BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

December 15, 2004

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 1:30 p.m. in the 7th floor Board room at the Air District headquarters, 939 Ellis Street, San Francisco, California.

Questions About an Agenda Item	The name, telephone number and e-mail of the appropriate staff person to contact for additional information or to resolve concerns is listed for each agenda item.
Meeting Procedures	The public meeting of the Air District Board of Directors begins at 1:30 p.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order. After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

BOARD OF DIRECTORS' REGULAR MEETING
A G E N D A

WEDNESDAY **BOARD ROOM**
DECEMBER 15, 2004 **7TH FLOOR**

1:30 P.M.

CALL TO ORDER

Opening Comments — Scott Haggerty, Chairperson
Roll Call — Clerk of the Boards
Pledge of Allegiance

PUBLIC COMMENT PERIOD

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 *Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*

COMMENDATION/PROCLAMATIONS

The Board of Directors will recognize employees who have completed the milestone levels of (25) twenty-five, thirty (30), thirty-five (35) and forty (40) years of service to the District.

CONSENT CALENDAR (ITEMS 1 – 6) **Staff/Phone (415) 749-**

1. Minutes of October 20, 2004 — **M. Romaidis/4965** mromaidis@baaqmd.gov

2. Communications — **J. Broadbent/5052** jbroadbent@baaqmd.gov

   Information only

3. Report of the Advisory Council — **E. Blake/4962** eblake@igc.org

4. Monthly Activity Report — **P. Hess/4971** phess@baaqmd.gov

   Report of Division Activities for the months of October and November, 2004

5. 2005 Regulatory Calendar — **J. Roggenkamp/4646** jroggenkamp@baaqmd.gov

   Section 40923 of the California Health and Safety Code requires Districts to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. The list of regulatory measures that may be considered during 2004 is included in the packet.

6. Report of District Personnel on Out of State Business Travel **W. Tanaka/5066**
wtanaka@baaqmd.gov

COMMITTEE REPORTS AND RECOMMENDATIONS

7. Report of the **Executive Committee** Meeting of November 29, 2004

CHAIR: S. HAGGERTY **J. Broadbent/5052**
jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Director approval of the following items:

A) Approve reappointment of (9) nine Advisory Council members to serve an additional two-year term of office on the Council, effective January 1, 2005 and ending December 31, 2006.

B) Appoint of Cassandra Adams to the vacant "Architect" category on the Advisory Council to serve a two-year term of office, effective January 1, 2005 and ending December 31, 2006; and

8. Report of the **Mobile Source Committee** Meeting of December 6, 2004

CHAIR: S. YOUNG **J. Broadbent/5052**
jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Director approval of the following items:

A) Additional fiscal year 2004-2005 Transportation Fund for Clean Air (TFCA) Regional Fund grant awards to three airport shuttle projects; and

B) Approval of the expenditure plan for the $2 increase in the motor vehicle registration fee surcharge within the Bay Area Air Quality Management District.

PUBLIC HEARING

9. Public Hearing to Consider Amendments to District Regulation 2: Permits, Rule 1: General Requirements, Rule 2: New Source Review, and Rule 4: Emissions Banking; and Approval of a Notice of Exemption pursuant to the California Environmental Quality Act
B. Bateman/4653
bbateman@baaqmd.gov

The primary purpose of these amendments is to conform to changes in State regulations that lower the emissions threshold at which facilities must offset emission increases from new and modified sources. A number of other miscellaneous amendments to permit requirements have also been proposed.

OTHER BUSINESS

10. Report of the Executive Officer/APCO

11. Chairperson's Report: *Announcement of Appointments to the Joint Policy Committee*

CLOSED SESSION

12. Conference with Legal Counsel

Existing Litigation:

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following cases:

A) Oakland Color Service a sole proprietorship of Duane Sitter v. Bay Area Air Quality Management District, Damian Breen, Jorge Franco and Ellen Garvey, et al.*, California Court of Appeals, First Appellate District, Case No. A102209, (on Appeal from Summary Judgment in Alameda County Superior Court, Case No. 836676-0*

B) Bay Area AQMD v. Oakland Color Service*, Alameda County Superior Court, Case No. 2002-070791*

C) New United Motor Manufacturing Inc. v. Bay Area AQMD, et al*., Alameda County Superior Court, Case No. RGO 04-140445*

D) ***Communities for a Better Environment v. Bay Area AQMD, et al. (Mirant Potrero LLC, Real Parties in Interest)****, San Francisco Superior Court, Case No. CPF-04-503883*

E) ***Stonelight Tile, Inc., et al. v. Bay Area AQMD, et al.,*** *United States District Court, Case No. CV 98-21060 (JW)*

OPEN SESSION

13. Board Members' Comments

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

14. Place of Next Meeting - 9:45 a.m., Wednesday, January 5, 2005 -939 Ellis Street, San Francisco, CA 94109

15. Adjournment

CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109 **(415) 749-4965**
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.

- To request special accommodations for those persons with disabilities. Notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 7, 2004

Re: Commendations/Proclamations

RECOMMENDED ACTION:

The Board of Directors will recognize employees who have completed milestone levels of twenty-five (25), thirty (30), thirty-five (35) and forty (40) years of service with the Air District during this past year with certificates and pins.

BACKGROUND:

Annually, the District recognizes employees who have contributed incremental years of dedicated service to the District. Formally, the Board recognizes and presents service awards to employees who have completed twenty-five (25) years or more of service to the District.

During the calendar year ending 2004, there was one employee who completed forty (40) years of service with the District, one employee who completed thirty-five (35) years of service with the District, seven employees who completed thirty (30) years of service with the District, and three employees who completed twenty-five (25) years of service with the District. A list of these employees is attached.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

Employee Recognition Awards

40 Years of Service

Daniel Borst

35 Years of Service

Tom Story

30 Years of Service

Ruth Argueta
Allan Chiu
Peter Hess
Jim Karas
Terry Lee
Carolyn Moore
Ron Raimondi

25 Years of Service

Virginia Manalo
Debra Mehlos
Mohamad Moazed

AGENDA: 1

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 6, 2004

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of December 1, 2004.

DISCUSSION

Attached for your review and approval are the draft minutes of the December 1, 2004 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

WATERFRONT PLAZA HOTEL, REGATTA ROOM I – OAKLAND, CA 94607

Draft Minutes: Board of Directors Regular Meeting and Retreat – December 1, 2004

Call To Order

Opening Comments: Chairperson Scott Haggerty called the meeting to order at 9:05 a.m.

Roll Call: Present: Scott Haggerty, Chair, Roberta Cooper, Chris Daly, Mark DeSaulnier (9:17 a.m.), Dan Dunnigan, Erin Garner, Jerry Hill, Erling Horn, Liz Kniss (9:50 a.m.), Patrick Kwok, Nate Miley (9:22 a.m.), Mark Ross, John Silva, Tim Smith, Pam Torliatt (9:31 a.m.), Marland Townsend (9:17 a.m.), Gayle Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Harold Brown, Jake McGoldrick, Julia Miller.

Pledge of Allegiance: The Pledge of Allegiance was not recited.

Public Comment Period: There were none.

Commendation/Proclamations:

The Board of Directors recognized Assemblywoman Sally Lieber for her dedication and commitment to achieving clean air in the Bay Area.

The Board of Directors recognized Executive Officer/APCO, Jack Broadbent on his one-year milestone at the Bay Area Air Quality Management District.

Consent Calendar (Items 1 – 6)

Director Uilkema requested Item 6 be removed from the Consent Calendar and Chairperson Haggerty so ordered.

1. Minutes of October 20, 2004

2. Communications. Correspondence addressed to the Board of Directors

3. Report of the Advisory Council. There was no report.

4. Consider Approval of Resolution Adjusting the District's Maximum Medical Contribution Declared to California Public Employees Retirement System (CalPERS)

   The Board of Directors considered approval of a resolution adjusting the District's maximum medical contribution declared to CalPERS for management, confidential, represented, and miscellaneous employees and retirees.

5. Out of State Business Travel

Board Action: Director Young moved approval of Consent Calendar Items 1 through 5; seconded by Director Hill; carried with the following Board members voting:

AYES: Cooper, Daly, Dunnigan, Garner, Hill, Horn, Kwok, Ross, Silva, Smith, Uilkema, Wagenknecht, Young, Haggerty.

NOES: None.

ABSENT: Brown, DeSaulnier, Kniss, McGoldrick, Miley, Miller, Torliatt, Townsend.

Adopted Resolution No. 2004-14: A Resolution to Fix the District's Contribution Under the Public Employees' Medical and Hospital Care Act

6. Set Public Hearing for December 15, 2004, to Consider Amendments to District Regulation 2: Permits, Rule 1: General Requirements, Rule 2: New Source Review, and Rule 4: Emissions Banking; and Approval of a Notice of Exemption pursuant to the California Environmental Quality Act

The primary purpose of these amendments is to conform to changes in State regulations that lower the emissions threshold at which facilities must offset emission increases from new and modified sources. A number of other miscellaneous amendments to permit requirements have also been proposed.

Directors Townsend and DeSaulnier arrived at 9:17 a.m.

In response to questions from Director Uilkema, Mr. Broadbent stated that this item sets the hearing for December 15th and that the recommended changes will bring the New Source Review regulation in line with some state requirements. With respect to crematories, Mr. Broadbent stated that there are still some small crematories that are not in the District's permit program and this regulation is designed to bring those facilities into the program. Mr. Broadbent stated that emissions banking is also part of the clean up of this regulation. Director Uilkema requested staff provide advance information to her on these two subjects.

Board Action: Director Uilkema moved approval of Consent Calendar Item 6; seconded by Director Daly; carried unanimously without objection.

Committee Reports and Recommendations

7. Report of the Public Outreach Committee Meeting of November 8, 2004

Director Ross presented the report and stated that the Public Outreach Committee met on Monday, November 8, 2004.

Tracy Keough of O'Rourke, Inc. presented information on the upcoming wintertime campaign and noted the Air District will produce a winter Spare the Air spot with Executive Officer Jack Broadbent. The message will focus on air pollution produced from wood

burning and will include a thank you message to Bay Area residents for the successful Spare the Air program this summer. There will be some television and radio spots during the three days leading up to Thanksgiving with the majority of the media in the first quarter of 2005. The consultant is working with District staff to identify events where wood smoke information and materials could be distributed.

Courtney Newman of Allison and Partners reviewed the strategies to supplement the media outreach. Media topics would include how to build a better fire, indoor air quality for the holiday season, addressing the Santa Clara County rebate program, and continuing to focus on the Hispanic community.

Malka Kopell and Jim Smith of Community Focus updated the Committee on the activities of the Spare the Air Resource Teams. The teams are trying to focus on longer-term projects and becoming part of the communities they serve. Mr. Smith discussed a regional meeting of the teams and highlighted projects the teams are working on.

Staff updated the Committee on the referrals from the previous meeting. Mr. Broadbent reviewed the following: 1) the status and progress of the Ozone Strategy Plan; 2) announced the selection of Sharon Jackson as the new Community Relations Manager; 3) reminded the Committee that the next Board meeting is also a retreat and will be held in Oakland; and 4) presented a draft of a Spare the Air calendar.

The next meeting of the Committee is scheduled for 9:45 a.m., Monday, January 10, 2005.

Board Action: Director Ross moved that the Board approve the report of the Public Outreach Committee; seconded by Director Townsend; carried unanimously without objection.

8. Report of the Stationary Source Committee Meeting of November 22, 2004

Director DeSaulnier presented the report and stated that the Committee met on Monday, November 22, 2004.

Staff provided a report on the Air District's flare monitoring rule. The presentation included information on video monitoring, web based flare data, flare emissions, and emission trends. There were two speakers on this item.

Staff presented a report and a proposed schedule on expected rule development efforts in 2005. Staff highlighted the rule development for New Source Review rules, Ozone Plan rules, Ozone Further Study Measures and Particulate Matter measures.

The next meeting of the Committee is scheduled for Monday, January 24, 2004.

Board Action: Director DeSaulnier moved that the Board approve the report of the Stationary Source Committee; seconded by Director Uilkema; carried unanimously without objection.

9. Report of the Nominating Committee Meeting of November 22, 2004

Chairperson Haggerty presented the report and stated that the Committee met on Monday, November 22, 2004.

The Committee recommends the Board approve the following slate of Board Officers for the 2005 term of office: Marland Townsend, Chairperson; Gayle Uilkema, Vice-Chairperson; and Mark Ross, Secretary.

Board Action: Chairperson Haggerty moved the Board approve the recommendations of the Nominating Committee; seconded by Director Cooper; carried unanimously without objection.

Director Miley arrived at 9:22 a.m.

Other Business

10. Consider Approval of Memorandum of Understanding (MOU) Extension between the Air District and Bay Area Air Quality Management District Employees' Association, Inc.

The Memorandum of Understanding contract approved by the Board May 15, 2002, provides annual salary and benefits adjustments for union-represented employees. The Board of Directors considered approval of MOU extension to June 30, 2010.

Mr. Broadbent recommended the Board approve an extension of the existing MOU with no change in the terms and conditions of employment except for the salary increases and the term of the Agreement. Mr. Broadbent noted the Employees' Association membership voted in the affirmative to extend the contract to 2010.

Speaker: James Corazza
President Employees' Association

Board Action: Director Ross moved to approve the extension of the current MOU between the Air District and the Employees' Association to 2010 as stated above by Mr. Broadbent; seconded by Director Townsend; carried unanimously with the following Board members voting:

AYES: Cooper, Daly, DeSaulnier, Dunnigan, Garner, Hill, Horn, Kwok, Miley, Ross, Silva, Smith, Townsend, Uilkema, Wagenknecht, Young, Haggerty.

NOES: None.

ABSENT: Brown, Kniss, McGoldrick, Miller, Torliatt.

Adopted Resolution No. 2004-15: A Resolution to Extend the Current Memorandum of Understanding Between the District and the Bay Area Air Quality Management District Employees' Association

11. Report of the Executive Officer/APCO – Mr. Broadbent introduced Jean Roggenkamp as the new Deputy Air Pollution Control Officer; Mary Ann Goodley as the Executive Office Manager; and Sharon Jackson as the Community Relations Manager. Mr. Broadbent

reminded the Board about the Goods Movement Conference being held December 8th and 9th at the Oakland Marriott.

Director Torliatt arrived at 9:31 a.m.

12. Chairperson's Report: Chairperson Haggerty stated he had no report.

13. Board Members' Comments – There were none.

The next Board meeting will be held at 1:30 p.m., Wednesday, December 15, 2004, 939 Ellis Street, San Francisco, CA 94109.

14. The Board adjourned to the Retreat at 9:32 a.m.

15. **Retreat**

The Retreat was called to order at 9:35 a.m.

Director Kniss arrived at 9:50 a.m.

The following topics were presented and discussed at the retreat:

- 2004 Air District Accomplishments
- Current District Operations
- Board of Director/Staff Communications
- Future Efforts/Challenges

The Retreat concluded at 11:50 a.m.

Mary Romaidis
Clerk of the Boards

AGENDA NO. 3

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 7, 2004

Re: Report of the Advisory Council

RECOMMENDED ACTION:

Receive and file.

DISCUSSION:

Attached for your review are the draft minutes of the following Advisory Council meeting:

a) Joint Meeting of the Air Quality Planning & Technical Committees of October 12, 2004

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: James N. Corazza

AGENDA NO. 3

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

DRAFT MINUTES

Advisory Council Regular Meeting
Joint Meeting of the Technical and Air Quality Planning Committees
9:00 a.m., Tuesday, October 12, 2004

1. **Call to Order – Roll Call.** Chairpersons Brazil and Bedsworth called the Joint Committee meeting to order at 9:32 a.m. Air Quality Planning Committee Members present: Harold Brazil, Chairperson; Irvin Dawid, Emily Drennen, Fred Glueck, John Holtzclaw, Ph.D., Kraig Kurucz. Air Quality Planning Committee Members Absent: Kevin Shanahan. Technical Committee Members present: Louise Bedsworth, Ph.D., Chairperson, Sam Altshuler, P.E., Stan Hayes, John Holtzclaw, Ph.D., Norman A. Lapera, Jr. Technical Committee Members absent: Robert Bornstein, Ph.D., William Hanna.

2. **Public Comment Period.** There were no public comments.

3. **Approval of Minutes:**

   A. **Air Quality Planning Committee Meeting of August 3, 2004.** Mr. Dawid requested the last sentence in item (e) on page one be deleted. Mr. Glueck moved approval of the minutes as corrected; seconded by Mr. Kurucz; carried unanimously.

   B. **Technical Committee Meeting of August 4, 2004.** Dr. Holtzclaw moved approval of the minutes as submitted; seconded by Mr. Hanna; carried unanimously.

4. **Discussion of Vehicles and Fuels**

   B) Alternative Fuels Now… and in the future

   Mike Jackson, Director, Transportation Technology, TIAX LLC, stated he would discuss the emission and energy displacement benefits of alternative fuels and the possibilities for future technologies. Alternative fuels are motivated by considerations of energy conservation, national security and air quality. Studies of transportation fuel supply and demand at the state level predict a growing imbalance to the year 2050. Current refinery capacity in California shows that in the year 2000 supply met demand, but increased efficiencies and/or fuel importation will have to compensate for the increased demand resulting from population and vehicle increases, and the corresponding increase in vehicle miles traveled. California obtains approximately 47% of its crude oil from within the state, 30% from Alaska, and the remaining 23% from foreign sources in the Middle East, and Central-South America. However, Alaskan oil production is decreasing.

   The economic impacts of petroleum price variation shows that every major increase in price on a global scale is followed by a recession in the United States. As California oil production is at capacity the market is therefore volatile, and any loss of production, or a late shipment of oil, results in a price increase of gasoline at the pump.

Smog and gross polluting vehicles are among the two easily recognized forms of pollution. Vehicle emissions are regulated at the state and national level for nitrogen oxide (NOx), carbon monoxide (CO), hydrocarbons (HC), and particulate matter (PM), as well as for such toxic compounds as benzene, 1,3 butadiene, xylenes, and formaldehyde. Analysis of tailpipe emissions is now complemented by emissions assessment of the entire fuel cycle, including upstream and evaporative emissions. To date, tailpipe emissions have been particularly well controlled by state regulations and standards.

Large populations in California are exposed to unhealthy air either in terms of days over the state ozone or PM10 standards. Global warming is becoming an increasingly important issue and the Air Resources Board (ARB) has adopted regulations to control CO, methane, nitrous oxide and PM10. Increases in temperature are invariably linked with ozone exceedances, of which there have been few in the Bay Area and in the Central Valley this year due to lower than normal temperatures.

Reducing vehicle petroleum dependency is desirable, given that 62% of the state's transportation fuel use goes to on-road gasoline and 11% to on-road diesel. Approximately 52% of CO_2 emissions in the state are from on-road transportation, as is 43% of on-road NOx and reactive organic emissions.

Many alternative fuels have lower life-cycle emissions of ozone precursors, PM and global warming gases. For example, well-to-tank analyses in of urban area emissions from reformulated gasoline in certain low emission vehicles show some reductions in evaporative and vehicle exhaust emissions, but emissions remain the same over the total fuel cycle. Battery electric and compressed hydrogen fuel cell power eliminate evaporative and vehicle exhaust emissions entirely and produce only minor emissions over the total fuel cycle. Well-to-tank analyses have been conducted for greenhouse gases emitted from a modern internal combustion engine for reformulated gasoline III, ultra low sulfur diesel, liquified petroleum gas, compressed natural gas, ethanol in a flexible fuel vehicle, methanol and reformulated natural gas in a fuel cell vehicle, battery electric, and a fuel cell vehicle with a natural gas power plant and electrolyzer. The results show that more energy is required to produce hydrogen through electrolysis than to reformulate gasoline. In the total petroleum fuel cycle (from oil production, bulk fuel transportation, refinement and product storage, storage, transportation and distribution to vehicles) alternative fuels can lessen dependency on foreign sources of oil and insulate the economy from price increases.

A well-to-wheel analysis for alternative fuels shows a 25% reduction in CO_2 emissions in a modern internal combustion engine. The technologies for producing fuels along with the fuels themselves must be considered thoroughly in order to obtain a complete picture. Estimates are that in the existing on-road fleet that the average vehicle costs $1000/year as a result of petroleum dependence, air quality impacts, and global warming. Global warming emissions are higher from light-duty gasoline vehicles, but these are cut in half by certain alternative fuel vehicles and by 25% by diesel engines. Economic damages remain fairly constant.

Electric vehicles fill a niche market at present. Hydrogen fuel cells are thought to be the wave of the future. The key for heavy-duty vehicles will be to reduce PM and NOx simultaneously. Diesel technology presently offers a trade-off with increased NOx leading to decreased PM and vice-versa. Alternative fuels have had a role to play in reducing PM and NOx, although it is more difficult to reduce NOx. The 2010 standards will require a 90% reduction in both PM and NOx. Hence, the diesel industry will have to integrate fuel changes with NOx and PM after-treatment. A comparison of natural gas and diesels engine certification tests show a 50% reduction in NOx and a 70% reduction in PM10 from natural gas without after-treatment, but after-treatment technology will become more important with the 2010 standards.

In California, on-road diesel use comprises 11% of mobile source fuel use, and off-road vehicles 6%, but the NOx emissions from these engines is nearly 45% of the total NOx in the inventory, with the remainder comprised of light-duty vehicles, trains, planes, ships, stationary and area-wide sources.

State modeling data indicate that NOx emissions in-use from heavy-duty vehicles were fairly constant in the 1990's. Emissions show a downward trend extending to the year 2010, with the in-use fleet contributing much to the emissions inventory.

The Multiple Air Toxics Exposure Study (MATES II) in the South Coast AQMD showed that the highest concentrations of toxics are nearest freeways. The results indicate that diesel PM from mobile sources is the primary cause of cancer risk in the South Coast AQMD.

Bus transit may be more of a congestion mitigation measure than a clean air solution. Estimates are that it would take several hundred low emission vehicles to emit the same PM_{10} as a 40-foot bus for a 2002-2003 model year. This varies with the fleet composition and bus ridership. Several natural gas bus engines either meet or are within the range of the 2007 emission standards and in some cases even the 2010 standards, but how economical these are in comparison with diesel power remains to be seen.

Alternative fuels still provide emission advantages over gasoline, but with the increase in PZEV vehicles in the fleet that benefit begins to diminish. A policy or incentive that inclined the market toward PZEVs would further reduce emissions. To reduce greenhouse gas emissions, technology that emits lower CO_2 and provides higher fuel economy must be achieved. Alternative fuels can in some cases displace petroleum fuels and should be taken advantage of. However, hydrogen may be a more sustainable solution, notwithstanding that its production method is important to assess given the use of electricity. The matter of developing an infrastructure for the economy still requires further evaluation.

Alternative fuels in heavy-duty diesel engines can net significant reductions in PM and NOx today, and can be cheaper in certain niche market applications. The diesel manufacturers will meet the new standards and in a volume that will drive cost down; therefore, the penetration of alternative fuels into the market will remain difficult. Off-road diesel vehicles will also be regulated and will net further substantial particulate matter and NOx emission reductions.

A) The Role of Advanced Technology Vehicles in Improving Air Quality and Reducing Greenhouse Gases

John Boesel, President & CEO, West-Start/CalStart, stated that this company is a non-profit coalition that aims to create jobs, clean the air, reduce dependence on foreign oil and prevent global warming. At the present time, there are 115 member organizations worldwide.

Regulations have reduced the number of days in the state with unhealthy air, but work remains to be done. Heavy-duty vehicles are becoming cleaner due to standards adopted in 1998, 2002 and future standards in 2007 that will further lower NOx. Standards in 2010 will be much more difficult to meet and may result in a diesel engine that is less efficient, more expensive and less durable, making alternatives more competitive.

US dependence on foreign oil has increased since 1973, to about 65%. By 2020 OPEC will control 70% of world's oil reserves. Tar sands are now becoming profitable as a consequence. Mining these resources is environmentally destructive and energy intensive, requiring much water. This is the case particularly in Canada where the reserves in tar sands are equivalent to OPEC.

By 2020 China and the US will be at least 70% dependent on the Middle East, with major foreign policy implications. The scientific consensus is that worldwide oil production has reached mid-point.

Representatives of the oil industry have expressed concern over global warming increases stemming from increased emissions of carbon dioxide. Climatologists observe that carbon remains aloft for 100 years. Nevertheless, there is still time to stabilize the rate of emissions to reduce the global warming effect. Half of the CO_2 emissions in California are from the transportation sector. California is the leader in adopting legislation to address global warming, and other states and Canada may follow. Next month, WestStart/CalStart is sponsoring a 2020 Transportation Energy Future Conference on petroleum production in California and how to decrease oil consumption locally.

Car manufacturers consider improved internal combustion engines to be the short-term solution and hydrogen fuel cells to be the long-term solution. The Department of Energy has observed that fuel cells may not be economically viable until the year 2015. Infrastructure is needed, and hydrogen must be derived from renewable energy sources. Hence, cost-reduction challenges remain to be resolved.

There are diverse alternative vehicle technologies now available—particularly hybrids. The bus industry has aggressively adopted alternative fuels, with 7,000 natural gas buses on the road today, and 17% of orders for new buses as of January of this year are for hybrids. The diesel market share of the transit bus market has dropped below 60% for first time. The European Union has adopted a goal of 23% of transportation energy use to come from alternative fuels by 2020. California has adopted a goal of 20% of alternative fuel vehicles by 2020, but this has yet to be endorsed by the Governor.

Hybrid vehicles make more efficient use of fossil fuels, with demand outstripping supply, in fact. Four new light duty hybrids will enter in the market in December. Trucks and buses have adopted hybrid technology: FedEx sponsors a pilot program with 20 hybrid trucks in various cities in the United States. Over 10 different U.S. companies are developing heavy-duty hybrid systems. At a CalStart/-WestStart conference today, hybrid electric utility vehicles will be demonstrated for nine utilities.

Hydraulic hybrids for medium and heavy-duty vehicles are also being developed. These vehicles store braking energy and then use that energy to accelerate. For urban refuse vehicles this particular type of technology would make sense. Natural gas has proven reliable as an alternative fuel. A vehicle refueling product that taps into the natural gas line at one's home will come to the market in early 2005. Germany is the European leader in pursuing alternative fuels and natural gas and is working to establish a price advantage for it between now and 2020 via tax policy and increased infrastructure. While natural gas supplies are abundant at present, over the long-term this is not a viable strategy. In Sweden major efforts are underway to convert agricultural waste into methane gas ("biogas"), which has several uses and can supply as much as 10-20% of a city's needs. There is no absolute substitute for petroleum. This is a partial solution to fuel supply issues that also mitigates solid waste problems.

In California, WestStart/CalStart is endeavoring to conduct a pilot project for producing cellulosic ethanol, which generates fewer greenhouse gas emissions, through converting all cellulosic agricultural material into fuel. If successful, switchgrass, which yields five times more per acre than corn, can be the successor product for conversion to ethanol. Linkage of alternative fuels with hybrids will improve air quality, reduce global warming and reduce dependency on foreign oil.

The South Coast AQMD receives $1.00 per vehicle registration fee to support its alternative vehicle and fuel research and development program. The Bay Area AQMD might consider having a similar approach for future innovative research, even if these do not meet current cost-effectiveness criteria.

The use of hydrogen in transportation faces cost challenges and a long-term time horizon for entry into the market. WestStart/CalStart is working on a national hydrogen bus technology initiative that will include six fuel cell buses in operation in the Bay Area at AC Transit and SCVTA. The Bay Area AQMD's support for this program would be welcome.

In terms of new policies, oil displacement signals are not being sent to the car companies, and fleet fuel economy is lower today than 20 years ago. Yet, alternative fuels are forced to compete with an oil industry that is considerably subsidized. There are also hidden costs involved in defending oil supply such as the invasion of the Persian Gulf at $60 billion. When healthcare costs are added, the total amount spent annually on imported oil reaches approximately $100 billion.

California and Texas are the leaders in developing incentive programs for vehicle emission reductions, such as the Carl Moyer program. Now that the Pavley bill has passed there is an opportunity to enter into a partnership with ARB and add a greenhouse gas criterion to such programs. Funds need to be set aside for technology advancement demos. An integrated approach using all these alternatives is needed to address air pollution and greenhouse gases. New cars are cleaner but air quality problems persist. The geo-political risk of oil is rising and there is only a limited time to address climate change. Hydrogen fuel is an increasing possibility but not on the immediate horizon for implementation. A poly-fuel approach appears to be what is required for the future rather than a single fuel baseline.

In response to questions from Council members, the following points were made:

- The Council may consider using the Pavley bill as a basis for recommending measures to reduce mobile source emissions of greenhouse gases beyond the light-duty sector. It may also consider supporting measures to increase funding, such as surcharges on vehicle registration fees for research and development for projects that result in emission reductions in the long-term future. (Boesel)
- That it is desirable to get clean vehicles on the road is true from a public health perspective as well. On the heavy-duty side, natural gas technology can net NOx and PM reductions quickly, albeit at a higher price, but the benefits balance out. Looking to the future, it is very important to have mechanisms that provide incentives for the development and use of technology. The Moyer program is very successful, and more of that should be pursued today. (Jackson)
- The Joint Committee needs to consider whether it will address alternative fuels both for stationary sources or focus on transportation. In connection with the latter, it would be interesting to review the charts of geographical concentrations of toxicity that will be developed by the CARE program, with and without diesel emissions, as well as with scenarios of emissions from cleaner cars and trucks that will have penetrated the market by a date certain. (Kurucz) The maps developed in the South Coast AQMD referenced concentrations of diesel emissions, which although it is a surrogate for toxics, does not provide the basis for drawing inferences on risk in the context of total toxics. (Hayes)

5. **Discussion of Advisory Council Activities.** Chairpersons Bedsworth and Brazil directed that the Committee members be surveyed via e-mail with questions that rate Council activities.

6. **Committee Member Comments/Other Business.** Dr. Holtzclaw recently visited South America and indicated he would apprise the Council of alternative transportation modes that he observed. Mr. Dawid expressed interest in attending a forthcoming conference on freight transportation.

7. **Time and Place of Next Meeting.** Thursday, December 16, 2004 at 9:30 a.m., 939 Ellis Street, San Francisco, CA 94109.

8. **Adjournment.** 12:34 p.m.

James N. Corazza
Deputy Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT **AGENDA: 4**

Memorandum

To: Chairperson Haggerty and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 17, 2004

Re: Report of Division Activities for the month of October 2004

RECOMMENDED ACTION:

Receive and file.

Reviewed by: Peter Hess

ADMINISTRATIVE SERVICES DIVISION – W. TANAKA, DIRECTOR

Work continued during the month on the fire alarm upgrade. Work on the project is about 58% complete. Phase III HVAC upgrade work continued as well. The contractor has installed Variable Air Volume (VAV) boxes on the 5th, 6th and 7th floors. Work on this project is 85% compete.

The Finance Manager attended the quarterly meeting of the San Mateo County Investment Board. At the meeting it was reported that the funds on deposit with the San Mateo Treasurer's Office earned 2.83% and funds in the Local Area Investment Fund (LAIF) earned 1.81%. No report on the Bay Area economy was given but may be given at the next quarterly meeting. Information on the economy is helpful to staff as it looks for signs of future real estate activity. Turnover in the real estate market will trigger reassessment of property value. As a result of this, a change to the assessed rolls will also be made and ultimately to taxes collected.

Staff continued preparing documents for the annual audit. Auditors will begin their preliminary work next month and conclude the audit in January. The final report will be presented to the Budget & Finance Committee in the future.

The Human Resources Office reports that for the three-month period ending September 30, 2004, the District's workers' compensation claims totaled $1,000. If this trend continues then the total workers' compensation claims for the year should be well below the amount budgeted for claims under the District's new self-insurance initiative. District staff deserves tremendous credit for working safely the first quarter of this fiscal year.

COMPLIANCE & ENFORCEMENT DIVISION – K. WEE, DIRECTOR

Staff issued public nuisance violations to the San Jose/Santa Clara Waste Treatment Facility and International Disposal Corporation of California in San Jose for odors generated by the stockpiling, moving and spreading of dried sludge on October 15. A statewide rule effectiveness study for portable equipment was conducted by CARB with District inspectors targeting construction sites in San Jose. The inspection teams found a total of 25 unpermitted engines over 50 horsepower.

Staff responded to an incident at Rhodia Inc. in Martinez on October 14 due to a sulfuric acid release that occurred from a pipe being cut that was thought to be purged of any product. Staff responded to a Tesoro Refinery incident in Martinez on October 14 due to a fire in a pump seal that was feeding gasoline from a nearby tank. On October 30 staff responded to an incident at Tesoro Refinery in Martinez due to temperature control problems causing a Coker unit upset. On October 31 staff responded to an incident at Conoco Phillips Refinery in Rodeo. The refinery experienced a hydrogen sulfide leak while performing maintenance duties on piping related to their flare system.

Staff attended a Cal/EPA Environmental Justice Action Plan workshop in Oakland on October 25. The interagency group headed by Cal/EPA met to gather input for the EJ plan. The Oakland workshop presented a pilot project, as lead by the Department of Toxic Substances, which will focus on brownfields and site remediation issues in an urban community. Staff produced a compliance advisory for Reg. 8-10, "Process Vessel Depressurization," that was sent to the regulated industry in an effort to remind them of new reporting and regulatory requirements to which they may be subject. Staff has completed the Policies and Procedures for the "Port of Oakland Marine Terminal Idling Trucks." These policies have been posted to the public website and are intended to act as guidance for inspection staff, the regulated community and the public.

New versions of Iris computer applications Complaint and Dispatch were made operational this month, followed by internal testing of the public web access interface for air pollution complaints. Upon successful completion of testing, an interactive meeting with community workgroup members was held on October 28 by conference call. The purpose was to preview the web access to complaint information and discuss a draft companion brochure to the existing Complaint brochure. The new Complaint brochure will be more graphically oriented for easier comprehension and suitable for translation into other languages. The meeting set a target date of Nov. 8 for comments and suggestions to be returned prior to releasing the web access to the general public or printing the brochure.

The annual required HAZWOPER refresher courses were completed in October. In an effort to address poor two-way radio transmission in certain areas in Contra Costa County, Operations and Field Staff are developing a testing protocol for an upcoming transmission test of our radio system. This test will involve a temporary switch of repeater capacity from Mt. Vaca to Mt. Diablo for a period of two weeks. Staff has also sent out a description of the current radio system to a number of consultants as part of the Radio Replacement RFP process. Languages translated through Over-the-Phone Interpreters during October included Mandarin and Spanish.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Evaluation Program

District staff participated in an EPA-sponsored workshop on Environmental Justice and Permitting held at Golden Gate Law School in San Francisco. This workshop brought together agencies and advocates to discuss obstacles to using Title V and NSR/PSD authorities to address some of the problems faced by disproportionately burdened communities, which are frequently low income and/or minority communities. A workshop was held on draft amendments to the District's permit rules. The proposed amendments, which make state-mandated changes in the No Net Increase program and several other miscellaneous revisions, will be brought to the Board of Directors' for adoption on December 15, 2004.

Title V Program

EPA responded to the District's proposed reopening of all of the refinery permits (Revision 1). The District agreed to make a number of changes, and will issue the permits as soon as those changes have been made. As a result of the District's commitment, EPA did not object to the reopened permits, but did direct the District to reopen the permits again to address several issues. The permits will be reopened for a new revision (Revision 2) to address EPA comments in April 2005. Orcon Corporation (Union City) has reduced its potentials-to-emit below Title V thresholds, and its Title V permits has been canceled and a Synthetic Minor permit issued.

Toxics Program

A total of 29 health risk screening evaluations were completed in October. The majority of these risk screens were for diesel engine emergency generators and gas stations. A health risk assessment was performed as a response to comments concerning the Title V permit proposed for the PG&E Hunters Point facility. Staff provided technical assistance to the Regional Water Quality Control Board concerning air quality impacts from a soil remediation project in Richmond: Campus Bay-Zeneca (formerly Stauffer Chemical). Work continued on emissions review for the next emissions inventory submittal to ARB, conversion of inventory submittal to a CEIDARS format for ARB, development of a new data form for internal combustion engines, and various tasks to incorporate new diesel particulate emission calculation factors into the District's database. Staff made presentations at three additional community meetings (San Francisco, Livermore, and Martinez) to introduce the new Community Air Risk Evaluation (CARE) Program.

INFORMATION SYSTEMS DIVISION – J. McKAY, DIRECTOR

Toolsets for Permits/Enforcement/Legal

Toolsets under review include document management products such as Documentum and FileNet. This process is supported by an update of the extensive requirement documentation that was previously developed. This update is supported by work with SAIC. The design methodology for replacement of IRIS and Databank will begin with identification of the large-scale functional components of the Air District Production Processes. This will enable a tool selection process focused on high-level tool sets. While this may not allow the District to accomplish all of its objectives with a single vendor offering, it will allow the opportunity to substitute purchased modules for custom code. Peter Hess directed inquiries to Air Districts around the Unites States and received substantial input on their current systems and future plans.

Infrastructure

The Infrastructure upgrade continues. It is motivated by initial review of technology direction and associated security topics. This work will span the last quarter of this calendar year and continue into the first quarter of next year. The upgrade was previously planned because of security needs and equipment obsolescence.

