State of California AIR RESOURCES BOARD

Resolution 79-68

September 12, 1979

WHEREAS, Section 39602 of the Health and Safety Code designates the Air Resources Board (ARB) as the air pollution control agency for all purposes set forth in federal law and designates the ARB as the state agency responsible for the preparation of the State Implementation Plan (SIP) required by the Clean Air Act;

WHEREAS, the Clean Air Act as amended in 1977 mandates the revision of the SIP for designated nonattainment areas of the state in order to assure that the SIP provides for the attainment and maintenance of the national ambient air quality standards by specified deadlines;

WHEREAS, the San Joaquin Valley Air Basin was designated as a nonattainment area for ozone pursuant to Section 107(d) of the Clean Air Act;

WHEREAS, the air pollution control districts in California are required by Section 40001 of the Health and Safety Code to adopt and enforce rules and regulations which assure that reasonable provision is made to achieve and maintain the state ambient air quality standards and to endeavor to achieve and maintain the national ambient air quality standards;

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

WHEREAS, the ARB has been directed by Section 39600 to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon, the state board by Division 26 or by any other provision of law;

WHEREAS, the ARB is required by Sections 41500, 41507 and 41602 of the Health and Safety Code to review the rules and regulations and programs of the districts to determine whether the rules and regulations and programs assure that reasonable provision is made to achieve and maintain the national ambient air quality standards;

WHEREAS, the ARB is directed by Section 41504 to establish a program or rules or regulations as it deems necessary to enable the district to achieve and maintain the ambient air quality standards upon finding that the program or rules or regulations of the district will not likely do so;

WHEREAS, the state board held a public hearing on March 22 and 23 to consider the Kern County Air Quality Maintenance Plan/Nonattainment Plan and directed the Executive Officer to evaluate the adequacy of the locally adopted "level 1" stationary source control measures and either approve the submittal in whole or in part, or amend it as necessary, including the addition of all of the federally and state required stationary source RACMs, to accomplish the emission reductions projected to occur in the Kern Plan in order to attain the ozone NAAQS by 1982 and to submit the finally determined control strategies to EPA;

WHEREAS, the staff and the Board have reviewed the Kern County Air Pollution Control District's Rules and Regulations, Rules 210.1, Standards for Authority to Construct; 210.2, Standards for Permits to Operate;

WHEREAS, representatives of both the Kern County Air Pollution Control District and the oil industry have expressed a desire that the ARB provide clear and explicit guidance for the application of the Kern County Air Pollution Control District's new source review rules;

WHEREAS, although the staff has reviewed Kern County Air Pollution Control District Rules 410.3, Control of Volatile Organic Compounds from Degreasing Operations; 410.5, Cutback Asphalt Paving Materials; 411, Storage of Petroleum Distillates or Light Crude Oil; 411.1, Steam Drive Wells - Oil Production; 414, Wastewater Separators; and 414.3, Refinery Process Unit Turnaround, the Board has not had sufficient opportunity at its meeting held September 7 and 12, 1979 to consider said rules and there is substantial likelihood that the Kern County Air Pollution Control District will amend those rules to satisfy the concerns raised in the staff report;

WHEREAS, the Board on March 22 and 23 and September 7 and 12, 1979 has held public hearings as required by Section 39002 and 41502 of the Health and Safety Code and EPA regulations to determine whether the District has adopted rules and regulations which assure that reasonable provision is made to achieve and maintain state and national ambient air quality standards; and

WHEREAS, the Board finds:

The air quality monitoring data for Bakersfield indicate consistent yearly increases in ambient concentrations of nitrogen dioxide (NO $_2$) approaching the national ambient air quality standard (NAAQS) for that pollutant, and further indicate that if current trends continue the standard will likely be exceeded in the near future; and

That exceedance of the NO₂ NAAQS would necessitate redesignation of Kern County as nonattainment for that pollutant and would further necessitate preparation of a revision to the State Implementation Plan in accordance with the Clean Air Act; and

That oxides of nitrogen and organic gases have been demonstrated to be chemical precursors to photochemical oxidant (ozone) and contribute to or are responsible for exceedance of ambient air quality standards for ozone; and

That increases in oxides of nitrogen emissions have been demonstrated to result in decreases in ambient ozone levels in the near vicinity of the sources of such emissions, and in increases in ambient ozone concentrations in areas downwind of such sources; and

That the City of Bakersfield and other Kern County towns and cities are often downwind receptor areas for emissions from the major oil fields and other industrial sources in Kern County and the San Joaquin Valley, and, as a result, ambient ozone levels in these locations would be adversely impacted by increases in oxides of nitrogen emissions from those sources; and

That other portions of Kern County also lie downwind of the major oil fields and other industrial sources in the County and Valley, and these areas would be adversely affected by increases in oxides of nitrogen emissions; and

That although the Board has previously found that the control of hydro-carbon emissions in Kern County represents the most effective strategy to reduce ambient ozone levels, the prevention of increases in oxides of nitrogen emissions from sources in Kern County is an essential element of a control strategy to achieve the maximum air quality benefits from such hydrocarbon controls; and

That analysis of current air quality data indicates that increased emissions of oxides of nitrogen in Kern County will lead to aggravation of existing exceedances of the federal ozone standard and the state oxidant standards; and

That the state ambient air quality standard for sulfates is exceeded by a wide margin in the Kern County portion of the San Joaquin Valley Air Basin; and

That the state and federal ambient air quality standards (annual and 24-hour) for total suspended particulate matter and the state visibility standard are exceeded in the Kern County portion of the San Joaquin Valley Air Basin; and

