

KERN COUNTY AIR POLLUTION CONTROL DISTRICT

RULE 210.1 - NEW AND MODIFIED STATIONARY SOURCE REVIEW

(Adopted: 3/19/74

Amended: 12/28/76, 4/25/78, 5/16/78, 1/9/79, 6/29/79, 9/12/79, 4/5/82, 4/25/83, 8/27/84, 9/16/85, 11/18/85, 6/16/86, 6/1/87, 7/11/88, 8/22/89, 8/21/90, 8/19/91, 6/8/92, 7/11/96, 5/6/99, 5/4/00)

Rule 210.1

New and Modified Stationary Source Review (NSR)

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Rule 210.1 New and Modified Stationary Source Review (NSR)

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I. Purposes and Applicability

- A. **Rule Purposes:** The purposes of this Rule are to:

1. Provide for preconstruction review of new and modified stationary sources of affected pollutants to insure emissions will not interfere with attainment of ambient air quality standards;
2. Insure appropriate new and modified sources of affected pollutants are constructed with Best Available Control Technology; and
3. Provide for no significant net increase in emissions from new and modified stationary sources for all non-attainment pollutants and their precursors.

B. **Applicability:** This Rule shall apply to all new stationary sources and all modifications to existing stationary sources subject to Rule 201 (Permits Required).

II. Definitions

- A. **Actual Emissions:** measured or estimated emissions most accurately representing emissions from an emissions unit.
- B. **Actual Emissions Reductions:** reductions of actual emissions from an emissions unit selected to provide emissions offsets or reductions to be banked. Actual emissions reductions shall be calculated pursuant to Subsection IV.C. and shall be real, enforceable, quantifiable, and permanent, and surplus:
- C. **Affected Pollutants:** air contaminants for which there are ambient air quality standards.
- D. **Ambient Air Quality Standards:** State and National Ambient Air Quality Standards. (For inclusion of this Rule in the State Implementation Plan, all references to ambient air quality standards shall be interpreted as National Ambient Air Quality Standards.)
- E. **Baseline Date:** December 28, 1976.
- F. **Baseline Period:**
 1. Three consecutive years of operation immediately prior to submission of the complete application;
 2. Another time period of at least three consecutive years within five years prior to submission of the complete application and determined by the Control Officer to be more representative of normal operation; or
 3. Shorter period of at least one year if the stationary source has not been in operation for three years provided this represents the full operating history of the stationary source. Emissions units which have operated for less than one year shall have no baseline period for determining actual emission reductions and emissions reductions credits shall be limited to any actual emissions reductions provided to obtain the emissions unit's Authority to Construct.

G. **Best Available Control Technology:** the most stringent emission limitation or control technique of the following:

1. That achieved in practice for such emissions unit and class of source;
2. That contained in any State Implementation Plan approved by U.S. EPA for such emissions unit category and class of source. A specific limitation or control technique shall not apply if the owner or operator of the proposed emissions unit demonstrates to satisfaction of the Control Officer such limitation or control technique is not currently achievable; or
3. Any other emission limitation, control device, alternate basic equipment, or different fuel or process found by the Control Officer to be technologically feasible for such class or category of source or for a specific source, and cost effective as determined by official District policy.

Best Available Control Technology shall not be determined to be less stringent than the emission control required by any applicable provision of local, state, or federal, law or regulation unless the applicant demonstrates to the Control Officer such limitations are not achievable. Application of Best Available Control Technology shall not result in the emission of any pollutant exceeding emissions allowed by any applicable New Source Performance Standard or National Emission Standard for Hazardous Air Pollutants.

H. **Cargo Carrier:** train dedicated to supplying raw materials, or conveying finished products for a specific stationary source.

I. **Complete Application:** application for Authority to Construct a new or modified emissions unit reviewed and found to conform to the List and Criteria (see Page L&C-1 of these Rules and Regulations) adopted by the District Board pursuant to Article 3, Sections 65940 through 65944 of Chapter 4.5 of Division 1 of Title 7 of the California Government Code, as that list exists on the date the application is received.

J. **Contiguous Property or Adjacent Property:** property consisting of two or more parcels of land with a common point or boundary, or separated solely by a public roadway or other public right-of-way.

K. **Daily Emissions Limitation:** one or a combination of permit conditions specific to an emissions unit restricting its maximum daily emissions, in pounds per day, at or below maximum design capacity emissions. A daily emissions limitation shall be:

1. Contained in the newest applicable Authority to Construct and contained in or enforceable by the newest Permit to Operate for the emissions unit;
2. Enforceable on a daily basis; and
3. Established pursuant to a permitting action subject to this Rule occurring after the Baseline Date and used in calculation of the NSR Balance or increases in potential

to emit.