Web Site Development

The roadmap for the next phase of the new site is under development. Development for web based Complaint query capability is complete and under review by users.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 181 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 38 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 5 Final 30 Day Letters regarding civil penalties for 7 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of $49,750 in civil penalties for 59 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 4 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of $54,000 in civil penalties for 41 Violations.

PLANNING DIVISION – J. ROGGENKAMP, DIRECTOR

Grant Program

The Board of Directors approved the following actions recommended by staff: the allocation to eligible projects and programs of $10.5 million in FY 2004/05 Transportation Fund for Clean Air (TFCA) Regional Funds; the selection of vehicle dismantlers for the FY04/05 Vehicle Buy Back Program and the amendment of the FY 2003/04 dismantling contracts; and the amendment of the Contra Costa County, Santa Clara County and Solano County TFCA County Program Manager funding agreements for FY 2004/05. The Board also received and filed the results of the recently completed audit of TFCA County Program Manager projects completed as of the two-year period ended June 30, 2002. The Vehicle Buy Back Program scrapping contractors purchased and scrapped 169 vehicles in October 2004.

Air Quality Planning Program

Planning staff hosted a consultation meeting with air districts identified by CARB as transport regions regarding proposed control measures for the 2004 Ozone Strategy. Staff also conducted the remaining three of seven community meetings regarding the 2004 Ozone Strategy. Staff presented ozone planning background, proposed control measures and further study measures at meetings in San Francisco, Livermore and Martinez on October 13, 14, and 21, respectively. Five comment letters were submitted on the draft control measures and further study measures proposed for inclusion in the Ozone Strategy. Staff is considering the input from the community meetings, the Ozone Working Group and the comment letters in revising the control measures and preparing the draft 2004 Ozone Strategy and draft Environmental Impact Report. Staff presented a report to the Board of Directors regarding

the enhanced outreach efforts conducted for the 2004 Ozone Strategy planning process. Staff wrote one comment letter regarding air quality impacts of development projects and plans in the Bay Area: City of Concord General Plan and Zoning Ordinance Update.

Rule Development Program

Rule development staff met with representatives of the Western States Petroleum Association and Eichleay Engineers in Concord, CA, on October 14 to discuss marine loading emissions. Staff participated in a Collaborative Decision-Making Workshop on October 20 in San Francisco sponsored by the Center for Collaborative Policy at CSU, Sacramento.

PUBLIC INFORMATION & OUTREACH – T. GALVIN LEE, DIRECTOR

During October, a series of three community meetings took place in San Francisco, Livermore, and Martinez promoting the District's draft ozone control measures and community Air Risk evaluation programs. The goal of these meetings were two-fold, to present the draft ozone control measures to the Bay Area, and also to unveil the community Air Risk evaluation program, which was developed in response to community concern about cumulative risks. Comments are currently under consideration by District staff.

Coordination on the wintertime woodsmoke campaign has been completed. Alison & Partners will work on an ongoing basis to supplement staff outreach. The focus will be on securing placement of feature stories that spotlight the programs and initiatives of the Air District and /or help promote air pollution prevention behavior. Building on the success of the summer campaign, the Air District will produce a winter Spare the Air spot with the Executive Office, who will deliver a wood-burning message reinforcing the "family" ads produced last spring. These will be both on radio and TV. This year wintertime outreach will also include a focus on the woodstove/fireplace rebate program currently taking place in Santa Clara County.

On October 15, the summertime "Spare the Air" season officially ended with one of the cleanest air quality records in recent years. The Bay Area experienced no excesses of the federal one-hour ozone standard or the federal eight-hour standard this year. There were seven state exceedances.

Staff prepared for the wintertime outreach program focused on wood smoke and driving. The *Spare the Air Tonight* program will begin on November 17th and continue into February. Because the District will begin predicting wintertime pollution based on the stricter PM 2.5 federal standard, there will possibly be requests for the public to not burn wood in fireplaces and woodstoves this winter. In addition, there will be a large distribution of the District's Woodburning Handbook through employers, senior and community centers, schools libraries, health departments, clinics and hospitals and other targeted mailings.

Their were 2893 smoking vehicles reported during October.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Monitoring

Particulate monitors for $PM_{2.5}$ began their enhanced wintertime sampling schedules at all designated stations on October 1. A waiver request to end ozone monitoring for eight stations during the winter months has been submitted to EPA. The Concord Air Monitoring Station sustained storm damage and has been off-line since Tuesday, October 26 while the City of Concord determines the structural status of the building.

Meteorology

There were no days in October when the air quality reached the Unhealthful for Sensitive Groups category (AQI > 100). October began with air quality in the Good AQI category and continued through the 11th. However, the air quality deteriorated due to the Rumsey fire, which began on the evening of October 11th.

The Rumsey fire was located near the boarder of Yolo and Napa Counties. Early in the morning of October 12th, northeasterly winds transported the smoke across Napa, Sonoma, and Marin counties. By late morning, the smoke had reached as far west as Pt. Reyes. In the afternoon, the onset of the sea breeze reversed the winds, and transported the smoke eastward, across San Francisco, the north Peninsula and western Contra Costa and Alameda Counties.

Preliminary data show that the state 1-hour ozone standard of 95 ppb was exceeded at five air-monitoring sites in the late afternoon of October 12th. Exceedances were recorded at San Francisco, San Pablo, Vallejo, Fairfield, and San Leandro. No national ozone standards were exceeded.

Smoke from the Rumsey fire caused particulate concentrations to reach the moderate level on October 12th. The highest $PM_{2.5}$ concentration was 71 AQI at Vallejo, while the highest PM_{10} concentration was 56 AQI at Napa. $PM_{2.5}$ levels remained in the Moderate category October 13th, 14th, and 15th due to a strong inversion and the lack of any substantial westerly sea breeze.

Air quality returned to the good category from October 16th to October 27th due to frequent frontal passages that brought deeper atmospheric mixing and occasional rain across the District. After that period, light winds and cool, clear nights allowed $PM_{2.5}$ levels to build into the Moderate category from October 28th to 30th.

Quality Assurance

System audits were performed at the District's Livermore, SF Ellis Street, Napa, Concord, and Fairfield air monitoring stations. New monitors at the ConocoPhillips Refinery GLM sites at Tormey, and Cummings Skyway were audited. Staff also worked with EPA staff on EPA National Performance Audits at Livermore, Concord, Bethel Island, and San Martin.

Air Quality

July 2004 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Staff inspected GLM monitor locations at Shell and Tesoro Refineries, and at the Gaylord facility. The Marsh Burn average-allocation forecast season was completed with no complaints from the public from authorized burns.

Laboratory

In addition to the ongoing, routine analyses, the true vapor pressure of a waste solvent sample from Western Digital Corporation in Fremont was determined. Ten PM 2.5 filter samples from the UC Berkeley/BAAQMD 2004 Caldecott Tunnel Study were analyzed for organic/elemental carbon. Two gaseous samples taken after a Tesoro Refinery gasoline hydrocarbon release of October 14 were analyzed for total non-methane organic carbon (NMOC). And also, the Laboratory was audited by the California Air Resources Board (CARB) for analysis of PM 2.5 filters. The lab was found to be in compliance all aspects.

Source Test

Ongoing Source Test activities included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Refinery's open path monitor monthly report for the month of September was reviewed. The Source Test Section provided ongoing participation in the District's Further Studies Measures for refineries.

These facilities have received one or more Notices of Violations
Report period: October 1, 2004 – October 31, 2004

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
9/7/04	C0121	University Arco	Berkeley	Gasoline Dispensing Facilities
8/18/04	Q2652	Mehdi M. Ansari	Emeryville	Asbestos Demolition, Renovation & Mfg.
9/17/04	L3951	American Technologies	Hayward	Asbestos Demolition, Renovation & Mfg.
8/24/04	A1342	Johnson Controls, Inc	Livermore	Authority to Construct; Permit to Operate
9/23/04	A5095	Republic Services Vasco Road, LLC	Livermore	Solid Waste Disposal Sites
9/9/04	Q2185	Hernan Gonzalez	Newark	Asbestos Demolition, Renovation & Mfg.
9/21/04	C8419	Chevron SS #9-0076	Oakland	Gasoline Dispensing Facilities
8/25/04	A7476	Label Art	Oakland	Authority to Construct; Permit to Operate; Failure to Meet Permit Conditions
4/23/04	A0532	The Earthgrains Company	Oakland	Failure to Meet Permit Conditions
10/4/04	A1371	Dublin San Ramon Services District - Wastewater TP	Pleasanton	Failure to Meet Permit Conditions
9/10/04	C7928	Penske Truck Leasing Co, LP	San Leandro	Gasoline Dispensing Facilities

Contra Costa County

Received Date	Site #	Site Name	City	Regulation Title
9/20/04	B0437	Byron Power Company,c/o Ridgewood Power Mgnt	Byron	Failure to Meet Permit Conditions; NOx & CO from Stationary Internal Combustion Engines
10/12/04	A7003	Chimes Printing	Concord	Authority to Construct: Permit to Operate
8/24/04	C8939	R & R Auto Service	El Cerrito	Gasoline Dispensing Facilities
10/29/04	D0517	Lafayette Valero	Lafayette	Gasoline Dispensing Facilities
9/21/04	A0011	Shell Martinez Refinery	Martinez	Continuous Emission Monitoring & Recordkeeping Pro Dioxide
7/28/04	B2758	Tesoro Refining and Marketing Company	Martinez	Public Nuisance; Major Facility Review (Title V); Particulate Matter & Visible Emissions; Equipment Leaks; Storage of Organic Liquids; NOx & CO from Stationary Internal Combustion Engines; Failure to Meet Permit Conditions

10/15/04	C9987	St Mary's College	Moraga	Gasoline Dispensing Facilities
10/15/04	C8950	Unocal Service Station #3937	Moraga	Gasoline Dispensing Facilities
10/26/04	A0813	Venoco, Inc	Pittsburg	Failure to Meet Permit Conditions
7/26/04	Q1717	Denova Homes	Pleasant Hill	Asbestos Demolition, Renovation & Mfg.
10/5/04	C5719	Blue Star Gasoline	Richmond	Gasoline Dispensing Facilities
8/4/04	A0010	Chevron Products Company	Richmond	Standards of Performance for New Stationary Sources; Flare Monitoring at Petroleum Refineries; Continuous Emission Monitoring & Recordkeeping Procedures; Failure to Meet Permit Conditions
8/3/04	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Failure to Meet Permit Conditions; Storage of Organic Liquids
8/10/04	A0022	Tosco Refining Company	Rodeo	Continuous Emission Monitoring & Recordkeeping Procedures

Marin County

Received Date	Site #	Site Name	City	Regulation Title
7/29/04	Q3296	Union Square Building LLP	San Rafael	Asbestos Demolition, Renovation & Mfg.

Napa County

Received Date	Site #	Site Name	City	Regulation Title
7/9/04	C9648	Jefferson Car Wash, Inc	Napa	Gasoline Dispensing Facilities

San Francisco County

Received Date	Site #	Site Name	City	Regulation Title
7/29/04	Q3311	Demolition Inc.	San Francisco	Asbestos Demolition, Renovation & Mfg.
10/6/04	A2585	Hoeck Iron Works	San Francisco	Surface Coating of Misc Metal Parts & Products
9/2/04	B2495	Pacific Cement Corp	San Francisco	Permit to Operate
10/14/04	A5847	Sagan Cleaners	San Francisco	Perc & Synthetic Solvent Dry Cleaning Operations
8/23/04	A0915	San Francisco Petroleum Co	San Francisco	Gasoline Dispensing Facilities; Authority to Construct; Permit to Operate
7/29/04	Q3312	Stephen Brett	San Francisco	Asbestos Demolition, Renovation & Mfg.
8/3/04	H1165	U.S.A. Hauling	San Francisco	Asbestos Demolition, Renovation & Mfg.

San Mateo County

Received Date	Site #	Site Name	City	Regulation Title
10/7/04	A4021	SFPP, LP	Brisbane	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
8/10/04	A9306	Advanced Surf Designs	Burlingame	Failure to Meet Permit Conditions; Polyester Resin Operations
9/13/04	C9557	Eagle Car Wash	Burlingame	Gasoline Dispensing Facilities
9/21/04	B5292	IKEA California LLC	East Palo Alto	Failure to Meet Permit Conditions
9/13/04	C3206	Chevron USA Products #9-3989	San Mateo	Gasoline Dispensing Facilities

Santa Clara County

Received Date	Site #	Site Name	City	Regulation Title
9/29/04	Q3501	Corby Gould Pools	Mountain View	Public Nuisance
9/9/04	A4272	El Camino Hospital	Mountain View	NOx & CO from Industrial, Institutional, & Commercial Boilers, Steam Generators, & Process Heaters
8/24/04	A0684	Beckman Coulter	Palo Alto	Authority to Construct: Permit to Operate

9/17/04	G7532	Basic Construction Services	San Jose	Asbestos Demolition, Renovation & Mfg.
10/6/04	A5124	Bonded Cleaners	San Jose	Permit to Operate
9/9/04	D0493	Foxworthy Gas	San Jose	Gasoline Dispensing Facilities
9/20/04	C3989	Leigh Avenue Chevron #93314	San Jose	Gasoline Dispensing Facilities
8/24/04	Q3590	Star Liquors	San Jose	Open Burning
8/16/04	B4682	Qwest Communications Corporation	Sunnyvale	Failure to Meet Permit Conditions

Solano County

Received Date	Site #	Site Name	City	
9/3/04	B2626	Valero Refining Company - California	Benicia	Major Facility Review (Title V)
7/27/04	A2039	Potrero Hills Landfill, Inc	Suisun City	Solid Waste Disposal Sites
7/6/04	Q0969	AR Ready Mix	Vacaville	Particulate Matter & Visible Emissions
9/23/04	Q3626	Tree Slough Farms	Vacaville	Public Nuisance

Sonoma County

Received Date	Site #	Site Name	City	
5/18/2004	A5934	Liberty Valley Doors, Inc	Cotati	Authority to Construct; Permit to operate
5/19/2004	A3992	Dutra Materials/San Rafael Rock Quarry Inc	Petaluma	Failure to Meet Permit Conditions
5/26/2004	A8463	Koller's Town & Country Cleaners	Petaluma	Perc & Synthetic Solvent Dry Cleaning Operations
5/11/2004	P9610	Alvan Tesconi	Santa Rosa	Open Burning
5/4/2004	D0029	B & G Gas & Food Mart/Fast Lane Gas &Food	Santa Rosa	Gasoline Dispensing Facilities
5/28/2004	C5021	Chevron	Santa Rosa	Gasoline Dispensing Facilities
5/18/2004	B6119	Cream's Dismantling & Scrap Inc	Santa Rosa	Authority to Construct; Permit to operate
5/19/2004	D1044	Golden Gate Petroleum	Santa Rosa	Permit to Operate

October 2004 Closed NOVs with Penalties by County

Alameda

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Baljit Singh	**P1537**	Oakland	$3,500	**3**
Beneto Tank Lines	**N1032**	Sacramento	$1,000	**1**
Davis Street SMART	**A2773**	San Leandro	$19,900	**13**
Evergreen Oil, Inc	**A1190**	Newark	$4,000	**7**
FormFactor Inc	**B2191**	Livermore	$1,000	**1**
Glacier Environmental Services, Inc.	**P7376**	Fremont	$200	**1**
Greencompass Marine	**P7796**	Emeryville	$2,500	**1**

H & L Auto Body,Inc	**B3082**	Oakland	$1,500	**1**
Harmeet Anand	**P5668**	Fremont	$7,000	**8**
Jordan Environmental Inc	**G2586**	San Leandro	$3,000	**2**
Lawrence Livermore National Laboratory	**A0255**	Livermore	$650	**1**
N and P Shell #135695	**D0507**	Oakland	$1,000	**2**
Premier Gasoline and Snacks	**D0060**	San Leandro	$250	**1**
Waste Management Inc	**B2728**	San Leandro	$5,600	**4**

Total Violations Closed: 46

Contra Costa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Bob Heaton	**Q1720**	Antioch	$1,350	**4**
GWF Power Systems,LP (Site 4)	**A3981**	Antioch	$4,000	**1**
Hercules Shell	**C9465**	Hercules	$500	**1**
Irv Sherman	**Q0718**	Oakley	$250	**1**
Marshall Steel Cleaners	**B0863**	Lafayette	$500	**2**
R & L Brosamer, Inc.	**Q2616**	Alamo	$850	**1**
Scott Griffiths	**Q1326**	Clayton	$1,000	**1**
Son Nguyen	**Q2320**	San Ramon	$1,000	**2**

Total Violations Closed: 13

Marin

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Chevron Station #90024	**C1806**	Mill Valley	$500	**1**
JLV Equipment	**P1281**	Woodside	$500	**1**

Total Violations Closed: 2

Napa **No Violations Closed for October**

Santa Clara

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Abco Construction	**G2272**	San Martin	$8,000	**4**
C.C.K. Construction Inc.	**P1771**	Saratoga	$1,000	**2**
CADECO	**P6399**	San Jose	$1,000	**1**
Coast Oil Co	**Q2216**	San Jose	$750	**1**
Donald Racacho Cabinet Finishing & Refinishing	**B6056**	San Jose	$750	**2**
Hansra Gas & Mart	**C5214**	San Jose	$250	**1**
MAACO Auto Painting & Bodyworks	**A7266**	Palo Alto	$500	**1**
Paint Trends	**B2423**	Santa Clara	$1,500	**2**
Silicon Valley Valero	**D0405**	Mountain View	$500	**1**
Spectra-Physics Lasers	**A0548**	Mountain View	$4,000	**1**
Tosco Facility #2611213O	**C4475**	Sunnyvale	$300	**1**
Tyco Santa Clara	**B1938**	Santa Clara	$500	**1**
World Oil Company	**C5445**	San Jose	$300	**1**

Total Violations Closed: 19

San Francisco

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Arco Facility #82084	**C2297**	San Francisco	$250	**1**
United Airlines, SF Maintenance Center	**A0051**	San Francisco	$10,000	**2**

Total Violations Closed: 3

San Mateo

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Calclean Inc	**B2568**	Daly City	$10,000	**13**

M C Auto Body	**B2593**	San Bruno	$500	**2**

Total Violations Closed: 15

Solano **No Violations Closed for October**

Sonoma

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Jerry Morita	**P8340**	Sebastopol	$1,000	**1**
Rhyne Design	**A4782**	Sebastopol	$300	**1**

Total Violations Closed: 2

ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT AIR	The surrounding local air
AQI	Air Quality Index
ARB	[California] Air Resources Board
ATCM	Airborne Toxic Control Measure
BAAQMD	Bay Area Air Quality Management District
BACT	Best Available Control Technology
BANKING	Applications to deposit or withdraw emission reduction credits
BAR	[California] Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
BIODIESEL	A fuel or additive for diesel engines that is made from soybean oil or recycled vegetable oils and tallow. B100=100% biodiesel; B20=20% biodiesel blended with 80% conventional diesel
BTU	British Thermal Units (measure of heat output)
CAA	[Federal] Clean Air Act
CAL EPA	California Air Resources Board
CCAA	California Clean Air Act [of 1988]
CCCTA	Contra Costa County Transportation Authority
CEQA	California Environmental Quality Act
CFCs	Chlorofluorocarbons
CMA	Congestion Management Agency

CMAQ	Congestion Management Air Quality [Improvement Program]
CMP	Congestion Management Program
CNG	Compressed Natural Gas
CO	Carbon monoxide
EBTR	Employer-based trip reduction
EJ	Environmental Justice
EIR	Environmental Impact Report
EPA	[United States] Environmental Protection Agency
EV	Electric Vehicle
HC	Hydrocarbons
HOV	High-occupancy vehicle lanes (carpool lanes)
hp	Horsepower
I&M	[Motor Vehicle] Inspection & Maintenance ("Smog Check" program)
ILEV	Inherently Low Emission Vehicle
JPB	[Peninsula Corridor] Joint Powers Board
LAVTA	Livermore-Amador Valley Transit Authority (“Wheels”)
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
MPG	Miles per gallon
MTC	Metropolitan Transportation Commission
NAAQS	National Ambient Air Quality Standards (federal standards)
NO_x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O_3	Ozone
$PM_{2.5}$	Particulate matter less than 2.5 microns
PM_{10}	Particulate matter (dust) less than 10 microns
$PM_{>10}$	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for *national* air quality standards)
SO_2	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]

TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m^3	micrograms per cubit meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per *day*, in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANAGEMENT DISTRICT **AGENDA: 4**

Memorandum

To: Chairperson Haggerty and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 15, 2004

Re: Report of Division Activities for the month of November 2004

RECOMMENDED ACTION:

Receive and file.

Reviewed by: Peter Hess

ADMINISTRATIVE SERVICES DIVISION – W. TANAKA, DIRECTOR

Human Resources Officer Mike Rich completed Meet & Confer discussions with the District's Employees Association to extend the Memorandum of Understanding four years to June 2006. Word was received on November 24, 2004 that the Association had voted 94% in favor of the extension. The District's Board of Directors will review and vote on this item at it's December 1, 2004 meeting.

Staff continued with closing the books for the 2003/2004 Fiscal Year. Staff also continued data gathering and preliminary work for the annual audit. The CPA firm of Izabal Bernaciak & Company will perform the annual audit which will be completed in January 2005. The final report will be presented to the Budget & Finance Committee in March or April 2005.

The HVAC Phase III upgrade, largest of 4 capital improvement projects underway during the year, was completed during the month. Due to the amount of work that needed to be done and the high cost of this capital project, work was performed in three separate phases. Phase III completes the upgrade which started in calendar year 2003.

Work continued on upgrading the building fire alarm system. The projected, started in November 2003, is 46% complete.

COMPLIANCE & ENFORCEMENT DIVISION – K. WEE, DIRECTOR

Staff attended a community meeting that was conducted in Crockett on November 10, 2004 at Director Uilkema's office. The meeting was held for the public to ask questions regarding the H2S release event that occurred at ConocoPhillips in Rodeo on October 31, 2004. The District, Contra Costa County HAZMAT and ConocoPhillips personnel were available for questions and answers.

On November 22 staff met with Director Haggerty and Pamela Evans, Alameda County Green Business Coordinator, to discuss improvements in the District's support of ABAG's Green Business program. Various proposals to offer more compliance assistance and better coordination of District permit and enforcement activities were reviewed. Staff is currently developing a strategic training plan for 2005 to encompass Inspection staff needs and development consistent with rule and program development.

Staff is continuing the compliance audit of all the refineries for the Flare Monitoring rule. With the assistance of the Technical Services and Engineering Division, several minor issues have been identified for follow-up with some of the refineries. Staff also participated by conference call in discussions concerning wild land fire use (WFU) at the joint ARB - Federal Land Managers meeting on November 8 and attended the Interagency Air and Smoke Council (IASC) meeting in Sacramento on November 9 and 10. Staff will continue to participate in the WFU workgroup of ARB and National park land managers and monitor its discussions with respect to dealing with WFU and its effects on federal PM, Haze and Ozone standards.

Staff from PI&O and the Compliance and Enforcement Division met to review the progress on a new air pollution complaint brochure. Final changes to the air pollution complaints web access project are being completed. These two projects are some of the last deliverables for the Complaint Program Review project. Staff also met jointly with PI&O staff to review the procedures for responding to complaints of residential wood smoke (from inside fireplaces or woodstoves) and the District's Spare the Air Tonight program.

Staff posted another chapter of the Policies and Procedures Manual, "Breakdown Guidelines" to the District website. This information will help companies comply with notification requirements. Staff has also posted "Compliance Tips" for two small business sectors; automotive and mechanical repair industries doing parts cleaning. Staff is currently reviewing bid proposals to assist the Division with issuing an RFP to upgrade the current Two-way Radio System. This work is in preparation for a capital budget item in the next fiscal year budget. As an immediate improvement, the Division's radio maintenance contractor has installed a temporary new base station in the Communications Center for a demonstration/test to determine if the addition of a Mt. Diablo repeater site would significantly improve two-way radio transmissions in the Concord corridor.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Evaluation Program

Staff testified at a California Energy Commission (CEC) workshop on Energy and the Environment. CEC is preparing a report on the environmental effects of energy production.

Title V Program

Staff has been working with EPA and the refineries to complete issuance of Revision 1 of the Refinery Title V permits. The permits should be ready to issue in the first week of December. Work will then begin on Revision 2, which will incorporate all recently issued operating permits and bring each Title V permit up-to-date.

The Title V permit for PG&E Hunters Point in San Francisco was renewed. This permit process was the subject of a great deal of public interest and participation. The District

responded to community concerns by implementing enhanced community monitoring and enforcement programs, and by incorporating into the Title V permit an unusual clause that will terminate the permit once the State determines that the power plant is no longer necessary to ensure the reliability of San Francisco's power supply.

The Title V permit for U.C. Berkeley was cancelled because the facility was granted a synthetic minor operating permit, which will ensure that emissions remain below Title V thresholds.

Toxics Program

The Toxic Evaluation Section completed a total of 24 risk screens during November. The majority of these risk screens were for diesel engine emergency generators and gas stations. A risk assessment was performed as a response to comments concerning the Title V permit renewal for the Mirant Potrero facility in San Francisco. Work continued on emissions review for the next emissions inventory submittal to ARB, development of a new data form for internal combustion engines, and various tasks to incorporate new diesel particulate emission calculation factors into the District's data base.

INFORMATION SYSTEMS DIVISION – J. McKAY, DIRECTOR

Toolsets for Permits/Enforcement/Legal

Vendor Presentations are in process. Toolsets under review include document management products such as Documentum and FileNet. This process is supported by an update of the extensive requirement documentation that was previously developed. This update is supported by work with SAIC. The design methodology for replacement of IRIS and Databank will begin with identification of the large-scale functional components of the Air District Production Processes. This will enable a tool selection process focused on high-level tool sets. While this may not allow the District to accomplish all of its objectives with a single vendor offering, it will allow the opportunity to substitute purchased modules for custom code. Peter Hess directed inquiries to Air Districts around the Unites States and received substantial input on their current systems and future plans.

Infrastructure

The Infrastructure upgrade continues. It is motivated by initial review of technology direction and associated security topics. This work will span the last quarter of this calendar year and continue into the first quarter of next year. The upgrade was previously planned because of security needs and equipment obsolescence.

Web Site Development

The roadmap for the next phase of the new site is under development. Development for web based Complaint query capability is complete and under review by users.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 128 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 93 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 7 Final

30 Day Letters regarding civil penalties for 12 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of $36,184 in civil penalties for 43 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 15 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of $47,750 in civil penalties for 24 Violations. In addition, in the month of November 2004, the District received funds from a settlement reached by the Contra Costa County District Attorney with ConocoPhillips for civil penalties of $350,000 for 33 violations, of which the District's share is $275,000.

PLANNING DIVISION – J. ROGGENKAMP, DAPCO

Grant Programs

Staff processed eight Lower-Emission School Bus Program grant applications from local public school districts received since November 15, 2004, the first day the Air District started accepting such applications. On November 16, 2004, staff issued the call for applications for the Solid Waste Collection Vehicles Incentive Program, which includes approximately $1.5 million of Transportation Fund for Clean Air (TFCA) funds and $2 million of Congestion Mitigation and Air Quality Improvement (CMAQ) funds; applications will be accepted beginning December 15, 2004. A total of 229 eligible light-duty vehicles were purchased and scrapped by the three Vehicle Buy Back (VBB) Program contractors; on November 17, 2004, the VBB Program changes approved by the Board, to pay $650 for each eligible light-duty vehicle (model 1985 and older), went into effect.

Air Quality Planning Program

Staff provided a status report to the Executive Committee regarding the Bay Area Ozone Strategy. The draft Ozone Strategy will include 15 stationary source measures, 4 mobile source measures, and 19 transportation control measures, as well as 21 further study measures. The draft Ozone Strategy is expected to be released for public review in early 2005.

On November 18 the ARB Board adopted the Proposed List of Measures to Reduce Particulate Matter – PM10 and PM2.5, as required by SB656. District staff will work with ARB staff to identify a list of measures appropriate for the Bay Area. Staff will propose a prioritized list of measures and an implementation schedule for District Board approval by July 31, 2005.

Staff wrote two comment letters regarding air quality impacts of development projects and plans in the Bay Area: Rincon Hill Plan (San Francisco) and Wood Street Project (Oakland).

Rule Development Program

Staff hosted a technical workgroup meeting on refinery flares on November 4 at the District office and participated in conference calls with the Western States Petroleum Association (WSPA) regarding floating roof storage tank emissions on November 3 and 15. Legal notice was provided of the December 15 public hearing on proposed amendments to the District's permitting rules; Regulation 2, Rules 1, 2 and 4. Staff presented two items to the Board's Stationary Source Committee on November 22, a report on the implementation of Regulation 12, Rule 11 regarding petroleum refinery flare monitoring, flare emissions trends, and

progress on development of a flare control proposal; and a report on the expected rule development efforts in 2005.

PUBLIC INFORMATION & OUTREACH – T. GALVIN LEE, DIRECTOR

The District began its wintertime *Spare the Air Tonight!* outreach program on November 17. It focuses on the dangers and health effects of particulate pollution resulting from motor vehicle exhaust and woodburning. The media relations' effort will include public service announcements on local radio, distribution of the District's Woodburning Handbook, bus card advertisements, and staffing at various local events. Building on the success of the summer campaign, the Air District produced a winter Spare the Air spot with the Executive Officer delivering a wood-burning message reinforcing the "family" ads produced last spring. These will run on both radio and TV. Wintertime outreach will also include a focus on the woodstove/fireplace rebate program currently taking place in Santa Clara County.

In November, the Youth Outreach component kicked off the fall series of Smogzilla performances, which will take place in 30 Bay Area schools. On November 2, Channel 7 TV's "On Your Side" program did a three-minute story on the District's woodsmoke program that was seen by approximately 125,000 viewers. It demonstrated the benefits of converting an old woodburning fireplace to natural gas. On November 10, Will Taylor the Senior Public Information Officer retired. During November approximately 1596 smoking vehicles were reported.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Monitoring

The Daily $PM_{2.5}$ winter monitoring schedule commenced at designated monitoring stations on October 1st. On December 1, ozone monitors at eight stations will be shut down for 4 months during the low ozone winter season as allowed under a waiver granted by the EPA. The Concord air monitoring station was out of service for 18 days due to storm damage; it resumed operation on November 12th after repairs were completed.

Meteorology

Three days in November reached the Unhealthful for Sensitive Groups (USG) air quality level for $PM_{2.5}$ (101 - 150 AQI). The remainder of the days were equally split between Good and Moderate air quality categories. On November 16th USG levels occurred at five sites, Vallejo, San Francisco – Arkansas St., San Francisco Bayview Hunter's Point, San Jose Jackson, and Oakland Filbert, due to limited mixing and light winds. On November 24th, the day before Thanksgiving, two sites had USG levels, Vallejo at 116 AQI and Livermore at 106 AQI, due to a strong inversion and light easterly winds. The air quality improved on Thanksgiving as strong southwesterly winds mixed the air ahead of an approaching cold front. The last USG day occurred on November 30th when the air quality at Vallejo reached the 104 AQI level due to a very cold, stable air mass over the Bay Area.

Quality Assurance

Audits were performed on the SO_2 and H_2S analyzers at Shell and Tesoro Refinery Ground Level Monitoring networks. Staff completed system audits at the San Jose-Jackson and Crockett District air monitoring stations.

Air Quality

August 2004 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Forecasting began for the wintertime Spare the Air Tonight Program. Staff attended the 2-day semi-annual meeting of the Interagency Smoke Council in Sacramento. One staff person attended the Biowatch Enhancement Kickoff meeting in Washington DC.

Laboratory

In addition to the ongoing, routine analyses, five ambient air samples, taken during the ConocoPhillips Refinery fuel gas release of October 31, were analyzed for sulfur and total non-methane organic compounds. Three of the samples were speciated for hydrocarbon compounds. The phenol content in a molding sand sample from East Bay Brass Foundry in Richmond was determined. Three outlet samples from the stack of Jefferson Smurfit Corporation in Santa Clara were analyzed for methane and oxygenated hydrocarbons. Three filters and three impinger samples taken from the open baghouse of U.S. Pipe and Foundry Company in Union City were analyzed for lead.

Source Test

Ongoing Source Test activities included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Refinery's open path monitor monthly report for the month of October was reviewed. The Source Test Section provided ongoing participation in the District's Further Studies Measures for refineries.

These facilities have received one or more Notices of Violations
Report period: November 1, 2004 – November 30, 2004

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
11/9/2004	B1277	Nippon Fusso Co , Ltd	Hayward	Authority to Construct; Permit to Operate
11/4/2004	L3268	Synergy Environmental, Inc	Hayward	Asbestos Demolition, Renovation & Mfg.
11/9/2004	B3361	Costco Wholesale	Livermore	Failure to Meet Permit Conditions
11/9/2004	A0054	Hexcel Corporation	Livermore	Major Facility Review (Title V)
11/23/2004	A4716	Purity Cleaners & Laundry Inc	Livermore	Perc & Synthetic Solvent Dry Cleaning Operations
11/10/2004	C0192	Eagle Gas	Oakland	Gasoline Dispensing Facilities
11/4/2004	Q3491	Leland Pong	Pleasanton	Asbestos Demolition, Renovation & Mfg.
11/8/2004	B0898	Star Pacific Inc	Union City	Particulate Matter & Visible Emissions

Contra Costa County

Received Date	Site #	Site Name	City	Regulation Title
11/9/2004	Q3889	Leonard Gerry	Brentwood	Open Burning
11/16/2004	B2758	Tesoro Refining and	Martinez	Particulate Matter & Visible Emissions; Sulfur Dioxide

		Marketing Company		
11/9/2004	A0227	Criterion Catalysts Company LP	Pittsburg	Continuous Emission Monitoring & Recordkeeping Procedures Major Facility Review (Title V)
11/23/2004	A6960	Jess Enterprises	Pittsburg	Motor Vehicle & Mobile Equip Coating Operations
11/8/2004	B1287	Vogue Cleaners	Pleasant Hill	Failure to Meet Permit Conditions
11/30/2004	C5719	Blue Star Gasoline	Richmond	Gasoline Dispensing Facilities
11/9/2004	A0010	Chevron Products Company	Richmond	Flare Monitoring at Petroleum Refineries; Major Facility Review (Title V)
11/9/2004	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Equipment Leaks; Storage of Organic Liquids
11/8/2004	C1689	Chevron Station #96956	San Ramon	Gasoline Dispensing Facilities
11/9/2004	A7642	Crow Canyon Cleaners	San Ramon	Petroleum Dry Cleaning Operations
11/8/2004	D0400	Valero Refining Co SS#7974	San Ramon	Gasoline Dispensing Facilities
11/9/2004	A9075	Vonnies One Hour Cleaners	San Ramon	Petroleum Dry Cleaning Operations

Marin County

Received Date	Site #	Site Name	City	Regulation Title
11/8/2004	C8659	Big 4 Rents	Novato	Gasoline Dispensing Facilities
11/23/2004	A8132	Orchid Cleaners	San Rafael	Perc & Synthetic Solvent Dry Cleaning Operations

Napa County

Received Date	Site #	Site Name	City	Regulation Title
11/30/2004	Q4212	Jim Talcott	Saint Helena	Open Burning
11/30/2004	Q4224	Linda-Marie Loeb	Calistoga	Open Burning
11/30/2004	Q4215	Usibelli Ranch	Saint Helena	Open Burning
11/23/2004	Q3848	vineyard 7 and 8	Saint Helena	Open Burning

San Francisco County

Received Date	Site #	Site Name	City	Regulation Title
11/10/2004	C2323	Chevron Station # 91623	San Francisco	Gasoline Dispensing Facilities
11/1/2004	B4648	Cleasby Manufacturing Co	San Francisco	Solvent Cleaning Operations
11/16/2004	B2495	Pacific Cement Corp	San Francisco	Authority to Construct; Permit to Operate
11/4/2004	Q3790	Paint Wizard	San Francisco	Motor Vehicle & Mobile Equip Coating Operations Authority to Construct; Permit to operate

San Mateo County

Received Date	Site #	Site Name	City	Regulation Title
11/23/2004	C0806	Blue Line Transfer Inc	South San Francisco	Gasoline Dispensing Facilities
11/16/2004	B1136	Charles Graphics	South San Francisco	Graphics Arts Printing & Coating Operations
11/30/2004	Q4222	Crocker Vineyards	South San Francisco	Open Burning
11/9/2004	C9772	Fifth Avenue Enterprises	Redwood City	Gasoline Dispensing Facilities
11/16/2004	B2436	Gomez Iron Works	Daly City	Surface Coating of Misc Metal Parts & Products
11/16/2004	B2436	Gomez Iron Works	Daly City	Surface Coating of Misc Metal Parts & Products
11/9/2004	Q1694	Graham Vane	Pacifica	Asbestos Demolition, Renovation & Mfg.