That sulfur oxides emitted in that portion of the Basin as a result of the combustion of sulfur-containing fuels lead to the formation of sulfate aerosols in the atmosphere, contributing to exceedances of both the state ambient air quality standards for sulfates and visibility and the state and federal ambient air quality standards for total suspended particulate matter; and

That a substantial fraction of the oxides of nitrogen emitted in that portion of the Basin is converted to nitrate aerosols in the atmosphere, contributing to exceedances of the state and federal ambient air quality standards for total suspended particulate matter and the state visibility standard; and

That by virtue of the provisions of Rule 210.1 of the Kern County Air Pollution Control District's Rules and Regulations, as adopted June 26, 1979, such Rules and Regulations will not likely achieve and maintain the national ambient air quality standards for ozone and total suspended particulates by December 31, 1982 or the state ambient air quality standards for oxidant, sulfates and total suspended particulates; and

That further increases in emissions of ozone, sulfate, and total suspended particulate precursors will interfere with progress toward achievement of the national air quality standards for ozone and total suspended particulates and of the state air quality standards for oxidant, sulfates and total suspended particulates; and

That technically feasible and economically reasonable amendments can be made to the District's Rules and Regulations, which will prevent further emission increases; and

That application of the 1976 version of Rule 210.1 to numerous pending applications for the construction or modification of major new stationary sources will likely result in the increased emission of air contaminants which will interfere with the achievement and maintenance of state and national ambient air quality standards; and

That a need exists for explicit guidance from the Board relating to the application of the Kern County Air Pollution Control District's new source review rules; and

That the Board has prepared a set of preliminary guidelines which are intended to provide this explicit guidance; and

That these guidelines should promote the prompt, consistent and fair application of the new source review rules of the Kern County Air Pollution Control District in accordance with the requirements of state and federal law; and

That substantial increases in emissions will result if the large number of major new source permit applications currently pending before the Kern County Air Pollution Control District for which no preliminary decision has been issued are considered under the 1976 version of Rule 210.1; and

That such increased emissions would interfere with the attainment and maintenance of state and national ambient air quality standards.

NOW, THEREFORE BE IT RESOLVED, that the Kern County Air Pollution Control District's Rules and Regulations, Rule 210.1, Standard for Authority to Construct, is amended to read as set forth in Attachment A to this Resolution.

BE IT FURTHER RESOLVED, that the amendments referred to above shall be enforced by the Kern County Air Pollution Control District in accordance with Section 41504 of the Health and Safety Code.

BE IT FURTHER RESOLVED, that the Board requests the Kern County Air Pollution Control Officer to propose to the Kern County Air Pollution Control District changes in Rules 410.3, 410.5, 411, 411.1, 414, and 414.3 which are responsive to the concerns raised in the ARB staff report on such rules. The ARB Executive Officer shall review the revisions to said rules adopted by the Kern County Air Pollution Control District, and if he finds that substantial deficiencies remain in them, he shall notice a hearing before the Board.

BE IT FURTHER RESOLVED, that the District may further amend any rules that are amended hereby, but such further amendments shall not be effective until the Executive Officer of the Air Resources Board has found that they do not diminish the effectiveness of the District's Rules and Regulations.

BE IT FURTHER RESOLVED, that the Board hereby offers the preliminary guidelines attached hereto as Attachment B as its official policy guidance for the application of the Kern County Air Pollution Control District's new source review rules to proposed major new sources of emissions; and that the Board shall review and revise these guidelines as appropriate.

I certify that the above is a true and correct copy of Resolution 79-68, as passed by the Air Resources Board.

Board Secretary

State of California
AIR RESOURCES BOARD
Attachment A to Resolution 79-68
Adopted: September 12, 1979

Kern County NEW SOURCE REVIEW RULES

RULE 210.1 Standard for Authority to Construct:

Definitions

A. Best Available Control Technology (BACT) means for any stationary source or modification the technology which gives the maximum degree of reduction of each air contaminant emitted from or resulting from such class or category of source which the Control Officer determines is achievable for such source. The Control Officer shall make this determination on a case-by-case basis, taking into account energy, environmental and economic impacts and other costs. The Control Officer shall consider production processes and available methods, systems, and techniques for control of each such air contaminant, including fuel cleaning or treatment or innovative fuel combustion techniques.

In no event shall the emission rate reflected by the control technique or limitation exceed the amount allowable under applicable new source performance standards.

- B. <u>Lowest Achievable Emission Rate</u> (LAER) means for any stationary source or modification the more stringent of:
 - 1. The most effective emissions control technique which has been achieved in practice, for such class or category of source; or
 - 2. The most effective emission limitation which the Federal Environmental Protection Agency certifies is contained in the implementation plan of any State approved under the Clean Air Act for such class or category of source, unless the owner or operator, of the proposed source demonstrates that such limitations are not achievable; or
 - 3. The emission limitation specified for such class or category of source under applicable Federal new source performance standards pursuant to Section 111 of the Clean Air Act; or
 - 4. Any other emissions control technique found, after public hearing, by the Control Officer or the Air Resources Board to be technologically feasible and cost effective for such class or category of sources or for a specific source.
- C. <u>Modeling</u> means using an air quality simulation model, based on specified assumptions and data which has been approved in writing by the Executive Officer of the Air Resources Board.
- D. Modification means any physical change in, change in method of operation of, or addition to an existing stationary source, except that routine maintenance or repair shall not be considered to be a physical change. A change in the method of operation, unless previously limited by an enforceable permit condition, shall not include:

- 1. An increase in the production rate, if such increase does not exceed the operating design capacity of the source.
- 2. An increase in the hours of operation.
- 3. Change in ownership of a source.
- 4. Any part or item of equipment used to replace an existing part or item of equipment, on the same property, which has failed, provided the applicant certifies in writing to the Control Officer that the replacement component is identical in all material respects to the component replaced and that the replacement will not result in an increase in emissions.
- E. Precursor means a directly emitted air contaminant that, when released to the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which a national ambient air quality standard has been adopted or whose presence in the atmosphere will contribute to the violation of one or more national ambient air quality standard. The following precursor-secondary air contaminant relationships shall be used for the purposes of this rule.