- L. **Emissions Unit:** identifiable source 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.
- M. **Federally-Enforceable:** all limitations and conditions enforceable by the U.S. EPA Administrator, including those requirements developed pursuant to 40 CFR Parts 60 and 61, requirements within any applicable State Implementation Plan, any permit requirements established pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Part 51, Subpart I, including operating permits issued under an U.S EPA-approved program incorporated into the State Implementation Plan which expressly require adherence to any permit issued under such program.
- N. **Fugitive Emission:** emission which could not reasonably pass through a stack, chimney, vent, or other functionally-identical opening.
- O. **Functionally-Identical Replacement:** routine maintenance, repair, replacement or modification of an emissions unit where:
 - 1. The replacement unit performs an identical function as the unit being replaced;
 - 2. Maximum rating of the replacement unit is not greater than the unit replaced;
 - 3. Potential to emit of the replacement unit will not be greater than the replaced emissions unit when both are operated at the same permit conditions; and
 - 4. The replacement unit has the same or greater degree of control for each pollutant as the unit being replaced.
- P. **Historical Potential To Emit:** emissions based on potential to emit of an emissions unit prior to modification. In determining historic potential to emit, emissions limitations shall be treated as part of an emissions unit's design only if such limitations are representative of normal operations or if emission offsets were provided from a previous permitting action. For purposes of the above determination, "normal operations" is defined as the usual or typical operation of an emissions unit resulting in actual emissions which are at least 80% of specific limits contained in the emissions unit's Authority to Construct or Permit to Operate. If there are no such enforceable limiting conditions, an emissions unit's potential to emit shall be the unit's historical actual emissions. For a new emissions unit, there are no historical potential emissions.
- Q. **Identical Replacement:** total or partial replacement of an emissions unit where the replacement unit is the same as the original emissions unit in all respects except for serial number.
- R. **Major Modification:** modification of a major stationary source resulting in an increase in potential emissions of more than 100 tons per year of CO, 40 tons per year of SO_x (as SO₂), 25 tons per year of NO_x, 25 tons per year of volatile organic compounds, or 15 tons

per year of PM10, when aggregated with all other creditable decreases and increases in emissions from the stationary source during the last 5 consecutive calendar years, including the calendar year the modification occurred.

S. **Major Stationary Source:** stationary source with potential to emit 50 tons or more per year of any affected pollutant.

T. **Modification:**

1. A modification shall include the following:

- a. Construction/installation of a new emissions unit;
- b. Any change in hours of operation, change in production rate, or change in method of operation of an existing emissions unit necessitating a change in permit conditions;
- c. Any physical change, or addition to an existing emissions unit. Routine maintenance or repair shall not be considered a physical change; or
- d. An increase in emissions from an emissions unit caused by modification of stationary source when the emissions unit is not subject to a daily emissions limitation.

2. Unless previously limited by a permit condition, the following shall not be considered modifications and shall not be subject to provisions of this Rule:

- a. Construction of an identical replacement, or at a non-major stationary source, a functionally-identical replacement provided the Control Officer determines there is no increase in maximum rating, and potential to emit any affected pollutant will not be greater from the new emissions unit than from the replaced emissions unit. An exemption for a functionally identical replacement shall be requested and obtained in writing;
- b. Change of ownership of an existing emissions unit with a valid Permit to Operate; and
- c. Transfer of location of an emissions unit with a valid Permit to Operate and within a stationary source.

3. A reconstructed stationary source shall be considered a new stationary source, not a modification.

U. **Nonattainment Pollutant:** any pollutant for which an ambient air quality standard was exceeded within the District more than three discontinuous times (or, for annual standards, more than one time) within the three years immediately preceding the date an application for the Authority to Construct is filed, or which has been designated "nonattainment" pursuant to final rule-making by the U.S. EPA (and published in the Federal Register), or which has been designated nonattainment by the California Air Resources Board pursuant

to Section 39607 of the California Health and Safety Code. Any pollutant which is a precursor to a nonattainment pollutant shall be considered a nonattainment pollutant.