11/9/2004	Q1694	Graham Vane	Pacifica	Asbestos Demolition, Renovation & Mfg.
11/1/2004	F5046	Sabek Oil Company	South San Francisco	Gasoline Dispensing Facilities
				Open Burning
				Open Burning

Santa Clara County

Received Date	Site #	Site Name	City	Regulation Title
11/15/2004	Q3955	Eric Reich & Associates	Campbell	Architectural Coatings
11/15/2004	Q3953	Gary Mylar	Gilroy	Open Burning
11/29/2004	D0034	Chevron Inc #2060	Morgan Hill	Gasoline Dispensing Facilities
11/18/2004	C9453	ABE Gasoline	San Jose	Gasoline Dispensing Facilities
11/22/2004	Q3253	Almanden Welding	San Jose	Authority to Construct; Permit to Operate; Surface Coating of Misc Metal Parts & Products
11/23/2004	A1929	Atlantic Richfield Co	San Jose	Gasoline Dispensing Facilities
11/4/2004	Q3793	Body Style	San Jose	Authority to Construct; Permit to Operate
11/22/2004	A0049	Chevron Products Company	San Jose	Equipment Leaks; Storage of Organic Liquids
11/23/2004	C3830	Classic Car Wash	San Jose	Gasoline Dispensing Facilities
11/23/2004	D0888	Kwikserv (Sherwin Petroleum #2	San Jose	Gasoline Dispensing Facilities
11/18/2004	C9312	Tosco Northwest Company	San Jose	Gasoline Dispensing Facilities
11/23/2004	C8383	USA Petroleum	San Jose	Failure to Meet Permit Conditions
11/4/2004	N7112	Z-Con Specialty	San Jose	Asbestos Demolition, Renovation & Mfg.
11/15/2004	B2213	PK Selective Metal Plating	Santa Clara	Surface Coating of Misc Metal Parts & Products
11/15/2004	A0122	Raisch Co/Reed & Graham	Santa Clara	Failure to Meet Permit Conditions

Solano County

Received Date	Site #	Site Name	City	
11/5/2004	A7618	Ashland Chemical Company	Fairfield	Failure to Meet Permit Conditions; General Solvent & Surface Coating Operations
11/10/2004	Q3904	Cordelia Gun Club	Suisun City	Open Burning
11/5/2004	Q3174	Ferrari Brothers	Fairfield	Open Burning
11/30/2004	C8365	Pooja Oil, LLC	Vallejo	Gasoline Dispensing Facilities
11/22/2004	B2626	Valero Refining Company - California	Benicia	Standards of Performance for New Stationary Sources; Continuous Emission Monitoring & Recordkeeping Procedures; Equipment Leaks; Storage of Organic Liquids

Sonoma County

Received Date	Site #	Site Name	City	
11/23/2004	A5395	Boomer's Fabricare Ctr Inc	Santa Rosa	Permit to Operate
11/22/2004	B6540	Briggs & Sons LLC	Sonoma	Authority to Construct; Permit to Operate
11/30/2004	Q4207	Charles Kozak	Sebastopol	Open Burning
11/30/2004	Q4219	Derek Stimple	Santa Rosa	Open Burning
11/30/2004	C6998	Gas Club	Petaluma	Gasoline Dispensing Facilities
11/19/2004	Q4092	George Barnwell	Santa Rosa	Open Burning
11/15/2004	Q3985	Hanna Winery and Vineyard	Santa Rosa	Open Burning
11/30/2004	D0499	Hertz	Petaluma	Gasoline Dispensing Facilities
11/30/2004	Q4206	Jerry Bolduan	Sebastopol	Open Burning
11/19/2004	Q4089	Matt Friedman	Santa Rosa	Open Burning
11/5/2004	Q3137	Pacheco Dairy	Petaluma	Open Burning
11/30/2004	Q4220	Pete Mufich	Santa Rosa	Open Burning
11/19/2004	Q4088	Ralph Svara	Sebastopol	Open Burning

11/5/2004	A1653	Randal Nutritional Products, Inc	Santa Rosa	Authority to Construct; Permit to Operate
11/30/2004	Q4217	Ted Williams	Santa Rosa	Open Burning
11/23/2004	A7411	Thompson Cleaners	Santa Rosa	Perc & Synthetic Solvent Dry Cleaning Operations
11/15/2004	Q3982	Wade Johnson	Santa Rosa	Open Burning

November 2004 Closed NOVs with Penalties by County

Alameda

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Ben Anderson	Q0258	Oakland	$1,200	3
Penske Truck Leasing Co, LP	C7928	San Leandro	$500	1
R & V Auto Body Shop Inc	B2044	Oakland	$1,000	1
Seven-Eleven Store #19168	C5509	Fremont	$2,250	3
Valero 92	D0418	Hayward	$1,000	1
Valero Refining Co SS#7983	D0359	Fremont	$750	2

Total Violations Closed: 11

Contra Costa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
ConocoPhillips - San Francisco Refinery	A0016	Rodeo	$275,000	33
Martinez Gun Club	P7684	Martinez	$500	1
R & R Auto Service	C8939	El Cerrito	$250	1
Valero Refining Co SS#7033	D0397	San Ramon	$500	1
Valero Refining Co SS#7103	D0354	Richmond	$750	1

Total Violations Closed: 37

Marin

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Mobile Autobody Solutions Inc	A4765	San Rafael	$1,000	2

Total Violations Closed: 2

Napa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Jack Neal & Son	P8297	Saint Helena	$500	1

Total Violations Closed: 1

Santa Clara

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Arco	C4010	San Jose	$1,000	1
Brothers Body Shop	B1818	San Jose	$500	2
Chevron Inc #2060	D0034	Morgan Hill	$500	1
Leigh Avenue Chevron #93314	C3989	San Jose	$650	1
Mountain View Valero SS#7542	D0406	Mountain View	$750	1
Nella Oil Company	C8508	Milpitas	$350	1
Strawberry Park Shell	C9841	San Jose	$250	1
Valero Refining Co SS#7112	D0385	San Jose	$750	1
Valero Refining Co SS#7285	D0377	Sunnyvale	$1,500	2
Valero Refining Co SS#7370	D0369	Sunnyvale	$2,250	4
Valero Refining Co SS#7528	D0420	Mountain View	$750	1

Valero Refining Co SS#7544	D0399	San Jose	$750	1
Valero Refining Co SS#7760	D0368	San Jose	$750	1
Valero Refining Co SS#7008	D0398	San Jose	$1,750	2
Valero Refining Co SS#7283	D0467	Sunnyvale	$750	1
Valero Refining Company	D0390	San Jose	$750	1
Valero Refining Company	D0387	San Jose	$750	1

Total Violations Closed: 23

San Francisco

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Darling International	B0271	San Francisco	$10,000	1
Fernando's Auto Body & Paint	A8631	San Francisco	$1,083	1

Total Violations Closed: 2

San Mateo

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Arias Construction	N3176	San Mateo	$5,000	2
Cal Spray Inc	A0610	East Palo Alto	$1,000	2
Grand Prix Automotive	B2942	South San Francisco	$500	1
Muscat Auto Body	B2396	San Bruno	$750	2
National Color Auto Paint Inc	B0764	San Bruno	$1,400	2
Romic Environmental Technologies Corporation	A0468	East Palo Alto	$32,500	1
Valero Refining Co SS#7044	D0421	Foster City	$750	1

Valero Refining Co SS#7113	D0388	Palo Alto	$1,000	2

Total Violations Closed: 13

Napa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Valero Refining Co SS#7909	D0460	Fairfield	$400	1

Total Violations Closed: 1

Sonoma

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Bob Fenzel	P1096	Santa Rosa	$200	1
Chevron #0152	C4853	Petaluma	$500	1
Manfred Gruener	P7942	Cotati	$1	1
New Albion Restorations	B1442	Sonoma	$500	1
Peterson Tractor	A5880	Santa Rosa	$300	2
Quality Import Service	Q2322	Santa Rosa	$100	1
Wisemans Valero Service	D0372	Santa Rosa	$500	1

Total Violations Closed: 8

District Wide

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Beneto Tank Lines	A4021	Sacramento	$2,000	1
Dandee Transportation	A4020	Bakersfield	$500	1

Total Violations Closed: 2

ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT AIR	The surrounding local air
AQI	Air Quality Index
ARB	[California] Air Resources Board
ATCM	Airborne Toxic Control Measure
BAAQMD	Bay Area Air Quality Management District
BACT	Best Available Control Technology
BANKING	Applications to deposit or withdraw emission reduction credits
BAR	[California] Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
BIODIESEL	A fuel or additive for diesel engines that is made from soybean oil or recycled vegetable oils and tallow. B100=100% biodiesel; B20=20% biodiesel blended with 80% conventional diesel
BTU	British Thermal Units (measure of heat output)
CAA	[Federal] Clean Air Act
CAL EPA	California Air Resources Board
CCAA	California Clean Air Act [of 1988]
CCCTA	Contra Costa County Transportation Authority
CEQA	California Environmental Quality Act
CFCs	Chlorofluorocarbons
CMA	Congestion Management Agency
CMAQ	Congestion Management Air Quality [Improvement Program]
CMP	Congestion Management Program
CNG	Compressed Natural Gas
CO	Carbon monoxide
EBTR	Employer-based trip reduction
EJ	Environmental Justice
EIR	Environmental Impact Report
EPA	[United States] Environmental Protection Agency
EV	Electric Vehicle
HC	Hydrocarbons
HOV	High-occupancy vehicle lanes (carpool lanes)
hp	Horsepower
I&M	[Motor Vehicle] Inspection & Maintenance ("Smog Check" program)
ILEV	Inherently Low Emission Vehicle
JPB	[Peninsula Corridor] Joint Powers Board
LAVTA	Livermore-Amador Valley Transit Authority (“Wheels”)
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
MPG	Miles per gallon

MTC	Metropolitan Transportation Commission
NAAQS	National Ambient Air Quality Standards (federal standards)
NO_x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O_3	Ozone
$PM_{2.5}$	Particulate matter less than 2.5 microns
PM_{10}	Particulate matter (dust) less than 10 microns
$PM_{>10}$	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for *national* air quality standards)
SO_2	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m^3	micrograms per cubit meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per *day*, in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

AGENDA: 5

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer / APCO

Date: December 8, 2004

Re: 2005 Regulatory Calendar

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

Each year, the District is required by Health and Safety Code section 40923 to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. If a measure is not on this list, it may not be brought before the Board unless it is necessary (1) to satisfy federal requirements, (2) to abate a substantial endangerment to public health or welfare, (3) to comply with state toxic air contaminant requirements, (4) to comply with an ARB requirement that the District adopt contingency measures due to inadequate progress towards attainment, (5) to preserve an existing rule's "original intent," or (6) to allow for alternative compliance under an existing rule.

The attached list includes all measures that may come before the Board in 2005. Some of the measures fall within exceptions listed above but are nevertheless included for completeness. Draft Ozone Strategy control and further study measures are included. There is no expectation that all of the measures on the list will be enacted during the calendar year. Rules are listed in numerical order as they appear in the District Rules and Regulations.

All new rules and rule amendments must be adopted at a public hearing conducted by the District's Board of Directors. Public comment is accepted at these hearings. Public notice of hearings is provided as required by law. In addition, the District conducts public workshops and provides opportunities for oral and written comments before scheduling a rule for public hearing. Information on workshops, hearings, and other rule development issues may be obtained from the District website at www.baaqmd.gov/pln/ruledev/index.asp or by calling the Planning Division at (415) 749-4995.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Daniel Belik
Approved by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
2005 REGULATORY MEASURES LIST

Control Measure [1]	Regulation, Rule	Title	Objective [2]
	Reg. 1	General Provisions and Definitions	Clarifications
	Reg. 2, Rule 1	General Requirements (Permits)	EPA, CARB policy; State law, clarifications
	Reg. 2, Rule 2	New Source Review	EPA policy, State law
	Reg. 2, Rule 4	Emissions Banking	Clarifications
FS-14	Reg. 2, Rule 5	New Source Review for Toxic Air Contaminants	Codify existing policy, Community Air Risk Evaluation
	Reg. 2, Rule 6	Major Facility Review (Title V)	EPA policy, clarifications
	Reg. 2, Rule 9	Interchangeable Emission Reduction Credits	Clarifications
FS-18, FS-19	Reg. 3	Fees	Cost recovery, mitigate impacts of indirect and federal sources
	Reg. 5	Open Burning	Clarifications, reduce emissions
	Reg. 7	Odorous Substances	Clarifications
	Reg. 8, All	General Provisions	Applicability, VOC definition
	Reg. 8, Rule 2	Miscellaneous Operations	Clarifications
FS-2	Reg. 8, Rule 3	Architectural Coatings	Clarifications; reduce organic emissions
FS-8	Reg. 8, Rule 4	General Solvent and Surface Coating Operations	Reduce organic emissions
SS-9 (FS-10)	Reg. 8, Rule 5	Storage of Organic Liquids	Reduce organic emissions
	Reg. 8, Rule 6	Organic Liquid Bulk Terminals and Bulk Plants	Reduce organic emissions
	Reg. 8, Rule 7	Gasoline Dispensing Facilities	Reduce organic emissions
FS-10 (FS-9)	Reg. 8, Rule 8	Wastewater Collection and Separation Systems	Reduce organic emissions
	Reg. 8, Rule 10	Process Vessel Depressurization	Clarifications, flexibility
FS-8	Reg. 8, Rule 16	Solvent Cleaning Operations	Clarifications
	Reg. 8, Rule 17	Petroleum Dry Cleaning Operations	Reduce organic emissions
FS-12	Reg. 8, Rule 18	Equipment Leaks	Reduce organic emissions
SS-2	Reg. 8, Rule 20	Graphic Arts Operations	Clarifications, reduce organic emissions
SS-10 (FS-8)	Reg. 8, Rule 28	Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants	Reduce organic emissions
SS-5	Reg. 8, Rule 32	Wood Products Coatings	Reduce organic emissions
SS-7	Reg. 8, Rule 33	Gasoline Bulk Terminals and Gasoline Delivery Vehicles	Reduce organic emissions
SS-7	Reg. 8, Rule 39	Gasoline Bulk Plants and Gasoline Delivery Vehicles	Reduce organic emissions
	Reg. 8, Rule 40	Aeration of Contaminated Soil and Removal of Underground Storage Tanks	Clarifications
SS-8 (FS-11)	Reg. 8, Rule 44	Marine Vessel Loading Terminals	Reduce organic emissions

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
2005 REGULATORY MEASURES LIST

Control Measure [1]	Regulation, Rule	Title	Objective [2]
SS-1	Reg. 8, Rule 45	Motor Vehicle and Mobile Equipment Coating Operations	Reduce organic emissions
SS-8 (FS-11)	Reg. 8, Rule 46	Marine Tank Vessel to Marine Tank Vessel Loading	Reduce organic emissions
	Reg. 8, Rule 49	Aerosol Paint Products	Consider deletion of rule due to ARB standards
SS-4	Reg. 8, Rule 50	Polyester Resin Operations	Reduce organic emissions
FS-1	Reg. 8, Rule 51	Adhesive and Sealant Products	Reduce organic emissions
	Reg. 8, Rule 52	Polystyrene, Polypropylene and Polyethylene Foam Product Mfg Ops.	Clarifications
SS-3	Reg. 8, Rule TBD	High Emitting Spray Booths	Reduce organic emissions
FS-3	Reg. 8, Rule TBD	Commercial Charbroiling	Reduce organic emissions
FS-4	Reg. 8, Rule TBD	Composting Operations	Reduce organic emissions
FS-5	Reg. 8, Rule TBD	Food Product Manufacturing Operations	Reduce organic emissions
FS-6	Reg. 8, Rule TBD	Livestock Waste	Reduce organic emissions
	Reg. 8, Rule TBD	Episodic Controls	Reduce organic emissions
FS-9	Reg. 8, Rule TBD	Cooling Towers	Reduce organic emissions
FS-11	Reg. 8, Rule TBD	Vacuum Trucks	Reduce organic emissions
FS-13	Reg. 8, Rule TBD	Wastewater from Coke Cutting	Reduce organic emissions
	Reg. 9, Rule 1	Sulfur Dioxide	Monitoring, recording requirements
	Reg. 9, Rule 2	Hydrogen Sulfide	Monitoring, recording requirements
SS-13	Reg. 9, Rule 6	NOx from Natural Gas-Fired Water Heaters	Reduce NOx emissions
SS-12	Reg. 9, Rule 7	NOx and CO from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters	Clarifications; reduce NOx emissions
FS-16	Reg. 9, Rule 8	NOx and CO From Stationary Internal Combustion Engines	Reduce NOx emissions
SS-14	Reg. 9, Rule 9	NOx From Stationary Gas Turbines	Change averaging time; reduce NOx emissions
FS-15	Reg. 9, Rule 10	NOx and CO From Boilers, Steam Generators And Process Heaters in Petroleum Refineries	Clarifications, reduce NOx emissions
	Reg. 11	Hazardous Air Pollutants	Reference federal standards
	Reg. 11, Rule 2	Asbestos Demolition, Renovation and Manufacturing	Clarifications
	Reg. 11, Rule 14	Asbestos-Containing Serpentine	Clarifications
	Reg. 12, Rule 7	Motor Vehicle Air Conditioners	Clarifications
	Reg. 12, Rule 11	Flare Monitoring at Petroleum Refineries	Clarifications
SS-6 (FS-8)	Reg. and Rule TBD	Flare Control at Petroleum Refineries	Reduce emissions
FS-19	Reg. and Rule TBD	Indirect Source Mitigation	Reduce organic, NOx emissions
	MOP, Volume I	Enforcement Procedures	Clarification, improve data submittals

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
2005 REGULATORY MEASURES LIST

Control Measure [1]	Regulation, Rule	Title	Objective [2]
	MOP, Volume II	Engineering Permitting Procedures	Consistency with EPA requirements, clarifications
	MOP, Volume III	Laboratory Methods	New and improved analytical procedures
	MOP, Volume IV	Source Test Methods	New and improved analytical procedures
	MOP, Volume V	Continuous Emission Monitoring	New and improved analytical procedures
	MOP, Volume VI	Ground Level Monitoring	Consistency with EPA requirements

[1] Control measure numbers given are from the draft 2005 Ozone Control Strategy. Control measure numbers in parentheses are from the 2001 Ozone Attainment Plan.

[2] Objectives are listed for information only and are subject to change. Rule development efforts for a rule are not limited to listed objectives.

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 6, 2004

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

It is the District's policy to report all out-of-state travel to the Board of Directors.

DISCUSSION

Gary Kendall, Technical Services Director, and Brian Bateman, Engineering Director attended the CRC Workshop on Mobile Source Air Toxics, held in Scottsdale, AZ from November 30 through December 2, 2004.

Lucia Libretti, Supervising Information Officer, and Darrell Waller, Public Information Officer in the Public Information and Outreach Division, were presenters at the STAPPA/ALAPCO Communicating Air Quality Conference, held in Albuquerque, NM from November 30 through December 5, 2004.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 6, 2004

Re: Report of the Executive Committee Meeting of November 29, 2004

RECOMMENDED ACTION

The Committee recommends Board of Director approval of the following items:

A) Approve reappointment of (9) nine Advisory Council members to serve an additional two-year term of office on the Advisory Council effective January 1, 2005 and ending December 31, 2006.

B) Appoint Cassandra Adams to the vacant "Architect" category on the Advisory Council to serve a two-year term of office, effective January 1, 2005 and ending December 31, 2006;

BACKGROUND

The Executive Committee met Monday, November 29, 2004. The Committee received and filed the report of the Hearing Board. The Committee also received recommendations from the Advisory Council Working Group representative, Stan Hayes to reappoint (9) nine Advisory Council members to an additional two-year term of office on the Council and to appoint Cassandra Adams to fill the vacant "Architect" category on the Council. Advisory Council Chairperson, Elinor Blake introduced the incoming Chairperson, Brian Zamora. The Committee also received Advisory Council reports and recommendations on fence-line monitoring and a summary of issues discussed at meetings of the Council and its standing committees.

Staff reports were presented to the Committee on the Status of the 2004 Ozone Strategy; an Update on Labor Relations: Memorandum of Understanding Extension as well as an update on the Air District's Affirmative Action plan.

The Committee discussed teleconferencing options and alternatives and provided direction to staff. Finally, the Committee received a status report from the Information Systems Division with regard to ongoing work to better define the future production system that will replace IRIS.

Attached are the staff reports presented to the Committee for your review.

Chairperson Haggerty will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT
None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

AGENDA: 8

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 7, 2004

Re: Report of the Mobile Source Committee Meeting of December 6, 2004

RECOMMENDED ACTIONS

The Committee recommends Board approval of the following:

A) Additional fiscal year 2004-2005 Transportation Fund for Clean Air (TFCA) Regional Fund grant awards to three airport shuttle projects; and

B) Approval of the expenditure plan for the $2 increase in the motor vehicle registration fee surcharge within the Bay Area Air Quality Management District. Upon approval by the Board of Directors, staff will transmit to the Department of Motor Vehicles a resolution requesting the collection of the additional $2 motor vehicle registration fee starting on April 1, 2005.

DISCUSSION

The Mobile Source Committee met Monday, December 6, 2004. Chairperson Shelia Young will give a summary of the meeting. The attached staff reports were presented to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Juan Ortellado

AGENDA: 9

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 6, 2004

Re: Public Hearing to Consider Amendments to Regulation 2 (Permits) Rules 1 (General Requirements), 2 (New Source Review), and 4 (Emissions Banking) and Approve Filing of a Notice of Exemption pursuant to CEQA.

RECOMMENDED ACTION

Adopt the proposed amendments to Regulation 2 (Permits) Rules 1 (General Requirements), 2 (New Source Review), and 4 (Emissions Banking). Approve the filing of a Notice of Exemption pursuant to CEQA.

BACKGROUND

Currently, under the No Net Increase program, offsets must be provided for new and modified sources at facilities with emissions of precursor organic compounds or nitrogen oxides greater than 15 tons/year (TPY). New regulations adopted by the California Air Resources Board (CARB) require the District to lower the threshold to 10 TPY. The CARB regulations require the District to adopt the lower threshold by December 31, 2004.

In addition, District staff periodically proposes miscellaneous changes to the permit rules to address issues that arise in the implementation of the permit program. A number of such revisions are included in the proposal.

PROPOSAL

The District currently provides offsets for small facilities (emissions less than 50 TPY) from the Small Facility Bank (SFB). The proposed amendments lower the offset threshold to 10 TPY, and lower the ceiling for the District's provision of offsets to 35 TPY. The 35 TPY ceiling for District-provided offsets is needed to ensure that the new withdrawals do not deplete the SFB.

In addition, staff proposes a number of miscellaneous changes:

- Clarify a general exemption for small sources, delete an exemption for cold cleaners, and clarify exemptions for spray gun cleaning and low usage of ink.
- Clarify requirements for protecting trade secret information.

- Require operators to construct in accordance with the terms of the authority to construct. This will clarify District authority to take enforcement action against operators who construct sources that do not comply with the authority to construct.
- Require all crematories to obtain a permit, regardless of age or size.
- Require operators to sign permits. This will ensure that operators have seen any attached permit conditions.
- Move language regarding application completeness from Regulation 2-2 to Regulation 2-1.

In addition, a number of minor grammatical changes are proposed.

Respectfully submitted,

Jack P.Broadbent
Executive Officer/APCO

Prepared by: Steve Hil
Reviewed by: Brian Bateman

Attachments

A. Staff Report
B. Revised Regulation 2 Rules 1, 2, and 4 in Strikeout/Underline format

JB:SH: P:\RULEDEV\2-1\2004--working\December Hearing\BRD MEMO.DOC

Bay Area Air Quality Management District

939 Ellis Street
San Francisco, CA 94109

Proposed Amendments to Regulation 2 (Permits) Rule 1 (General Requirements), Regulation 2 (Permits) Rule 2 (New Source Review), Regulation 2 (Permits) Rule 4 (Emissions Banking)

Staff Report

November 22, 2004

Prepared by:

Steve Hill
Engineering Division

CONTENTS

STAFF REPORT

Proposed Amendments to Regulation 2 (Permits) Rule 1 (General Requirements), Regulation 2 (Permits) Rule 2 (New Source Review), Regulation 2 (Permits) Rule 4 (Emissions Banking)

Executive Summary

The proposed amendments to the District's permitting program fall into two areas:

- **Offsets.** Currently, under the **No Net Increase** program, offsets must be provided for new and modified sources at facilities with emissions of precursor organic compounds or nitrogen oxides greater than 15 tons/year (TPY). The District provides those offsets for small facilities (emissions less than 50 TPY). The proposed amendments lower the offset threshold to 10 TPY, and lower the ceiling for the District's provision of offsets to 35 TPY. The 10 TPY threshold is required by recent amendments to California Air Resources Board (CARB) regulations. The CARB regulations require the District to adopt the lower threshold by December 31, 2004. The lower 35 TPY ceiling for providing offsets is needed to ensure that the District's supply of offsets is not depleted by the requirement to provide offsets to smaller projects.
- **Miscellaneous Changes.** A number of miscellaneous changes to the permit regulations would:
  - Clarify a general exemption for small sources, delete an exemption for cold cleaners, and clarify exemptions for spray gun cleaning and low usage of ink.
  - Clarify requirements for protecting trade secret information.
  - Require operators to construct in accordance with the terms of the authority to construct. This will clarify District authority to take enforcement action against operators who construct sources that do not comply with the authority to construct.
  - Require all crematories to obtain a permit, regardless of age or size.
  - Require operators to sign permits. This will ensure that operators have seen any attached permit conditions.
  - Move language regarding application completeness from Regulation 2-2 to Regulation 2-1.

In addition, a number of minor grammatical changes are proposed.

A proposed amendment that would have extended the time within which an authority to construct could be used has been withdrawn. This proposal would have amended current District provisions that allow an initial two-year period to use an authority to construct and

an additional two years if substantial work begins within the initial two years. Most projects are completed within the initial two years. The District is aware of one project for which the current restrictions could pose a problem, but the problem would not arise until two to three years from now. That project is covered by an Environmental Impact Report (EIR) addressing construction over a period longer than the four years available under the current rule. The proposed amendments would have allowed an extended life of up to ten years for an authority to construct if the project is covered by an EIR addressing construction over such a period. However, it appears that California law may now limit the extent to which the District can maintain the current restrictions and may make the proposed amendment unnecessary. The District intends to review the applicable law and bring alternative language to the Board next year.

A public workshop to discuss the proposed amendments was held on October 12, 2004. Written comments received after publication of the draft rule are summarized at the end of this report. The proposed amendments are exempt under the California Environmental Quality Act because it can be seen with certainty that there is no possibility of a significant effect on the environment. The proposed amendments are also not expected to have any socioeconomic impacts but are exempt from socieconomic review requirements for rules. In addition, the amendments do not conflict with SB288, which was enacted in 2003 to prevent any permit rule relaxations arising from EPA's 2002 amendments to its New Source Review regulations ("NSR reform").

Proposed Amendments

The proposed amendments are discussed below. Amendments are grouped into two broad categories: No Net Increase Amendments and Miscellaneous Amendments. The proposed changes are presented in underline/strikeout format in the attached proposed rules.

No Net Increase Program amendments

Adjust thresholds for offsets and use of Small Facility Bank (2-2-302)

The District's No Net Increase Program ensures that emission increases at all subject new and modified sources are offset by reductions at the same or other facilities. Health and Safety Code section 40919 requires the District to maintain a minimum offset threshold of 15 TPY. In 2003, the California Air Resources Board (CARB) reviewed its ozone transport regulations and concluded that upwind air districts should have the same offset thresholds as the downwind air districts to which emissions are transported. As a result, CARB amended its regulations (California Code of Regulations §70600, subd. (b)(2)) to require the District to lower the emission threshold for facilities included in the program from 15 TPY to 10 TPY by December 31, 2004.

The District operates a Small Facility Bank (SFB). Under this program, the District provides offsets for small facilities. This greatly expedites the permit process for facilities affected by the program. The operators do not need to try to find offsets on the open market, and the

District does not delay the permit process to verify that offsets are valid. Under existing rules, the SFB provides offsets for facilities that are between 15 and 50 TPY in actual emissions. The SFB is replenished by shutdowns of sources that had previously withdrawn credits, shutdowns of sources for which banking applications are not submitted, and reimbursement by facilities whose operations have expanded to bring them above the 50 TPY threshold.

Because state law now requires the District to require offsets from facilities in the 10-15 TPY range, the amount of offsets to be provided from the SFB will increase. In order to prevent depletion of the SFB, the rule will be changed to require the larger facilities to provide their own offsets. Analysis of permit applications indicates that the rate of depletion will equal the rate of replenishment if the range of facilities using the SFB changes from 15-50 TPY to 10-35 TPY.

Some facilities in the 35-50 TPY range have accepted high throughput limits with the understanding that the District would provide offsets. In many cases, if the applicant had known that offsets would later be required, a lower throughput would have been requested. The existing rule requires facilities that have obtained offsets from the SFB in the past, but lose their eligibility to utilize the SFB, to reimburse the bank. Prior to the proposed rule change, a facility would have triggered this requirement by growing to a size larger than the small facility bank cutoff. The proposed rule change, however, moves the cutoff line, so some facilities will suddenly find themselves on the high side of the line.

The amendments allow a facility in this situation to reimburse the bank by accepting a lower throughput limit than contained in the original permit, or surrendering the permit entirely. The requirement to reimburse the bank will be triggered the next time the facility applies for a permit for a new or modified source.

The language of Section 2-2-302.3 has been revised since the workshop to expand the circumstances under which a facility may request adjustment of its cumulative increase. The current proposal removes a proposed sunset date for adjustments and allows a facility to zero out its cumulative increase for a source that has been shut down. See the written comments and responses for more information about the change.

Delete redundant portion of language authorizing Small Facility Bank (2-4-414)

Section 2-4-414 contains additional provisions that apply to the use of the small facility bank. The sentence referring to the use of the bank to provide offsets under 2-2-302 is redundant to language in Section 2-2-302 and will be deleted. This change was not discussed at the public workshop.

Miscellaneous Amendments

The District periodically revises its permitting rules to address issues that have arisen in the course of routine activities. A number of the proposed miscellaneous amendments

involve minor changes to the permit exemption list and clarify ambiguous language or adjust the permit requirements to include or exclude sources in a reasonable manner.

Clarify the general exemption (2-1-103)

The general rule is that all sources of air pollutants require permits. The exemptions in Sections 2-1-113 through 2-1-128 are for sources that have been explicitly evaluated by District staff, and determined to have emissions so insignificant as to be unsuitable for permitting. The Section 2-1-103 exemption was conceived as a general exemption that would cover sources that had low emissions (less than 10 lb/highest day), but had not been specifically considered for exemption.

Section 2-1-103 states that small sources (<10 lb/day) "not subject to" a category-specific rule are not required to have a permit. The current language does not make it clear whether the general exemption applies to small sources that are in a source category to which a rule applies, but are exempted from the rule. As an example, a storage tank containing a low-volatility organic compounds would be exempt from Regulation 8-5 and might not require a permit if emissions are below 10 lb/day and provided the tank is regarded as being "not subject to" Regulation 8-5. One reasonable interpretation of the Section 2-1-103 language is that such a tank is not "subject to" Regulation 8-5. Another reasonable interpretation is that it is "subject to" but exempted from the rule.

The proposed amendment states that the general exemption is not available to a source "in a source category subject to" an existing rule. There are two reasons for clarifying Section 2-1-103 in this manner. First, in choosing to regulate a source category, the District has concluded that emissions are significant. Exempted sources in a regulated category may produce significant emissions if throughput or the type of material processed changes. Requiring permits for these sources gives the District a tool to track these kinds of changes and ensure compliance with the existing rule. Second, if further emission reductions are required in connection with ozone plans, what was once exempted may become worthy of controls. Permits for exempted sources in a category with significant emissions provide the information necessary to evaluate further controls.

Delete exemption for cold cleaners (2-1-118.7)

Prior to May 17, 2000, solvent cold cleaners, such as those used to clean parts in auto repair shops, were exempt from District permits. In an attempt to provide an incentive to operators of solvent cold cleaners to voluntarily convert to aqueous cleaners, the District revised the exemption to require permits at facilities with more than one solvent cold cleaner. To allow for some applications that required organic solvents for proper cleaning, one low-usage solvent cleaner could continue to be exempt, but all other solvent cleaners at the facility required a permit.

In 2002, the District amended Regulation 8-16 to impose stringent VOC limits on cold cleaners. Though the amendments effectively required aqueous cleaning for most materials, some solvent cleaning was still allowed for certain parts. To ensure that solvent

cleaners are used only for the limited purposes allowed by Regulation 8-16, the District must know where organic solvent cleaners are being used. By deleting the remaining exemption for a low usage solvent cleaner, the proposed amendment would require any facility operating a non-aqueous cold cleaner to obtain a permit. Regulation 8-16 allows these facilities to continue to operate such cleaners.

Clarify spray gun cleaning exemption (2-1-118.11)

There has been some confusion as to whether the exemption for spray gun cleaning means that emissions from the activity are not considered by the District. The proposed amendment clarifies the original intent: spray gun cleaning does not require a separate permit because the emissions are counted with the spray booth where coatings are applied. The exemption is therefore limited to spray gun cleaning associated with a spray booth or other source with a permit.

Clarify exemption for low ink usage at printers (2-1-119)

The permit rule has a low usage exemption for surface coating operations. The exemption lists printing equipment as one kind of activity that is exempt from permits if facility-wide usage of coatings is below certain levels. Printing equipment, however, is not a surface coating activity, and inks are not coatings. A literal interpretation of the existing language would result in the conclusion that a printing operation would be exempt from permits regardless of ink usage, because it is located at a facility using less than 30 gallons/year of coatings.

The low usage exemption was intended to cover low ink usage as well as low paint usage. The proposed amendment clarifies this intent.

This proposed change was NOT discussed at the public workshop. It was added by staff as a result of a request for clarification of the existing language.

Clarify requirements for designating information as "trade secret" (2-1-202)

State law requires applicants to provide the information that the District needs to evaluate an application, even if the required information is trade secret. The District must keep such information confidential. If trade secret information is requested, the applicant must be provided an opportunity to protect the information by seeking judicial review.

The proposed amendment will clearly define the steps that need to be taken by an applicant in order to claim trade secret protection. This will improve public access to information because the application must contain both public and confidential versions of any page containing trade secret information. The only information that is withheld from a requestor is the claimed trade secret. The labeling requirements will minimize the chance of error on the part of the District.

Require construction in conformance with Authority to Construct (2-1-305)

District regulations do not currently require the applicant to construct in accordance with the authority to construct. Instead, the regulations require the APCO to deny a permit to a source not constructed in accordance with the authority to construct. This places the burden for ensuring compliance with the construction requirements on the District.

District staff are not always able to inspect equipment after it is constructed. Rarely, this can result in a permit to operate being issued to a source that does not conform to the Authority to Construct. The District may readily enforce operating requirements. Once the District has issued a permit to operate, however, much of its ability to enforce construction requirements has been effectively waived.

The proposed amendment imposes an enforceable obligation on the applicant to construct the source in accordance with the authorization issued by the District. If the APCO determines that the source is not in compliance before permit issuance, a permit may be denied. If non-compliance is detected after permit issuance, the APCO may take appropriate enforcement action.

The draft amendments presented at the workshop contained a proposed certification requirement that would have obligated an operator to certify, under penalty of perjury, substantial compliance with the construction requirements contained in the Authority to Construct. This certification requirement is no longer part of the proposed amendments.

Require grandfathered crematoria to obtain a permit (2-1-401)

Crematoria are sources of toxic air contaminants. The proposed amendment would require all crematoria, regardless of size, to obtain a District permit. This requirement would only affect crematoria built before 1979. All others are already subject to permit requirements.

The requirement to obtain a permit will not result in a requirement to install controls. However, once emission information is reviewed, it may turn out that some old crematoria may be subject to the notification and mitigation requirements of the Toxic Hot Spots program.

Signature for Permits (2-1-411)

Occasionally, District staff encounter an operator who is unfamiliar with the conditions that apply to operating permits or who claims that the company never agreed to the limitation contained in the permit. The existing Rule 2-1-405, Posting of Permit to Operate, is intended to ensure that applicable permit conditions are accessible to the equipment operator.

Staff propose to modify Rule 2-1-411, Permit to Operate, Final Action. The proposed rule amendment specifies that the permit must be signed by the permit holder or by a person authorized to sign on behalf of the permit holder. This section applies to new and modified

permits. The operator will not have to sign permits upon renewal, or sign permits that have already been issued.

The current proposal is a change from an earlier proposal presented at the workshop. See the response to comments for more information about the changes.

Determination of Complete Application (2-1-432, 2-2-402)

Regulation 2-2-402 requires the APCO to determine whether a permit application is complete within three weeks of receipt. This requirement applies to all permit applications, not just those subject to Regulation 2-2. It is more logical for this requirement to be located in Regulation 2-1, along with the requirement for prompt review of a complete application. This proposed amendment is merely a relocation of language from Regulation 2-2 to Regulation 2-1. No change to the text is proposed.

Withdrawn Proposals

Two proposed amendments considered by staff and presented at the workshop are being withdrawn for further study.

Exclude certain types of intentional smoke generation from District regulations (1-110)

At the workshop, staff presented draft amendments that would have excluded certain types of smoke generation from District regulations and District permits. More work is needed to refine this language. Staff will offer a proposal at a future date.

Extend Authority to Construct for Certain Construction Projects (2-1-407)

Current District regulations provide that authorities to construct (AC) expire after two years, unless substantial use is made, or unless renewed for an additional two years by the APCO. Prior to renewing an AC, the APCO determines whether the project would meet current requirements (District regulations, BACT, and offsets). If it does not, the Authority to Construct is not renewed.