PRECURSOR

Hydrocarbons and substituted hydrocarbons (Reactive organic gases)

Nitrogen Oxides

Sulfur Oxides

SECONDARY AIR CONTAMINANT

- a. Photochemical Oxidants (Ozone)
- b. The organic fraction of suspended particulate matter.
- a. Nitrogen dioxide
- b. The nitrate fraction of suspended particulate matter.
- c. Photochemical oxidant (ozone).
- a. Sulfur dioxide
- b. Sulfates
- c. The sulfate fraction of suspended particulate matter.
- F. <u>Seasonal Source</u> means any stationary source with more than 75 percent of its annual operating hours within a consecutive 90-day period.
- G. Stationary Source includes any structure, building, facility, equipment, installation or operation (or aggregation thereof) which is owned, operated, or under shared entitlement to be used by the same person and which is located within the District on:
 - 1. One property or on bordering properties; or
 - 2. One or more properties wholly within either the Western Kern County Oil Fields or the Central Kern County Oil Fields and is used for the production of oil.

Items of air-contaminant-emitting equipment shall be considered aggregated into the same stationary source, and items of nonair-contaminant-emitting equipment shall be considered associated with air-contaminant emitting equipment only if:

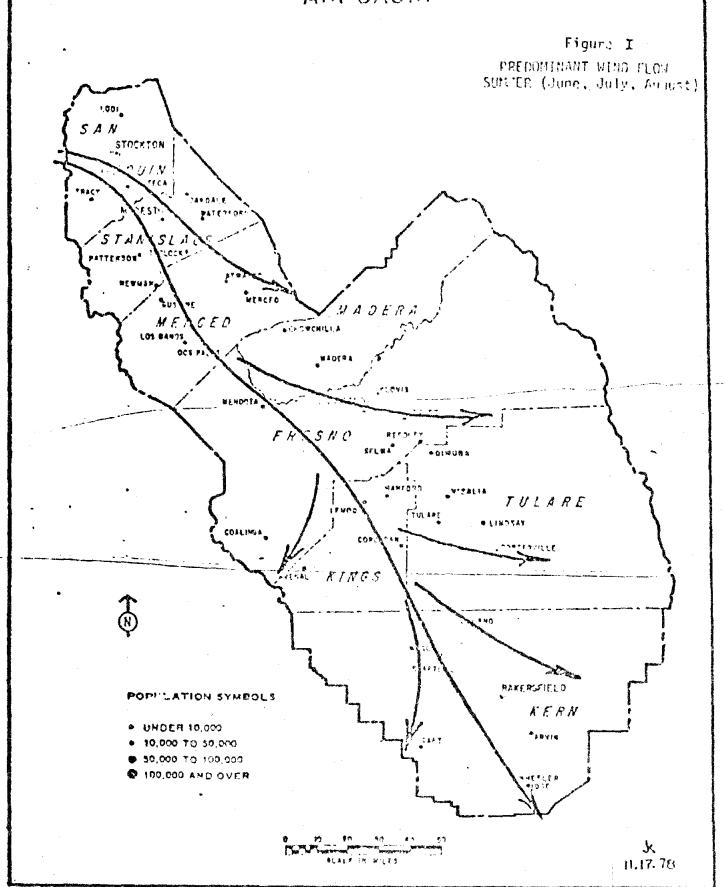
- 1. The operation of each item of equipment is dependent upon, or affects the process of, the others; and
- The operation of all such items of equipment involves a common raw material or product.

Emissions from all such aggregated items of air-contaminant-emitting equipment and all such associated items of nonair-contaminant-emitting equipment of a stationary source shall be considered emissions of the same stationary source.

- H. Upwind area shall be bounded by a line drawn perpendicular to the predominant wind flow line passing through or nearest to the site of the new source or modification and extending to the boundaries of the same or adjoining counties within the same air basin except where the Control Officer determines that for reasons of topography or meteorology such a definition is inappropriate. The predominant wind flow lines used in this rule shall be those contained in Figure I. For sites located between diverging and converging wind flow lines, an interpolated line shall be constructed which bisects the distance between the applicable flow lines shown in Figure I.
- I. <u>Major Stationary Source</u> is a stationary source which emits 200 pounds or more during any day of any air contaminant for which there is a national ambient air quality standard or any precursor of such contaminant.
- J. National Ambient Air Quality Standard: All references in Rule 210.1 and 210.2 to national ambient air quality standards shall be interpreted to include state ambient air quality standards. (This subsection shall not be submitted or is it intended to be a part of the State Implementation Plan.)
- K. Point of maximum ground level impact means that area where the actual or projected air contaminant concentrations resulting from the new or modified stationary source are at the maximum level after including the effect of any control technology and mitigation employed.
- L. Central Kern County Fields boundaries are described as:

Beginning at a point common to the northerly boundary line of Kern County and the line bearing in a southerly direction between Range 24E and Range 25E, MDB&M; thence south along said line between Range 24E and Range 25E to a point on the line between Township 28S and Township 29S, MDB&M; thence west along said line between Township 28S and Township 29S to a point on the line bearing in a southerly direction between Range 24E and Range 25E, MDB&M; thence

SAN JOAQUIN VALLEY AIR BASIN



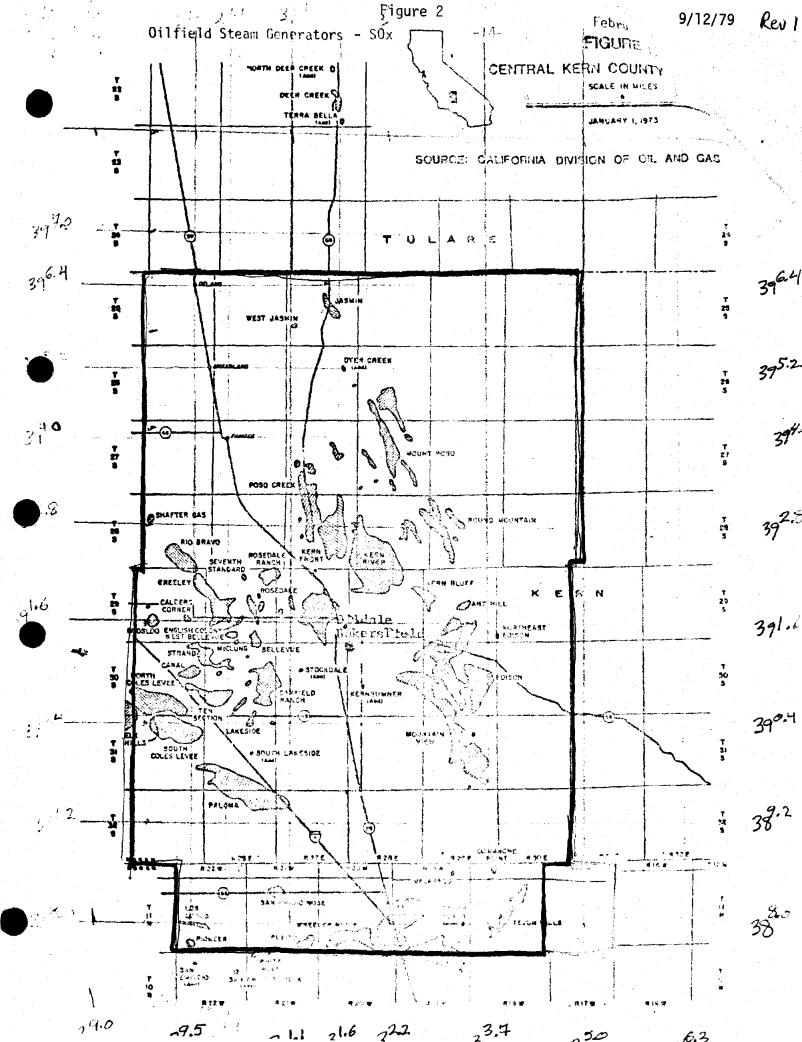
south along said line between Range 24E and Range 25E to a point on the line between Township 32S, MDB&M, and Township 12N, SBB&M; thence east along said line between Township 32S and Township 12N to a point on the line between Range 22W and Range 23W, SBB&M, thence south along said line to a point on the line between Township 10N and Township 11N, SBB&M; thence east along said line between Township 10N and Township 11N to a point on the line between Range 20W and Range 21W, SBB&M; thence south along said line between Range 20W and Range 21W to a point on the line bearing in an easterly direction between Township 10N and Township 11N, SBB&M; thence east on said line between Township 10N and Township 11N to a point on the line between Range 17W and Range 18W, SBB&M; thence north along said line between Range 17W and Range 18W to a point on the line between Township 32S, MDB&M, and Township 12, SBB&M; thence east along said line between Township 32S and Township 12N to a point on the line between Range 30E and Range 31E, MDB&M; thence north along said line between Range 30E and Range 31E to a point on the line between Township 28S and Township 29S, MDB&M; thence east along said line between Township 28S and Township 29S to a point on the line bearing in a northly direction between Range 30E and Range 31E, MDB&M; thence north along said line between Range 30E and Range 31E to a point on the northerly boundary line of Kern County; thence west along said boundary to the point of beginning. (Figure 2)