- V. **Potential to Emit:** maximum capacity of an emissions unit to emit a pollutant under its physical and operational design limitations. Any physical or operational limitation on the capacity of the source 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 emissions is incorporated into the applicable permit as an enforceable permit condition. Potential to emit shall include directly-emitted fugitive emissions.
- W. **PM10:** particulate matter with an aerodynamic diameter smaller than or equal to a nominal 10 microns as measured by an applicable reference test method (or methods) found in Article 2, Subchapter 6, Title 17, California Code of Regulations (commencing with Section 94100).
- X. **Precursor:** directly emitted air contaminant that, when in the atmosphere, forms, causes to be formed, or contributes to formation of a secondary air contaminant for which an ambient air quality standard exists, or whose presence in the atmosphere will contribute to exceedance of one or more ambient air quality standards.

The following precursor-secondary air contaminant relationships shall be used for purposes of this Rule:

Precursor	Secondary Air Contaminant
Volatile Organic Compounds (VOC's)	a. Ozone b. Organic fraction of PM10
Nitrogen Oxides (NOx)	a. Nitrogen dioxide b. Ozone c. Nitrate fraction of PM10
Sulfur Oxides (SOx)	a. Sulfur dioxide b. Sulfates c. Sulfate fraction of PM10

- Y. **Reconstructed Source:** any stationary source undergoing reconstruction if fixed capital cost of the new components exceeds 50 percent of fixed capital cost of a comparable, entirely new stationary source. Fixed capital cost is capital needed to provide all depreciable components. A reconstructed stationary source shall be considered a new stationary source, not a modification.
- Z. **Seasonal Source:** any stationary source having more than 90 percent of its annual emissions occurring within a consecutive 120-day period.
- AA. **Secondary Emissions:** emissions resulting from construction or operation of a major

stationary source or major modification, but not emitted by the major stationary source, or major modification itself. For purposes of this Rule, secondary emissions must be specific, well defined, quantifiable, and impact the same general area as the major stationary source or major modification causing the secondary emissions. Secondary emissions include emissions from any offsite support facility which would not otherwise be constructed or increase its emissions as a result of construction or operation of the major stationary source or major modification. Exhaust emissions from vehicles registered for use on highways shall not be considered secondary emissions.

- AB. **Stationary Source:** any structure, building, facility, or installation which emits or may emit any affected pollutant directly, or as a fugitive emission. "Structure, building, facility or installation" includes all pollutant emitting activities, including emissions units:
1. Located on one or more contiguous or adjacent properties;
 2. Under the same or common ownership or entitlement to use, or owned or operated by entities under common control; and
 3. Belonging to the same industry either by being within the same two-digit Standard Industrial Classification Code; or
 4. By being part of a common industrial process, manufacturing process, or connected process involving a common raw material.
- AC. **Temporary Replacement Emissions Unit (TREU):** emissions unit on site for less than six months and replacing an existing emissions unit shut down for maintenance or repair. Emissions from a TREU cannot exceed emissions from the existing emissions unit. An emissions unit not removed within 180 days is not a TREU.
- AD. **Volatile Organic Compound (VOC):** any compound containing at least one atom of carbon except for exempt compounds listed in Rule 102, Subsection L.

III. Requirements

A. **Best Available Control Technology:**

1. An applicant shall provide Best Available Control Technology for all affected pollutants expected to be emitted from a new emissions unit and for all affected pollutants expected to increase from a modified existing emissions unit.
2. Exemptions:

BACT shall not be required for:

- a. A new emissions unit or modification of an existing emissions unit for carbon monoxide in attainment areas (compliance with applicable PSD requirements is necessary);

- b. A cargo carrier;
- c. A new emissions unit or modification of an existing emissions unit if such installation or modification is solely for the purpose of effecting compliance with District, state, or federal air pollution control laws, regulations, or orders, as approved by the Control Officer, provided there is no increase in potential to emit. This exemption only applies to the affected pollutant regulated by the applicable prohibitory rule, unless the prohibitory rule specifically exempts emissions of other affected pollutants from Rule 210.1 requirements;
- d. A new emissions unit or modification of an existing emissions unit resulting in a voluntary reduction in emissions for the sole purpose of generating emission reduction credits. This exemption applies only to the pollutant qualifying for emission reduction credits;
- e. Temporary replacement emissions units;
- f. Modifications solely consisting of administrative changes to the permit, including changes to continuous emissions monitoring components, instruments, or replacement of components of an emission unit which have no effect on the quantity of affected pollutants emitted from an emission unit; and
- g. Portable internal combustion engines used by the Department of Defense or National Guard exclusively for military tactical support or other federal emergency purposes.