At the workshop, staff presented a proposed amendment that would have extended the time within which an authority to construct could be used. This proposal would have amended current District provisions that allow an initial two-year period to use an authority to construct and an additional two years if substantial work begins within the initial two years. Most project are completed within the initial two years. The District is aware of one project for which the current restrictions could pose a problem, but the problem would not arise until two to three years from now. That project is covered by an Environmental Impact Report (EIR) addressing construction over a period longer than the four years available under the current rule. The proposed amendments would have allowed an extended life of up to ten years for an authority to construct if the project is covered by an

EIR addressing construction over such a period. However, it appears that California law may now limit the extent to which the District can maintain the current restrictions and may make the proposed amendment unnecessary. The District is therefore withdrawing this proposal. The District intends to review the applicable law and bring alternative language to the Board next year.

Socioeconomic Impacts of Rulemaking

Section 40728.5, subdivision (a) of the California Health and Safety Code (H&SC) requires districts to assess the socioeconomic impacts of amendments to regulations that, "...will significantly affect air quality or emissions limitations, that agency shall, to the extent data are available, perform an assessment of the socioeconomic impacts of the adoption, amendment, or repeal of the rule or regulation."

District staff has determined that this section of the Health and Safety Code is not applicable to the proposed amendment. The proposed amendment will not significantly affect air quality or emissions limitations.

Under Health and Safety Code § 40920.6, the District is required to perform an incremental cost analysis for any proposed best available retrofit control technology rule. If applicable to this proposed rulemaking activity, the District is required to: (1) identify one or more control options achieving the emission reduction objectives for the proposed rule, (2) determine the cost effectiveness for each option, and (3) calculate the incremental cost effectiveness for each option. To determine incremental costs, the District must "calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option."

District staff has determined that this section of the Health and Safety Code is not applicable to the proposed amendments. The rules being amended are not best available retrofit control technology rules.

Regulatory Impacts

Health and Safety Code Section 40727.2 imposes requirements on the adoption, amendment, or repeal of air district regulations. The law requires a district to identify existing federal and district air pollution control requirements for the equipment or source type affected by the proposed change in district rules. The district must then note any differences between these existing requirements and the requirements imposed by the proposed change. Where the district proposal does not impose a new emission limit or standard, make an existing emission limit or standard more stringent, or impose new or more stringent monitoring, reporting, or recordkeeping requirements, the district may simply note this fact and avoid additional analysis.

These proposed amendments do not impose a new standard, make an existing standard more stringent, or impose new or more stringent monitoring, reporting, or recordkeeping requirements.

Environmental Impacts of the Rulemaking

Pursuant to the California Environmental Quality Act (Public Resources Code section 21000 *et seq*.), the District is the Lead Agency for the described project. It has been determined that these proposed amendments to Regulation 2, Rule 1, Rule 2, and Rule 4 are exempt from provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) pursuant to State CEQA Guidelines, Sections 15061, subd. (b)(3). The proposed amendments are administrative in nature, and do not in themselves affect air emissions from any sources or operations subject to the rule. It can therefore be seen with certainty that there is no possibility that these proposed amendments will have a significant environmental impact. Moreover, in its Staff Report: Initial Statement of Reasons for the Proposed Amendments to the Ozone Transport Mitigation Regulations (April 4, 2003), the California Air Resources Board analyzed the environmental impacts of its changes to the transport regulations and concluded that changes to offset requirements would not have any significant environmental impacts. The District intends to file a Notice of Exemption pursuant to State CEQA Guidelines, Section 15062.

Compliance with SB 288

The United States Environmental Protection Agency (EPA) published final changes to 40 CFR Parts 51 and 52, Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NSR) on December 31, 2002. These changes specify new federal requirements for Baseline Emissions Determination, Actual-to-Future-Actual Methodology, Plantwide Applicability Limitations, Clean Units and Pollution Control Projects. Briefly, EPA's revisions: 1) provide new evaluation procedures and thresholds to determine which projects for new and modified sources trigger federal NSR requirements; and 2) create newly defined Pollution Control Projects (PCPs). The effective date of the federal revisions was March 3, 2003. The date by which implementing agencies must adopt and submit amendments to their programs implementing the minimum program elements is January 2, 2006.

California Senate Bill 288, the Protect California Air Act of 2003, was approved by the Governor and filed with the Secretary of State on September 22, 2003. SB 288 added sections 42500 through 42507 to the Health and Safety Code. The new provisions state that amendments to California air district NSR rules must not lessen the stringency of the rules as a whole. Additionally, certain parts of the rules (applicability determination, definitions, calculation methodologies and thresholds) may not be changed to exempt, relax or reduce the obligations of a stationary source for certain requirements (obligation to obtain a permit, application of BACT, air quality impact analysis, monitoring requirements, regulation of pollutants, and public participation) unless certain findings are made.

Table 1 lists the proposed amendments, and describes the effect of the amendments on the overall stringency of the NSR rule.

Based upon the analysis summarized in the table, Staff conclude that the proposed amendments do not reduce the stringency of the NSR rules in any respect, and are therefore in compliance with the requirements of H&S §42504.

Table 1 Effect of Proposed Amendments

Section	Description	Effect on Rule Stringency
No Net Increase		
2-2-302	Lower levels for provision of offsets from small facility bank, and from applicant	More stringent. The proposed amendments increase the amount of offsets provided by permit applicants (or reduce the amount of requested emission increases) by approximately 20 TPY per year (NOx) and 10 TPY per year (VOC).
Miscellaneous Amendments		
2-1-103	Clarify exemption for miscellaneous small sources	Neutral—clarification. Some previously exempt sources may require permits.
2-1-118.7	Delete exemption for cold cleaners	More stringent—insignificant (adds only a permit requirement)
2-1-118.11	Clarify exemption for spray gun cleaning	Neutral--clarification
2-1-119	Clarify exemption for low usage of inks	Neutral--clarification
2-1-202	Clarify requirements for trade secrets	Neutral—clarification
2-1-305	Require construction in conformance with authority to construct	Neutral—enhances enforceability of existing requirements
2-1-401	Require permits for crematoria	More stringent—insignificant (adds only a permit requirement)
2-1-411	Signature for permits	Neutral—enhances enforceability of existing requirements
2-1-432, 2-2-402	Determination of Complete Application	Neutral

Statutory Findings

Pursuant to Section 40727 of the California Health and Safety Code (H&SC), regulatory amendments must meet findings of necessity, authority, clarity, consistency, non-duplication, and reference. The proposed amendments are:

- Required by California Code of Regulations §70600 (b)(2)
- Authorized by H&SC Sections 40000, 40001, 40702, 40709 through 40714.5, 40725 through 40728, 40918, and 42300 et seq., 42 USC §7410, 42 USC §7503;
- Written or displayed so that their meaning can be easily understood by the persons directly affected by them;
- Consistent with other District rules, and not in conflict with state or federal law;
- Non-duplicative of other statutes, rules, or regulations.

Conclusion

The proposed amendments have met all legal noticing requirements and have been discussed with interested parties. District staff recommends adoption of the amendments as proposed.

Response to Comments

City of Benicia, September 14, 2004

Permit Expiration (2-1-407)

Comment: The city supports the proposed rule change to extend an AC under the circumstances contained in the proposal.

Response: Comment noted. However, because the draft language may conflict with state law, the proposal is being withdrawn. It will be brought back for consideration in the near future.

Lawrence Livermore National Laboratory, October 7, 2004

Countersignature for Permits (2-1-411)

Comment: Proposed Regulation 2-1-411.2 provides that a permit is not valid until it is signed and returned to the District. This increases the paperwork burden for both the applicant and the District, without adding substantial value. We request that proposed Regulation 2-1-411.2 be deleted.

Response: The proposed regulation does not require the permit to be returned to the District in order to be valid. In fact, Regulation 2-1-405 requires the permit to be posted. The purpose of requiring a signature is to ensure that the operator looks at the permit, and become aware of the attached permit conditions, before operating the source. This is expected to improve compliance.

The draft language has been revised so that the operator is obligated to sign the permit; however, the permit is valid even if unsigned. Thus the goal of the amendment, to ensure that the operator has seen the permit and its conditions, is met. Upon further consideration, District staff realized that the draft amendment might make the conditions unenforceable (because the unsigned permit was invalid). The proposed amendment has been revised to eliminate this concern.

Startup Notification (2-1-432)

Comment: Proposed Regulation 2-1-432 discusses the requirements for a startup notification, and specifies that the notification be in writing. Such notification has been conducted very efficiently and effectively by e-mail, and we recommend that this practice be allowed in the future. The wording of 2-1-432 does not necessarily prohibit e-mail, but places it in doubt. The applicant's statement of the conformity of construction is not appropriate in a startup notification. If an applicant knows of a specific non-conformity, then the applicant should pursue a permit modification, and not startup the source. For these reasons, we recommend deletion of proposed Regulation 2-1-432.

Response: The draft 2-1-432 language has been removed from the staff proposal, and replaced with an amendment to 2-1-305. The proposed amendment does not impose a notification requirement, nor does it impose a certification of conformity.

No Net Increase (2-2-302)

Comment: The Small Facility Bank (SFB) procedures and administration should be changed, so that unused emissions are fully credited back to the SFB. In this way, any emission debits in the SFB would reflect true, long-term emissions increases only. The SFB should undergo a reconciliation of debits/credits annually, based on emission summary data, to properly reflect the true extent of emission increases/decreases at LLNL. If a facility's total emissions are stable or declining, the SFB debits should be cleared. The emissions from any cancelled permit should be credited back to the SFB at the same level of the original debit to the SFB.

Response: The proposed regulation has been revised in response to this comment. The proposal will allow a facility to adjust its balance of SFB debits by reimbursing the SFB with credits no longer in use by the facility.

Comment: Alternatively, LLNL's SMOP permit should be treated as the only permit governing the facility, so that day to day "permitting" of small sources would be administered by LLNL. In this scenario, the District would still receive the same permit fees, and would maintain ultimate control of all individual permitted sources, but SFB offsets would not be required, except for net increases of emissions. This approach has been proposed by EPA in the past and has been used successfully at a semiconductor facility in Camarillo, CA.

Response: This proposal would be a departure from the District's current New Source Review program and is not under consideration at this time.

Architectural coatings exemption (2-1-113.2.5)

Comment: We request a correction to Regulation 2-1-113.2.5, which should read: "Architectural and maintenance coatings and adhesives operations, that are exclusively subject to Reg 8, Rules 3, 48 or 51, because coatings and adhesives are applied to stationary structures."

Response: This comment suggests a revision to a section that was not modified in the original Staff proposal, and staff has not been able to determine its impact. It may be considered at a later date.

Lawrence Livermore National Laboratory, October 22, 2004

No Net Increase (2-2-302)

Comment: We recommend that Regulation 2-2-302 be modified, so that misinterpretation is avoided in the future. We recommend that the words "…or will be permitted to emit…" be eliminated from line 3 and line 12 of Regulation 2-2-302. This change is consistent with management of the SFB from the time of its inception, whereby the SFB thresholds were interpreted as thresholds for "actual annual emissions." This interpretation was important because many facilities, including LLNL, had old permits with no upper limits. LLNL could have, hypothetically, emitted over a hundred tons of POCs under the old permits, but eligibility for the SFB required only that actual emissions be below 50 tons.

Response: The requirement for offsets is contained in California Health & Safety Code §40919(a)(2). This statute requires that offsets be provided for "all new or modified stationary sources which emit, or have the potential to emit, 15 tons or more per year." A stationary source is a facility. The ARB has reduced the threshold from 15 tons per year to 10 tons per year.

State law clearly requires that the offset requirement be based on potential to emit, not actual emissions. The language in the District rule to which the comment refers makes it clear, as the Health and Safety Code does not, that the determination of potential to emit includes the project being reviewed for approval.

Comment: We understand that only fourteen facilities would be impacted by the proposed lowering of the SFB threshold from 50 to 35 tons, and that there would be little, if any, impact on air quality. We understand that the proposed lowering of the threshold is a discretionary decision on the part of the District, and that the rationale for lowering the threshold is to maintain the balance of debits and credits to the SFB. However, as LLNL staff proposed at the workshop, the balance of debits and credits to the SFB would be maintained if the District changes its accounting methods to fully credit curtailed emissions. Therefore, we believe that a lowering of the upper threshold of the SFB is unnecessary and we request that the threshold be maintained at 50 tons.

Response: The District already fully credits curtailed emissions. This is the method that the District currently uses to fund the small facility bank. This supply of credits was already taken into account in determining the new threshold for requiring the applicant to provide credits.

Comment: Alternatively, we request that those facilities that have existing SMOPs be allowed to continue to use the SFB. LLNL, like other facilities, agreed to a 50 tpy cap in order to be able to draw from the SFB. LLNL agreed to restrictions on our operations specifically in return for the right to draw from the SFB. LLNL, therefore, has a continuing expectation and a vested interest in continuing to be able to draw from the bank. Allowing this "grandfathering" of existing SMOP facilities that would be affected by BAAQMD's proposed changes would be an equitable way of implementing the proposed change. This

approach would put all potential candidates for SMOPs on notice of what the requirements for drawing from the SFB are. At the same time, it would preserve the expectations that existing SMOPs have in continuing to draw from the SFB.

Response: LLNL may continue to draw from the small facility bank if it applies for and receives a SMOP with 35 TPY limits for NOx and VOC.

Exclusion for Smoke Generators (2-1-110.10)

Comment: We propose the following wording: “Emissions arising from smoke generators, pyrotechnics, weapons used by law enforcement, security, military, fire fighting, or entertainment organizations, or the emissions arising from smoke generators used in scientific research and development.” The purpose for this change is to facilitate the testing or calibration of remote passive sensing equipment.

Response: The draft amendment has been withdrawn from the staff proposal for additional review. This issue will be addressed in a future rulemaking.

Valero Refining Company, October 29, 2004

Permit Expiration (2-1-407)

Comment: The proposed Rule 2-1-407 states that 'Renewal is subject to meeting the current BACT and offset requirements of Regulation 2-2-301, 302, and 303.' We read this to mean that an AC can be renewed if BACT or offset requirements change, but the more stringent BACT or offset requirements will be imposed as a condition of the renewal.

Response: The proposed amendment has been withdrawn because of concerns that it may conflict with state law. District staff intends to bring a proposal to the Board soon.

Comment: The current proposed Rule 2-1-407 says that an authority to construct can last longer than two years if it is either renewed or substantial use has begun, but the proposed language appears to say that an authority to construct can only last longer than four years if it is renewed. The language should be changed to make clear that the permit can also last longer than four years if substantial use has begun (and, of course, if the additional requirement related to an EIR is satisfied).

Response: The proposed amendment has been withdrawn because of concerns that it may conflict with state law. District staff intends to bring a proposal to the Board soon.

Countersignature for Permits (2-1-411)

Comment: The second sentence of new subsection 2-1-411.2 should be deleted. In some cases, a facility may decide to rely on a permit at the same time that it appeals certain

conditions, so the District should not require 'acceptance of and acquiescence to' permit conditions. In such a case, if the appeal is denied, a facility that relied on a permit would be bound by the conditions. There is no valid reason for BAAQMD to reduce the options available to a company and eliminate legal rights to appeal in such a case, and, based on the staff report, this does not appear to be the District's intent. The District's goal of making companies aware of permit conditions can be achieved by having a company sign a permit to acknowledge its awareness of the conditions without taking away that company's right to appeal illegal conditions.

Response: The sentence has been deleted, as suggested, for the reasons stated in the comment.

California Air Resources Board, October 21, 2004

Comment: The Air Resources Board staff reviewed the rules that were presented at the October 12 workshop, and had no comments at the time. The rule was examined by the Stationary Source Division.

Response: Comment noted.

REGULATION 2
PERMITS
RULE 1
GENERAL REQUIREMENTS

INDEX

2-1-217 Potential to Emit
2-1-218 Regulated Air Pollutant
2-1-219 Synthetic Minor Operating Facility
2-1-220 Portable Equipment
2-1-221 Source
2-1-222 Toxic Air Contaminant (TAC)
2-1-223 Year
2-1-224 Responsible Laboratory Management Practices
2-1-225 Risk Screening Analysis
2-1-226 Statewide Portable Equipment Registration Program
2-1-227 Substantial Use
2-1-228 Particulate Matter
2-1-229 PM_{10}
2-1-230 Functionally Equivalent
2-1-231 Semiconductor Fabrication Area
2-1-232 New Source
2-1-233 Alter
2-1-234 Modified Source
2-1-235 Shutdown
2-1-236 Closure

2-1-300 STANDARDS

2-1-301 Authority to Construct
2-1-302 Permit to Operate
2-1-303 Fees
2-1-304 Denial, Failure to Meet Emission Limitations
2-1-305 Denial, Equipment Not in Conformance with Authority to Construct
2-1-306 Mandated Reductions Not Applicable
2-1-307 Failure to Meet Permit Conditions
2-1-308 Fugitive Emissions
2-1-309 Canceled Application
2-1-310 Applicability of CEQA
2-1-311 Ministerial Projects
2-1-312 Other Categories of Exempt Projects
2-1-313 Projects Not Exempt From CEQA Review
2-1-314 Case-by-Case CEQA Determinations
2-1-315 Denial, Failure to Mitigate Significant Adverse Environmental Impacts
2-1-316 New or Modified Sources of Toxic Air Contaminants or Hazardous Air Pollutants
2-1-317 Public Nuisance Sources
2-1-318 Hazardous Substances
2-1-319 Source Expressly Subject to Permitting Requirements

2-1-400 ADMINISTRATIVE REQUIREMENTS

2-1-401 Persons Affected
2-1-402 Applications
2-1-403 Permit Conditions
2-1-404 Changes in Throughput and Hours of Operation
2-1-405 Posting of Permit to Operate
2-1-406 Transfer
2-1-407 Permit Expiration
2-1-408 Action on Applications
2-1-409 Regulations in Force Govern
2-1-410 Appeal
2-1-411 Permit to Operate, Final Action
2-1-412 Public Notice, Schools
2-1-413 Portable Equipment Operated Within the District

REGULATION 2
PERMITS
RULE 1
GENERAL REQUIREMENTS

(Adopted January 1, 1980)

2-1-100 GENERAL

2-1-101 Description: The purpose of Regulation 2 is to provide an orderly procedure for the review of new sources of air pollution, and of the modification and operation of existing sources, and of associated air pollution control devices, through the issuance of authorities to construct and permits to operate. The applicability of Regulation 2, Rule 1 is illustrated by Figure 2-1-101, Permit/Exemption Flow Chart. An applicant may choose to obtain a permit to operate for a source ~~which~~that is exempt from permit requirements. In that case, the affected source is deemed to be subject to the requirements of Section 2-1-302 until such time as an application for return to exempt status is approved. (Amended 7/17/91; 6/7/95; 5/17/00)

2-1-102 Applicable Requirements: The requirements of this Rule shall apply to Rules 2, 3, and 6 of this Regulation, unless superseded by specific requirements in Rules 2, 3, and 6. (Amended November 3, 1993)

2-1-103 Exemption, Source not Subject to any District Rule: Any source that is not already exempt from the requirements of Section 2-1-301 and 302 as set forth in Sections 2-1-105 to 2-1-128, is exempt from Section 2-1-301 and 302 if the source meets all of the following criteria:

103.1 The source is not in a source category subject to any of the provisions of Regulation 6[(1)], Regulation 8[(2)] excluding Rules 1 through 4, Regulations 9 through 12; and

103.2 The source is not subject to any of the provisions of Sections 2-1-316 through 319; and

103.3 Actual emissions of precursor organic compounds (POC), non-precursor organic compounds (NPOC), nitrogen oxides (NOx), sulfur dioxide (SO_2), PM_{10} and carbon monoxide (CO) from the source are each less than 10 pounds per highest day. A source also satisfies this criterion if actual emissions of each pollutant are greater than 10 lb/highest day, but total emissions are less than 150 pounds per year, per pollutant.

Note 1: Typically, any source may be subject to Regulation 6, Particulate Matter and Visible Emissions. For the purposes of this section, Regulation 6 applicability shall be limited to the following types of sources that emit PM_{10}: combustion source; material handling/processing; sand, gravel or rock processing; cement, concrete and asphaltic concrete production; tub grinder; or similar PM_{10}-emitting source, as deemed by the APCO.

Note 2: If an exemption in a Regulation 8 Rule indicates that the source is subject to Regulation 8, Rules 1 through 4, then the source must comply with all applicable provisions of Regulation 8, Rules 1 through 4, to qualify for this exemption.

103.4 The source is not an ozone generator (a piece of equipment designed to generate ozone) emitting 1 lb/day or more of ozone.

(Adopted 6/7/95; Amended 5/17/00)

2-1-104 Deleted October 7, 1998

2-1-105 Exemption, Registered Statewide Portable Equipment: The following portable equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the equipment complies with all applicable requirements of the Statewide Portable Equipment Registration Program (California Code of Regulations Title 13, Division 3, Chapter 3, Article 5).

105.1 Confined abrasive blasting

105.2 Portland concrete batch plants

105.3 Spark ignition or diesel fired internal combustion engines used in conjunction with the following types of operations:
- 3.1 Well drilling service or workover rigs;
- 3.2 Power generation, excluding cogeneration;
- 3.3 Pumps;
- 3.4 Compressors;
- 3.5 Pile drivers;
- 3.6 Welding;
- 3.7 Cranes; and
- 3.8 Wood chippers

105.4 Sand and Gravel screening, rock crushing, pavement crushing and recycling operations;

105.5 Unconfined abrasive blasting. (Adopted 6/7/95; Amended 10/7/98; 5/17/00)

2-1-106 Limited Exemption, Accelerated Permitting Program: Unless subject to any of the provisions of Sections 2-1-316 through 319, any new or modified source is exempt from the Authority to Construct requirements of Section 2-1-301, provided that the owner or operator submits a complete application under the Accelerated Permitting Program. A complete permit application under this program consists of: a completed permit application form and source data form(s); payment of applicable fees (the minimum permit fee required to install and operate each source); and certification that the source meets all of the criteria set forth in Sections 2-1-106.1 through 106.3. Such a source is still subject to the Permit to Operate requirements of Section 2-1-302, but will be evaluated under the Accelerated Permitting Program, as described in Section 2-1-302.2.

106.1 Uncontrolled emissions of POC, NPOC, NOx, SO2, PM_{10}, and CO are each less than 10 pounds per highest day; or the source is pre-certified per Section 2-1-415; and

106.2 Emissions of toxic compounds do not exceed the trigger levels identified in Table 2-1-316; and

106.3 The source is not subject to the public notice requirements of Section 2-1-412.

In addition to the above, the replacement of any abatement device is exempt from the Authority to Construct requirements of Section 2-1-301 and will be evaluated under the Accelerated Permitting Program in Section 2-1-302.2, provided that the owner or operator certifies for all pollutants that the abatement device is as efficient as, or more efficient than, the abatement device being replaced. In addition to the above, any alteration of a source is exempt from the Authority to Construct requirements of Section 2-1-301 and will be evaluated under the Accelerated Permitting Program in Section 2-1-302.2, provided that the owner or operator certifies for all pollutants that the alteration does not result in an increase in emissions.

(Adopted 6/7/95; Amended 10/7/98; 5/17/00)

2-1-109 Deleted June 7, 1995

2-1-110 Deleted June 7, 1995

2-1-111 Deleted June 7, 1995

2-1-112 Deleted June 7, 1995

2-1-113 Exemption, Sources and Operations:

113.1 The following sources and operations are exempt from the requirements of Sections 2-1-301 and 302, in accordance with the California Health and Safety Code:
- 1.1 Single and multiple family dwellings used solely for residential purposes.
- 1.2 Any equipment used in agricultural operations, in the growing of crops or the raising of fowl or animals which is exempt from permits pursuant to the Health & Safety Code.
- 1.3 Any vehicle. Equipment temporarily or permanently attached to a vehicle is not considered to be a part of that vehicle unless the combination is a vehicle as defined in the Vehicle Code. Specialty vehicles may include temporarily or permanently attached equipment

including, but are not limited to, the following: oil well production service unit; special construction equipment; and special mobile equipment.

1.4 Tank vehicles with vapor recovery systems subject to state certification, in accordance with the Health and Safety Code.

113.2 The following sources and operations are exempt from the requirements of Sections 2-1-301 and 302:

2.1 Road construction, widening and rerouting.

2.2 Restaurants, cafeterias and other retail establishments for the purpose of preparing food for human consumption.

2.3 Structural changes which do not change the quality, nature or quantity of air contaminant emissions.

2.4 Any abatement device which is used solely to abate equipment that does not require an Authority to Construct or Permit to Operate.

2.5 Architectural and industrial maintenance coating operations that are exclusively subject to Regulation 8, Rules 3 or 48, because coatings are applied to stationary structures, their appurtenances, to mobile homes, to pavements, or to curbs. This does not apply to coatings applied by the manufacturer prior to installation, nor to the coating of components removed from such structures and equipment.

2.6 Portable abatement equipment exclusively used to comply with the tank degassing control requirements of Regulation 8, Rule 5 and/or Regulation 8, Rule 40.

2.7 Equipment that transports, holds or stores California Public Utilities Commission regulated natural gas, excluding drivers.

2.8 Deleted May 17, 2000

2.9 Deleted May 17, 2000

2.10 Deleted May 17, 2000

2.11 Teaching laboratories used exclusively for classroom experimentation and/or demonstration.

2.12 Laboratories located in a building where the total laboratory floor space within the building is less than 25,000 square feet, or the total number of fume hoods within the building is less than 50, provided that Responsible Laboratory Management Practices, as defined in Section 2-1-224, are used. Buildings connected by passageways and/or corridors shall be considered as separate buildings, provided that structural integrity could be maintained in the absence of the passageways and/or corridors and the buildings have their own separate and independently operating HVAC and fire suppression systems. For the purposes of this subsection, teaching laboratories that are exempt per Section 2-1-113.2.11 are not included in the floor space or fume hood totals. In addition, laboratory units for which the owner or operator of the source can demonstrate that toxic air contaminant emissions would not occur, except under accidental or upset conditions, are not included in the floor space or fume hood totals.

2.13 Maintenance operations on natural gas pipelines and associated equipment, provided that emissions from such operations consist solely of residual natural gas that is vented after the equipment is isolated or shut down.

2.14 Space heating units that are not subject to Regulation 9, Rule 7, where emissions result solely from the combustion of natural gas or liquefied petroleum gas (e.g. propane, butane, isobutane, propylene, butylenes, and their mixtures) of less than 20 million BTU per hour heat input. Incinerators operated in conjunction with such sources are not exempt.

2.15 Asbestos and asbestos containing material renovation or removal conducted in compliance with Regulation 11, Rule 2 and Regulation 3.

2.16 Closed landfills that have less than 1,000,000 tons of decomposable solid waste in place and that do not have an operating landfill gas collection system.

2.17 Closed landfills that have not accepted waste for at least 30 years and that never had a landfill gas collection system.

2.18 Construction of a building or structure that is not itself a source requiring a permit.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00; 11/15/00; 5/2/01)

2-1-114 Exemption, Combustion Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, only if the source does not emit pollutants other than combustion products, and those combustion products are not caused by the combustion of a pollutant generated from another source, and the source does not require permitting pursuant to Section 2-1-319.

114.1 Boilers, Heaters, Steam Generators, Duct Burners, and Similar Combustion Equipment:

1.1 Any of the above equipment with less than 1 million BTU per hour rated heat input.

1.2 Any of the above equipment with less than 10 million BTU per hour rated heat input if fired exclusively with natural gas (including compressed natural gas), liquefied petroleum gas (e.g. propane, butane, isobutane, propylene, butylenes, and their mixtures), or any combination thereof.

114.2 Internal Combustion Engines and Gas Turbines:

2.1 Internal combustion (IC) engines and gas turbines with a maximum output rating less than or equal to 50 hp.

2.2 Internal combustion (IC) engines and gas turbines used solely for instructional purposes at research, teaching, or educational facilities.

2.3 Portable internal combustion engines which are at a location for less than 72 consecutive hours.

2.4 Any engine mounted on, within, or incorporated into any vehicle, train, ship, boat, or barge used to provide propulsion for the vehicle, train, ship, boat, or barge. Facilities which include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo.

2.5 Any engine mounted on, within, or incorporated into any vehicle, train, ship, boat, or barge used to provide propulsion for the vehicle, train, ship, boat, or barge and which is also used to supply mechanical or electrical power to ancillary equipment (e.g., crane, drill, winch, etc.) which is affixed to or is a part of the vehicle, train, ship, boat, or barge. Facilities which include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00; 8/1/01)

2-1-115 Exemption, Particulate Sources at Quarries, Mineral Processing and Biomass Facilities: The following potential PM_{10} sources are exempt from the requirements of sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

115.1 Sources located at quarrying; mineral or ore handling or processing; concrete production; asphaltic concrete production; marine bulk transfer stations; concrete or asphaltic concrete recycling; vehicle shredding; glass manufacturing; handling or processing of cement, coke, lime, flyash, fertilizer, or catalyst; or other similar facility which meets one of the following:

1.1 Mixer and other ancillary sources at concrete or aggregate product production facilities with a maximum rated production capacity less than 15 cubic yards (yd^3) per hour;

1.2 Other source at a facility with a maximum throughput less than 5000 tons per year;

1.3 Operating, loading and unloading a crusher or grinder which processes exclusively material with a moisture content greater than or equal to 20 percent by weight;

1.4 Operating, loading and unloading the following sources which process exclusively material with a moisture content greater than or equal to 5 percent by weight:

1.4.1 Screen or other size classification;

1.4.2 Conveyor, screw, auger, stacker or bucket elevator;

1.4.3 Grizzly, or other material loading or unloading;

1.4.4 Storage silos;

1.4.5 Storage or weigh hopper/bin system.

1.5 Haul or access roads;

1.6 Drilling or blasting.

115.2 Sources located at biomass recycling, composting, landfill, POTW, or related facilities specializing in the operation of, but not limited to, the following:

2.1 Tub grinder powered by a motor with a maximum output rating less than 10 horsepower;

2.2 Hogger, shredder or similar source powered by a motor with a maximum output rating less than 25 horsepower;

2.3 Other biomass processing/handling sources at a facilities with a total throughput less than 500 tons per year. (Amended 6/7/95; 5/17/00)

2-1-116 Exemption, Furnaces, Ovens and Kilns: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

116.1 Porcelain enameling furnaces, porcelain enameling drying ovens, vitreous enameling furnaces or vitreous enameling drying ovens.

116.2 Crucible furnaces, pot furnaces, induction furnaces, cupolas, electric arc furnaces, reverbatories, or blast furnaces with a capacity of 1000 lbs or less each.

116.3 Crucible furnaces, pot furnaces, or induction furnaces for sweating or distilling that process 100 tons per year of all metals or less.

116.4 Drying or heat-treating ovens with less than 10 million BTU per hour capacity provided that a) the oven does not emit pollutants other than combustion products and b) the oven is fired exclusively with natural gas (including compressed natural gas), liquefied petroleum gas (e.g. propane, butane, isobutane, propylene, butylenes, and their mixtures), or any combination thereof.

116.5 Ovens used exclusively for the curing of plastics which are concurrently being vacuum held to a mold, or for the softening and annealing of plastics.

116.6 Ovens used exclusively for the curing of vinyl plastisols by the closed mold curing process.

116.7 Ovens used exclusively for curing potting materials or castings made with epoxy resins.

116.8 Kilns used for firing ceramic ware, heated exclusively by natural gas, liquefied petroleum gas, electricity or any combination thereof.

116.9 Parts cleaning, bake-off, and similar ovens that meet both of the following:

9.1 Oven is equipped with a secondary combustion chamber or abated by a fume incinerator; and

9.2 Internal oven volume is 1 cubic yard or less.

116.10 Electric ovens used exclusively for curing or heat-treating where no significant off-gassing or evaporation of any air contaminants occurs.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-117 Exemption, Food and Agricultural Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

117.1 Smokehouses or barbecue units in which the maximum horizontal inside cross sectional area does not exceed 20 square feet.

117.2 Equipment at facilities other than restaurants, cafeterias or other retail operations, which is used to dry, cook, fry, bake, or grill less than 1000 tons per year of food products.

117.3 Any oven with a total production of yeast leavened bakery products of less than 10,000 pounds per operating day, averaged over any period of seven consecutive days, and which is heated either electrically or exclusively by natural gas firing with a maximum capacity of less than 10 million BTU per hour.

117.4 Equipment used exclusively to grind, blend, package, or store tea, cocoa, spices, or coffee.

117.5 Equipment used to dry, mill, grind, blend, or package less than 1000 tons per year of dry food products such as seeds, grains, corn, meal, flour, sugar, and starch.

117.6 Equipment used to convey, transfer, clean, or separate less than 1000 tons per year of dry food products or waste from food production operations.

117.7 Storage equipment or facilities containing dry food products; which are not vented to the outside atmosphere, or which handle less than 1000 tons per year.

117. 8 Coffee, cocoa and nut roasters with a roasting capacity of less than 15 pounds of beans or nuts per hour; and any stoners or coolers operated in conjunction with these roasters.

117.9 Containers, reservoirs, tanks, or loading equipment used exclusively for the storage or loading of beer, wine or other alcoholic beverages.

117.10 Fermentation tanks for beer or wine. Fermentation tanks used for the commercial production of yeast for sale are not exempt.

117.11 Brewing operations at facilities producing less than 3 million gallons per year of beer.

117.12 Fruit sulfuring operations at facilities producing less than 10 tons per year of sulfured fruits and vegetables.

(Adopted 10/19/83; Amended 4/16/86; 7/1791; 6/7/95; 5/17/00)

2-1-118 Exemption, Surface Preparation and Cleaning Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

118.1 Permanent abrasive blasting source, as defined by Regulation 12, Rule 4, that has a confined volume less than 100 cubic feet (ft^3) and is abated by a particulate filter.

118.2 Blast cleaning equipment using a suspension of abrasive in water.

118.3 Portable abrasive blasting equipment used on a temporary basis within the District.

118.4 Equipment, including solvent cold cleaners using an unheated solvent mixture for surface preparation, cleaning, wipe cleaning, fluxing or stripping by use of solutions with a VOC content less than or equal to 50 grams per liter (0.42 lb/gal).

118.5 Equipment using a heated solvent mixture for steam cleaning, surface preparation, fluxing, stripping, wipe cleaning, washing or drying products, provided that a) only solutions containing less than 2.5 percent VOC (wt) are used; and b) any combustion sources used in the process are exempt under Section 2-1-114.

118.6 Equipment or operations which use unheated solvent and which contain less than 1 gallon of solvent or have a liquid surface area of less than 1 ft^2. This exemption does not apply to solvent stations at semiconductor manufacturing operation fabrication areas or aerospace stripping operations.

118.7 ~~At any facility, not more than one solvent cold cleaner that is used for surface preparation, cleaning, or stripping with solvents or solutions that do not meet the VOC limit of 50 grams per liter (0.42 lb/gal) and from which solvent loss does not exceed 20 gallons per year. This exemption does not apply to solvent wipe cleaning operations or solvent cleaning stations at semiconductor manufacturing fabrication areas.~~ (Deleted <date of adoption>)

118.8 Batch solvent recycling equipment where all of the following apply:

8.1 Recovered solvent is used primarily on site (more than 50% by volume); and

8.2 Maximum heat input (HHV) is less than 1 million BTU per hour; and

8.3 Batch capacity is less than 150 gallons.

118.9 Wipe cleaning at a facility with a net solvent usage less than 20 gallons per year, or which emits to the atmosphere less than 150 lb/year of VOC from all wipe cleaning operations. At a facility with total wipe cleaning emissions greater than 150 lb/yr, wipe cleaning operations may be grouped per Section 2-1-401.4.

118.10 Any solvent cleaning or surface preparation source which employs only non-refillable hand held aerosol cans.

118.11 Spray gun cleaning performed in compliance with Regulation 8~~.~~, provided the cleaning is associated with a source, such as a spray booth, subject to the requirements of Section 2-1-301 and 302.

(Adopted 10/19/83; Amended 4/16/86; 8/2/89; 7/17/91; 6/7/95; 5/17/00)

2-1-119 Exemption, Surface Coating and Printing Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

119.1 Any powder coating operation, or radiation cured coating operation where ultraviolet or electron beam energy is used to initiate a reaction to form a polymer network.

119.2 Any coating, adhesive, dipping,. laminating, printing, screening, masking, electrodeposition, resist application, or similar source or operation at any facility which:

2.1 Consumes a total of less than 30 gallons of coating and ink per year on a facility wide basis, or emits less than 150 pounds per year of uncontrolled VOC on a facility wide basis, resulting from the application of coatings and ink; or

2.2 Uses exclusively materials that contain less than one percent VOC (wt).

At a facility with coating emissions greater than 150 lb/yr, coating operations may be grouped per Section 2-1-401.3.