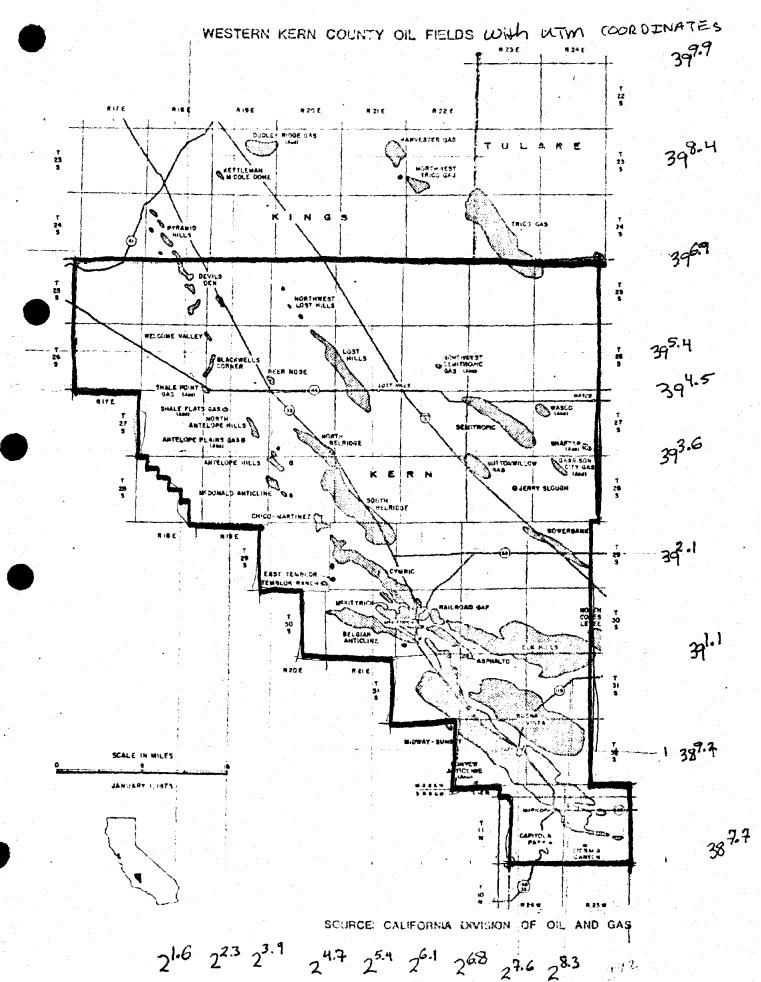
M. Western Kern County Fields boundaries are described as:

Beginning at a point common to the northerly boundary of Kern County and the line between Range 24E and 25E, MDB&M, and following the Kern County boundary in a westerly, then a southerly, and then easterly and southerly directions to a point common to the easterly County boundary and the line between Township 10N and Township 11N, SBB&M; thence easterly along said line between Township 10N and Township 11N to a point on the line between Range 22W and Range 23W, SBB&M; thence north along said line between Range 22W and Range 23W to a point on the line between Township 32S, MDB&M, and Township 12N, SBB&M; thence westerly along said line between Township 32S and Township 12N to a point on the line between Range 24E and Range 25E, MDB&M; thence north on said line between Range 24E and 25E to a point on the line between Township 28S and Township 29S, MDB&M; thence east along said line between Townships 28S and 29S to the point on the line bearing in a northerly direction between Range 24E and Range 25E, MDB&M; thence north along said line between Range 24E and 25E to the point of beginning. (Figure 3)

2. General

- A. The Control Officer shall deny an Authority to Construct for any new stationary source or modification, or any portion thereof, unless:
 - The new source or modification, or applicable portion thereof, complies with the provisions of this rule and all other applicable District rules and regulations; and





- 2. For a major stationary source, the applicant certifies that all major stationary sources in the State that are owned or operated by the applicant are in compliance, or are on approved schedule for compliance, with all applicable emission limitations and standards under the Clean Air Act (42 USC 7401 et seq.) and all applicable emission limitations and standards which are part of the State Implementation Plan approved by the Environmental Protection Agency.
- B. The Control Officer may issue an Authority to Construct for a new stationary source or modification which is subject to Section (5) only if all District regulations contained in the State Implementation Plan approved by the EPA are being carried out in accordance with that plan.

3. Applicability and Exemptions

A. This rule, excluding Section 5, shall apply to all new or modified stationary sources which are required pursuant to District rules to obtain an Authority to Construct.

This rule shall be effective September 12, 1979, and shall apply to all applications for Authority to Construct which are received after September 12, 1979, or which are pending on its adoption. However all applications reviewed under Rule 210.1, as adopted 12/28/76, and which prior to September 12, 1979, received a preliminary decision pursuant to Section (h) of that rule, shall not be subject to this provision.

- B. Section 5A of this Rule shall apply to all new stationary sources or modifications which are to result in a net increase in emissions of 150 lbs or more during any day of any air contaminant for which there is a national ambient air quality standard (excluding carbon monoxide) or any precursor of such contaminant.
- C. Sections 5B of this Rule shall apply to all new stationary sources or modifications which will result in either:
 - 1. A net increase in emissions of 200 lbs or more during any day of any air contaminant for which there is a national ambient air quality standard (excluding carbon monoxide) or any precursor of such a contaminant; or
 - 2. A net increase in carbon monoxide emissions which the Control Officer determines would cause the violation of any national ambient air quality standard for carbon monoxide at the point of maximum ground level impact.
- D. The provisions of Part C of the Clean Air Act, as amended in 1977, and any regulations adopted pursuant to those provisions, shall not be applicable to any new stationary source or modification which receives and Authority to Construct pursuant to this rule, provided such source or modification complies with the requirements of Section (5)(B)(2)

for all pollutants for which there is a national ambient air quality standard and all precursors of such pollutants. All sources applying for an Authority to Construct pursuant to this section shall be shown not to significantly impact Class I areas as specified in Part C of the Clean Air Act.