B. Offsets:

1. An applicant shall provide offsets as set forth in Subsections III.B.3., III.B.4., III.B.5., and III.B.6.
2. Exemptions:

Offsets shall not be required for:

- a. Emergency equipment not operated more than 200 hours per year (excluding routine maintenance/service startups), as approved by the Control Officer. To qualify for exemption, an emergency electrical generator cannot be operated as part of any utility voluntary reduction program. A source with equipment exempted by this provision shall log hours of operation monthly and submit yearly hours of operation demonstrating qualification for continued exemption prior to permit renewal;
- b. Relocation of an emissions unit with a valid Permit to Operate, not operated more than 45 days at any one location in the District within a 12-month period, and not used as a replacement of a emissions unit operated more than 45 days at any one stationary source within a 12 month period. The owner or operator of equipment exempted by this provision shall maintain records of

dates of operation at each stationary source to demonstrate qualification for continued exemption;

- c. Transfer of location within the District of an existing stationary source with valid Permits to Operate to a new location provided the:
 1. transferred equipment would not constitute an addition to an existing stationary source;
 2. no change in offset ratio would occur if the source previously required offsets;
 3. the permitted emission of any affected pollutant will not be greater at the new location; and
 4. there will be no adverse public health impact created.
 - d. Installation of a new emissions unit or modification of an existing emissions unit if such installation or modification is solely for the purpose of effecting compliance with District, state, or federal air pollution control laws, regulations, or orders, as approved by the Control Officer, provided there is no increase in potential to emit. This exemption applies only to the affected pollutant regulated by the applicable prohibitory rule unless the prohibitory rule specifically exempts emissions of other affected pollutants from Rule 210.1 requirements;
 - e. Modifications solely consisting of administrative changes to a permit, including changes to continuous emissions monitoring components, instruments, or replacement of components of an emission unit having no effect on the quantity of pollutants emitted;
 - f. Notwithstanding provisions of Subsection III.B.2., the Control Officer shall not grant exemption from offsets for any emissions increases interfering with implementation of the latest adopted Air Quality Attainment Plan.
3. For PM₁₀, SO_x, NO_x, and VOC in U.S. EPA and/or CARB designated PM₁₀, SO_x, NO_x, or Ozone nonattainment areas:
 - a. A new or modified stationary source of PM₁₀ or SO_x shall provide offsets for the NSR balance when the NSR balance, calculated pursuant to Subsection IV.D., equals or exceeds the following offset trigger levels; and a new or modified stationary source of NO_x and VOC shall provide offsets for the source's potential to emit when the source's potential to emit, calculated pursuant to Subsection IV.E., equals or exceeds the following offset trigger levels:

PM ₁₀	15 tons/yr
SO _x (as SO ₂)	27 tons/yr
VOC	25 tons/yr
NO _x (as NO ₂)	25 tons/yr

After a stationary sources NSR balance and/or stationary source potential to emit equals or exceeds these trigger levels and offsets have been provided fully offsetting the NSR balance or the stationary source potential to emit, any additional future increase shall be offset.

- b. PM10 emissions from a stationary source in existence before August 22, 1989, shall be recalculated from total suspended particulate emissions increases and decreases occurring since the baseline date using appropriate PM10 emission factors. If appropriate factors do not exist, PM10 shall be assumed to be 50% by weight of total suspended particulate matter.

4. *Quantity of Offsets:*

- a. A new or modified stationary source subject to offset requirements shall provide actual emission reductions, calculated on an annual basis, and multiplied by the appropriate offset ratio. All emissions associated with cargo carriers and secondary emissions shall also be offset when offset trigger levels set forth in Subsection III.B.3. are equaled or exceeded (not including cargo carrier or secondary emissions). The quantity of offsets shall be established on an annual basis using Subsection IV.F.
- b. All banked emission reductions used to provide offsets, except out-of-district offsets, shall have been accounted for in the District's most recent air quality attainment plan emission inventory.

- 5. *Offset Ratios:* A new or modified stationary source subject to offset requirements of Subsection III.B.3. shall provide offsets by providing actual emission reductions in accordance with the following ratios:

Location of Emission Offset	Emission Offset Ratio
From mobile sources within District	1.0 to 1.0
Within Mojave Desert Air Basin	1.2 to 1.0
From another air basin	That necessary to provide "Reasonable Further Progress," but not less than 1.2 to 1.0

Note: If interpollutant offsets are utilized, appropriate additional ratios apply.