119.3 Any coating source which employs only non-refillable hand held aerosol cans.

119.4 An oven associated with an exempt coating source, provided that the oven is electrically heated, or the oven is fired exclusively with natural gas, liquefied petroleum gas (e.g. propane, butane, isobutane, propylene, butylenes, and their mixtures) and the maximum firing rate is less than 10 million BTU per hour. (Adopted 10/19/83; Amended 4/16/86; 7/17/91; 6/7/95; 5/17/00)

2-1-120 Exemption, Dry Cleaning Equipment: Any dry cleaning facility which uses less than 700 gallons of petroleum solvents or any other non-halogenated solvent in any single year is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319. Equipment which uses perchloroethylene or any other halogenated solvent is not exempt.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-121 Exemption, Material Working and Handling Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

121.1 Equipment used for buffing, carving, cutting, drilling, grinding, machining, planing, routing, sanding, sawing, shredding, stamping or turning of wood, ceramic artwork, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, glass, silicon, semiconductor wafers, carbon or graphite, provided that organic emissions from the use of coolant, lubricant, or cutting oil are 5 ton/yr or less.

121.2 Equipment used for pressing or storing sawdust, wood chips or wood shavings.

121.3 Equipment used exclusively to mill or grind coatings and molding compounds in a paste form provided the solution contains less than one percent VOC (wt).

121.4 Tumblers used for the cleaning or deburring of metal products without abrasive blasting.

121.5 Batch mixers with a rated working capacity of 55 gallons or less.

121.6 Mixing equipment provided no material in powder form is added and mixture contains less than one percent VOC (wt).

121.7 Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives.

121.8 Equipment used exclusively for the mixing and packaging of lubricants or greases.

121.9 Presses used exclusively for extruding metals, minerals, plastics or wood.

121.10 Presses used for the curing of rubber products and plastic products. The use of mold release products or lubricants is not exempt unless the VOC content of these materials is less than or equal to 1 percent, by weight, or unless the total facility-wide uncontrolled VOC emissions from the use of these materials are less than 150 lb/yr.

121.11 Platen presses used for laminating.

121.12 Roll mills or calendars for rubber or plastics.

121.13 Equipment used exclusively for forging, pressing, rolling, stamping or drawing metals or for heating metals immediately prior to forging, pressing, rolling, stamping or drawing, provided that: (1) maximum fuel use rate is less than 10 million BTU/hr; (2) no lubricant with an initial boiling point less than 400^{o}F is used; and (3) organic emissions are 5 ton/yr or less.

121.14 Atmosphere generators used in connection with metal heat treating processes.

121.15 Equipment used exclusively for the sintering of glass or metals.

121.16 Equipment used exclusively for the melting or applying of wax containing less than one percent VOC (wt).

121.17 Equipment used exclusively for conveying and storing plastic pellets.

121.18 Solid waste transfer stations that receive or load out a total of all material less than 50 tons/day.

121.19 Inactive solid waste disposal sites which do not have an operating landfill gas collection system. (Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-122 Exemption, Casting and Molding Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

122.1 Molds used for the casting of metals.

122.2 Foundry sand mold forming equipment to which no heat is applied, except processes utilizing organic binders yielding in excess of 0.25% free phenol by weight of sand.

122.3 Shell core and shell-mold manufacturing machines.

122.4 Equipment used for extrusion, compression molding and injection molding of plastics. The use of mold release products or lubricants is not exempt unless the VOC content of these materials is less than or equal to 1 percent, by weight, or unless the total facility-wide uncontrolled VOC emissions from the use of these materials are less than 150 lb/yr.

122.5 Die casting machines.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-123 Exemption, Liquid Storage and Loading Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

123.1 Storage tanks and storage vessels having a capacity of less than 260 gallons.

123.2 Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of any aqueous solution which contains less than 1 percent (wt) organic compounds. Tanks and vessels storing the following materials are not exempt.

2.1 Sulfuric acid with an acid strength of more than 99.0% by weight.

2.2 Phosphoric acid with an acid strength of more than 99.0% by weight.

2.3 Nitric acid with an acid strength of more than 70.0% by weight.

2.4 Hydrochloric acid with an acid strength of more than 30.0% by weight.
2.5 Hydrofluoric acid with an acid strength of more than 30.0% by weight.
2.6 More than one liquid phase, where the top phase contains more than one percent VOC (wt).

123.3 Containers, reservoirs, tanks or loading equipment used exclusively for:
3.1 Storage or loading of liquefied gases.
3.2 Storage or loading of organic liquids or mixtures containing organic liquids; where the initial boiling point of the organics is greater than 302^{o}F and exceeds the actual storage temperature by at least 180^{o}F. This exemption does not apply to the storage or loading of asphalt or asphalt emulsion with a sulfur content equal to or greater than 0.5 wt%.
3.3 The storage or loading of petroleum oils with an ASTM D-93 (PMCC) flash point of 130^{o}F or higher, when stored or loaded at a temperature at least 36^{o}F below the flash point.
3.4 The storage or loading of lubricating oils.
3.5 The storage of fuel oils with a gravity of 40 API or lower and having a capacity of 10,000 gallons or less.
3.6 The storage or loading of liquid soaps, liquid detergents, tallow, or vegetable oils, waxes or wax emulsions.
3.7 The storage of asphalt or asphalt emulsion with a sulfur content of less than 0.5 wt%. This does not include the storage of asphalt cutback with hydrocarbons having an initial boiling point of less than 302^{o}F.
3.8 The storage of wine, beer or other alcoholic beverages.
3.9 The storage of organic salts or solids in an aqueous solution or suspension, provided that no liquid hydrocarbon layer forms on top of the aqueous phase.
3.10 The storage or loading of fuel oils with a gravity of 25 API or lower.
3.11 The storage and/or transfer of an asphalt-water emulsion heated to 150^{o}F or less.

123.4 Tank seal replacement. For any tank subject to Regulation 8, Rule 5, any new seal must comply with the applicable provisions of Regulation 8, Rule 5, and the District must receive written notification of the tank source number and seal type at least three days prior to the installation.

(Adopted 10/19/83; Amended 7/11/84; 7/17/91; 6/7/95; 5/17/00)

2-1-124 Exemption, Semiconductor Manufacturing: Semiconductor fabrication area(s) at a facility which complies with all of the following are exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

124.1 Net solvent usage is less than 20 gallons of VOC per year on a facility wide basis; or uncontrolled VOC emissions to the atmosphere resulting from the usage of solvent are less than 150 pounds per year of VOC on a facility wide basis, and

124.2 Maskant and/or coating usage is less than 30 gallons per year, on a facility wide basis; or uncontrolled VOC emissions from the application of maskant and coatings are less than 150 pounds per year on a facility wide basis.

(Adopted 10/19/83; Amended 1/9/85; 4/16/86; 7/17/91; 6/7/95; 10/20/99; 5/17/00)

2-1-125 Exemption, Printed Circuit Board Manufacturing Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

125.1 Equipment used exclusively for:
1.1 Plating of printed circuit boards.
1.2 Buffing, polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding or turning of printed circuit boards.
1.3 Soldering. This section does not exempt fluxing and finger cleaning (see Section 2-1-118.4).

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-126 Exemption, Testing Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

126.1 Equipment used for hydraulic or hydrostatic testing.

126.2 Bench scale laboratory equipment or processes used exclusively for chemical or physical analyses or experimentation, quality assurance and quality control testing, research and development, or similar bench scale equipment, excluding pilot plants.

126.3 Equipment used for inspection of metal products.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-127 Exemption, Chemical Processing Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

127.1 Equipment used exclusively for the dyeing or stripping (bleaching) of textiles provided that only solutions containing less than one percent VOC (wt) are used.

127.2 Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy.

127.3 Containers, reservoirs, or tanks used exclusively for electrolytic plating with, or electrolytic polishing of, or electrolytic stripping of the following metals: aluminum, brass, bronze, cadmium, copper, iron, nickel, tin, zinc and precious metals.

127.4 Containers, reservoirs, or tanks used exclusively for etching (not chemical milling), except where ammonia or ammonium-based etchants are used.

(Adopted 10/19/83; Amended 7/17/91; 6/7/95; 5/17/00)

2-1-128 Exemption, Miscellaneous Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, provided that the source does not require permitting pursuant to Section 2-1-319.

128.1 Comfort air conditioning or comfort ventilating systems which are not designed to remove air contaminants generated by or released from specific units of equipment.

128.2 Refrigeration units except those used as, or in conjunction with, air pollution control equipment.

128.3 Vacuum producing devices in laboratory operations which are used exclusively in connection with other equipment which is exempted by this Rule, and vacuum producing devices which do not remove or convey air contaminants from another source.

128.4 Water cooling towers and water cooling ponds not used for evaporative cooling of process water, or not used for evaporative cooling of water from barometric jets or from barometric condensers.

128.5 Natural draft hoods, natural draft stacks or natural draft ventilators.

128.6 Vacuum cleaning system used exclusively for industrial commercial or residential housekeeping purposes.

128.7 Equipment used to liquefy or separate oxygen, nitrogen or the rare gases from the air.

128.8 Equipment used exclusively to compress or hold dry natural gas, excluding drivers.

128.9 Equipment used exclusively for bonding lining to brake shoes.

128.10 Equipment used exclusively for the manufacture of water emulsions of waxes, greases or oils.

128.11 Brazing, soldering or welding equipment.

128.12 Pharmaceutical manufacturing equipment with annual VOC emissions less than 150 pounds per source. Material working and handling equipment such as mills, grinders, blenders, granulators, tablet presses, capsule fillers, packagers, and conveyors are only exempt if the source also processes less than 100 tons per year of pharmaceutical products.

128.13 Equipment used exclusively to blend or package cosmetics.

128.14 Any wastewater (oil-water) separator, as defined in Regulation 8, Rule 8, which processes less than 200 gallons per day of waste water containing organic liquids.

128.15 Exploratory drilling activities for methane recovery at waste disposal sites, for natural gas or for oil. Production wells for the above operations are not exempt.

128.16 Passive aeration of soil, only if:

16.1 The duration of the passive aeration operation will not exceed three months, and

16.2 The soil is not being used as a cover material at a landfill.

128.17 Ozone generators which produce less than 1 pound per day of ozone.

128.18 Any source or operation which exclusively uses consumer products regulated by the California Air Resources Board (California Code of Regulations Title 17, Article 2, Sections 94507-94517).

128.19 Any source or operation deemed by the APCO to be equivalent to a source or operation which is expressly exempted by Sections 2-1-113 through 128.

128.20 Wastewater pumping stations where no treatment is performed, excluding any drivers.

128.21 Modification, replacement, or addition of fugitive components (e.g. valves, flanges, pumps, compressors, relief valves, process drains) at existing permitted process units at petroleum refineries, chemical plants, bulk terminals or bulk plants, provided that the cumulative emissions from all additional components installed at a given process unit during any consecutive twelve month period do not exceed 10 lb/day, and that the components meet applicable requirements of Regulation 8 rules.

128.22 Fuel cells ~~which~~ that use phosphoric acid, molten carbonate, proton exchange membrane, solid oxide or equivalent technologies.

128.23 Structure demolition that does not involve asbestos or asbestos containing materials.

(Adopted 10/19/83; Amended 7/16/86; 7/17/91; 6/7/95; 5/17/00; 11/15/00)

2-1-129 Major Facility Review: Notwithstanding the exemptions listed in this section, every source exempted by this Rule shall be included in any application for a synthetic minor or major facility review permit required by Regulation 2, Rule 6.

(Adopted 12/3/93; Amended 2/1/95; 5/17/00)

2-1-200 DEFINITIONS

2-1-201 Emission Reduction Credits: An emission reduction, calculated in accordance with Regulation 2-2-605, which exceeds the emission reductions required by measures in the Air Quality Management Plan or the Clean Air Plan approved by the BAAQMD or required by federal, state, or District laws, rules, and regulations. To qualify as an emission reduction credit the emission reduction must be in excess of the reductions achieved by the source using Reasonably Available Control Technology (RACT), and must also be real, permanent, quantifiable, and enforceable.

201.1 Unless calculated in accordance with the procedures of Regulation 2-2-605, that portion of an NSR emission cap, which was part of an APCO approved alternative baseline, shall not qualify as an emission reduction credit.

201.2 All emission reduction credits shall be enforceable by permit conditions in the authority to construct and permit to operate, except that in the case of source closures where no permit is required for the source being shut down, the emission reduction credit shall be enforceable through appropriate contractual provisions in a legally binding and irrevocable written agreement which provisions will be made expressly for the benefit of the District. The permanence of a closure shall be identified in a letter from the source and/or in a Banking Certificate. (Amended 7/17/91; 6/15/94)

2-1-202 Complete Application: An application ~~which~~ that contains the following:

202.1 Sufficient information for the APCO to determine the emissions from such new or modified source and to quantify emissions from the proposed source(s) of offsets or credits.

202.2 Any information requested by the APCO in order to determine the air quality impact of the application.

202.3 All applicable fees, as described in Regulation 3.

202.4 The information required by Regulation 2-2-414 and 417 provided the application is subject to the PSD requirements of Regulations 2-2-304, 305, 306, or 308.

202.5 CEQA-related information ~~which~~ that satisfies the requirements of Section 2-1-426.

202.6 A certification, stating whether the source triggers the requirements of Section 2-1-412.

202.7 A specific designation of ~~all~~ any information contained in the application which is asserted to be a trade secret pursuant to Section 6254.7 of the Government Code and not a public record. ~~Such designated information shall be provided in such a manner whereby it may be easily separated from information which is not asserted to be a trade secret.~~ The applicant shall submit two copies of each page containing trade secret information. One copy shall be clearly labeled "Trade Secret," and each trade secret item shall be clearly marked. The second copy shall be clearly labeled "Public Copy," and each trade secret item shall be redacted. The applicant shall include, for each ~~separate portion of the application~~ item which is asserted to be a trade secret, a statement signed by a responsible representative of the applicant identifying that portion of Government Code Section 6254.7 (d) upon which the assertion is based and a brief statement setting forth the basis for this assertion.

(Amended 7/17/91; 11/20/91; 5/17/00)

2-1-203 Fugitive Emissions: Fugitive emissions are all emissions from unintended openings in process equipment, emissions occurring from miscellaneous activities relating to the operation of a facility, and those emissions which could not reasonably pass through a stack, chimney, vent or other functionally equivalent opening.

(Adopted October 19, 1983)

2-1-204 Major Facility: A major facility is any of the following:

204.1 Major Facility, MFR (Regulated Air Pollutants): A facility that has the potential to emit 100 tons per year or more of any regulated air pollutant except total supsended particulate. For fugitive emissions of regulated air pollutants, only the fugitive emissions from facility categories listed in 40 CFR 70.2 "Definitions - *Major source* (2)" shall be included in determining whether the facility is a major facility. Once any facility is determined to be a major facility, all fugitive emissions from the facility shall be included in calculating the facility's emissions.

204.2 Major Facility, MFR (Hazardous Air Pollutants): A facility that has the potential to emit 10 tons per year or more of a single hazardous air pollutant, 25 tons per year or more of a combination of hazardous air pollutants, or such lesser quantity as the EPA Administrator may establish by rule. All fugitive emissions of hazardous air pollutants are included in determining a facility's potential to emit. For radionuclides, the definition of a major facility shall be specified by the EPA Administrator by rule.

204.3 A facility with permit conditions that limit emissions to a level that is greater than the above thresholds is defined as a major facility.

(Amended 7/17/91; 11/3/93; 5/17/00)

2-1-205 National Ambient Air Quality Standards (NAAQS): Levels of air pollution that have been established by the Environmental Protection Agency. All references to NAAQS shall be interpreted to include state ambient air quality standards.

(Amended 10/7/81; 4/6/88)

2-1-206 Organic Compound: Any compound of carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate and methane.

2-1-207 Organic Compound, Non-Precursor (NPOC): The following are considered non-precursor organic compounds:

methylene chloride; chloropentafluoroethane (CFC-115); 1,1,1-trichloroethane; 1,1,1-trifluoro 2,2-dichloroethane (HFC-123); 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124); trichlorofluoromethane(CFC-11); 1,1,2-trichloro 1,2,2-trifluoroethane (CFC-113); pentafluoroethane (HFC-125); 1,1,2,2-tetrafluororoethane (HFC-134); 1,1,1,2-tetrafluorethane (HFC-134a); dichlorodifluoromethane (CFC-12); 1,1-dichloro 1-fluoroethane (HFC-141b); 1-chloro 1,1-difluoroethane (HCFC-142b); 1,1,1-trifluoroethane (HFC-143a); 1,2-dichloro 1,1,2,2-tetrafluorethane (CFC-114); 1,1-difluoroethane (CFC-152a); chlorodifluoromethane (HCFC-22); trifluoromethane (HFC-23), and perfluorocarbons which fall into these classes:

(1) Cyclic, branched, or linear, completely fluorinated alkanes,
(2) Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations,
(3) Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations, and
(4) Sulfur containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.

In addition, any compound designated as having a negligible contribution to photochemical reactivity by the U.S. Environmental Protection Agency as published in the Federal Register shall be considered a Non-Precursor Organic Compound.

(Amended 7/17/91; 6/15/94)

2-1-208 **Organic Compound, Precursor:** Any organic compound as defined in Regulation 1-233 excepting the non-precursor organic compounds, defined in Section 2-1-207.

(Adopted 3/17/82; Amended 7/17/91)

2-1-209 **Reasonably Available Control Technology (RACT):** For sources ~~which~~ that are to continue operating, RACT is the lowest emission limit that can be achieved by the specific source by the application of control technology taking into account technological feasibility and cost-effectiveness, and the specific design features or extent of necessary modifications to the source. For sources which are or will be shut-down, RACT is the lowest emission limit that can be achieved by the application of control technology to similar, but not necessarily identical categories of sources, taking into account technological feasibility and cost-effectiveness of the application of the control technology to the category of sources only and not to the shut-down source. (Adopted 3/17/82, Amended 10/19/83)

2-1-210 **Start-Up Period:** The period of time between initial operation and the issuance or denial of a permit to operate of a source or facility. (Adopted October 19, 1983)

2-1-211 **CEQA:** The California Environmental Quality Act, Public Resources Code, Section 21000, et seq. (Adopted July 17, 1991)

2-1-212 **EIR:** Environmental Impact Report, as defined in Public Resources Code Section 21000 *et seq*. (Adopted 7/17/91; Amended 5/17/00)

2-1-213 **Facility:** Any property, building, structure or installation (or any aggregation of facilities) located on one or more contiguous or adjacent properties and under common ownership or control of the same person that emits or may emit any air pollutant and is considered a single major industrial grouping (identified by the first two-digits of the applicable code in *The Standard Industrial Classification Manual*). In addition, facilities ~~which~~ that include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo. Accordingly, all emissions from such carriers while operating in the District, or within California Coastal Waters adjacent to the District, shall be included as part of the source emissions. (Adopted November 3, 1993)

2-1-214 **Federally Enforceable:** All limitations and conditions which are enforceable by the Administrator of the U. S. EPA, including requirements developed pursuant to 40 CFR Parts 60 (NSPS), 61 (NESHAPS), 63 (HAP), 70 (State Operating Permit Programs) and 72 (Permits Regulation, Acid Rain), requirements contained in the State Implementation Plan (SIP) that are applicable to the District, any District permit requirements established pursuant to 40 CFR 52.21 (PSD) or District regulations approved pursuant to 40 CFR Part 51, Subpart I (NSR), and any operating permits issued under an EPA-approved program that is a part of the SIP and expressly requires adherence to any permit issued under such program.

2-1-215 **Hazardous Air Pollutant (HAP):** Any pollutant that is listed pursuant to Section 112(b) of the federal Clean Air Act. (Adopted 11/3/93; Amended 5/17/00)

2-1-216 **Major Facility Review (MFR):** Plantwide review of sources, emissions and regulatory requirements at facilities including, but not limited to, major facilities, phase II acid rain facilities, subject solid waste incinerator facilities, and designated facilities, which are potentially subject to the permitting requirements of Regulation 2, Rule 6, and Title V of the federal Clean Air Act. (Adopted November 3, 1993)

2-1-217 **Potential to Emit:** The maximum capacity of a source or facility to emit a pollutant based on its physical and operational design. Any physical or operational limitation on the capacity of the source or facility to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a part of its design only if the limitation, or the effect it would have on emissions, is enforceable by the District or EPA. A source or facility that exceeds an enforceable limitation is considered to have a potential to emit that is unconstrained by any such exceeded limit.

(Adopted 11/3/93; Amended 5/17/00)

2-1-218 **Regulated Air Pollutant:** The following air pollutants (as defined in Regulation 1) are regulated:

218.1 Nitrogen oxides and volatile organic compounds;

218.2 Any pollutant for which a national ambient air quality standard has been promulgated;

218.3 Any Class I or Class II ozone depleting substance subject to a standard promulgated under Title VI of the federal Clean Air Act;

218.4 Any pollutant that is subject to any standard promulgated under Section 111 of the federal Clean Air Act; and

218.5 Any pollutant that is subject to any standard promulgated under Section 112 of the federal Clean Air Act, except that a pollutant that is subject solely to Section 112(r) is not a regulated air pollutant.

(Adopted 11/3/93; Amended 5/17/00)

2-1-219 **Synthetic Minor Operating Facility:** A facility which by imposition of facilitywide federally enforceable permit conditions has its potential to emit limited to below the threshold levels for a major facility as defined by Sections 204.1 and 204.2 of this rule and in Section 212 of Regulation 2, Rule 6, and is not otherwise required to apply for a major facility review permit under Regulation 2, Rule 6.

(Adopted November 3, 1993)

2-1-220 **Portable Equipment:** This definition is provided exclusively for determining applicability of Section 2-1-413: Portable Equipment Operated Within the District. “Portable equipment” means any emission unit that, by itself or, in or on a piece of equipment, is portable, meaning designed to be and capable of being carried or moved from one location to another. Indications of portability include, but are not limited to, wheels, skids, carrying handles, dolly trailer, platform or mounting. A piece of equipment is portable, for purposes of obtaining a portable permit under Section 2-1-413, if all of the following are met:

220.1 The equipment will not remain at any single location for a period in excess of twelve consecutive months, following the date of initial operation. Any emission unit, such as back up or standby unit, which replaces an emission unit at that location and is intended to perform the same function as the unit being replaced, will be counted toward the time limitation.

220.2 The source (emission unit) remains or will remain at a location for no more than twelve months, following the date of initial operation, where such a period does not represent the full length of normal annual source operations, such as operations which are seasonal.

220.3 The equipment is not removed from, or stored at, one location for a period and then returned to the same location in an attempt to circumvent the portable equipment residence time requirement.

220.4 The equipment is not operated within 1000 feet of the outer boundary of any K-12 schoolsite, unless the applicable notice requirements of Health and Safety Code Section 42301.6 have been met.

220.5 The operation complies with the Toxic Risk Management Policy.

220.6 No air contaminant is released into the atmosphere in sufficient quantities as to cause a public nuisance per Regulation 1-301.

220.7 The operation of the portable equipment in the Air District shall emit no more than 10 tons per year of each pollutant, including POC, CO, NOx, PM_{10}, NPOC or SO_2. For PM_{10}, fugitive particulate emissions from haul road traffic shall not be counted toward the annual limit.

220.8 The operation must be exempt from CEQA, or must be covered by a chapter in the District's Permit Handbook.

220.9 The equipment will not cause a Synthetic Minor Facility to exceed a federally enforceable emission limit.

220.10 If this equipment remains at any fixed location for more than twelve months, the portable permit will automatically revert to a conventional permanent location permit and will lose its portability. To obtain another portable permit for the equipment, the owner must re-permit the equipment for the next location of intended operations. Upon written request, the APCO may exclude reasonable storage periods before the date of initial operation and/or following the date of final operation from the twelve-month time limitation.

(Adopted 6/7/95; Amended 10/7/98)

2-1-221 **Source:** Any article, machine, equipment, operation, contrivance or related groupings of such which may produce and/or emit air pollutants.(Adopted June 7, 1995)

2-1-222 **Toxic Air Contaminant (TAC):** An air pollutant which may cause or contribute to an increase in mortality or in serious illness, or which may pose a present or potential hazard to human health. Toxic air contaminants consist of those substances identified by the Air Resources Board under Section 39662 of the State Health and Safety Code, and those substances listed as hazardous air pollutants under subsection (b) of Section 112 of the federal Clean Air Act.(Adopted 6/7/95; Amended 5/17/00)

2-1-223 **Year:** Unless otherwise specified by an operating rule of the District or by a permit condition, a year shall be defined by an applicant or permit holder as one of the following:

223.1 Any consecutive 12 month period;

223.2 Any consecutive 4 quarter period, where a quarter is 3 consecutive months;

223.3 Any consecutive 52 week period;

223.4 Any consecutive 365 day period;

223.5 Any company fiscal year, provided the fiscal year is 12 consecutive months;

223.6 Calendar year;

223.7 Any other mutually acceptable period.

In the absence of a rule requirement, permit condition or other information to determine which yearly period applies, the District shall use Section 2-1-223.1.

(Adopted June 7, 1995)

2-1-224 **Responsible Laboratory Management Practices:** For the purposes of meeting the laboratory exemption of Section 2-1-113.2.12, Responsible Laboratory Management Practices include all of the following measures for minimizing the emissions of toxic air contaminants:

224.1 Open container procedures involving materials that contain volatile toxic air contaminants (TACs) shall be avoided where feasible.

224.2 Open container storage of volatile hazardous chemical wastes shall be avoided.

224.3 Training for laboratory employees handling hazardous materials shall include information about minimizing the emissions of volatile TACs. These employees shall be directed to avoid open container procedures involving volatile TACs where feasible, and to avoid open container storage of hazardous chemical waste.

224.4 Fume hoods shall be posted with notices reminding employees to avoid open container procedures using volatile TACs where feasible. Laboratories shall be inspected periodically, but not less than annually, to confirm that these notices are present.

224.5 Laboratory fume hoods shall be monitored periodically to assure proper face velocity.

224.6 Evaporation of any hazardous chemical waste containing TACs as a means of disposal shall be expressly forbidden. (Adopted June 7, 1995)

2-1-225 **Risk Screening Analysis:** An assessment of the measure of health risk for individuals in the affected population that may be exposed to emissions of toxic air contaminants from a given source. For the purposes of this Rule, a risk screening analysis may be a simplified analysis or, where available, a more refined health risk assessment utilizing appropriate site-specific information. (Adopted June 7, 1995)

2-1-226 **Statewide Portable Equipment Registration Program**: A uniform system for statewide registration and regulation of portable internal combustion and associated equipment, implemented by the Air Resources Board pursuant to Section 41750 et seq. of the Health and Safety Code. (Adopted October 7, 1998)

2-1-227 **Substantial Use**: Substantial use of an Authority to Construct consists of one or more of the following: purchase or acquisition of the equipment that constitutes the source; ongoing construction activities other than grading or installation of utilities or foundations; a contract or commitment to complete construction of the source within two years. (Adopted October 7, 1998)

2-1-228 **Particulate Matter (PM):** Any airborne finely divided solid or liquid material with an aerodynamic diameter smaller than 100 microns. (Adopted October 7, 1998)

2-1-229 **PM_{10}:** Particulate matter with aerodynamic diameter smaller than or equal to a nominal 10 microns. (Adopted October 7, 1998)

2-1-230 **Functionally Equivalent:** Performing the same, or equivalent, function as the object of comparison. A functionally equivalent replacement source performs the same function for the process as the source being replaced, although emissions and other characteristics may differ. A replacement that performs additional functions is not considered to be functionally equivalent. (Adopted October 7, 1998)

2-1-231 **Semiconductor Fabrication Area:** A physically identifiable area in a semiconductor manufacturing facility where one or more specific operations in the fabrication of semiconductors or related solid state devices occurs and the equipment used to perform those operations. The semiconductor fabrication area shall not include crystal growth, circuit separation, or encapsulation. All semiconductor fabrication equipment may be grouped into a single fabrication area, or multiple fabrication areas may be established to correspond to product lines or clean room environments.

(Adopted October 20, 1999)

2-1-232 **New Source:** Any source that meets at least one of the following criteria, except sources which lose a permit exemption or exclusion in accordance with Regulation 2-1-424, shall be considered a new source:

232.1 Any source constructed or proposed to be constructed after March 7, 1979 but which never had a valid District authority to construct or permit to operate.

232.2 Any source which was not in operation for a period of one year or more and did not hold a valid District permit to operate during this period of non-operation, occurring after March 7, 1979.

232.3 Any relocation of an existing source to a non-contiguous property, except for a portable source.

232.4 Any replacement of a source, including an identical replacement of a source, occurring after March 7, 1979, regardless of when the original source was constructed.

232.5 Any replacement of an identifiable source within a group of sources permitted together under a single source number for the purpose of District permitting convenience.

232.6 “Rebricking” of a glass furnace where changes to the furnace design result in a change in heat generation or absorption. (Adopted May 17, 2000)

2-1-233 **Alter:** To make any physical change to, or change in the method of operation of, a source which may affect emissions. Such changes require a permit to operate, and may require permit conditions, whether or not the alteration results in an emission increase. A change in process stream composition is not an alteration if the source’s description in the permit and permit conditions allow for the change in process

stream composition, and the change does not increase emissions beyond permitted levels. The following activities are specifically identified as "alterations."

233.1 Replacement of burners with non-identical burners.

233.2 Maintenance of glass furnaces involving component replacement, unless all replacements are with identical components.

233.3 Expansion of the physical boundaries of a semiconductor fabrication area.

(Adopted 5/17/00; Amended 11/15/00)

2-1-234 Modified Source: Any existing source which undergoes a physical change, change in the method of operation of, increase in throughput or production, or addition which results or may result in any of the following:

234.1 An increase of either the daily or annual emission level of any regulated air pollutant, or an increase in the production rate or capacity that is used to estimate the emission level, that exceeds emission or production levels approved by the District in any authority to construct.

234.2 An increase of either the daily or annual emission level of any regulated air pollutant, or the production rate or capacity that is used to estimate the emission level, above levels contained in a permit condition in any current permit to operate or major facility review permit.

234.3 For sources which have never been issued a District authority to construct, and which do not have conditions limiting daily or annual emissions, an increase of either daily or annual emission level of any regulated air pollutant, or the production rate or capacity that is used to estimate the emission level, above the lowest of the following:

3.1 The highest of the following:

3.1.1 The highest attainable design capacity, as shown in pre-construction design drawings, including process design drawings and vendor specifications.

3.1.2 The capacity listed in the District permit to operate.

3.1.3 The highest documented actual levels attained by the source prior to March 1, 2000.

3.2 The capacity of the source, as limited by the capacity of any upstream or downstream process that acts as a bottleneck (a grandfathered source with an emission increase due to debottlenecking is considered to be modified).

For the purposes of applying Section 234.3, only increases in annual emission levels shall be considered for storage vessels.

234.4 The emission of any regulated air pollutant not previously emitted in a quantity which would cause the source to fail an air toxic screening analysis performed in accordance with the current Air Toxic Risk Screening Procedure.

For the purposes of applying this definition, an hourly limit or capacity may be converted to a daily limit or capacity by multiplication by 24 hours/day; a daily capacity may be converted to an annual capacity or limit by multiplication by 365 days/year.

(Adopted 5/17/00; Amended 11/15/00)

2-1-235 Shutdown: An action that either:

235.1 Causes an emission source to be removed from service temporarily; or

235.2 Results in a transfer of an emission source's emitting activity to another source within the control of the same operator. (Adopted May 17, 2000)

2-1-236 Closure: Permanent removal of a source from service. (Adopted May 17, 2000)

2-1-300 STANDARDS

2-1-301 Authority to Construct: Any person who, after July, 1972, puts in place, builds, erects, installs, modifies, modernizes, alters or replaces any article, machine, equipment or other contrivance, the use of which may cause, reduce or control the emission of air contaminants, shall first secure written authorization from the APCO in the form of an authority to construct. Routine repairs, maintenance, or cyclic maintenance that includes replacement of components with identical components is

not considered to be an alteration, modification or replacement for the purpose of this Section unless the APCO determines the changes to be non-routine. The use or operation of the source shall initiate the start-up period in accordance with Section 2-1-411. (Amended 3/17/82; 10/19/83; 7/17/91; 5/17/00)

2-1-302 **Permit to Operate:** Before any person, as described in Section 2-1-401, uses or operates any article, machine, equipment or other contrivance, the use of which may cause, reduce or control the emission of air contaminants, such person shall first secure written authorization from the APCO in the form of a permit to operate.

302.1 Permit to Operate, MFR: Any facility subject to the requirements of Regulation 2-6, Major Facility Review, shall comply with the permitting requirements included herein in addition to securing a permit to operate under this rule.

302.2 Permit to Operate, Accelerated Permitting Program: Installation and operation of a new or modified source or abatement device which qualifies for the Accelerated Permitting Program under Section 2-1-106 may commence immediately following the submittal of a complete permit application. A temporary Permit to Operate will be issued as soon as the APCO determines that the application is complete. Action shall be taken on the application within 35 working days of receipt of a complete application, in accordance with Section 2-1-408, provided that the applicable offset provisions of Regulation 2, Rule 2, Sections 302 and 303 are satisfied. During periods that the source is operating without a Permit to Operate, the operator shall keep records sufficient to demonstrate that emissions do not exceed qualifying levels for the Accelerated Permitting Program.

302.3 Permit to Operate, Temporary Operation: A temporary permit may be obtained to allow an operator to test equipment, processes, or new formulations. A temporary permit may also be obtained for a temporary source which replaces critical equipment during scheduled maintenance. The APCO may issue a non-renewable temporary Permit to Operate a temporary operation at any source, subject to the following:

3.1 The proposed operation will comply with all requirements of Regulation 1 and Regulations 5 through 12.

3.2 The permit shall expire 3 months after issuance.

3.3 The operator shall provide offsets, at a ratio of 1.15 to 1, for all increased emissions of NO_x, POC, and PM_{10} resulting from the use of the temporary permit.

3.4 The operator shall certify that the temporary operation is for one of the following purposes:

4.1 Equipment testing

4.2 Process testing, including new formulations

4.3 Temporary replacement of an existing permitted source with an identical or functionally equivalent source

(Amended 11/3/93; 6/7/95; 10/7/98; 11/15/00)

2-1-303 **Fees:** Persons subject to this Regulation shall pay the fees required, as set forth in Regulation 3.

2-1-304 **Denial, Failure to Meet Emission Limitations:** The APCO shall deny an authority to construct or a permit to operate if the APCO finds that the subject of the application would not or does not comply with the emission limitations of the District, or with applicable permit conditions, federal or California laws or regulations. Such denial shall not be based solely on type of construction or design of equipment.

(Amended March 17, 1982)

2-1-305 ~~**Denial, Equipment Not in**~~ **Conformance with Authority to Construct:** A person shall not put in place, build, erect, install, modify, modernize, alter or replace any article, machine, equipment, or other contrivance for which an authority to construct has been issued except in a manner substantially in conformance with the authority to construct. If ~~T~~the APCO ~~shall deny a permit to operate if it is found~~finds, prior to the issuance of a permit to operate, that the subject of the application was not built substantially in conformance with the authority to construct, the APCO shall deny the permit to operate.

2-1-306 Mandated Reductions Not Applicable: Emission reductions resulting from requirements of federal, state or District laws, rules or regulations shall not be banked or allowed as emission offsets or emission reduction credits unless a complete application for such banking or emission reduction credits was filed with the District at least 90 days prior to the adoption date of such laws, rules or regulations. Only emission reduction credits exceeding the emission reductions required by measures described in the Air Quality Management Plan or required by permits or orders; and reductions achieved by measures not specified in the Air Quality Management Plan shall be banked or allowed as emission offsets or emission reduction credits.

(Amended 10/7/81; 7/17/91; 6/15/94)

2-1-307 Failure to Meet Permit Conditions: A person shall not operate any article, machine, equipment or other contrivance, for which an authority to construct or permit to operate has been issued, in violation of any permit condition imposed pursuant to Section 2-1-403. (Adopted 3/17/82; Amended 7/17/91)

2-1-308 Fugitive Emissions: Fugitive emissions shall be included as emissions from a facility. Fugitive emissions shall be subject to all requirements of District Rules and Regulations, including BACT, RACT, offsets, PSD requirements, and Class I Air Quality Related Values and increment protection, to the same extent as emissions that are not fugitive in nature. (Adopted 10/19/83; Amended 7/17/91)

2-1-309 Canceled Application: The APCO may cancel an application for an authority to construct and a permit to operate if, within 90 days after the application was deemed incomplete, the applicant fails to furnish the requested information or pay all appropriate fees. The 90 day period may be extended for an additional 90 days upon receipt of a written request from the applicant and written approval thereof by the APCO. The APCO shall notify the applicant in writing of a cancellation, and the reasons therefor. A cancellation shall become effective 10 days after the applicant has been notified. The cancellation shall be without prejudice to any future applications. (Adopted April 6, 1988)

2-1-310 Applicability of CEQA: Except for permit applications which will be reviewed as ministerial projects under Section 2-1-311 or which are exempt from CEQA pursuant to Section 2-1-312, all proposed new and modified sources for which an authority to construct must be obtained from the District shall be reviewed in accordance with the requirements of CEQA.

310.1 For those District permit applications which must be reviewed in accordance with the requirements of CEQA, the District will not normally be a Lead Agency under CEQA. Rather, pursuant to CEQA, the Lead Agency will normally be an agency with general governmental powers, such as a city or county, rather than a special purpose agency such as the District.

310.2 The issuance of an authority to construct and of a permit to operate for the same new or modified source or stationary source are considered to be parts of the same project for the purposes of CEQA.