- E. Notwithstanding the provisions of Section (3)(C), the Control Officer may exempt from Section (5)(B) any new source or modification:
 - 1. Which will be used exclusively for providing essential public services, such as schools, hospitals, or police and fire fighting facilities, but specifically excluding sources of electrical power generation other than for emergency standby use at essential public service facilities.
 - 2. Which is exclusively a modification to convert from use of a gaseous fuel to a liquid fuel because of a demonstrable shortage of gaseous fuels, provided the applicant establishes to the satisfaction of the Control Officer that it has made its best efforts to obtain sufficient emissions offsets pursuant to Section (5) of this rule, that such efforts had been unsuccessful as of the date the application was filed, and the applicant agrees to continue to seek the necessary emissions offsets until construction on the new stationary source or modification begins. This exemption shall only apply if, at the time the Permit to Operate was issued for the gas burning equipment, such equipment could have burned the liquid fuel without additional controls and been in compliance with all applicable district regulations.
 - 3. Which is portable sandblasting equipment used on a temporary basis within the District.
 - 4. Which uses innovative control equipment or processes which will likely result in a significantly lower emission rate from the stationary source than would have occurred with the use of previously recognized LAER, and which can be expected to serve as a model for technology to be applied to similar stationary sources within the state resulting in a substantial air quality benefit, provided the applicant establishes by modeling that the new stationary source or modification will not cause the violation of any national ambient air quality standard at the point of maximum ground level impact. This exemption shall apply only to air contaminants which are controlled by the innovative control equipment or processes. The Control Officer shall consult with the Executive Officer of the Air Resources Board prior to granting an exemption pursuant to this subsection.
 - 5. Which consists solely of the installation of air pollution control equipment which, when in operation, will directly control emissions from an existing source.

- 6. Which wishes to construct in an area which has a lack of major industrial development or absence of significant industrial particulate emissions and low urbanized population as long as the source can comply with the BACT and applicable federal, state and District emission regulations; and the impact of the emissions plus emissions from other stationary sources in the vicinity of the proposed location, along with non-rural fugitive background, will not cause a violation of the national ambient air quality standards. This exemption shall apply only to particulate emissions.
- F. This rule shall not apply to any air pollution control equipment for a specific pollutant, which when in operation, will reduce air contaminant emissions from the source operation provided that equipment does not increase emissions of another pollutant.

4. Calculation of Emissions

- A. The maximum design capacity of a new stationary source or modification shall be used to determine the emissions from the new source or modification unless the applicant, as a condition to receiving Authorities to Construct and Permits to Operate such new source or modification, agrees to limitations on the operations of the new source or modification, in which event the limitations shall be used to establish the emissions from the new source or modification.
- В. The emissions from an existing source shall be based on the specific limiting conditions set forth in the source's Authorities to Construct and Permits to Operate, and, where no such conditions are specified, or where no Authority to Construct is required, on the actual operating conditions of the existing source averaged over the three consecutive years immediately preceding the date of application, or such shorter period as may be applicable in cases where the existing source has not been in operation for three consecutive years, or is cyclic in nature. Where the operation of a specific source has been significantly reduced during the previous three years, the Air Pollution Control Officer may specify an averaging period or emission rate which he determines provides an equitable emission base. If violations of laws, rules, regulations, permit conditions, or orders of the District, the California Air Resources Board, or the Federal Environmental Protection Agency occurred during the period used to determine the operating conditions, then adjustments to the operating conditions shall be made to determine the emissions the existing source would have caused without such violations.
- C. The net increase in emissions from new stationary sources and modifications which are not seasonal sources shall be determined using yearly emission profiles or equivalent method (as specified by the Control Officer) subject to consultation with the ARB Executive Officer. Yearly emissions profiles for an existing or proposed stationary source or modification shall be constructed by plotting the daily emissions from such source in descending order. A separate profile shall be constructed for each

pollutant. The net increase in emissions from a modification to an existing source shall be determined by comparing the yearly emissions profiles for the existing source to the yearly emissions profiles for the proposed source after modification. A net increase in emissions exists whenever any part of an emissions profile for a modified source exceeds the emissions profile for the existing source.

- D. The net increase in emissions from new stationary sources and modifications which are seasonal sources shall be determined using yearly and quarterly emissions profiles, or equivalent method as specified by the Air Pollution Control Officer, subject to consultation with the ARB Executive Officer. Quarterly emissions profiles shall be constructed by plotting the daily emissions from an existing or proposed seasonal facility in descending order for the continuous 90 day period during which the greatest emissions from the proposed new or modified source will occur. A separate profile shall be constructed for each pollutant. The net increase in emissions from the modification to an existing seasonal source shall be determined by comparing the yearly and quarterly emissions profiles for the existing source to the yearly and quarterly emissions profiles for the proposed source after modification. A net increase in emissions exists whenever any part of an emissions profile for the modified source exceeds the emissions profile for the existing source.
- E. When computing the net increase in emissions for modifications, the Control Officer shall take into account the cumulative net emissions changes which are represented by Authorities to Construct associated with the existing stationary source and issued after December 28, 1976, excluding any emissions, reductions required to comply with federal, state, or district laws, rules or regulations.
- 5. Control Technology and Mitigation Requirements
 - A. Best Available Control Technology (BACT)

All new stationary sources and modifications subject to this section shall be constructed using BACT for such net air contaminant increases as specified in Section 3.B.

- B. Lowest Achievable Emission Rate (LAER) and Mitigation
 - 1. All new stationary sources and modifications subject to this section shall be constructed using LAER, and mitigation shall be required for such net emission increases (i.e. increases after the application of LAER) as specified in Sections 3.B. and 3.C.
 - a. of such air contaminant(s) for which a national ambient air quality standard was exceeded within the air basin more than three discontinuous times within the three years immediately preceding the date when the application for the Authority to Construct was filed, and for all precursors of such air contaminants; provided, however, that mitigation of net emission increases of sulfur oxides, total suspended particulates, oxides of nitrogen or carbon monoxide shall not be required if

the applicant demonstrates through modeling that emissions from the new source or modification will not cause a new violation of any national ambient air quality standard for such air contaminants, or make any existing violation of any such standard worse, at the point of maximum ground level impact.