- 6. *Offsets Criteria:* Offsets provided to satisfy this Rule shall meet the following

criteria:

- a. Source shutdowns, or permanent curtailments in production or operating of a source can be used as offsets for emissions from a new or modified source, provided the associated Emissions Reduction Credit (ERC) (or the emissions from which the ERC is derived) has been accounted for in the appropriate U.S. EPA-approved Attainment Plan.
- b. Offsets located in another district may be used only if the Control Officer has reviewed the banking certificate(s) and associated permit(s) and has verified these documents meet requirements of this Rule and Section 40709.6 of the California Health and Safety Code.
- c. Interpollutant offsets may be approved by the Control Officer with written CARB and U.S. EPA concurrence on a case-by-case basis provided the applicant demonstrates, with appropriate modeling in accordance with provisions of Subsection III.C.3., emissions increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard. Compounds exempted by Rule 102 (Definitions), Subsection L shall not be used as offsets for volatile organic compounds. Interpollutant offsets between PM10 and PM10 precursors may be allowed. PM10 shall not be allowed to offset nitrogen oxide or volatile organic compound emissions.
- d. Offsets for new or modified seasonal sources shall be provided as for nonseasonal sources. Offsets for seasonal sources shall occur during corresponding periods of source operation.

C. Additional Requirements:

1. *Alternative siting:* For sources requiring an analysis of alternative sites, sizes, and production processes and environmental control techniques, pursuant to Section 173 of the Federal Clean Air Act, the applicant shall prepare an analysis functionally equivalent to requirements of Division 13, Section 21000 et. seq. of the Public Resources Code.
2. Any new major source or major modification shall be subject to review of its impact on visibility in any mandatory Class I area in accordance with 40 CFR 51.307(b)(2).
3. *Modeling:*
 - a. Emissions from a new or modified stationary source shall not make worse an exceedance of an ambient air quality standard. In making this determination the Control Officer shall take into account increases in cargo carrier and secondary emissions and offsets provided pursuant to this Rule. Modeling used for purposes of this Rule shall be consistent with requirements of the most recent edition of U.S. EPA's "Guideline on Air Quality Models" unless the Control Officer finds such models are inappropriate for use. After making such finding, the Control Officer may designate an alternative model only after public comment and written concurrence of CARB, and U.S. EPA.

- b. A new or modified stationary source shall be exempt from provisions of Subsection a., above, provided:
 1. offsets have been provided for all increases in potential to emit, including fugitive, cargo carrier, and secondary emissions; or
 2. the emissions unit is not subject to noticing requirements of Subsection V.A.3.
4. *Compliance Certification*: The owner or operator of a proposed new major source or major modification shall certify in writing all major stationary sources owned or operated by such person (or by any entity controlling, controlled by, or under common control with such person) in California, and subject to emission limitations, are in compliance, or on a schedule for compliance, with all applicable emission limitations and standards.

IV. Emissions Calculations

A. **Terms**: The following terms are used in this subsection and are defined as follows:

HAE = *Historical Actual Emissions*. Historical actual emissions are emissions having actually occurred based on source tests, calculated using actual fuel consumption or process weight, recognized emissions factors, or other data approved by the Control Officer and most accurately representing emissions during the baseline period. Historical Actual Emissions shall be discounted for any emissions reduction which is:

1. required or encumbered by any law, rule, regulation, agreement, or order;
2. attributed to a rule noticed for workshop, or proposed (or contained) in the state implementation plan; or
3. attributed to a control measure appearing in an adopted District Air Quality Attainment Plan.

Emissions reductions disallowed by items 2 and 3, above, may be re-eligible as actual emissions reductions if:

1. for rules not identified as control measures in a District Air Quality Attainment Plan or State Implementation Plan, no rule has been adopted within two years from the date of the last public workshop notice; or
2. for control measures identified in a District Air Quality Attainment Plan or State Implementation Plan, no rule has been adopted within two years from the scheduled adoption date, provided the Control Officer has not extended the scheduled adoption date.

PEPM = Potential to Emit for an emissions unit Prior to Modification.

PE = *Potential to Emit* for a new or modified emissions unit.

- CE = *Control Efficiency of air pollution control technology*. Any control efficiency requirement shall be incorporated in the Authority to Construct and Permit to Operate by means of federally-enforceable condition(s). Reductions due to lowering of throughput rates or operating hours shall not be considered in determining control efficiency. For the same emissions unit, CE used in Subsection IV.B. shall also be used in Subsection IV.C.
- AER = *Actual Emissions Reduction*. An actual emissions reduction may be used to offset contemporaneous onsite increases in potential to emit, or banked pursuant to Rule 210.3 for future onsite, or offsite offsets.
- IPE = *Increase in potential to emit*. An increase in potential to emit of a nonattainment air contaminant (or precursor) subject to Subsection III.B.3. shall be offset by actual emissions reductions.
- HPE = *Historical Potential to Emit*.
- DEL = *Daily Emissions Limitation* (defined in Subsection II.K.)
- SSPE = *Stationary Source Potential to Emit*.