310.3 The APCO shall not authorize, on an interim basis or otherwise, the installation or operation of any proposed new or modified source, the permitting of which is subject to the requirements of CEQA, until all of the requirements of CEQA have been satisfied.

(Adopted 7/17/91; Amended 10/21/92)

2-1-311 Ministerial Projects: An application for a proposed new or modified source or stationary source will be classified as ministerial and will accordingly be exempt from the CEQA requirement of Section 2-1-310 if the District's engineering evaluation and basis for approval or denial of the permit application for the project is limited to the criteria set forth in Section 2-1-428 of this rule and to the specific procedures, fixed standards and objective measurements set forth in the District's Permit Handbook and BACT/TBACT Workbook. The method for determining whether a given permit application will be classified as ministerial is set forth in Section 2-1-427.

(Adopted 7/17/91; Amended 10/7/98)

2-1-312 Other Categories of Exempt Projects: In addition to ministerial projects, the following categories of projects subject to permit review by the District will be exempt from the CEQA review, either because the category is exempted by the express

terms of CEQA (subsections 2-1-312.1 through 312.9) or because the project has no potential for causing a significant adverse environmental impact (subsections 2-1-312.10 and 312.11). Any permit applicant wishing to qualify under any of the specific exemptions set forth in this Section 2-1-312 must include in its permit application CEQA-related information in accordance with subsection 2-1-426.1. In addition, the CEQA-related information submitted by any permit applicant wishing to qualify under subsection 2-1-312.11 must demonstrate to the satisfaction of the APCO that the proposed project has no potential for resulting in a significant environmental effect in connection with any of the environmental media or resources listed in Section II of Appendix I of the State CEQA Guidelines.

312.1 Applications to modify permit conditions for existing or permitted sources or facilities ~~which~~ that do not involve any increases in emissions or physical modifications.

312.2 Permit applications to install air pollution control or abatement equipment.

312.3 Permit applications for projects undertaken for the sole purpose of bringing an existing facility into compliance with newly adopted regulatory requirements of the District or of any other local, state or federal agency.

312.4 Permit applications submitted by existing sources or facilities pursuant to a loss of a previously valid exemption from the District's permitting requirements.

312.5 Permit applications submitted pursuant to the requirements of an order for abatement issued by the District's Hearing Board or of a judicial enforcement order.

312.6 Permit applications relating exclusively to the repair, maintenance or minor alteration of existing facilities, equipment or sources involving negligible or no expansion of use beyond that previously existing.

312.7 Permit applications for the replacement or reconstruction of existing sources or facilities where the new source or facility will be located on the same site as the source or facility replaced and will have substantially the same purpose and capacity as the source or facility replaced.

312.8 Permit applications for cogeneration facilities which meet the criteria of Section 15329 of the State CEQA Guidelines.

312.9 Any other project which is exempt from CEQA review pursuant to the State CEQA Guidelines.

312.10 Applications to deposit emission reductions in the emissions bank pursuant to Regulation 2, Rule 4 or Regulation 2, Rule 9.

312.11 Permit applications for a proposed new or modified source or sources or for process changes which will satisfy the “No Net Emission Increase" provisions of District Regulation 2, Rule 2, and for which there is no possibility that the project may have any significant environmental effect in connection with any environmental media or resources other than air quality. Examples of such projects include, but are not necessarily limited to, the following:

11.1 Projects at an existing stationary source for which there will be no net increase in the emissions of air contaminants from the stationary source and for which there will be no other significant environmental effect;

11.2 A proposed new source or stationary source for which full offsets are provided in accordance with Regulation 2, Rule 2, and for which there will be no other significant environmental effect;

11.3 A proposed new source or stationary source at a small facility for which full offsets are provided from a small facility bank established by the APCO pursuant to Regulation 2-4-414, and for which there will be no other significant environmental effect;

11.4 Projects satisfying the "no net emission increase" provisions of District Regulation 2, Rule 2 for which there will be some increase in the emissions of any toxic air contaminant, but for which the District staff’s preliminary health risk screening analysis shows that a formal health

risk assessment is not required, and for which there will be no other significant environmental effect. (Adopted 7/17/91; Amended 5/17/00)

2-1-313 Projects Not Exempt From CEQA Review: Notwithstanding the exemptions from CEQA review set forth in Section 2-1-312, such exemptions shall not apply: (i) to any project for which the District staff''s preliminary health risk screening analysis shows that a formal health risk assessment must be submitted by the applicant, or (ii) to any project covered by the categories set forth in subsections 2-1-312.1 through 312.9 where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances, or due to cumulative impacts of successive projects of the same type in the same place over time. Such projects shall be reviewed in accordance with the requirements of CEQA.(Adopted July 17, 1991)

2-1-314 Case-by-Case CEQA Determinations: Notwithstanding the requirement of Section 2-1-311, the District shall, for any permit applications which were deemed complete by the District on or before July 17, 1991, review said permit applications on a case-by-case basis in order to determine whether the District's evaluation of the permit application will involve any element of discretion. If as a result of this case-by-case-review, the District determines that the evaluation of the permit application will not involve any element of discretion on its part, then the application may be treated as a ministerial project so long as all of the following conditions are met:

314.1 The District makes a specific written finding to this effect as part of its determination that the permit application is complete;

314.2 The District will merely apply the law to the facts as presented in the permit application; and

314.3 The District's evaluation of the permit application and its decision regarding whether to issue the permit will be limited to the criteria set forth in Section 2-1-428. (Adopted July 17, 1991)

2-1-315 Denial, Failure to Mitigate Significant Adverse Environmental Impacts: For any application for which the District is a Lead Agency under CEQA, where significant adverse environmental impacts have been identified in the District's review of, or in the course of the public comment period on, said application, the APCO shall deny an authority to construct to such new or modified stationary source, as proposed, unless:

315.1 The applicant agrees to implement or carry out such available alternatives or mitigation measures which would, to the extent feasible, avoid or substantially lessen any such significant adverse environmental impacts as a condition for issuance of an authority to construct; or

315.2 The APCO finds that any such available, feasible alternatives or mitigation measures are within the responsibility and jurisdiction of another public agency, and such measures have been adopted by such other agency, or can and should be adopted by such other agency; or

315.3 The APCO finds that there are no feasible alternatives or measures to substantially mitigate the unavoidable adverse environmental effects associated with the project, but that the benefits of the project outweigh such unavoidable adverse environmental effects, and the APCO states in writing the reasons and overriding considerations to support the issuance of the authority to construct based on the Final EIR and other information in the record notwithstanding the unavoidable adverse environmental effects associated with the project. (Adopted November 20, 1991)

2-1-316 New or Modified Sources of Toxic Air Contaminants or Hazardous Air Pollutants: Notwithstanding any exemption contained in Section 2-1-103 or Section 114 through 128, any new or modified source meeting any of the following criteria shall be subject to the requirements of Regulation 2, Rule 1, Section 301 and/or 302.

316.1 If a new or modified source emits one or more toxic air contaminants in quantities that exceed the limits listed in Table 2-1-316, then the source shall be subject to the requirements of Sections 2-1-301 and 302, unless the owner or operator of the source can demonstrate to the satisfaction of the APCO, within 90 day of request per Regulation 1, Section 441, that the

source would pass a risk screening analysis, as defined in Section 2-1-225, performed according to the current Air Toxic Risk Screening Procedure.

316.2 If a new or modified source, or group of related sources, as defined in the District's current Risk Management Policy, in a proposed construction or modification will emit 2.5 or more tons per year of any single hazardous air pollutant or 6.25 or more tons per year of any combination of hazardous air pollutants, then the source or group of sources shall be subject to the requirements of Sections 2-1-301 and 302.

(Adopted 4/16/86; Amended 7/17/91;Renumbered and Amended 6/7/95; Amended 5/17/00)

2-1-317 Public Nuisance Sources: Notwithstanding any exemption contained in Section 2-1-103 or Section 114 through 128, any new or modified source meeting any of the following criteria shall be subject to the requirements of Regulation 2, Rule 1, Section 301 and/or 302. If any exempt source receives two or more public nuisance violations, under Regulation 1, Section 301 or Section 41700 of the California Health & Safety Code, within any consecutive 180-day period, then the source shall be subject to the requirements of Section 2-1-301 and 302. Such a source will be treated as loss of exemption source under Section 2-1-414, and will be subject to the annual permit to operate fee specified in Regulation 3. This section does not apply to a source that is exempt per section 2-1-113. (Adopted 6/7/95; Amended 5/17/00)

2-1-318 Hazardous Substances: Notwithstanding any exemption contained in Section 2-1-103 or Section 114 through 128, any new or modified source meeting any of the following criteria shall be subject to the requirements of Regulation 2, Rule 1, Section 301 and/or 302. If a new or modified source at a PSD Major Facility, as defined in Regulation 2, Rule 2, Section 220.3, emits the following air contaminants in excess of the quantities listed below, then it is subject to the requirements of Sections 2-1-301 and 302.

318.1 0.6 ton per year of lead,

318.2 0.007 ton per year of asbestos (excepting demolition, renovation, and waste disposal),

318.3 0.0004 ton per year of beryllium,

318.4 0.1 ton per year of mercury,

318.5 1 ton per year of vinyl chloride,

318.6 3 tons per year of fluorides,

318.7 7 tons per year of sulfuric acid mist, and

318.8 10 tons per year of reduced sulfur compounds (including hydrogen sulfide).

(Adopted 10/19/83; Renumbered and Amended 6/7/95; Amended 5/17/00)

2-1-319 Source Expressly Subject to Permitting Requirements: Notwithstanding any exemption contained in Section 2-1-103 or Section 114 through 128, any source meeting any of the following criteria shall be subject to the requirements of Section 2-1-302:

319.1 The emission rate of any regulated air pollutant from the source is greater than 5 tons per year, after abatement.

319.2 The source is subject to the requirements of Section 2-1-316, 317, or 318.

(Adopted May 17, 2000)

2-1-400 ADMINISTRATIVE REQUIREMENTS

2-1-401 Persons Affected: Any person who has been granted or requires an authority to construct shall secure a permit to operate. Any person who is not required to obtain an authority to construct and who is required to obtain a permit to operate shall secure a permit to operate. In addition, the following shall apply for a permit to operate for any source which is not subject to an exemption per Sections 2-1-103, 105, or 113 through 2-1-129:

401.1 On or before July 1, 1980, persons who operate a facility causing emissions of 2.5 tons per year or more of a regulated air pollutant.

401.2 On or before July 1, 1980, persons who operate gasoline terminals, bulk plants and facilities that dispense gasoline for sale or dispense more than 60,000 gallons of gasoline per year.

401.3 Persons who operate coating, adhesive, dipping, laminating, printing, screening, masking, electrodeposition, resist application, or similar source or equipment at any facility whose coating, adhesive, dipping, laminating, printing, screening, masking, electrodeposition, resist application, or similar source or equipment consume greater than 30 gallons of coating and emit 150 pounds of VOC per year or more on a facility wide basis, resulting from the applications of coatings. Upon request of the applicant, the APCO may group coating operations which individually emit less than 150 lb/yr into a single facility-wide source, or other convenient grouping.

401.4 Persons who operate surface preparation and cleaning equipment or operations which use unheated solvent solutions containing more than 10 percent VOC and which contain more than 1 gallon of solvent or have a liquid surface area of more than 1 $ft.^2$, including wipe cleaning operations with a net solvent usage greater than 20 gallons per year, and that emit 150 pounds of VOC per year or more, on a facility-wide basis. Upon request of the applicant, the APCO may group wipe cleaning operations into a single facility-wide source, or other convenient groupings.

401.5 Persons who plan to modify an existing source or install a new source which qualifies for the Accelerated Permitting Program in Section 2-1-106 shall first submit a complete permit application, in accordance with Section 2-1-302.2.

401.6 Persons who operate a source that is subject to either loss of exemption or exclusion per section 2-1-414 or 2-1-424.

401.7 Persons who operate a source constructed after July 1, 1972.

401.8 On or before July 1, 2005, any person who operates a crematorium for the cremation of human remains.

(Amended 4/16/86; 1/7/87; 7/17/91; 6/7/95; 10/7/98; 5/17/00)

2-1-402 Applications: Every application for an authority to construct or a permit to operate shall be submitted to the APCO on the forms specified, and shall contain all of the information required. Sufficient information must be received to enable the APCO to make a decision or a preliminary decision on the application and/or on any exemptions authorized by this Regulation. The APCO may consult with appropriate local and regional agencies to determine whether the application conforms with adopted plans and with local permit requirements.

2-1-403 Permit Conditions: Except as to permit applications reviewed in accordance with Section 2-1-311, the APCO may impose any permit condition that he deems reasonably necessary to insure compliance with federal or California law or District regulations. For any permit application which was reviewed as a ministerial project in accordance with Section 2-1-311, the APCO shall only impose permit conditions as set forth in the District's Permit Handbook for the type of source being permitted. The APCO may require the installation of devices for measurement or analysis of source emissions or ground-level concentrations of air contaminants.

(Amended 7/17/91; 10/7/98)

2-1-404 Changes in Throughput and Hours of Operation: After a permit to operate has been issued, in accordance with subsections 2-1-401.1 through 401.4, changes in hours of operation, fuels, process materials or throughput are allowed only if emissions resulting from such changes are not of such quantity as would cause denial of an authority to construct after an air quality permit analysis made pursuant to the provisions of Rule 2 of this Regulation. "Change" is the use of a process or fuel not used in the prior 12 months, or a throughput level higher than the highest level in the prior 12 months or total monthly operating hours higher than any month in the prior 12 months.

404.1 The holder of a permit to operate shall advise the APCO not more than 30 days after any changes in hours of operation, fuels, process materials or throughput which might increase emissions.

404.2 The APCO shall act to revoke the permit to operate of any person who fails to comply with the requirements of this Section. (Amended July 17, 1991)

2-1-405 Posting of Permit to Operate: A copy of the permit to operate, including all relevant permit conditions, shall be accessible to personnel who operate the equipment for

which the permit has been issued. These documents shall be included on site in the operator's manual, or shall be accessible to the operators electronically.

(Amended 5/17/00; 11/15/00)

2-1-406 **Transfer:** An authority to construct or a permit to operate shall not be transferable from one facility to another. An authority to construct or a permit to operate shall not be transferable from one person to another without obtaining written permission of the APCO.

2-1-407 **Permit Expiration:** An authority to construct shall expire two years after the date of issuance, unless substantial use of the authority has begun. However, an authority to construct may be renewed one time for an additional two years, subject to meeting the current BACT and offset requirements of Regulation 2-2-301, 302 and 303, upon receipt of a written request from the applicant and written approval thereof by the APCO prior to the expiration of the initial authority to construct. An authority to construct that has not expired after two years, due to substantial use or renewal, shall expire after four years. (Amended 7/17/91; Amended 10/7/98)

2-1-408 **Action on Applications:** Except for applications subject to Section 2-1-412, the publication and public notice requirements of Section 2-2-405 or to the provisions of Rule 6 of this Regulation, the APCO shall notify the applicant in writing of approval, approval with conditions, or denial of the application within 35 working days of receipt of a completed application, unless the time is extended with the written consent of the applicant.

408.1 Notwithstanding this 35-working-day limit, the APCO shall not take final action for any project for which an Environmental Impact Report or a Negative Declaration has been prepared until a Final EIR for that project has been certified or a Negative Declaration for that project has been approved, and the APCO has considered the information in that Final EIR or Negative Declaration. For cases in which the 35 working-day time period has elapsed, the APCO shall take final action on the application within 30 days after the certification of the Final EIR or approval of the Negative Declaration. This subsection shall not apply to any project ~~which~~ that is exempt from the District's CEQA requirements pursuant to Section 2-1-311 or 2-1-312. Any substantive change to an application which occurs after the evaluation period has commenced shall allow the APCO to start a new completeness review period, and to reset the 35 working-day limit after the application has been deemed complete.(Amended 11/1/89; 7/17/91; 11/20/91; 11/3/93; 6/7/95; 10/7/98)

2-1-409 **Regulations in Force Govern:** The decision as to whether an authority to construct shall be granted or denied shall be based on federal, state and District BACT and offset regulations in force on the date the application is declared by the APCO to be complete.

2-1-410 **Appeal:** The following actions of the APCO may be appealed:

410.1 In accordance with Section 42302 of the Health and Safety Code an applicant for an authority to construct which has been denied may request, within 30 days after receipt of the written notice to deny, the Hearing Board of the District to hold a hearing on whether or not the authority to construct was properly denied.

410.2 In accordance with Section 42302.1 of the Health and Safety Code, within 30 days of any decision of the APCO, pertaining to the issuance of an authority to construct, any aggrieved person who, in person or through a representative, appeared, submitted written testimony, or otherwise participated in the action before the District may request the Hearing Board of the District to hold a public hearing to determine whether the authority to construct was properly issued or for an order modifying or reversing that decision. Such appeals shall be filed in writing and contain a summary of the issues to be raised. The Hearing Board shall consider the appeal at a public hearing within 30 days of the filing of the appeal. The Hearing Board may reverse or modify the decision of the APCO if it determines that the decision was erroneous. (Amended 7/17/91; 11/20/91; 5/17/00)

2-1-411 **Permit to Operate, Final Action:** The APCO shall take final action to approve, approve with conditions, or disapprove a permit to operate a facility subject to this

rule within 90 days after the initial date of the start-up period of the new or modified source. This time period may be extended upon the written request of the applicant stating the reasons why further start-up time is needed. In no case shall the APCO allow the start-up period to be greater than 180 days. All conditions, specific or implied, of the authority to construct are in effect during the entire start-up period.

411.1 Notwithstanding the above, final action taken on permits issued pursuant to Rule 6 of this Regulation shall be in accordance with the provisions of Section 2-6-410.

411.2 A permit approved under this section must be signed by the permit holder or by a person authorized to sign on behalf of the permit holder.

(Adopted 10/19/83; Amended 7/17/91; 11/3/93; 10/7/98)

2-1-412 Public Notice, Schools: Prior to approving an application for an authority to construct or permit to operate for a new or modified source located within 1000 feet of the outer boundary of a K-12 schoolsite and which results in the increase in emissions of any substance into the ambient air which has been identified by the California Air Resources Board or the APCO as a toxic air contaminant or a hazardous air contaminant or which is on the list required to be prepared pursuant to subdivision (a) of Section 25532 or Section 44321 subsections (a) to (f) inclusive of the Health and Safety Code, the APCO shall:

412.1 Prepare a public notice in which the proposed new or modified source, and the proposed emissions, are fully described.

412.2 Distribute the notice, prepared in accordance with subsection 2-1-412.1 at the expense of the applicant, to the parents or guardians of children enrolled in any school within one-quarter mile of the source and to each address within a radius of 1000 feet of the source. This notice shall be distributed at least 30 days prior to the date final action on the application is to be taken by the APCO. The APCO shall review and consider all comments received during the 30 days after the notice is distributed, and shall include written responses to the comments in the permit application file prior to taking final action on the application.

412.3 Failure of any person to receive the notice shall not affect the validity of the authority to construct or permit to operate issued by the APCO, if the APCO or applicant responsible for giving the notice has made a good faith effort to follow the procedures for giving the notice prescribed by law.

(Adopted 11/1/89; Amended 10/7/98; 5/17/00)

2-1-413 Portable Equipment Operated Within the District: Any person required to obtain an authority to construct and permit to operate under Sections 2-1-301 and 302 for a portable source can elect to receive a single portable permit which will allow the source to operate anywhere in the District, provided the APCO approves the permit, and the source meets the definition of portable equipment set forth in Section 2-1-220. Such a source is subject to the standard filing, initial and permit to operate fees in Regulation 3. (Adopted June 7, 1995)

2-1-414 Loss of Exemption, Public Nuisance: Any source subject to Section 2-1-317 shall be subject to permit conditions deemed necessary by the District to minimize the potential for future violations. If the owner/operator can demonstrate that the source has neither received a public nuisance violation nor received a confirmed complaint for a two year period after the permit was issued, then the owner/operator may submit a written petition to the APCO to remove the permit requirement. Such a petition is subject to APCO approval. (Adopted June 7, 1995)

2-1-415 Source Pre-Certification Procedure: Any person may submit a written request to pre-certify a source, for the purposes of qualifying the source for the Accelerated Permitting Program. Such a request will be evaluated within 60 days of receipt of the information listed below. The APCO may also independently pre-certify a source. The APCO shall maintain a list of pre-certified equipment, and shall make this list available to industry through the Public Information & Education Division. A pre-certification request shall include all of the following:

415.1 A complete description of the source, including make, model number, rated capacity and emission calculations at maximum operating rate;

415.2 Applicable BACT requirements;

415.3 Proposed permit conditions governing operation of the source; and

415.4 Applicable fees, as described in Regulation 3, Section 323.

(Adopted June 7, 1995)

2-1-416 **Temporary Amnesty for Unpermitted Sources:** The APCO has the authority to declare an amnesty period, during which the District may waive all or part of the penalty fees, including late fees and retroactive permit fees, for sources ~~which~~ that are currently operating without valid Permits to Operate. (Adopted June 7, 1995)

2-1-420 **Suspension:** The APCO may suspend a permit if, within a reasonable time, the holder of the permit willfully fails or refuses to furnish requested information, analyses, plans or specifications relating to emissions from the source for which the permit was issued. The APCO shall serve notice in writing of a suspension, and the reasons therefor, on the holder of the permit. A suspension shall become effective 5 days after notice has been served.

2-1-421 **Appeal from Suspension:** Within 10 days after the receipt of the notice of suspension, the permit holder may request the Hearing Board to hold a hearing to determine whether or not the permit was properly suspended.

2-1-422 **Revocation:** The APCO may request the Hearing Board to hold a hearing to determine whether an authority to construct and/or permit to operate should be revoked if it is found that the holder of an authority to construct or permit to operate is violating any applicable order, rule or regulation of the District, or is violating any provision or condition of the authority to construct or permit to operate.

(Amended May 17, 2000)

2-1-423 **Hearings:** Within 30 days after receipt of requests submitted pursuant to Sections 2-1-421 and 422, the Hearing Board shall hold a hearing as provided by Section 42308 of the California Health and Safety Code and may take action as authorized by Section 42309 of the California Health and Safety Code. (Amended July 17, 1991)

2-1-424 **Loss of Exemption or Exclusion:** Within 90 days of written notification by the APCO of the need for a permit, any person who operates a source which does not require a District permit who loses an exemption or exclusion because of changes in federal, California or District laws or regulations shall submit a complete permit application for the subject source, as defined Section 2-1-202. A person who holds a valid permit to operate for the subject source need not reapply.

(Adopted 4/16/86; Amended 6/7/95; 10/7/98)

2-1-425 **Sources of Toxic Air Contaminants:** Any person who does not hold a valid permit to operate in accordance with Section 2-1-401 and emits, in quantities determined to be appropriate by the APCO, any toxic air contaminant, shall within 90 days of written notice by the APCO of the need for a permit to operate, complete a permit application for the subject source, in accordance with the applicable requirements of Section 2-1-202 or Section 2-1-302.2. (Amended June 7, 1995)

2-1-426 **CEQA-Related Information Requirements:** Unless a project for which an authority to construct is sought is exempt from the District's CEQA requirements pursuant to Section 2-1-311 or 2-1-312 of this Rule, applicants for authorities to construct shall provide, as part of a complete application, the following CEQA-related information:

426.1 A preliminary environmental study which shall describe the proposed project and discuss any potential significant adverse environmental impacts, alternatives to the project, and any necessary mitigation measures to minimize adverse impacts. The preliminary environmental study shall include all activities involved in the project and shall not be limited to those activities affecting air quality. In preparing the preliminary environmental study, the applicant may utilize the Environmental Information Form in Appendix H of the State CEQA Guidelines or an equivalent format specified by the APCO. (see also Appendix G, Significant Effects.) The preliminary environmental study shall list all other local, state and federal governmental agencies that require permits for the project and indicate any environmental documentation required by such agencies; or

426.2 When an agency other than the District is to be the Lead Agency under CEQA, either:

2.1 A Draft or Final Environmental Impact Report prepared by or under the supervision of the Lead Agency; or

2.2 A contract for the preparation of a Draft Environmental Impact Report executed by the Lead Agency together with the Initial Study prepared by the Lead Agency; or

2.3 A Negative Declaration prepared by the Lead Agency; or

2.4 A Notice of Preparation of a Draft EIR prepared by the Lead Agency;

2.5 A copy of the Initial Study prepared by the Lead Agency, or

2.6 A commitment in writing from another agency indicating that it has assumed the role of Lead Agency for the project in question.

(Adopted 11/20/91; Amended 10/7/98)

2-1-427 **Procedure for Ministerial Evaluations:** The District shall review each permit application prior to finding that it is complete in order to determine whether its evaluation of the permit application is covered by the specific procedures, fixed standards and objective measurements set forth in the District's Permit Handbook and BACT/TBACT Workbook. If the District determines that its evaluation of the permit application is covered by specific procedures, fixed standards and objective measurements set forth in the District's Permit Handbook and BACT/TBACT Workbook, the District's evaluation of that permit application will be classified as ministerial and the engineering evaluation of the permit application by the District will be limited to the use of said specific procedures, fixed standards and objective measurements. For such projects, the District will merely apply the law to the facts as presented in the permit application, and the District's decision regarding whether to issue the permit will be based only on the criteria set forth in Section 2-1-428 and in the District's Permit Handbook and BACT/TBACT Workbook.

(Adopted 11/20/91; Amended 10/7/98)

2-1-428 **Criteria for Approval of Ministerial Permit Applications:** If the District classifies a permit application as ministerial pursuant to Section 2-1-427, and as a result of its evaluation of that permit application, the District determines that all of the following criteria are met, the issuance by the District of an Authority to Construct for the proposed new or modified source will be a mandatory ministerial duty.

428.1 The proposed new or modified source will comply with all applicable provisions of the District's Rules and Regulations and with all applicable provisions of state and federal law and regulations which the District has the duty to enforce;

428.2 The emissions from the proposed project can be calculated using standardized emission factors from published governmental sources, District source test results, established formulas from published engineering and scientific handbooks, material safety data sheets or other similar published literature, manufacturer's warranties or other fixed standards as set forth in the District's Permit Handbook and BACT/TBACT Workbook;

428.3 Where Best Available Control Technology is required, BACT for the proposed new or modified source can be determined based on the latest edition of the ARB's BACT/LAER Clearinghouse, on the District's own compilations of BACT levels for specific types of sources as set forth in the District's Permit Handbook and BACT/TBACT Workbook or on a more stringent BACT level proposed by the project proponent; and

428.4 If the proposed new or modified source involves the shutdown of an existing source, the Reasonably Available Control Technology applicable to the source to be shut down can be determined from existing provisions of the District's Rules and Regulations or from the District's own compilations of BACT levels for specific types of sources as set forth in District's Permit Handbook and BACT/TBACT Workbook.

In addition, when the District has issued an authority to construct for a proposed new or modified source as a ministerial project, the issuance of the permit to operate for that source will also be a mandatory ministerial duty if the source will meet all the conditions imposed in connection with the issuance of the authority to construct and all applicable laws, rules and regulations enforced by the District.

(Adopted 11/20/91; Amended 10/7/98)

2-1-429 **Federal Emissions Statement:** The owner or operator of any source ~~which~~ that emits or may emit oxides of nitrogen or volatile organic compounds shall provide the

APCO with a written statement, in such form as the APCO prescribes, showing actual emissions of oxides of nitrogen and volatile organic compounds from that source. At a minimum the emission statement shall contain all of the information contained in the Air Resources Board's Emission Inventory Turn Around Document as described in Instructions for the Emission Data System Review and Update Report. The statement shall also contain a certification by a responsible official of the company or facility that the information contained in the statement is accurate to the best knowledge of the individual certifying the statement. Effective November 1, 1994, the statement shall be submitted to the District each year with the annual permit renewal. The APCO may waive this requirement for any class or category of sources ~~which~~that emit less that 25 tons per year of oxides of nitrogen and volatile organic compounds, each taken separately, if the District provides the Air Resources Board with emission inventories of sources emitting greater than 10 tons per year of either oxides of nitrogen or volatile organic compounds based on the use of emission factors acceptable to the Air Resources Board and the U.S. Environmental Protection Agency (EPA). A current list of classes and categories of stationary sources for which this requirement has been waived by the APCO will be kept by the District and made available upon request. Also, for purposes of reporting emission data to the Air Resources Board and to the EPA, the District will provide calendar year and peak ambient ozone season data determined through weighted averaging of current and prior year (if available) company/facility reported certified information. This Section is required by the provisions of Section 182(a)(3)(B) of the Clean Air Act.

(Adopted 11/4/92; Amended 6/15/94; 6/7/95)

2-1-430 **Maintenance of the Permit Handbook and BACT/TBACT Workbook:** The APCO shall publish and maintain the Permit Handbook and BACT/TBACT Workbook as needed to reflect the current procedure for review and issuance of permits, and the most recent determination of BACT/TBACT for a given source category.

(Adopted October 7, 1998)

2-1-431 **Date of Completion:** The APCO shall deem an application to be complete on the date that the information and fees required to complete the application were received by the District. (Adopted May 17, 2000)

2-1-432 **Determination of Complete Application:** Except for an application which is subject to the publication and public comment requirements of Section 2-2-405, the APCO shall determine whether an application for an authority to construct is complete not later than 15 working days following receipt of the application, or after a longer time period agreed upon by both the applicant and the APCO. If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision, specifying the information that is required. Upon receipt of any resubmittal of the application a new 15 working day period to determine completeness shall begin. For an application which is subject to the publication and public comment requirements of Section 2-2-405, the completeness review period(s) shall be 30 days. The application shall be deemed complete on the date of receipt of all information required for completeness. Upon determination that the application is complete, the APCO shall notify the applicant in writing. If applicable, such written notification shall include the District's determination that its evaluation of the application will be covered by the specific procedures, fixed standards and objective measurements set forth in the District's Permit Handbook and that the District's evaluation of that permit application will be classified as ministerial and will accordingly be exempt from CEQA review. Thereafter only information regarding offsets, or information to clarify, correct or otherwise supplement the information submitted in the application may be requested.

2-1-500 MONITORING AND RECORDS

2-1-501 **Monitors:** Continuous emission monitors required pursuant to Section 2-1-403 shall comply with the provisions of Volume V of the Manual of Procedures.

(Adopted March 17, 1982)

2-1-502 **Burden of Proof:** Any person asserting that a source is exempt from the requirements of Regulation 2, Rule 1, Section 301 and/or 302, shall, upon the

request of the APCO, provide substantial credible evidence proving to the APCO that the source meets all requirements necessary to qualify for the exemption.

(Adopted May 17, 2000)

2-1-600 MANUAL OF PROCEDURES

2-1-601 Engineering Permitting Procedures: The specific procedures for the engineering evaluation of particular types of sources as well as specific fixed standards and objective measurements upon which the District will rely in its evaluation of ministerial permit applications are set forth in the District's Permit Handbook and BACT/TBACT Workbook. (Adopted 7/17/91; Amended 10/7/98)

2-1-602 CEQA Guidelines: The District's Guidelines for Environmental Processes under CEQA for those cases in which the District assumes the role of Lead Agency are set forth in Volume VII to the District's Manual of Procedures and in the Permit Handbook. (Adopted 11/20/91; Amended 6/7/95)

Regulation 2, Rule 1
Permit / Exemption Flow Chart

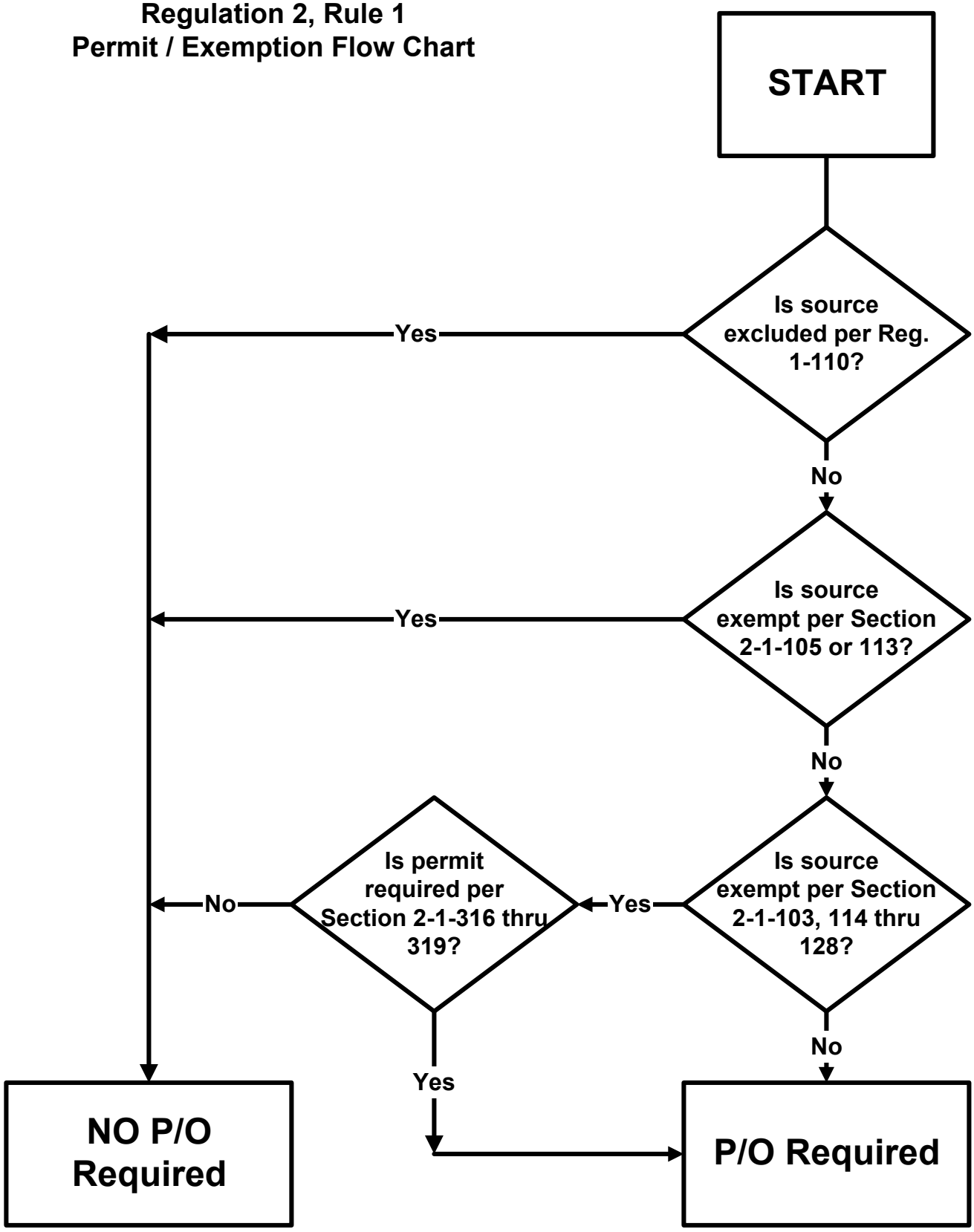

Figure 2-1-101

Table 2-1-316
Toxic Air Contaminant Trigger Levels

Compound	CAS Number	Trigger Level (lb/year)
Acetaldehyde	75070	7.2E+01
Acetamide	603505	9.7E+00
Acrolein	107028	3.9E+00
Acrylamide	79061	1.5E-01
Acrylonitrile	107131	6.7E-01
Allyl chloride	107051	3.3E+01
Aminoanthraquinone, 2	117793	2.1E+01
Ammonia	7664417	1.9E+04
Aniline	62533	1.2E+02
Arsenic and arsenic compounds (inorganic)	7440382*	2.5E-02
Asbestos	1332214	3.0E-03
Benzene	71432	6.7E+00
Benzidine (and its salts)	92875*	1.4E-03
Benzyl chloride (see chlorotoluenes)	100447	3.9E+00
Beryllium and beryllium compounds	7440417*	1.4E-02
Bis(2-chloro-ethyl)ether	111444	2.7E-01
Bis(chloro-methyl)ether	542881	1.5E-02
Bromine and bromine compounds (inorganic)	7726956*	3.3E+02
Butadiene, 1,3-	106990	1.1E+00
Butyl alcohol, tert-	75650	1.4E+05
Cadmium and cadmium compounds	7440439*	4.6E-02
Carbon disulfide	75150	1.4E+04
Carbon tetrachloride	56235	4.6E+00
Chlorinated dibenzodioxins and dibenzofurans (TCDD equivalent)	1746016*	1.2E-06
Chlorinated paraffins	*	7.7E+00
Chlorine	7782505	1.4E+03
Chlorobenzene	108907	1.4E+04
Chlorofluorocarbons	*	1.4E+05
Chloroform	67663	3.6E+01
Chloro-o-phenylenediamine, 4-	95830	4.2E+01
Chloro-o-toluidine, p-	95692	2.5E+00
Chlorophenol, 2-	108430	3.5E+03
Chloropicrin	76062	3.3E+02
Chloroprene	126998	1.9E+03
Chlorotoluenes	100447*	2.3E+03
Chromium (hexavalent) and chromium (hexavalent) compounds	18540299*	1.3E-03
Copper and copper compounds	7440508*	4.6E+02
Cresidine, p-	120718	4.4E+00
Cresol	1319773	3.5E+04
Cupferron	135206	3.1E+00
Diaminoanisole, 2,4-	96128	2.9E+01
Dibromo-3-chloropropane,1,2- (DBCP)	96128	9.7E-02
Dichlorobenzene, 1,4-	106467	1.8E+01
Dichlorobenzidene, 3,3'-	91941	5.6E-01
Dichloroethane, 1,1-	75343	1.2E+02
Dichloroethylene, 1,1- (see vinylidene chloride)		
Diesel exhaust particulate matter	n/a	6.4E-01
Diethylaminoethanol	100378	2.1E+04
Diethylhexylphthalate (DEHP)	117817	8.1E+01