- b. not subject to Subsection (a) but which the Control Officer determines would cause a new violation of any national ambient air quality standard, or would make any existing violation of any such standard worse, at the point of maximum ground level impact. Emissions reductions required as a result of this subsection must be shown through modeling to preclude the new, or further worsening of any existing, violation of any national ambient air quality standard that would otherwise result from the operation of the new source or modification, unless such reductions satisfy the requirements of Section (5)(B)(2).
- 2. Net emissions increases subject to Section (5)(B)(1)(a) shall be mitigated (offset) by reduced emissions from existing stationary or nonstationary sources. Emissions reductions shall be sufficient to offset any net emission increase and shall take effect at the time, or before, initial operation, of the new source, or within 90 days after initial operation of a modification.
- 3. Emissions offset profiles or equivalent method, as specified by the Air Pollution Control Officer, subject to consultation with the ARB Executive Officer, shall be used to determine whether proposed offsets mitigate the net emissions increases from proposed new sources or modifications.
 - a. For all offset sources, a yearly emissions offset profile shall be constructed in a manner similar to that used to construct the yearly emissions profile for the proposed new or modified source. Daily emissions reductions which will result from the further control of such sources shall be plotted in descending order. A separate profile shall be constructed for each pollutant. Seasonal offsets shall not be used to mitigate the emissions from nonseasonal sources.
 - b. In addition, for seasonal offset sources, a quarterly emissions offset profile shall be constructed for the same time period and in the same manner as that used to construct the quarterly emissions profile for the proposed new or modified source. Daily emissions reductions which will result from further control of existing sources shall be plotted on the quarterly offset profile in descending order. A separate profile (which may cover different months) shall be plotted for each pollutant.

- c. Adjusted emissions offset profiles shall be constructed by dividing each entry used in the construction of the emissions offset profiles by the offset ratio determined in Subsection (d).
- d. The adjusted emissions offset profiles shall be compared with the emissions profiles to determine whether net emissions increases have been mitigated at all points on the profiles.
- 4. A ratio of emissions offsets to emissions from the new source or modification (offset ratio) of 1.2:1 shall be required for emissions offsets located either:
 - a. upwind in the same or adjoining counties; or
 - b. within a 15 mile radius of the proposed new source or modification.

For emissions offsets located outside of the areas described above, the applicant shall conduct modeling to determine an offset ratio sufficient to show a net air quality benefit in the area affected by emissions from the new source or modification.

Notwithstanding any other provision of this section the yearly emissions profiles and the yearly emissions offset profiles for a source subject to this section may be constructed based on the daily emissions from the source averaged on a monthly basis. In such event, an offset ratio of 2.0:1 shall be required.

5. If an applicant certifies that the proposed new source or modification is a replacement for a source which was shut down or curtailed after December 28, 1976, emissions reductions associated with such shutdown or curtailment may be used as offsets for the proposed source, subject to the other provisions of this section.

Sources which were shut down or curtailed prior to December 28, 1976, may be used to offset emissions increases for replacement for such sources, subject to the other provisions of this section provided:

- a. the shutdown or curtailment was made in good faith pursuant to an established plan approved by the Control Officer for replacement and emission control, and in reliance on air pollution laws, rules and regulations applicable at the time; and
- b. the applicant demonstrates to the satisfaction of the Control Officer that there was good cause (which may include business or economic conditions) for delay in construction of the replacement facilities.

- 6. Notwithstanding any other provision of this section any emissions reductions not otherwise authorized by this rule may be used as offsets of emissions increases from the proposed source provided the applicant demonstrates that such reductions will result in a net air quality benefit in the area affected by emissions from the new source or modification; the Control Officer shall consult with the Executive Officer of the Air Resources Board prior to granting such reduction.
- 7. Emissions reductions resulting from measures required by adopted federal, state, or district laws, rules or regulations shall not be allowed as emissions offsets unless a complete application incorporating such offsets was filed with the District prior to the date of adoption of the laws, rules, or regulations.
- 8. The Control Officer shall allow emissions reductions which exceed those required by this rule for a new source or modification to be banked for use in the future by the applicant. Such reductions may be used only to offset emissions increases from proposed new sources or modifications owned or operated by the applicant within a 15 mile radius of the site where the reductions occurred. All such reductions, when used as offsets for the increased emissions from a proposed new source or modification, shall be used in accordance with the other provisions of this Section.
- 9. For all power plants subject to Section 8, the applicant may, upon written notice to the Control Officer and the Executive Officer of the Air Resources Board, establish an emissions offset bank for a specific power plant at a specific location. The emissions offset bank shall be established no earlier than the date the applicant's Notice of Intention for the power plant is accepted by the California Energy Commission. The emissions offset bank shall lapse if the Commission rejects the applicable power plant or site; however, in such case the applicant may transfer the emissions offsets contained in the bank to another power plant and location for which the Commission has accepted a Notice of Intention. Emissions offsets may be deposited in the bank only by the applicant to construct the power plant, and all emissions offsets contained in the bank shall be used in accordance with Section (5)(B).
- 10. If an applicant for a resource recovery project using municipal waste demonstrates to the satisfaction of the Control Officer that the most likely alternative for treating such waste would result in an increase in emissions allowed under existing district permits and regulations, those emissions increases which would not occur as a result of the resource recovery project may be used to offset any net emissions increase from the resource recovery project in accordance with the other provisions of this section.