B. Calculating Increases in Potential to Emit: Increases in potential to emit are always "positive"; any "increase" which is negative shall be set to zero.

1. Functionally-Identical Replacement:

$$\text{IPE} = \text{PE (for replacement unit)} - \text{HPE (for unit being replaced)};$$

2. New Emissions Unit:

$$\text{IPE} = \text{PE (for new unit)};$$

3. Modification of an existing emissions unit:

$$\text{IPE} = \text{PE (for modified unit)} - \text{HPE (for unit prior to modification)}.$$

C. Calculating Actual Emission Reductions: Actual emissions reductions are always positive, any "reduction" which is negative shall be set to zero.

1. Reduction in operating hours and/or throughput rates:

$$\text{AER} = (\text{HAE} - \text{PE});$$

2. Shutdown of an emissions unit:

$$\text{AER} = \text{HAE (for the unit prior to shutdown)};$$

3. Installation of control device, implementation of more efficient process or material, or use of lower emitting fuel:

$$\text{AER} = \text{HAE} [(1-\text{CEBEFORE})-(1-\text{CEAFTER})].$$

Actual emission reductions calculated pursuant to Subsections IV.C. can be used to

offset onsite increases in potential to emit (IPE), banked for future onsite offsets, or transferred to other entities, pursuant to the requirements of this Rule and the District's Banking Rule, Rule 210.3. Onsite actual emissions reductions used to offset contemporaneous onsite increases in potential to emit (IPE) are not required to obtain emission reduction credit banking certificates, but must satisfy requirements of Rule 210.3.

- D. Calculating New Source Review Balances (NSRB's) for PM10 and SOx:** Stationary source NSR Balances shall be calculated separately for each pollutant. A stationary source's NSR Balance cannot be greater than the stationary source's potential to emit, including any banked emission credits or less than zero. NSR Balances shall be calculated as follows:
1. Effective August 19, 1991 the Control Officer shall set an NSR balance equal to the stationary source cumulative net emissions change for all applications deemed complete after the baseline date and prior to August 19, 1991. Emissions changes (increases and decreases) shall be those quantified by KCAPCD for each affected Authority to Construct or application. If the existing cumulative net emissions change is less than zero, the NSR balance shall be set to zero; historic actual emission reductions may be bankable subject to requirements of Rule 210.3. For emission units added, modified, or shutdown after August 19, 1991, adjustments made to an NSR balance shall be made pursuant to Subsections IV.D.2. and IV.D.3 of this Rule.
 2. Each stationary source PM10 and SOx NSR Balance shall be the sum of:
 - a. Positive cumulative net emissions changes as of August 19, 1991;
 - b. Potential to emit for all emissions units with applications deemed complete after August 19, 1991, as authorized by the latest Permit to Operate, or based on a valid Authority to Construct. If more than one valid Authority to Construct exists for the same emissions unit, the Permit to Operate or Authority to Construct with highest potential to emit shall be used;
 - c. All increases in potential to emit authorized by valid or implemented Authorities to Construct for emissions units in existence prior to August 19, 1991 and modified after August 19, 1991;
 - d. Banked emissions to the extent these reductions have been included in the NSR Balance pursuant to Subsection IV.D.3.a.; and
 - e. Potential to emit for cargo carriers and secondary source operation associated with major sources or major modifications if the NSR Balance equals or exceeds an offset trigger level set forth in Subsection III.B.3.
 3. The following shall be subtracted when determining a stationary source NSR Balance:
 - a. Actual emission reductions authorized by implemented Authorities to

Construct for source operations in existence prior to August 19, 1991 and modified or shutdown after August 19, 1991, but only if the stationary source was originally charged with a positive emission change pursuant to IV.D.2.c.;

- b. Banked emission reduction credits, representing onsite emission reductions from the stationary source, voluntarily surrendered to the District;
- c. Potential to emit for emissions units included in the NSR balance for each expired or canceled Authority to Construct or Permit to Operate, provided emissions reduction credits have not been obtained pursuant to Rule 210.3;
- d. Actual emission reductions represented by Authority to Construct provided historical actual emission reduction credits have not been obtained pursuant to Rule 210.3; and
- e. Potential to emit for each valid Authority to Construct or Permit to Operate for source operations exempt from offsets by Subsection III.B.2. to the extent these were included in NSR Balance in Section IV.D.2.