Compound	CAS Number	Trigger Level (lb/year)
Dimethylaminoazobenzene, p-	60117	1.5E-01
Dimethyl phthalate	131113	2.3E+03
Dimethylamine	124403	3.8+02
Dinitrotoluene, 2,4-	121142	2.1E+00
Dioctyl phthalate	117840	2.3E+03
Dioxane, 1,4-	123911	2.5E+01
Epichlorohydrin	106898	8.3E+00
Ethyl acetate	141786	6.6E+05
Ethyl acrylate	140885	9.3E+03
Ethyl chloride	75003	1.9E+06
Ethylene dibromide (1,2-dibromoethane)	106934	2.7E+00
Ethylene dichloride (1,2-dichloroethane)	107062	8.7E+00
Ethylene oxide	75218	2.1E+00
Ethylene thiourea	96457	1.5E+01
Formaldehyde	50000	3.3E+01
Freons (see Chlorofluorocarbons)		
Glutaraldehyde	111308	3.3E+02
Glycol ethers:		
2-Ethoxy ethanol (cellosolve; ethylene glycol monoethyl ether)	110805	3.9E+04
2-Ethoxyethyl acetate (cellosolve acetate; ethylene glycol monoethyl ether acetate)	111159	1.3E+04
2-Methoxy ethanol (methyl cellosolve; ethylene glycol monomethyl ether)	109864	3.9E+03
2-Methoxyethyl acetate (methyl cellosolve acetate; ethylene glycol monomethyl ether acetate)	110496	1.1E+04
2-Butoxy ethanol (Butyl cellosolve; ethylene glycol monobutyl ether)	111762	3.9E+03
Hexachlorobenzene	118741	3.9E-01
Hexachlorocyclohexanes	58899*	1.8E-01
Hexachlorocyclopentadiene	77474	4.6E+01
Hexane, n-	110543	8.3E+04
Hydrazine	302012	3.9E-02
Hydrogen bromide (hydrobromic acid)	10035106	4.6E+03
Hydrogen chloride	7647010	1.4E+03
Hydrogen cyanide	74908	1.4E+04
Hydrogen fluoride	7664393	1.1E+03
Hydrogen sulfide	7783064	8.1E+03
Isocyanates:		
Methylene-bis-phenyl isocyanate	101688	1.8E+01
Methyl isocyanate	624839	7.0E+01
Toluene diisocyanates	26471625*	1.8E+01
Isophorone	78591	6.6E+04
Isopropyl alcohol	67630	4.4E+05
Lead, inorganic, and lead compounds	7439921*	1.60E+01
Maleic anhydride	108316	4.6E+02
Manganese and manganese compounds	7439965*	7.7E+01
Mercury and mercury compounds (inorganic)	7439976*	5.8E+01
Methyl alcohol (methanol)	67561	1.2E+05
Methyl bromide	74839	1.2E+03
Methyl chloroform (1,1,1-TCA)	71556	6.2E+04
Methyl mercury	593748	1.9E+02

Compound	CAS Number	Trigger Level (lb/year)
Methyl methacrylate	80626	1.9E+05
Methylene bis(2-chloroaniline), 4,4'-	101144	4.4E-01
Methylene chloride	75092	1.9E+02
Methylene dianiline, 4,4'-	101779*	4.2E-01
Methylethylketone (MEK)	78933	1.5E+05
Methylpyrrolidone, N-	872504	1.8E+05
Michler's ketone	90948	7.7E-01
Naphthalene	91203	2.7E+02
Nickel and nickel compounds	7440020*	7.3E-01
Nitric acid	7697372	2.3E+03
Nitrobenzene	98953	3.3E+02
Nitropropane, 2-	79469	3.9E+03
Nitrosodiethylamine, N-	55185	1.9E-02
Nitrosodimethylamine, N-	62759	4.2E-02
Nitroso-n-dibutylamine, N-	924163	1.6E-03
Nitrosodiphenylamine, N-	86306	7.3E+01
Nitrosodiphenylamine, p-	156105	3.1E+01
Nitroso-N-methylethylamine, N-	10595956	3.1E-02
Nitroso-morpholine, N-	59892	1.0E-01
Nitroso-piperidine, N-	100754	7.1E-02
Nitrosodi-n-propylamine, N-	621647	9.7E-02
Nitrosopyrrolidine, N-	930552	3.3E-01
PAHs (including but not limited to):	*	
Benz[a]anthracene	56553	4.4E-02
Benzo[b]fluoroanthene	205992	4.4E-02
Benzo[k]fluoroanthene	205823	4.4E-02
Benzo[a]pyrene	50328	4.4E-02
Dibenz[a,h]anthracene	53703	4.4E-02
Indeno[1,2,3-cd]pyrene	193395	4.4E-02
PCBs (polychlorinated biphenyls)	1336363*	6.8E-03
Pentachlorophenol	87865	3.8E+01
Perchloroethylene (tetrachloroethylene)	127184	3.3E+01
Phenol	108952	8.7E+03
Phosgene	75445	1.8E+02
Phosphine	7803512	1.9E+03
Phosphoric acid	7664382	4.6E+02
Phosphorus (white)	7723140	1.4E+01
Phthalic anhydride	85449	1.4E+06
Potassium bromate	7758012	1.4E+00
Propane sultone, 1,3-	1120714	2.7E-01
Propylene oxide	75569	5.2E+01
Selenium and selenium compounds	7782492*	9.7E+01
Sodium hydroxide	1310732	9.3E+02
Styrene monomer	100425	1.4E+05
Tetrachloroethane, 1,1,2,2-	79345	3.3E+00
Tetrachlorophenols	25167833*	1.7E+04
Tetrahydrofuran	109999	2.7E+05
Thioacetamide	62555	1.1E-01
Toluene	108883	3.9E+04
Toluene diisocyanate, 2,4-	584849	1.8E+01
Toluene diisocyanate, 2,6-	91087	1.8E+01
Trichlorobenzene, 1,2,4-	120821	1.8E+04
Trichloroethane, 1,1,1- (see Methyl chloroform)		

Compound	CAS Number	Trigger Level (lb/year)
Trichloroethane, 1,1,2- (vinyl trichloride)	79005	1.2E+01
Trichloroethylene	79016	9.7E+01
Trichlorophenol, 2,4,6-	88062	9.7E+00
Urethane (ethyl carbamate)	51796	6.6E-01
Vapam (sodium methyldithiocarbamate)	137428	2.2E+04
Vinyl chloride	75014	2.5E+00
Vinylidene chloride	75354	6.2E+03
Xylenes	1330207*	5.8E+04
Zinc and zinc compounds	7440666*	6.8E+03

* -- This is a chemical compound group. If a CAS number is listed, it represents only a single chemical within the chemical class (for metallic compounds, the CAS number of the elemental form is listed; for other compounds, the CAS number of a predominant compound in the group is given).

n/a --No CAS number is available for this compound or compound group.

(Amended 5/17/00; 11/15/00)

REGULATION 2
PERMITS
RULE 2
NEW SOURCE REVIEW

INDEX

REGULATION 2
PERMITS
RULE 2
NEW SOURCE REVIEW

(Readopted and Renumbered July 17, 1991)

2-2-100 GENERAL

2-2-101 Description: This Rule shall apply to all new and modified sources which are subject to the requirements of Regulation 2-1-301. The purpose of this Rule is to provide for the review of new and modified sources and provide mechanisms, including the use of Best Available Control Technology (BACT), Best Available Control Technology for Toxics (TBACT), and emission offsets, by which authorities to construct such sources may be granted. This rule implements the no net increase requirements of Section 40919 (a)(2) of the Health and Safety Code as demonstrated by the requirements of Section 2-2-316. The New Source Review provisions of 40 CFR 51.165 and the Prevention of Significant Deterioration provisions of 40 CFR 51.166 are hereby incorporated by reference. (Amended 6/15/94; 10/7/98; 5/17/00)

2-2-110 Deleted October 7, 1998

2-2-111 Exemption, PSD Monitoring: The APCO may exempt an applicant from the requirements of subsection 2-2-414.3 provided that the applicant demonstrates by modeling to the satisfaction of the APCO that the cumulative emission increase minus the emission reduction credits from the new or modified facility would cause air quality impacts less than the following, or may exempt an applicant from the requirements of subsection 2-2-414.3 if the existing ambient air quality concentrations in the impact area are no greater than the following:

	(micrograms per cubic meter, $\mu g/m^3$)
Carbon monoxide: 8-hr average	575
PM_{10}: 24-hr average	10
Sulfur dioxide: 24-hr average	13
Lead: 3-month average	0.1
Mercury: 24-hr average	0.25
Beryllium: 24-hr average	0.0001
Fluorides: 24-hr average	0.25
Vinyl chlorides: 24-hr average	15
Total reduced sulfur: 1-hr average	10
Hydrogen sulfide: 1-hr average	0.2
Reduced sulfur compounds: 1-hr average	10
Nitrogen dioxide: annual average	14

(Amended June 15, 1994)

2-2-112 Exemption, Secondary Emissions From Abatement: The BACT requirements of Section 2-2-301 shall not apply to emissions of secondary pollutants which are the direct result of the use of an abatement device or emission reduction technique which complies with the BACT or BARCT requirements for control of another pollutant. However, the APCO shall require the use of Reasonably Available Control Technology (RACT) for control of these secondary pollutants. The Air Pollution Control Officer shall determine which pollutants are primary and which are secondary for the equipment being evaluated. (Amended 6/15/94; 10/7/98)

2-2-113 Deleted June 15, 1994

2-2-114 Exemption, MACT Requirement: The MACT requirement of Section 2-2-317 shall not apply to the following:

114.1 Any source, where the combined increase in potential to emit from all related sources in a proposed construction or modification is less than 10 tons per year of any HAP and less than 25 tons per year of any combination of HAPs.

114.2 Any source that has been specifically regulated under a standard promulgated pursuant to Sections 112(d), 112(h), or 112(j) of the federal Clean Air Act prior to the date that the APCO has issued an Authority to Construct.

114.3 Any source that has been specifically exempted from regulation under a standard issued pursuant to Sections 112(d), 112(h), or 112(j) of the federal Clean Air Act.

114.4 Any Electric Utility Steam Generating Unit as defined in 40 CFR 63.41, unless and until such time as these units are added to the source category list pursuant to Section 112(c)(5) of the federal Clean Air Act.

114.5 Any Research and Development Activities as defined in 40 CFR 63.41.

114.6 Any source that is within a source category that has been deleted from the source category list pursuant to Section 112(c)(9) of the federal Clean Air Act.

(Adopted May 17, 2000)

2-2-200 DEFINITIONS

2-2-201 Emission Reduction Credit: Except as provided by subsection 2-2-201.3 an emission reduction, calculated in accordance with Section 2-2-605, which exceeds the emission reductions required by measures in the current Clean Air Plan approved by the BAAQMD or required by federal, state, or District laws, rules, and regulations. To qualify as an emission reduction credit, the emission reduction must be in excess of the reductions achieved by, or achievable by, the source using Reasonably Available Control Technology (RACT), and must also be real, permanent, quantifiable, and enforceable.

201.1 Unless calculated in accordance with the procedures of Section 2-2-605, that portion of an NSR emission cap, which was part of an APCO approved alternative baseline, shall not qualify as an emission reduction credit.

201.2 All emission reduction credits shall be enforceable by permit conditions in the authority to construct and permit to operate, except that, in the case of source closures where no permit is required for the source being shut down, the emission reduction credit shall be enforceable through appropriate contractual provisions in a legally binding and irrevocable written agreement in which provisions will be made expressly for the benefit of the District.

201.3 For the purpose of complying with the PSD requirements of Sections 2-2-111, 304, 305, 306, 308 of this Rule and 40 CFR 51.166, emission reduction credits shall not be adjusted for reductions required by measures in the current Clean Air Plan approved by the BAAQMD which exceed the reductions required by use of Reasonably Available Control Technology (RACT).

The permanence of a closure shall be identified in a letter from the source and/or in a Banking Certificate. (Amended June 15, 1994)

2-2-202 Baseline Area, PSD: All intrastate Air Quality Control Regions, as defined in 40 CFR 52.21, and every part thereof, designated as attainment or unclassifiable under 107(d)(1)(D) or (E) of the Clean Air Act in which a source establishing a baseline date would construct or would have an air quality impact equal to or greater than 1 µg/m3 (annual average) of the pollutant for which the baseline date is established.

2-2-203 Baseline Concentration, PSD: The ambient concentration level which exists in the baseline area on the applicable baseline date. A baseline concentration is determined for each pollutant for which a baseline date is established. The baseline concentration shall include the actual emissions representative of sources in existence on the applicable baseline date. (Amended October 7, 1998)

2-2-204 Baseline Date, PSD: The earliest date after December 20, 1977, for sulfur dioxide and PM_{10}, or after February 8, 1988, for nitrogen dioxide, for each baseline area on which the first complete application under Section 2-2-304 is submitted or was submitted to EPA under 40 CFR 52.21. The baseline date is established for each pollutant for which PSD increments have been established.

2-2-205 **Baseline Period, PSD:** The period against which a change in emissions is to be measured.

2-2-206 **Best Available Control Technology (BACT):** For any new or modified source, except cargo carriers, the more stringent of:

206.1 The most effective emission control device or technique which has been successfully utilized for the type of equipment comprising such a source; or

206.2 The most stringent emission limitation achieved by an emission control device or technique for the type of equipment comprising such a source; or

206.3 Any emission control device or technique determined to be technologically feasible and cost-effective by the APCO; or

206.4 The most effective emission control limitation for the type of equipment comprising such a source which the EPA states, prior to or during the public comment period, is contained in an approved implementation plan of any state, unless the applicant demonstrates to the satisfaction of the APCO that such limitations are not achievable. Under no circumstances shall the emission control required be less stringent than the emission control required by any applicable provision of federal, state or District laws, rules or regulations.

The APCO shall publish and periodically update a BACT/TBACT Workbook specifying the requirements for commonly permitted sources. BACT will be determined for a source by using the workbook as a guidance document or, on a case-by-case basis, using the most stringent definition of this Section 2-2-206.

(Amended October 7, 1998)

2-2-207 **California Coastal Waters:** That area between the California-Oregon border at the Pacific Ocean and ending at the California-Mexico border at the Pacific Ocean:

thence to 42.0°N	125.5°W
thence to 41.0°N	125.5°W
thence to 40.0°N	125.5°W
thence to 39.0°N	125.5°W
thence to 38.0°N	124.0°N
thence to 37.0°N	123.5°W
thence to 36.0°N	122.5°W
thence to 35.0°N	121.5°W
thence to 34.0°N	120.5°W
thence to 33.0°N	119.5°W
thence to 32.5°N	118.5°W

2-2-208 **CEQA:** The California Environmental Quality Act, Public Resources Code, Section 21000, et seq., and the CEQA guidelines, Title 14, California Code of Regulations, Section 15000, et seq. (Amended May 17, 2000)

2-2-209 **Class I Areas, PSD:** Point Reyes National Seashore and any other Class I Area under Part C of the Clean Air Act. All other areas in the District are Class II Areas.

2-2-210 **Deleted May 17, 2000**

2-2-211 **Contiguous Properties:** Two or more parcels of land with a common boundary or separated solely by a public roadway or other public right-of-way.

2-2-212 **Cumulative Increase:** The aggregate sum of all increases in emissions of any given pollutant from a facility pursuant to authorities to construct or permits to operate issued after April 5, 1991 (unless a PSD Baseline Date is applicable), excluding emissions from a source which has lost its permit exemption per Regulation 2-1-424.

(Amended 6/15/94; 10/7/98)

2-2-213 **EIR:** Environmental Impact Report, as defined in Section 21061 of the Public Resources Code.

2-2-214 **Emission Offsets:** Emission reduction credits which are used to mitigate cumulative increases of emissions. Emission offsets are emission reduction credits, from the District Emissions Bank, approved in accordance with Regulation 2, Rule 4; emission reduction credits from adjacent Districts, provided the applicant demonstrates that the requirements of Clean Air Act Section 173(c)(1) (42 U.S.C. Section 7503(c)(1)) and Health and Safety Code Section 40709.6 have been met or do not apply, or onsite contemporaneous emission reduction credits occurring after the submittal of an application for a new or modified source but prior to the issuance of the permit to

operate any such source**,** calculated in accordance with Section 2-2-605. Notwithstanding any existing permit conditions, that portion of an NSR emission cap, which was based on an APCO approved alternative baseline, may not be used as a source of offsets unless the proposed reduction is calculated in accordance with procedures specified in Section 2-2-605. (Amended 6/15/94; 5/17/00)

2-2-215 Facility: Any property, building, structure or installation (or any aggregation of facilities) located on one or more contiguous or adjacent properties and under common ownership or control of the same person that emits or may emit any air pollutant and is considered a single major industrial grouping (identified by the first two-digits of the applicable code in The Standard Industrial Classification Manual). In addition, facilities which include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo. Accordingly, all emissions from such carriers while operating in the District, or within California Coastal Waters adjacent to the District, shall be included as part of the source emissions.

215.1 For determining the cumulative increase at a facility subject to the offset requirements of Sections 2-2-302 and 303, related sources on a single property or contiguous properties, even though under different ownership, or related sources on non-contiguous properties under the same ownership shall be considered one facility. Related sources are those sources where the operation of one is dependent upon or affects the operation of the other.

215.2 Notwithstanding the definition in Section 2-2-215 above, the emissions related to cargo carriers shall not be included when determining applicability of the requirements of Sections 2-2-304, 2-2-308, 2-6-301, and 2-6-310.

215.3 For determining the cumulative increase at a facility subject to the offset requirements of Sections 2-2-302 and 303, facilities under the same ownership or entitlement to use that are located within a distance of three miles, property line to property line, shall be considered one facility if the facilities have the same first two digits in their Standard Industrial Classification codes, as determined from The Standard Industrial Classification Manual. (Amended November 3, 1993)

2-2-216 Feasible: Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social and technological factors, not in conflict with the mandated responsibilities and duties of the District.

2-2-217 Federal Land Manager: With respect to any lands in the United States, the Secretary of the department with authority over such lands.

2-2-218 Federally Enforceable: All limitations and conditions that are enforceable by the Administrator of the U. S. EPA, including requirements developed pursuant to 40 CFR Parts 60 (NSPS), 61 (NESHAPS), 63 (HAP), 70 (State Operating Permit Programs) and 72 (Permits Regulation, Acid Rain), requirements contained in the State Implementation Plan (SIP) that are applicable to the District, any District permit requirements established pursuant to 40 CFR 52.21 (PSD) or District regulations approved pursuant to 40 CFR Part 51, Subpart I (NSR), and any operating permits issued under an EPA-approved program that is a part of the SIP and expressly requires adherence to any permit issued under such program.

(Amended November 3, 1993).

2-2-219 Impact Area: The area in which a new or modified facility would have a significant air quality impact.

2-2-220 Deleted May 17, 2000

2-2-221 Major Modification of a Major Facility: Any modification, as defined in Regulation 2-1-234, at an existing major facility that the APCO determines will cause an increase of the facility's emissions by the following amounts or more:

POC:	40 tons per year
NOx:	40 tons per year
SO_2:	40 tons per year
PM_{10}:	15 tons per year
CO:	100 tons per year

(Amended June 15, 1994)

2-2-222 **Modeling, PSD:** Estimates of ambient concentrations of pollutants based on applicable air quality models, data bases and other requirements acceptable to the APCO. For modeling required by Sections 2-2-304 through 308 and 414, the air quality models, data bases and other requirements shall also be in accordance with the "Guideline on Air Quality Models", EPA-450/2-78-027R, July 1986 or as revised). Where an air quality impact model specified in the "Guideline on Air Quality Models" is inappropriate, the model may be modified or another model substituted provided that written approval from the Administrator of the EPA is obtained and the application is submitted for public comment in accordance with Section 2-2-405. Methods such as those outlined in the "Workbook for the Comparison of Air Quality Models", April 1977 (or as revised) shall be used to determine the comparability of air quality models. For modeling compliance with air quality standards, other than federal ambient air quality standards or federal PSD increments, applicable models must be approved by the APCO.

2-2-223 **Deleted May 17, 2000**

2-2-224 **Net Air Quality Benefit:** A net improvement of air quality as determined by the APCO resulting from emission reduction credits impacting the same general area affected by the new or modified source and which will be consistent with reasonable further progress towards the attainment of the applicable air quality standard.

(Amended June 15, 1994)

2-2-225 **Deleted May 17, 2000**

2-2-226 **Deleted October 7, 1998**

2-2-227 **Deleted October 7, 1998**

2-2-228 **Deleted October 7, 1998**

2-2-229 **Deleted October 7, 1998**

2-2-230 **Deleted October 7, 1998**

2-2-231 **Point of Maximum Ground Level Impact:** The ground level geographic location where the projected air pollution concentrations for a given pollutant resulting from the new or modified facility emissions together with the background pollutant concentration for that given pollutant results in the maximum ground level pollutant concentration. The background pollutant concentration means the ambient concentration level resulting from the actual emissions of sources in existence and the projected ambient concentration levels for sources already permitted but not yet in operation. If the general public is effectively excluded from the property on which the point of maximum ground level impact is located, and the property is owned or controlled by the owner of the new or modified facility, such property shall not be considered as the point of maximum ground level impact.

2-2-232 **Prevention of Significant Deterioration (PSD) Increments:** In areas designated as Class I, II or III, increases in pollutant concentration over the baseline concentration shall be limited to the following:

MAXIMUM ALLOWABLE INCREASE

(micrograms per cubic meter, $\mu g/m^3$)

CLASS I

POLLUTANT	
Particulate Matter:	
PM_{10} Annual arithmetic mean	4
PM_{10} 24-hr maximum	8
Sulfur Dioxide:	
Annual arithmetic mean	2
24-hr maximum	5
3-hr maximum	25
Nitrogen Dioxide:	
Annual arithmetic mean	2.5

CLASS II

Particulate Matter:

PM_{10} Annual arithmetic mean	17
PM_{10} 24-hr maximum	30
Sulfur Dioxide:	
Annual arithmetic mean	20
24-hr maximum	91
3-hr maximum	512
Nitrogen Dioxide:	
Annual arithmetic mean	25

CLASS III

Particulate Matter:	
PM_{10} Annual arithmetic mean	34
PM_{10} 24-hr maximum	60
Sulfur Dioxide:	
Annual arithmetic mean	40
24-hr maximum	182
3-hr maximum	700
Nitrogen Dioxide:	
Annual arithmetic mean	50

For any period other than an annual period, the applicable increase may be exceeded during one such period per year at any one location.(Amended June 15, 1994)

2-2-233 Significant Air Quality Impacts, PSD: Ambient air concentrations, resulting from new or modified facility emissions, that exceed any of the following levels:

SIGNIFICANT AIR QUALITY IMPACTS

(MICROGRAMS PER CUBIC METER, $\mu G/M^3$)

POLLUTANT	
Particulate Matter:	
PM_{10}, Annual arithmetic mean	1.0
PM_{10}, 24-hr maximum	5
Sulfur Dioxide:	
Annual arithmetic mean	1.0
24-hr maximum	5
3-hr maximum	25
Nitrogen Dioxide:	
Annual arithmetic mean	1.0
1-hr maximum	19
Carbon Monoxide:	
8-hr maximum	500
1-hr maximum	2000

(Amended June 15, 1994)

2-2-234 Source: Any article, machine, equipment, operation, contrivance or related groupings of such which may produce and/or emit air pollutants.

2-2-235 Year, Month, and Day: Unless otherwise defined, a year shall be any rolling 365 consecutive day period, a month shall be any rolling 31 consecutive day period and a day shall be any rolling 24 consecutive hour period.

2-2-236 Hazardous Air Pollutant (HAP): Any pollutant that is listed pursuant to Section 112(b) of the federal Clean Air Act. (Adopted 11/3/93; Amended 5/17/00)

2-2-237 Major Facility Review (MFR): Plantwide review of sources, emissions and regulatory requirements at facilities including, but not limited to, major facilities, phase II acid rain facilities, subject solid waste incinerator facilities, designated facilities, and synthetic minor facility candidates, which are potentially subject to the permitting requirements of Regulation 2, Rule 6, and Title V of the federal Clean Air Act.

(Adopted November 3, 1993)

2-2-238 Deleted May 17, 2000

2-2-239 Deleted May 17, 2000

2-2-240 **Best Available Retrofit Control Technology (BARCT):** An emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy and economic impacts by each class or category of source and has been adopted or proposed to be adopted as part of the current Clean Air Plan required by the California Clean Air Act of 1988. (Adopted June 15, 1994)

2-2-241 **Deleted May 17, 2000**

2-2-242 **Contemporaneous:** The five year period of time immediately prior to the date of application for an authority to construct or permit to operate. (Adopted June 15, 1994)

2-2-243 **Reasonably Available Control Technology (RACT):** For sources which are to continue operating, RACT is the lowest emission limit that can be achieved by the specific source by the application of control technology taking into account technological feasibility and cost-effectiveness, and the specific design features or extent of necessary modifications to the source. For sources which are or will be shut-down, RACT is the lowest emission limit that can be achieved by the application of control technology to similar, but not necessarily identical categories of sources, taking into account technological feasibility and cost-effectiveness of the application of the control technology to the category of sources only and not to the shut-down source. (Adopted June 15, 1994)

2-2-244 **Best Available Control Technology for Toxics (TBACT):** For any new or modified source, except cargo carriers, the more stringent of:

244.1 The most effective emission control device or technique which has been successfully utilized for the type of equipment comprising such a source; or

244.2 The most stringent emission limitation achieved by an emission control device or technique for the type of equipment comprising such a source; or

244.3 Any control device or technique or any emission limitation that the APCO has determined to be technologically feasible for the type of equipment comprising such a source, while taking into consideration the cost of achieving emission reductions, any non-air quality health and environmental impacts, and energy requirements; or

244.4 The most stringent emission control for a source type or category for which a Maximum Achievable Control Technology (MACT) standard has been proposed, or for which the CARB has developed an Airborne Toxic Control Measure (ATCM). Under no circumstances shall the emission control required be less stringent than the emission control required by any applicable provision of federal, state or District laws, rules, regulations or requirements.

The APCO shall publish and periodically update a BACT/TBACT Workbook specifying the requirements for commonly permitted sources. TBACT will be determined for a source by using the workbook as a guidance document or, on a case-by-case basis, using the most stringent definition of this Section 2-2-244.

(Adopted May 17, 2000)

2-2-245 **Fully Offset:** An emission cap or emission rate contained in a permit condition is fully offset if offsets were provided for the entire amount of the emission cap or emission rate, and the entire amount of offsets is composed of contemporaneous emission reductions or banked emission reduction credits. (Adopted May 17, 2000)

2-2-246 **Adjustment to Emission Reductions for Federal Purposes**: An adjustment made, for purposes of the equivalence demonstration in 2-2-423, to an emission reduction, due to changes in federal requirements between issuance of a banking certificate and its use. The adjustment is made as if the source providing the offsets were in operation, at the original baseline levels, on the date of credit use.

(Adopted May 17, 2000)

2-2-300 STANDARDS

2-2-301 **Best Available Control Technology Requirement:** An applicant for an authority to construct or a permit to operate shall apply BACT to any new or modified source:

301.1 Which results in an emission from a new source or an increase in emissions from a modified source and which has the potential to emit 10.0 pounds or more per highest day of precursor organic compounds (POC), non-precursor

organic compounds (NPOC), nitrogen oxides (NOx), sulfur dioxide (SO_2), PM_{10} or carbon monoxide (CO). BACT shall be applied for any of the above pollutants which meets both criteria. (Amended 6/15/94; 10/7/98; 5/17/00)

2-2-302 Offset Requirements, Precursor Organic Compounds and Nitrogen Oxides, NSR: Except as provided by Sections 2-2-313 or 421, before the APCO may issue an authority to construct or a permit to operate for a new or modified source at a facility which emits ~~50~~ 35 tons per year or more or will be permitted to emit ~~50~~ 35 tons per year or more, on a pollutant specific basis, of precursor organic compounds or nitrogen oxides, federally enforceable emission offsets shall be provided, for the emission from the new or modified source and any pre-existing cumulative increase, minus any onsite contemporaneous emission reduction credits determined in accordance with Section 2-2-605, at a 1.15 to 1.0 ratio; additionally, the applicant must reimburse the District Small Facility Banking Account for any unreimbursed offsets previously provided by the District, at a 1.0 to 1.0 ratio. Before the APCO may issue an authority to construct or a permit to operate for a new or modified source at a facility which emits or will be permitted to emit more than ~~15~~ 10 tons per year but less than ~~50~~ 35 tons per year, on a pollutant specific basis, of precursor organic compounds or nitrogen oxides, emission offsets shall be provided, by the District (or by the applicant, if the Small Facility Banking account has been exhausted) at a 1.0 to 1.0 ratio for the emission from the new or modified source and any pre-existing cumulative increase, minus any onsite contemporaneous emission reduction credits determined in accordance with Section 2-2-605, from the Small Facility Banking account in the District's Emissions Bank in accordance with the provisions of Regulations 2-4-414. The APCO shall determine the total facility emissions, on a pollutant specific basis, by adding the emissions from the proposed new or modified source(s) to the most recent District Emissions Inventory, adjusted for any errors and adjusted upward for any permitted levels of emissions not currently being emitted.

302.1 Deleted May 17, 2000

302.2 Emission reduction credits of precursor organic compounds may be used to offset increased emissions of nitrogen oxides at the offset ratio specified above in Section 2-2-302, provided that the PSD requirements of Section 2-2-304, if applicable, are met.

302.3 Reimbursement of the small facility bank may be provided by adjusting the cumulative increase calculated for the application for which small facility bank credits were originally provided. An adjustment may be made under the following circumstances: the applicant accepts an enforceable permit condition limiting emissions to a lower level than approved in the permit in question, or the applicant surrenders the permit.

(Amended 11/20/91; 6/15/94; 10/7/98; 5/17/00)

2-2-303 Offset Requirement, PM_{10} and Sulfur Dioxide, NSR: Except as provided by Section 2-2-421, before the APCO may issue an authority to construct or a permit to operate for a new or modified source, of PM10 or sulfur dioxide located at a Major Facility, which will result in a cumulative increase minus any contemporaneous emission reduction credits at the facility, for that pollutant, in excess of 1.0 ton per year since April 5, 1991, emission offsets shall be provided, for the emission from the new or modified source and any pre-existing cumulative increase, minus any onsite contemporaneous emission reduction credits determined in accordance with Section 2-2-605, at a 1.0:1.0 ratio or at a ratio, approved by the APCO, in accordance with subsection 2-2-303.1.

303.1 Emission reduction credits of nitrogen oxides and/or sulfur dioxide may be used to offset increased emissions of PM_{10} at offset ratios determined by the APCO to result in a net air quality benefit. This determination shall be made after a case-by-case analysis that includes adequate modeling, public notice and opportunity for public comment, and EPA concurrence.

A facility which emits less than 100 tons of any pollutant, subject to this section, may voluntarily provide emission offsets for all, or any portion, of their cumulative increase, at the ratio required above. (Amended 11/20/91; 6/15/94; 5/17/00)

2-2-304 PSD Requirement: In accordance with the Prevention of Significant Deterioration provisions of 40 CFR 51.166 of the Code of Federal Regulations, the APCO shall not issue an authority to construct or a permit to operate to:

304.1 A new major facility which will emit 100 tons per year or more, if, it is one of the twenty eight (28) PSD source categories listed in Section 169(1) of the federal Clean Air Act, or 250 tons per year or more for an unlisted category, of any pollutant subject to regulation under the federal Clean Air Act unless the applicant demonstrates by modeling in accordance with Section 2-2-414 to the satisfaction of the APCO that such emissions will not interfere with the attainment or maintenance of the applicable sulfur dioxide or nitrogen dioxide NAAQS at the point of maximum ground level impact and will not cause an exceedance of a sulfur dioxide or a nitrogen dioxide PSD increment.

304.2 A major modification of a major facility if the cumulative increase, from the PSD Baseline Date, minus the contemporaneous emission reduction credits at the facility are in excess of 40 tons per year of sulfur dioxide or nitrogen oxides unless the applicant demonstrates by modeling in accordance with Section 2-2-414 to the satisfaction of the APCO that such emissions will not interfere with the attainment or maintenance of the applicable sulfur dioxide or nitrogen dioxide NAAQS at the point of maximum ground level impact and will not cause an exceedance of a sulfur dioxide or a nitrogen dioxide PSD increment.

304.3 A major modification of a major facility if the cumulative increase, from the PSD Baseline Date, minus the contemporaneous emission reduction credits at the facility are in excess of 15 tons per year of PM_{10} unless the applicant demonstrates by modeling in accordance with Section 2-2-414 to the satisfaction of the APCO that such emission will not interfere with the attainment or maintenance of the PM_{10} federal ambient air quality standard at the point of maximum ground level impact and will not cause an exceedance of a PM_{10} PSD increment.

304.4 A major modification of a major facility if the cumulative increase, from the PSD Baseline Date, minus the contemporaneous emission reduction credits at the facility are in excess of 0.6 tons per year of lead unless the applicant demonstrates by modeling in accordance with Section 2-2-414 to the satisfaction of the APCO that such emission will not interfere with the attainment or maintenance of the lead federal ambient air quality standard at the point of maximum ground level impact and will not cause an exceedance of a lead PSD increment. (Amended 6/15/94; 5/17/00)

2-2-305 Carbon Monoxide Modeling Requirement, PSD: In accordance with the Prevention of Significant Deterioration provisions of 40 CFR 51.166 of the Code of Federal Regulations, the APCO shall not issue an authority to construct or a permit to operate for:

305.1 A new major facility which will emit 100 tons per year or more, if it is one of the twenty eight (28) PSD source categories listed in Section 169(1) of the federal Clean Air Act, or 250 tons per year or more for an unlisted category, of any pollutant subject to regulation under the federal Clean Air Act, unless the applicant demonstrates by modeling in accordance with Section 2-2-414, to the satisfaction of the APCO, that the net air quality impact of the cumulative increase of emissions of CO from the new or modified facility and all contemporaneous emission reduction credits to be provided by the applicant will not interfere with the attainment or maintenance of the CO NAAQS in the District or any contiguous air basin, or

1.1 The cumulative increase minus the contemporaneous emission reduction credits from the facility are less than or equal to zero.

305.2 A major modification of a major facility with an increase of 100 tons per year or more of carbon monoxide, unless the applicant demonstrates by modeling in accordance with Section 2-2-414, to the satisfaction of the APCO, that the net air quality impact of the cumulative increase of emissions of CO from the new or modified facility and all contemporaneous emission reduction credits

to be provided by the applicant will not interfere with the attainment or maintenance of the CO NAAQS in the District or any contiguous air basin, or

2.1 The cumulative increase minus the contemporaneous emission reduction credits from the facility are less than or equal to zero.

(Amended 6/15/94; 5/17/00)

2-2-306 Non-Criteria Pollutant Analysis, PSD: In accordance with the Prevention of Significant Deterioration provisions of 40 CFR 51.166 of the Code of Federal Regulations, unless the applicant has performed all analysis required by Sections 2-2-414 and 417 for the applicable pollutants, the APCO shall not issue an authority to construct or a permit to operate to a new or modified facility if the new or modified facility will emit greater than 100 tons per year of carbon monoxide, PM_{10}, sulfur dioxide, precursor organic compounds or nitrogen oxides, and the increase in emissions due to the permit application, minus the onsite contemporaneous emission reduction credits associated with the permit application are in excess of the annual average amounts specified below:

	ANNUAL AVERAGE		DAILY	
	kg/yr	**(ton/yr)**	**g/day**	**(lb/day)**
Lead	530	(0.6)	1450	(3.2)
Asbestos	6	(0.007)	17	(0.04)
Beryllium	0.3	(0.0004)	0.9	(0.002)
Mercury	88	(0.1)	240	(0.5)
Fluorides	2720	(3)	7450	(16)
Sulfuric Acid Mist	6350	(7)	17400	(38)
Hydrogen Sulfide	9050	(10)	24800	(55)
Total Reduced Sulfur	9050	(10)	24800	(55)
Reduced Sulfur Compounds	9050	(10)	24800	(55)

(Amended 6/15/94; 5/17/00)

2-2-307 Denial, Failure of all Facilities to be in Compliance: The APCO shall deny an authority to construct for a new major facility or a major modification of an existing major facility unless the applicant provides a list, certified under penalty of perjury, of all major facilities within the state of California owned or operated by the applicant or by any entity controlling, controlled by, or under common control with the applicant and demonstrates by certifying under penalty of perjury that they are either in compliance, or on a schedule of compliance, with all applicable state and federal emission limitations and standards. The APCO may request the applicant to provide any technical information used by the applicant to certify compliance.

