studies, analyses, and

demonstrations; preparing emissions inventories; and tracking emissions. The District will maintain an accounting system to document the use of Title V fees.

Again, all dollar amounts discussed above are assumed to be 1993 dollars.

VIII. Compliance Tracking and Enforcement

[The following is an example. Each district needs to prepare a description of its own activities and any enforcement agreement with the U.S. EPA.]

The following describes how the District's activities meet the Title V requirements for compliance tracking and enforcement.

A. Stack Testing, Continuous Emissions Monitoring, and Inspections

The District requires periodic stack testing at certain stationary sources. Major sources must be stack tested at least once per year to demonstrate compliance. Non-major sources, those that emit more than (#) tons per year but less than (#) tons per year of specified pollutants, must be stack tested at least once every (#) years. Testing is conducted by either the District staff or by District approved contractors. More frequent testing may be required at a major source if persistent emission problems or complaints occur.

At some stationary sources the District requires the installation and operation of continuous emissions monitoring equipment to obtain data 24 hours a day. Requirements for continuous emissions monitoring are implemented through District rules.

The District also conducts frequent inspections of emissions-related equipment at stationary sources, including air pollution control equipment and continuous emissions monitoring equipment. Major sources are inspected (how often) . Non-major sources are inspected how often .

In its PSD delegation agreement with the District (copy included in Appendix B-__), the U.S. EPA has delegated primary responsibility for enforcement of PSD regulations to the District. If the District has District-only requirements that are more stringent than PSD requirements, the delegation agreement allows the District to implement the District requirement. The District submits emissions data to the U.S. EPA on a how often basis.

B. Enforcement and Legal Action

The District has an enforcement and legal action program that complies with Title V and ensures source compliance with District, state, and federal rules and regulations. The District issues Notices of Violation for violations of permit conditions, prohibitory rules, agricultural burning requirements, and source test requirements.

The District uses a mutual settlement process for handling violations that includes the issuance of a penalty letter and the opportunity for a source representative to request a meeting to discuss any extenuating circumstances. A penalty policy provides a recommended dollar amount for settling a violation. This penalty amount is included in all penalty letters as an offer for settling a violation. A citation process (similar to a traffic ticket process) augments the mutual settlement process. Using these processes, the District seeks corrective action at a source to avoid similar violations in the future.

Instead of using the mutual settlement and citation processes, the District may refer Notices of Violation to the District Attorney or County Counsel for settlement.

C. Compliance Tracking

The District provides compliance data in hard-copy form to the ARB, which is responsible for tracking the compliance actions of all districts in California. Using District data, the ARB prepares a summary of all variances and abatement orders and submits this information electronically (via the AIRS database) to the U.S. EPA-IX on a monthly basis. The summary includes variance numbers assigned by the District, the names and addresses of facilities, and final compliance dates.

The ARB also prepares summaries of other compliance data received from the District. The ARB updates major source listings, source data, continuous emissions monitoring data, and listings concerning demolition/renovation and the NESHAP for asbestos. The ARB submits summaries of these information electronically to the U.S. EPA-IX on a quarterly basis.

IX. Annual Submittal of Enforcement Action Summaries

The District commits to submit to the U.S. EPA annual reports describing the District enforcement activities for Title V sources. The reports will include the number of criminal and civil, judicial and administrative enforcement actions commenced and concluded; the penalties, fines, and sentences obtained in those actions; and the number of administrative orders issued.

X. Transmission of Information to U.S. EPA

[Option For Districts That Want To Use AIRS]

For the purposes of Title V, the District will provide, as practicable, electronic copies of all applications (or application summaries if acceptable), all proposed permits, and all final permits to the U.S. EPA in computer-readable format compatible with the U.S. EPA's national database management system, AIRS and its AFS subsystem for Title V.

[Option For Districts That Are Considering Using AIRS]

For the purposes of Title V, the District will provide copies of all applications (or application summaries if acceptable), all proposed permits, and all final permits to the U.S. EPA in hard-copy form. The District will use the U.S. Postal Service, express mail, facsimile machines, and other conventional delivery methods to send the copies to the U.S. EPA within the specified timeframes. At a later date, the District may consider the transmittal of the preceding information in computer-readable format compatible with the U.S. EPA's national database management system, AIRS and its AFS subsystem for Title V. The practicality of using the national system will depend on how the system is developed, the usefulness of the system to improve the overall effectiveness of the District program, and the extent of District effort needed to implement the national system.

[Option For Districts That Don't Plan to Use AIRS]

For the purposes of Title V, the District will provide copies of all applications (or application summaries if acceptable), all proposed permits, and all final permits to the U.S. EPA in hard-copy form. The District will use the U.S. Postal Service, express mail, facsimile machines, and other conventional delivery methods to send the copies to the U.S. EPA within the specified

timeframes.

Table I [optional]

_____ District Expenditures
Fiscal Year 19__-__

(list types of expenditure and \$ amounts)

Total Expenditures \$_____

Table II

Title V Sources

_____ District

Emissions(1) Facility	Number of Fees(2) SIC Code	Projected Current Fees(3) Units[4] (TPY)	Projected New Fees (\$/yr)	Projected Total Fees (\$/yr)	Permit

[No need to list facilities by name]

TOTAL (X Facilities)

- (1) Includes reactive organic gas, oxides of nitrogen, oxides of sulfur, and particulate matter (PM) emissions. Data from 19__ District emissions inventory [or from 19__ ARB emissions inventory].
- (2) Fiscal year 199_-9_.

(3) Projected supplemental/surcharge/other fees.

(4) [Include only if transition plan is based on the number of permit units.]

APPENDICES

Appendix A - Documents submitted separately by the Air Resources Board on November 15, 1993 for all districts in the State of California

- A-1 Legal Opinion From Daniel E. Lungren, Attorney General, State of California: "California's Authority to Implement Title V (Operating Permits) of the Clean Air Act," November 12, 1993.
- A-2 California Air Pollution Control Laws
- A-3 Description of California Air Toxics Program: "Program Update - Air Toxics #1," Air Resources Board, January 1986.
- A-4 Office of Emergency Services Authority for Accidental Release
- A-5 Department of Health Services Authority for Radionuclides
- A-6 Air Toxics "Hot Spot" Program Fee Regulation

Appendix B - Documents specific to the _____ District

- B-1 Application Forms
- B-2 [exemption rule]
- B-3 [existing fee rule]

B-4 Rule XXX - "Additional Procedures for Issuing Permits to Operate for Sources Subject to Title V of the Federal Clean Air Act Amendments of 1990"

B-5 [hearing notice for Rule XXX]

B-6 [hearing resolution for Rule XXX]

(Generic Title V Program 3-16-94)

Appendix A

Documents submitted separately by the Air Resources Board

on November 15, 1993 for all districts in the State of California

(Generic Title V Program 3-16-94)

Appendix B

Documents specific to the _____ District