E. Calculating Stationary Source Potentials to Emit (SSPE's) for NO_x and VOC:

1. Each stationary source NO_x and VOC potential to emit shall be the sum of the following:
 - a. Potential to emit for all source operations based upon current Permits to Operate and Authorities to Construct. If specific conditions contained in an Authority to Construct or the Permit to Operate restrict emissions, these limitations shall be used to calculate potential to emit.
 - b. Increases in potential to emit authorized by valid Authorities to Construct for the stationary source in effect on June 8, 1992 and issued since;
 - c. Banked emission reduction credits for actual emission reductions which have occurred at the source; and
 - d. Cargo carrier and secondary source emissions associated with major sources or major modifications, if the stationary source potential to emit exceeds a trigger level set forth in Subsection III.B.3.
2. The following shall be subtracted when determining a stationary source potential to emit:
 - a. Potential to emit for each expired or canceled Authority to Construct or Permit to Operate, provided emission reduction credits have not been applied for pursuant to Rule 210.3;
 - b. Actual emission reductions provided emission reduction credits have not been

obtained pursuant to Rule 210.3;

- c. Banked emission reduction credits, representing onsite emission reductions from the stationary source voluntarily surrendered to the District; and
- d. Potential to emit for each valid Authority to Construct or Permit to Operate for source operations exempt from offsets by Subsection III.B.2.

F. **Calculating Offset Requirements:** When offsets are triggered pursuant to Subsection III.B.3., the quantity of offsets shall be determined as follows:

- 1. If the NSR balance or the stationary source potential to emit equals or exceeds an offset trigger level in Section III.B.3.,

for PM10 or SOx:

$$\text{Offset} = \text{NSR Balance} \times \text{Offset Ratio};$$

for NOx or VOC:

$$\text{Offset} = \text{SSPE} \times \text{Offset Ratio}.$$

- 2. If the stationary source equals or exceeds a trigger level due to a KCAPCD rule change, e.g. loss of permit exemption or change in offset trigger level,

for PM10 or SOx:

$$\text{Offset} = [\text{NSR Balance (post project)} - \text{NSR Balance (immediately prior to rule change)}] \times \text{Offset Ratio};$$

for NOx or VOC lesser of:

- a. IPE x Offset Ratio, or
- b. (SSPE - Offset Trigger Level) x Offset Ratio

- 3. If the stationary source has previously offset the entire NSR balance or stationary source potential to emit,

for PM10, SOx, NOx, or VOC:

$$\text{Offset} = \text{Increase in Permitted Emissions} \times \text{Offset Ratio}.$$

V. Administrative Requirements

- A. **New and Modified Emissions Units:** Administrative requirements of this section shall apply to all applications for new or modified emissions units except for power plant applications of over 50 megawatts. For such power plants the administrative requirements

of Subsection V.B. shall apply.

1. *Complete Application:* The Control Officer shall determine whether an application is complete not later than 30 days after receipt. If the Control Officer determines the application is not complete, the applicant shall receive written notification of this decision and a request for the information required. Upon receipt of additional information, a new 30-day period shall begin. Completeness of an application shall be determined on the basis of the District's "List and Criteria" (see Page L&C-1) in effect on the date the application or additional information is received. Upon determination the application is complete, the Control Officer shall notify the applicant in writing. The Control Officer may, during application processing, request an applicant to clarify, amplify, correct, or otherwise supplement information submitted in the application.
2. *Preliminary Decision:* Following acceptance of an application as complete, the Control Officer shall perform the analysis necessary to determine compliance with this Rule and make a preliminary written decision to approve (or deny) the Authority to Construct. The Control Officer shall deny any application for Authority to Construct if the Control Officer finds the proposal will not comply with standards set forth in this Rule or any other District Rule. The decision shall be supported by a succinct, written analysis.
3. *Notification and Publication of Preliminary Decision to Approve:*
 - a. Requirements of the following Subsections (V.A.3.b. through V.A.3.d.) do not apply unless:
 1. the application represents an emission increase resulting in a stationary source NSR balance stationary source potential to emit exceeding offset trigger levels of Subsection III.B.3.; and
 2. emissions offsets from a different stationary source will be provided.
 - b. Within 10 calendar days following a preliminary decision to approve, the Control Officer shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision of the Control Officer, noting how pertinent information can be obtained, and inviting written public comment for a 30-day period following date of publication.
 - c. The Control Officer shall transmit to the applicant his preliminary written decision to approve and a copy of the notice submitted for publication, no later than date of publication.
 - d. The Control Officer shall transmit to the California Air Resources Board and the U.S. EPA, and to any person requesting such information, his preliminary written decision, analysis, and a copy of the notice submitted for publication, no later than date of publication.
4. *Public Inspection of Preliminary Decision Documents:* No later than the publication

date of the notice of preliminary decision, the Control Officer shall make available for public inspection at the District Office information submitted by the applicant, and the Control Officer's analysis. Trade secrets shall be processed in accordance with Rule 103 of these Rules and Regulations, Section 6254.7 of the Government Code, and relevant sections of the California Administrative Code.