(Amended June 15, 1994)

2-2-308 Class I Area Requirements, PSD: A facility for which the cumulative increases minus the contemporaneous emission reduction credits occurring since the PSD Baseline Date, are greater than zero, and which would construct in a Class I Area or within 10 kilometers (6.2 miles) of a Class I Area, and would have an impact on such area equal to or greater than 1 microgram per cubic meter, shall use BACT on the new or modified facility and shall not cause or contribute to the exceedance of any NAAQS at the point of maximum ground level impact or any PSD increment set forth in Section 2-2-232, and shall perform all analyses required by Sections 2-2-414 and 417. (Amended June 15, 1994)

2-2-309 Denial for Air Quality Related Values, PSD: The APCO shall deny any permit application subject to the requirements of Section 2-2-308 where it has been demonstrated by the Federal Land Manager that the permit would authorize emissions which would have an adverse impact on the air-quality-related values (including visibility) of a Class I Area, provided that such demonstration is completed prior to the termination of the public comment period and that the APCO concurs with that demonstration.

2-2-310 Denial, Failure to Use BACT: The APCO shall deny an authority to construct if the APCO finds that the application is subject to Section 2-2-301 and, after notification in writing, the applicant has not provided a control device or technique meeting the requirements defined in Section 2-2-206.

2-2-311 **Denial, Failure to Provide Offsets:** The APCO shall deny an authority to construct if the APCO finds that the application is subject to Sections 2-2-302 or 303 and, after notification in writing, the applicant has not provided the required offsets to mitigate the emissions increase.

2-2-312 **Denial, Failure to Meet Permit Conditions:** The APCO shall deny a permit to operate, after providing written notification to the applicant, if the equipment is operating in violation of any condition specified in the authority to construct, or if any source used to provide offsets for the project that is owned or operated by the applicant is operating in violation of any permit condition limiting emissions such that the required offsets are not being provided.

2-2-313 **Deleted May 17, 2000**

2-2-314 **Federal New Source Review Applicability:** The requirements of 40 CFR 51.165 are incorporated, by reference, as part of this rule. (Adopted June 15, 1994)

2-2-315 **Federal Prevention of Significant Deterioration Applicability:** The requirements of 40 CFR 51.166 are incorporated, by reference as part of this rule.

(Adopted June 15, 1994)

2-2-316 **No Net Increase Status Report:** The APCO shall publish in conjunction with the triennial update of the Clean Air Plan (CAP), a report demonstrating that the District's permitting program complies with the no net increase requirements of Section 40919 (b) of the Health and Safety Code. This report shall demonstrate that sufficient offsets have been provided, as required by Section 2-2-302, for all permits issued during the previous three year CAP period. This report shall be forwarded to the California Air Resources Board, Stationary Source Division for approval.(Adopted June 15, 1994)

2-2-317 **Maximum Achievable Control Technology (MACT) Requirement:** The APCO shall not issue an Authority to Construct for a new or modified source at a Major Facility of Hazardous Air Pollutants unless the source will meet Best Available Control Technology for Toxics (TBACT), except as provided in Section 2-2-114.

(Adopted May 17, 2000)

2-2-400 ADMINISTRATIVE REQUIREMENTS

2-2-401 **Application:** In addition to the requirements of Regulation 2-1-402, applications for authorities to construct facilities subject to Rule 2 shall include all of the following:

401.1 For new facilities, which will emit, and for a modification which will increase emissions more than 100 tons per year of carbon monoxide or 40 tons per year of either precursor organic compounds or nitrogen oxides, an analysis of alternative sites, sizes, production processes, and environmental control techniques for such proposed source which demonstrate that benefits of the proposed source significantly outweigh the environmental and social costs imposed as a result of its location, construction or modification.

401.2 The information required by the lists and criteria adopted pursuant to Section 65940 of the California Government code that are in effect on the date the application is filed.

401.3 CEQA-related information which satisfies the requirements of Regulation 2-1-426.

401.4 All information specified in 40 CFR 63.43(e), if the application is subject to the MACT requirement of Section 2-2-317.

(Amended 11/20/91; 6/15/94; 5/17/00)

2-2-402 ~~**Determination of Complete Application:** Except for an application which is subject to the publication and public comment requirements of Section 2-2-405, the APCO shall determine whether an application for an authority to construct is complete not later than 15 working days following receipt of the application, or after a longer time period agreed upon by both the applicant and the APCO. If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision, specifying the information that is required. Upon receipt of any resubmittal of the application a new 15 working day period to determine completeness shall begin. For an application which is subject to the publication and public comment requirements of Section 2-2-405, the completeness review period(s) shall be 30 days. The application shall be deemed complete on the date of receipt of all~~

~~information required for completeness. Upon determination that the application is complete, the APCO shall notify the applicant in writing. If applicable, such written notification shall include the District's determination that its evaluation of the application will be covered by the specific procedures, fixed standards and objective measurements set forth in the District's Permit Handbook and that the District's evaluation of that permit application will be classified as ministerial and will accordingly be exempt from CEQA review. Thereafter only information regarding offsets, or information to clarify, correct or otherwise supplement the information submitted in the application may be requested. (Amended 6/7/95; 10/7/98)~~

2-2-403 **Deleted October 7, 1998**

2-2-404 **Authority to Construct, Preliminary Decision:** Within 90 days following the acceptance of an application as complete, which is subject to the requirements of Section 2-2-405, or longer period necessary to satisfy the requirements of Section 2-2-414, providing that any fees required in accordance with Regulation 3 are paid, or with the consent of the applicant, such longer period as may be agreed upon, the APCO shall make a preliminary decision as to whether an authority to construct shall be approved, or denied. Final action on this application will be taken in accordance with the requirements of Section 2-2-407.

404.1 When the District is the CEQA Lead Agency for a project, the 90-day limit for issuing a preliminary decision shall be suspended until the draft EIR or Negative Declaration is available for the APCO's consideration and public review. (Amended 11/20/91; 5/17/00)

2-2-405 **Publication and Public Comment:** If the application is for a new major facility or a major modification of an existing major facility, or requires a PSD analysis, or is subject to the MACT requirement, the APCO shall within 10 days of the notification of the applicant, cause to have published in at least one newspaper of general circulation within the District, a prominent notice stating the preliminary decision of the APCO, the location of the information available pursuant to Section 2-2-406, and inviting written public comment for a 30 day period following the date of publication. Written notice of the preliminary decision shall be sent to the ARB, the regional office of the EPA and adjacent districts. A copy of this notice shall be provided to any person who requests such specific notification in writing. During this period, which may be extended by the APCO, the APCO may elect to hold a public meeting to receive verbal comment from the public. The written notice shall contain the degree of PSD increment consumed.

405.1 In addition to the above requirements, for any application for which the District is a Lead Agency under CEQA, the public notice required pursuant to this Section 2-2-405 shall provide public notice of the availability of a Draft EIR, a Negative Declaration or a Notice of Exemption, as applicable.

(Amended May 17, 2000)

2-2-406 **Public Inspection:** The APCO shall make available for public inspection, at District headquarters, the information submitted by the applicant, and if applicable the APCO's analysis, and the preliminary decision to grant or deny the authority to construct including any proposed conditions, including the reasons therefore. In making information available for public inspection, the confidentiality of trade secrets, as designated by the applicant prior to completion of the application, shall be considered in accordance with Section 6254.7 of the Government Code. Furthermore, all such information shall be transmitted, upon the date of publication, to the ARB and the regional office of the EPA if the application is subject to the requirements of Section 2-2-405.

2-2-407 **Authority to Construct, Final Action:** If the application is for a new major facility or a major modification of an existing major facility, or requires a PSD analysis, or is subject to the MACT requirement, the APCO shall within 180 days following the acceptance of the application as complete, or a longer time period agreed upon, take final action on the application after considering all public comments. Written notice of the final decision shall be provided to the applicant, the ARB and the EPA, and, if the District is a Lead Agency under CEQA, to any person who has commented on a Draft EIR. The final action will also be published in at least one newspaper of general

circulation within the District, and the notice and supporting documentation shall be available for public inspection at District headquarters.

407.1 Notwithstanding the requirement of this Section 2-2-407 that the APCO shall act within 180 days after the application is accepted as complete, the APCO shall not take final action on the application for any project for which an Environmental Impact Report or a Negative Declaration has been prepared pursuant to the requirements of CEQA until a Final EIR for that project has been certified and the APCO has considered the information contained in that Final EIR, or a Negative Declaration for that project has been approved. If the specified 180 day period has elapsed prior to the certification of the Final EIR or the approval of the Negative Declaration, the APCO shall take final action on the application within 30 days after the certification of the Final EIR or approval of the Negative Declaration. (Amended May 17, 2000)

2-2-408 Deleted May 17, 2000.

2-2-409 Requirements, Permit to Operate: As a condition for the issuance of a Permit to Operate, the APCO shall require that the new or modified source and the sources which provide offsets be operated in the manner assumed in making the analysis required to determine compliance with this Regulation.

409.1 The permit to operate of any source used to provide offsets shall be conditioned to insure that the emission reductions will be enforceable and shall continue for the reasonably expected life of the proposed source. If offsets are obtained from a source for which there is no permit to operate, either a permit shall be obtained or 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 APCO to ensure that such reductions will continue for the duration of the life of the proposed source.

2-2-410 Issuance, Permit to Operate: The APCO shall issue a permit to operate a source subject to the requirements of this Rule if it is determined that any offsets required, as a condition of an authority to construct or amendment to a permit to operate, will commence no later than the initial operation of the new source or within 90 days after initial operation of the modified source, and that the offsets shall be maintained throughout the operation of the new or modified source which is the beneficiary of the offsets. Further, the APCO shall determine that all conditions specified in the authority to construct have been or will be likely complied with by any dates specified. Where a new or modified source is, in whole or in part, a replacement for an existing source on the same property, the APCO may allow a maximum of 90 days as a start-up period for simultaneous operation of the existing source and the new source or replacement.

2-2-411 Permit to Operate, Final Action: The APCO shall take final action to approve, approve with conditions, or disapprove a permit to operate a source subject to this Rule within 60 days after start-up of the new or modified source. However, failure to act within the 60 day period, unless the time period is extended with the written concurrence of the applicant, shall be deemed to be a denial of the permit. Such denial may be appealed to the Hearing Board in accordance with the provisions of Regulation 2-1-410. (Amended November 20, 1991)

2-2-412 Source Obligation, Relaxation of Enforceable Conditions: At such time as the applicability of any requirement of this Rule would be triggered by an existing source or facility, solely by virtue of a relaxation of any enforceable limitation on the capacity of the source or facility to emit a pollutant, then the requirements of this Rule shall apply to the source or facility in the same way as they would apply to a new or modified source or facility otherwise subject to this Rule.

2-2-413 Deleted May 17, 2000.

2-2-414 PSD Air Quality Analysis: An application for an authority to construct a facility subject to the requirements of Sections 2-2-304, 305, 306 or 308 shall contain the following:

414.1 A modeling analysis, as defined in Section 2-2-222, demonstrating to the satisfaction of the APCO the air quality impacts of the new or modified facility (including impacts of non-criteria pollutants if required under Section 2-2-

306). The analysis shall include meteorological and topographic data necessary to estimate such impact. If the maximum air quality impacts of the new or modified facility do not exceed the significance levels for air quality impacts, as defined in Section 2-2-233, no further analysis under this Section will be required unless the facility is subject to the Class I area requirements of Section 2-2-308.

414.2 A demonstration by modeling to the satisfaction of the APCO that the allowable emission increases from the new or modified facility, in conjunction with all other applicable emissions, would not cause or contribute to a violation of an air quality standard or an exceedance of any applicable PSD increment. A new or modified facility will be considered to cause or contribute to a violation of an air quality standard when the increase in emissions would cause a significant air quality impact at any locality that does not or would not meet the applicable air quality standard.

414.3 For determining whether the emission increases from the new or modified facility would cause or contribute to an air quality standard violation or an exceedance of a PSD increment, an analysis of the existing air quality in the impact area of the new or modified facility that includes one year of continuous ambient air quality monitoring data. The continuous air quality monitoring data shall have been gathered over a period of at least one year preceding the receipt of a complete application. The APCO may approve a shorter period (but not less than four months) provided that the period of monitoring includes the time frame when maximum concentrations are expected. The APCO may approve modeling in lieu of ambient air quality monitoring for pollutants for which no air quality standard exists.

414.4 For pollutants for which PSD increments have been established, a PSD increment consumption analysis that includes:

4.1 Establishment of the baseline area(s) affected by the new and modified facility, and the corresponding baseline date(s);

4.2 An analysis of the air quality impact of all increment-consuming emissions within the impact area of the new or modified facility, and those increment-consuming emissions outside the impact area that may have a significant air quality impact within the impact area; and,

4.3 An analysis of the air quality impact, and the nature and extent of any or all general commercial, residential, industrial, and other growth which has occurred since the baseline date in the impact area of the new or modified facility.

2-2-415 Notice to EPA and Federal Land Manager: On the date of a complete application subject to Section 2-2-308, the APCO shall provide a copy of the complete application to the EPA, the Federal Land Manager for the affected Class I Area, and to the federal official charged with direct responsibility for management of any lands within the Class I area. The APCO shall also send a copy of the preliminary decision and the APCO's analysis to the above agencies.

2-2-416 Report, PSD Increment Consumption: The District shall conduct an annual review of the increment status for each attainment pollutant, and the APCO, upon request of the Board of Directors, shall provide a report on the consumption of PSD increments which have occurred during the period of interest.

2-2-417 Visibility, Soils, and Vegetation Analysis: An application for a permit subject to the requirements of Section 2-2-414 shall contain an analysis of the impairment to visibility, soils and vegetation that would occur as a result of the new or modified source and the general commercial, residential, industrial and other growth associated with the source or modification. The applicant need not provide an analysis of the impact on vegetation if it has no significant commercial or recreational value.

2-2-418 PSD Analysis Stack Heights: For the purposes of modeling, stack heights beyond what is required by good engineering practices shall not be allowed. This requirement should not be perceived to be a limit on the actual constructed height of

a stack. The method to calculate good engineering stack height is referenced in Section 2-2-602.

2-2-419 Permit Conditions: The APCO may require any permit condition necessary to insure compliance with this Rule to be included in an authority to construct or permit to operate. This may include conditions controlling the operation of the source, of its abatement equipment, or of sources used to provide mitigation (offsets). Conditions may have a future effective date and may be made conditional on the results of source tests, ground level monitors or public complaints.

419.1 All emission reduction credits shall be enforceable by permit conditions; such permit conditions shall constitute applicable requirements of the State Implementation Plan for purposes of Section 113 and 304 of the Clean Air Act and are enforceable in the same manner as other SIP requirements.

(Amended June 15, 1994)

2-2-420 Deleted March 1, 2000 (October 20, 1999)

2-2-421 Offset Deferral, Annual Permit Renewal: Whenever offsets are required by Section 2-2-302 or 303, a person has the option to defer providing the offsets until the time of the annual permit renewal provided:

421.1 The facility demonstrates that they have valid Banking Certificates adequate to cover their offset obligation. Offsets deferred under the provisions of this Section shall be provided by the facility at least 30 days prior to the date of annual permit renewal, and

421.2 The facility does not have a cumulative increase greater than 15 tons per year for the pollutant or pollutants subject to the offset requirement(s).

(Adopted June 15, 1994)

2-2-422 Offset Refunds: Whenever an authorized source is either not constructed or is constructed and operated to result in lower emissions than the amount authorized, the APCO shall issue a certificate refunding the excess offsets. The APCO shall add appropriate conditions to the operating permits to make the new emission levels enforceable. (Adopted October 7, 1998)

2-2-423 Demonstration of Offset Program Equivalence: By March 1 of each year, the District shall submit to EPA a demonstration that offsets provided for all new and modified sources within the District, less adjustments to those offsets for federal purposes occurring between credit generation and use, exceed federal offset requirements for new major sources or major modifications at major stationary sources. Adjustment to emission reductions for federal purposes will be required if any of the following occur between the time the credit is generated and the time the credit is used:

423.1 BAAQMD adopts a relevant measure or rule that is required for purposes of federal attainment demonstration requirements.

423.2 A relevant rule or measure is approved into the State Implementation Plan applicable in the BAAQMD;

423.3 EPA promulgates a relevant final rulemaking for either a New Source Performance Standard or a Maximum Achievable Control Technology Standard.

The demonstration shall include:

423.4 Emission increases represented by all authorities to construct new major facilities and major modifications at major facilities issued during the three calendar years preceding the demonstration date;

423.5 A list of all emission reductions used to offset those emission increases;

423.6 The emission baselines that were used to calculate the emission reduction;

423.7 The source type, size and category that had generated the emission reduction credit;

423.8 All relevant rules that have been adopted or promulgated since the emission reduction had occurred.

423.9 Adjustments to emission reduction fro federal purposes for all affected projects.

423.10 All of the above for as many non-major projects as are needed to demonstrate equivalence.

If the analysis fails to make the required demonstration, the District shall provide sufficient offsets to make up the difference out of the small facility bank. If the small facility bank does not contain the necessary surplus emission reductions, the District shall obtain the necessary surplus emission reductions. (Adopted May 17, 2000)

2-2-500 MONITORING AND RECORDS

2-2-501 PSD Pre-Construction Ambient Air Monitoring: An applicant subject to the requirements of subsection 2-2-414.3 shall meet the following requirements:

501.1 Prior to commencing pre-construction ambient air monitoring, receive written approval from the APCO regarding the selection and operation of monitoring stations.

501.2 Operate the monitoring stations in accordance with the provisions of Appendix B to 40 CFR 58. The APCO may approve the use of District air monitoring data as part of the PSD air quality analysis required by Section 2-2-414.

2-2-502 PSD Post-Construction Monitoring: The owner or operator of a facility subject to the requirements of Section 2-2-414 shall, after construction of the facility or modification, conduct such ambient air quality monitoring as the APCO specifies in the authority to construct or the permit to operate. The monitoring shall determine the effect emissions from the facility or modification may have, or are having, on air quality in the area. All air monitoring shall be performed in accordance to the Manual of Procedures, Volume VI and 40 CFR Appendix B.

2-2-600 MANUAL OF PROCEDURES

2-2-601 Ambient Air Quality Monitoring: Any person subject to the ambient air quality monitoring requirements of this Rule shall use the methods prescribed in the Manual of Procedures, Volume VI.

2-2-602 Good Engineering Practice (GEP) Stack Height: The method for calculating GEP stack height is contained in the FEDERAL REGISTER: Volume 50, Number 130; Monday, July 18, 1985.

2-2-603 PSD Air Quality Evaluation Procedure: As a guideline to preparing an air quality impact analysis the applicant is encouraged to review "Guidelines for Air Quality Maintenance Planning and Analysis," Volume 10 (Revised): Procedures for Evaluating Air Quality Impact of New Stationary Sources, EPA-450/4-77-001.

2-2-604 Emission Increase Calculation Procedures, New or Modified Sources: The APCO shall determine the annual emission increase, expressed as tons per year, from:

604.1 A new source based on the maximum emitting potential of the new source or the maximum permitted emission level of the new source, approved by the APCO, subject to federally enforceable limiting conditions.

604.2 A modified source by subtracting either the baseline annual emission rate, as calculated using the methodology in Section 2-2-605, from the new maximum permitted emission level of the modified source, approved by the APCO, subject to federally enforceable limiting conditions.

(Amended 6/15/94; 5/17/00)

2-2-605 Emission Calculation Procedures, Emission Reduction Credits: The following methodology shall be used to calculate emission reduction credits.

605.1 The baseline period consists of the 3 year period immediately preceding the date that the application is complete (or shorter period if the source is less than 3 years old). The applicant must have sufficient verifiable records of the source's operation to substantiate the emission rate and throughput during the entire baseline period.

605.2 Baseline throughput is the lesser of:

2.1 actual average throughput during the baseline period; or

2.2 average permitted throughput during the baseline period, if limited by permit condition.

605.3 Baseline emission rate, expressed in the units of mass of emissions per unit of throughput, is the average actual emission rate during the baseline period. Periods where the actual emission rate exceeded regulatory or permitted limits shall be excluded from the average.

605.4 Baseline Throughput and Emission Rate - Fully Offset Source: For a source which has, contained in a permit condition, an emission cap or emission rate which has been fully offset by the facility (without using emission reductions from the Small Facility Banking Account), the baseline throughput and baseline emission rate shall be based on the levels allowed by the permit condition.

605.5 The adjusted baseline emission rate shall be determined by adjusting the baseline emission rate downward, if necessary, to comply with the most stringent of RACT, BARCT, and District rules and regulations in effect or contained in the most recently adopted Clean Air Plan.

605.6 Emission reduction credits shall be the difference between the adjusted baseline emission rate times the baseline throughput, and the emission cap or emission rate accepted by the applicant as a federally enforceable limiting conditions. (Amended 6/15/94; 5/17/00)

2-2-606 Emission Calculation Procedures, Offsets: Except as provided by the offset deferral provision of Section 2-2-421, before the APCO may issue an authority to construct for a new or modified source, offsets shall be provided, as required by Sections 2-2-302, 303 or 313 by the applicant from credits in the District's Emissions Bank and/or from contemporaneous emission reduction credits which qualify in accordance with Sections 2-2-201 and 605, or by the District from the small facility banking account for the amounts calculated as follows:

606.1 For precursor organic compounds (POC) and nitrogen oxides (NO_x) for the total of all emission increases as determined in Section 2-2-604 plus any pre-existing cumulative increase from April 5, 1991, multiplied by the offset ratio required by Section 2-2-302.

606.2 If required by Section 2-2-303, for, PM_{10}, and sulfur dioxide for the total of all emission increases as determined in Section 2-2-604 multiplied by the appropriate offset ratio specified in Section 2-2-303.

Emission offsets provided in excess of those required, which meet the requirements of a bankable reduction per Regulation 2-4, may be banked. Banking fees shall be waived for this transaction. (Amended 6/15/94; 5/17/00)

2-2-607 Emission Calculation Procedures, Emission Reduction Credits for Mobile Sources: Emission reduction credits for mobile sources shall be determined by the Mobile Source Emission Reduction Credits procedures published February 1994 (or subsequent revisions) by the California Air Resources Board or other District approved procedures in the Manual of Procedures. (Adopted June 15, 1994)

2-2-608 Deleted May 17, 2000

REGULATION 2
PERMITS
RULE 4
EMISSIONS BANKING

INDEX

REGULATION 2
PERMITS
RULE 4
EMISSIONS BANKING

(Adopted March 7, 1984)

2-4-100 GENERAL

2-4-101 Banking: The banking of emission reduction credits is intended to provide a mechanism for sources to obtain offsets under the New Source Review regulations contained in Regulation 2, Rule 2 of the District and is not intended to recognize any pre-existing vested right to emit air pollutants. (Amended June 15, 1994)

2-4-200 DEFINITIONS

2-4-201 Emission Reduction Credit: As defined in Section 2-2-201.
(Amended 7/17/91; 6/15/94; 10/7/98)

2-4-202 Deleted May 17, 2000

2-4-203 Bankable Pollutants: Emission reduction credits of the following pollutants may be deposited in the emissions bank: precursor organic compounds, non-precursor organic compounds, particulate matter, PM_{10}, sulfur dioxide, nitrogen oxides, and carbon monoxide. (Amended 7/17/91; 6/15/94)

2-4-204 Reasonably Available Control Technology: As defined in Regulation 2-1-209.
(Amended July 17, 1991)

2-4-300 STANDARDS

2-4-301 Bankable Reductions: All emission reduction credits as defined in Section 2-4-201 not prohibited by Section 2-4-303 are bankable. The APCO may include a condition in an authority to construct involving reductions pursuant to subsections 2-4-301.1, 301.2, or 301.5, stating that the emission reduction shall be eligible for banking after being demonstrated by source test or other means acceptable to the APCO, including emission factors. Any regulatory change adopted 90 or more days after a complete application for an authority to construct shall not affect the potential for bank deposits resulting from reductions at sources covered by that authority to construct. The following are examples of bankable reductions:

301.1 Emission reduction credits resulting from the installation of a level of control greater than required by regulation are bankable, including installation of BACT where BACT is not required.

301.2 Emission reduction credits due to the installation of different processes or equipment which emit less than the previous process or equipment that performed the same function.

301.3 Emission reduction credits due to the effective operation and maintenance of abatement equipment if the applicant accepts a condition on the permit specifying a lower level of emissions than otherwise required by District regulations.

301.4 Emission reduction credits resulting from switching to a fuel which results in less emissions, provided the applicant agrees to a condition on the appropriate permit specifying the fuel to be used in the future.

301.5 Emission reduction credits of fugitive emissions if the reductions are quantified by source tests or other methods approved by the APCO.

301.6 Other emission reduction credits, such as 1) limitations on the type or quantity of fuel burned, 2) solvent recovery projects, and 3) limitations on throughput.

301.7 Emission reduction credits which would result from changes to specific limiting conditions in an authority to construct or permit to operate issued since March 7, 1979, provided that the emissions associated with those

limiting conditions have been offset pursuant to the requirements of Regulations 2-2-302 or 303.

301.8 Emission reduction credits resulting from mobile source reductions calculated in accordance with the procedures of Regulation 2-2-607.

(Amended 7/17/91; 6/15/94)

2-4-302 Bankable Reductions for Closures: Emission reduction credits not prohibited by Section 2-4-303 are bankable. The following restrictions apply:

302.1 Closure of sources, where the reduction is permanent at the source, but it is unclear whether the reduction will be replaced by an emissions increase elsewhere within the District, are bankable only if the applicant accepts a condition restricting use of the deposits to offsetting emission increases in the same or closely related industries. For example, the closure of public utility power generation facilities could be bankable if use is restricted to offsetting emission increases from other power generation facilities (including resource recovery and cogeneration facilities). Closure of petroleum or petroleum product storage tanks at refineries could be bankable if use is restricted to offsetting emission increases at other petroleum or petroleum products storage tanks, or to offset emission increases at the associated refinery.

302.2 Issuance of a Banking Certificate for emission reductions resulting from a closure cancels the permit to operate. The reduction shall be enforceable through a condition in the Banking Certificate and through enforcement of Regulation 2-1-302 pertaining to operating without a permit.

302.3 The permanency of closures shall be demonstrated through removal of the source from the District, rendering it inoperative, destruction of the source, or by inclusion of appropriate conditions in the Banking Certificate providing for automatic cancellation of the Banking Certificate if emissions resume and replacement by the applicant of the emission reduction credit if the deposit has been transferred or withdrawn. (Amended 7/17/91; 6/15/94; 5/17/00)

2-4-303 Limitations on Deposits: The following cannot be banked:

303.1 Emission reduction credits achieved during periods in which a moratorium on banking deposits is in effect pursuant to Section 2-4-410. After removal of the moratorium, they may subsequently be banked. The period of the moratorium shall not be considered "normal operation" for the purpose of determining the bankable emissions.

303.2 Emission reductions from closure of sources where the demand for the services or product would merely shift to other sources in the District, with little or no decrease in emissions basin-wide.

2.1 The APCO may, at his or her discretion, require submittal of data to document that reductions from the closure of such types of operations will not result in such a shift, and could therefore be banked.

2.2 Only the net reduction (if any) shall be banked for shutdowns of manufacturing operations where the operation is being transferred elsewhere within the same stationary source or to a different stationary source owned by the applicant within the District.

303.3 Emission reductions due to the shutdown or closure of sources or the installation of controls on sources excluded from District regulations pursuant to Regulation 1-110 or exempt from permit requirements pursuant to Regulation 2-1.

303.4 Transfer of ownership of an emission source if the source remains operable and within the District.

303.5 Emission reductions at facilities belonging to companies which have received unreimbursed offsets from the Small Facility Emissions Bank. Once these offsets have been reimbursed, the remaining emission reductions may be banked. (Amended 7/17/91; 6/15/94; 10/7/98; 5/17/00)

2-4-304 Limitations on Use of Deposits: Emission reduction credits may not be used to:

304.1 Exempt a source from Best Available Control Technology (BACT) requirements contained in subsections 2-2-301.1 and 301.2 of Regulation 2.

304.2 Exempt a source from emission limitations established in Regulation 10 (New Source Performance Standards).

304.3 Exempt a source from any other air pollution control requirements whatsoever of Federal, State, or District laws, rules and regulations.

(Amended 7/17/91; 6/15/94)

2-4-305 Use of Withdrawals: Bank deposits may be withdrawn by the depositor or by any other person to whom they have been transferred by the depositor for use in meeting the requirements to obtain offsets specified in Rule 2 of this Regulation.

(Amended July 17, 1991)

2-4-400 ADMINISTRATIVE REQUIREMENTS

2-4-401 Banking Application: An application to deposit an emission reduction in the emissions bank shall be submitted on forms specified by the APCO. No banking application shall be accepted from a stationary source for pollutants which are the subject of a variance, abatement order or other similar formal order, until compliance with the emission limitations which are the subject of the variance or order is achieved.

2-4-402 Complete Banking Application: The APCO shall determine whether a banking application is complete not later than 30 calendar days following receipt of the application, or after a longer time period agreed upon in writing by both the applicant and the APCO. If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision, specifying the information that is required. The applicant shall have 90 days to submit the requested information. Upon receipt of all requested information, a new 30 day period to determine completeness shall be initiated. If, at the end of 90 days, no data is submitted or the application is still incomplete, the APCO may cancel the banking application with written notification to the applicant. Upon a determination that the application is complete, the APCO shall notify the applicant in writing. Thereafter, only information to clarify, correct, or otherwise supplement the information submitted in the application, may be requested. Withdrawal of a banking application by an applicant shall result in cancellation of the application; any re-submittal may be evaluated using a new application completion date. (Amended 7/17/91; 6/15/94; 5/17/00)

2-4-403 Preliminary Decision: Within 60 days following the acceptance of a banking application as complete, which is not subject to the publication, public comment and inspection requirements of Section 2-4-405, or, with the consent of the applicant, such longer period as may be agreed upon, the APCO shall make a preliminary decision and notify the applicant in writing as to whether the APCO intends to approve, conditionally approve, or deny the application. (Amended July 17, 1991)

2-4-404 Preliminary Decision, Major Deposits: Within 90 days following the acceptance of a banking application as complete, which is subject to the publication, public comment and inspection requirements of Section 2-4-405, or, with the consent of the applicant, such longer period as may be agreed upon, the APCO shall make a preliminary decision and notify the applicant in writing as to whether the APCO intends to approve, conditionally approve, or deny the application.(Adopted July 17, 1991)

2-4-405 Publication, Public Comment and Inspection: Before approving the banking of any emission reduction in excess of 40 tons per year of any pollutant or before declaring a moratorium on further banking of emission reductions, the APCO shall cause to be published in at least one newspaper of general circulation within the District, and be sent to any individual submitting a written request to the APCO for notification, a notice stating the preliminary decision of the APCO to approve the banking of emission reductions or to declare a moratorium on further banking of emission reductions and inviting written public comment. The APCO shall make available for public inspection at District headquarters the information submitted by the applicant, the APCO's analysis, and the preliminary decision to grant or deny the banking application, including the reason therefore and any proposed conditions. The confidentiality of trade secrets shall be considered in accordance with Section 6254.7 of the Government Code. Such information shall also be transmitted to adjacent air pollution control districts, the California Air Resources Board, and the U.S. EPA.

(Renumbered, Amended July 17, 1991)

2-4-406 **Public Meeting:** During the 30-day period following the date of publication, which may be extended by the APCO, the APCO may, based on the receipt of written comments, elect to hold a public meeting to receive oral and written comments from the public. After considering all such comments, the APCO shall, within 30 days of the close of the comment period, make a final decision concerning such banking.

(Renumbered July 17, 1991)

2-4-407 **Banking Certificate:** The APCO shall issue a banking certificate within 30 days of the issuance of the preliminary decision for an approved deposit not subject to Section 2-4-405, or within 30 days of the close of the public comment period if the banking application is approved. The certificate shall identify the owner of the certificate, the quantity of the emission reduction credits of each pollutant for deposit in the emissions bank in tons per year, the location of the facility at which the reduction was created, any conditions on use of the emission reduction credits, and any other data deemed appropriate by the APCO.

(Renumbered, Amended 7/17/91; Amended 6/15/94)

2-4-408 **Appeal to the Hearing Board, Banking:** Any person dissatisfied with the decision of the APCO regarding the approval or disapproval of an application for banking air contaminants may appeal that decision within 30 calendar days in accordance with the provisions of Regulation 2-1-410.

(Renumbered, Amended 7/17/91; Amended 5/17/00)

2-4-409 **Protection and Duration of Deposits:** Deposits are permanent until used by the depositor or any party to whom the depositor has transferred the deposit. Changes in offset ratios shall not apply to emission reduction credits already used. After issuance of the Banking Certificate confirming the deposit, subsequent changes in regulations to require the type of reduction banked shall not reduce or eliminate the deposit.

(Renumbered 7/17/91; Amended 6/15/94)

2-4-410 **Moratorium on Banked Emissions:** If the APCO determines that additional mandatory emission reductions will be necessary to attain an ambient air quality standard, the APCO may declare a full or partial moratorium on banking deposits of the applicable air contaminant, after opportunity for public comment as provided in Sections 2-4-405 and 406. Such a moratorium shall be lifted after the APCO determines that the Bay Area Air Quality Plan demonstrates attainment of such standards. (Renumbered, Amended July 17, 1991)

2-4-411 **Banking Register:** The District shall maintain a "banking register", which shall consist of a record of all deposits, deposit applications, withdrawals, and transactions. A summary of the data in the banking register shall be available to the public upon request and the District emission inventory shall explicitly include all outstanding deposits appearing in the summary as current existing emissions.

(Renumbered, Amended July 17, 1991)

2-4-412 **Withdrawal Procedures for Deposits:** The following are procedures to be used for the withdrawal of banked emission reduction credits:

412.1 Deposits shall be withdrawn in accordance with the offset ratios in effect at the time of withdrawal as specified in Regulations 2-2-302 and 303.

412.2 The owner of record shown in the District's banking register shall surrender the Banking Certificate in order to withdraw the banked emission reduction credit. If the entire deposit is used, the District shall retain the Certificate; if the deposit is partially used, the District shall retain the old Certificate and issue a new Certificate identifying the remaining portion of the deposit.

412.3 If the deposit is transferred for later use, the owner of record shall submit the old Certificate signed by the owner of record and by the new owner; the District shall retain the old Certificate, issue a new Certificate in the name of the new owner for the amount transferred, and issue a new Certificate to the existing owner for any portion not transferred.

412.4 If the deposit is transferred for use in an application for an authority to construct which requires offsets, the owner of record shall submit the old Certificate signed by the owner of record and by the new owner; the District shall retain the old Certificate, issue a new Certificate to the owner of record for any portion of the deposit not transferred, and identify use of the deposit

in the authority to construct issued to the user of the deposit. No Certificate shall be issued to the user.

412.5 For any transferred deposit, the creator of the deposit shall continue to have enforceable conditions in the appropriate permits to operate to assure permanency of the emission reduction and shall be held liable for compliance with those conditions; the user of any transferred bank deposit shall not be held liable for any failure of the creator to comply with District requirements.

(Renumbered, Amended 7/17/91; Amended 6/15/94)

2-4-413 Annual Report, Banking: The APCO shall provide an annual report to the Board of Directors on all banking transactions which have occurred during the preceding year.

(Renumbered July 17, 1991)

2-4-414 Small Facility Banking Account: The APCO may establish a small facility banking account and grant offsets. The APCO may fund the Small Facility Banking Account by deposit of unclaimed emission reductions resulting from source or facility closures, and by a small facility growth allowance established in the Clean Air Plan adopted by the District. In no event, may the APCO grant offsets in an amount that exceeds the amount contained in the Small Facility Banking Account. ~~The APCO may provide POC or NOx offsets, where required by Regulation 2-2-302, to small facilities which emit or will emit less than 50 tons per year of POC or NOx.~~ Allocation of credits shall conform to the requirements of Section 40919(a)(2) of the Health and Safety Code. If an applicant holds banked emission reduction credits, those credits must be used as a source of offsets prior to the APCO approving offsets from the small facility banking account (this includes bankable emission reduction credits held by other District facilities owned by the applicant). For the purposes of determining the amount of offsets granted by the APCO, any banked emission reduction credits that have been sold during the three years preceding a complete permit application shall be considered to be held by the applicant. Allocations from the small facility banking account cannot be transferred or banked by the recipient.

(Adopted 7/17/91; Amended 6/15/94; 10/7/98; 5/17/00)

2-4-415 Military Base Closure Banking Account: The APCO shall establish a banking account for each military facility or base subject to termination of military operations. The APCO shall, in accordance with the provisions of this rule, bank the emission reduction credits for each military facility or base. The designated base reuse commission shall be entitled to the use of the banked emission reduction credits for projects within the jurisdiction of the base reuse commission, provided that the emission reduction credits have not been banked by the military facility or base.

(Adopted June 15, 1994)

2-4-600 MANUAL OF PROCEDURES

2-4-601 Emission Calculation Procedures: The emission calculation procedures contained in Regulation 2-2-600 shall be applicable to this Rule. (Amended July 17, 1991)