5. *Final Action:* Within 180 days after acceptance of an application as complete, or within 180 days after the lead agency has approved the project under the California Environmental Quality Act, whichever occurs later, the Control Officer shall take final action on the application after considering all written comments.
6. *Notification and Publication of Final Action:* The Control Officer shall provide written notice of the final action to the applicant, U.S.EPA, and the California Air Resources Board, and shall publish such notice in a newspaper of general circulation in the District. An application not subject to the Notification and Publication of Preliminary Decision requirements shall not be subject to Notification and Publication of Final Action requirements of this section. In such case the applicant shall receive notification as provided in Rule 206.
7. *Public Inspection of Final Action Documents:* No later than the publication date of the notice of final action the Control Officer shall make available for public inspection at the District office a copy of the notice submitted for publication and all supporting documents. Information submitted containing trade secrets shall be processed in accordance with Rule 103, Section 6254.7 of the Government Code, and relevant sections of the California Administrative Code.
8. *Public Notice, Schools:* Prior to approving any application for an Authority to Construct a new or modified source expected to emit any substance on the list required to be prepared pursuant to Section 44321 of the California Health and Safety code and located within 1000 feet of the outer boundary of a school, the Control Officer shall:
 - a. Prepare a public notice fully describing the proposed new or modified source and proposed emissions, and
 - b. Distribute such notice at the expense of the applicant to parents of children attending any school within one-quarter mile of the source and to each address within a radius of 1000 feet of the proposed new or modified source at least 30 days prior to the date final action on the application is to be taken by the Control Officer. The Control Officer shall review and consider all comments received during the 30 days after the notice is distributed, and shall include written responses to such comments in the permit application file prior to approving the application.
9. *Authority to Construct - General Conditions:*
 - a. An Authority to Construct shall not be issued unless the new or modified source complies with provisions of this Rule and all other applicable District

Rules and Regulations;

- b. An Authority to Construct shall require the new or modified source to be built according to specifications and plans contained in the application;
- c. An Authority to Construct shall include all federally-enforceable conditions necessary to assure construction and operation in the manner assumed in the District's analysis to determine compliance with this Rule; and
- d. An Authority to Construct shall include all federally-enforceable conditions necessary to insure fulfillment of offset requirements.

10. *Permit to Operate - General Conditions:*

- a. A Permit to Operate shall require the new source or modification to be operated in the manner assumed in the District's analysis to determine compliance with this Rule and as conditioned in the Authority to Construct;
- b. A Permit to Operate shall include daily emissions limitation(s), annual emission limits, and other federally-enforceable conditions reflecting applicable emission limits, including offset requirements;
- c. The Control Officer shall verify all conditions specified in the Authority to Construct have been satisfied prior to issuance of the Permit to Operate; and
- d. A Permit to Operate shall conform to applicable requirements of Title V of the 1990 Federal Clean Air Act Amendments.

11. *Permit to Operate - Offset Conditions:*

- a. As a condition for issuance of a Permit to Operate, any source providing offsets shall be subject to federally-enforceable permit conditions containing specific operational and emissions limitations, ensuring emissions reductions will be provided in accordance with provisions of this Rule and will continue for the reasonably expected life of the proposed source. Where the Control Officer is prohibited from issuing a Permit to Operate to the source of offsets, a written contract shall be required between the applicant and the owner or operator of such source, which contract, by its terms, shall be enforceable by the Control Officer. The permit and contract shall be submitted to the California Air Resources Board to be forwarded to the U.S. EPA as part of the State Implementation Plan. A violation of the emission limitation provisions of any such contract shall be grounds for permit revocation.
- b. Offsets required as a condition of an Authority to Construct or a Permit to Operate shall commence not later than the date of initial operation of the new or modified source.

B. Electrical Power Plants Over 50 Megawatts All power plants over 50 megawatts

proposed to be constructed in the District, and for which a Notice of Intention of Application for Certification has been accepted by the California Energy Commission (CEC), shall comply with applicable state law, this Rule, and CEC regulations.