- 11. Emissions reductions of one precursor may be used to offset emissions increases of another precursor of the same secondary air contaminant provided the applicant demonstrates to the satisfaction of the Control Officer that the net emissions increase of the latter secondary precursor will not cause a new violation, or contribute to an existing violation, of any national ambient air quality standard at the point of maximum ground level impact. The ratio of the emission reductions between precursor pollutants of the same secondary air contaminant shall be determined by the Control Officer based on existing air quality data after consultation with the Executive Officer of the Air Resources Board.
- 6. Permit Condition Requirements for Offsets

The Control Officer shall, as a condition for the issuance of an Authority to Construct for a new stationary source modification and with the prior written consent of the owner or operator of any source which provides offsets:

- A. Require that the new source or modification and any new sources which provide offsets shall be operated in the manner assumed in making the analysis required to determine compliance with this rule.
- B. Modify, or require modification of, the Permit to Operate for any source used to provide offsets to ensure that emissions reductions at that source which provide offsets will be enforceable and shall continue for the reasonably expected useful life of the proposed source. If offsets are obtained from a source for which there is no Permit to Operate, a written contract shall be required between the applicant and the owner or operator of such source which contract, by its terms, shall be enforceable by the Control Officer to ensure that such reductions will continue for the reasonably expected useful life of the proposed source.

Such modification does not have to take effect until the new modified source, subject to this rule, commences operation.

- C. Permit any other reasonably enforceable methods, other than those described in Subsections (A) and (B) which the Control Officer is satisfied will assure that all required offsets are achieved.
- 7. Analysis, Notice, and Reporting
 - A. The Air Pollution Control Officer shall determine whether the application is complete not later than 30 calendar days after receipt of the application, or after such longer time as both the applicant and the Air Pollution Control Officer may agree. Such determination shall be transmitted in writing immediately to the applicant at the address indicated on the application. If the application is determined to be incomplete, the determination shall specify which parts of the application are incomplete and how they can be made complete. Upon receipt by the Air Pollution Control Officer of any resubmittal of the application, a new 30-day period

in which the Air Pollution Control Officer must determine completeness shall begin. Completeness of an application or resubmitted application shall be evaluated on the basis of the requirements set forth in (district regulations adopted pursuant to AB 884 regarding information requirements) as it exists on the date on which the application or resubmitted application was received. After the Air Pollution Control Officer accepts an application as complete, the Air Pollution Control Officer shall not subsequently request of an applicant any new or additional information which was not specified in the Air Pollution Control Officer's list of items to be included within such applications. However, the Air Pollution Control Officer may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information required in such list in effect at the time the complete application was received. Making any such request does not waive, extend, or delay the time limits in this rule for decision on the completed application, except as the applicant and Air Pollution Control Officer may both agree.

- B. Following acceptance of an application as complete the Air Pollution Control Officer shall:
 - 1. Perform the evaluations required to determine compliance with this rule and make a preliminary written decision as to whether a permit to construct should be approved, conditionally approved, or disapproved. The decision shall be supported by a succinct written analysis.
 - 2. Within 10 calendar days following such decision, publish a notice of prominent advertisement in at least one newspaper of general circulation in the District stating the preliminary decision of the Air Pollution Control Officer and where the public may inspect the information required to be made available under Subsection (3). The notice shall provide 30 days from the date of publication for the public to submit written comments on the preliminary decision.
 - 3. At the time notice of the preliminary decision is published, make available for public inspection at the Air Pollution Control District's office the information submitted by the applicant, the Air Pollution Control Officer's supporting analysis for the preliminary decision, and the preliminary decision to grant or deny the permit to construct, including any proposed permit conditions, and the reasons therefor. The confidentiality of trade secrets shall be considered in accordance with Section 6254.7 of the Government Code and relevant sections of the Administrative Code of the State of California.
 - 4. No later than the date of publication of the notice required by Subsection (2), forward the analysis, the preliminary decision, and copies of the notice to the Air Resources Board (attn: Chief, Stationary Source Control Division) and the Regional Office of the U.S. Environmental Protection Agency.

- 5. Consider all written comments submitted during the 30 day public comment period.
- 6. Within 180 days after acceptance of the application is complete, take final action on the application after considering all written comments. The Air Pollution Control Officer shall provide written notice of the final action to the applicant, the Environmental Protection Agency, and the California Air Resources Board, shall publish such notice in a newspaper of general circulation, and shall make the notice and all supporting documents available for public inspection at the Air Pollution Control District's office.
- C. The public notice and reporting requirements set forth in Subsections (B)(2) through (B)(6) shall not be required for any permit which does not include conditions requiring the control of emissions from an existing source.

8. Power Plants

This section shall apply to all power plants proposed to be constructed in the District and for which a Notice of Intention (NOI) or Application for Certification (AFC) has been accepted by the California Energy Commission. The Control Officer, pursuant to Section 25538 of the Public Resources Code, may apply for reimbursement of all costs, including lost fees, incurred in order to comply with the provisions of this section.

- A. Within fourteen days of receipt of an NOI, the Control Officer shall notify the Air Resources Board and the Commission of the District's intent to participate in the NOI proceeding. If the District chooses to participate in the NOI proceeding, the Control Officer shall prepare and submit a report to the Air Resources Board and the Commission prior to the conclusion of the nonadjudicatory hearings specified in Section 25509.5 of the Public Resources Code. That report shall include, at a minimum:
 - a preliminary specific definition of BACT and LAER for the proposed facility;
 - 2. a preliminary discussion of whether there is substantial likelihood that the requirements of this rule and all other District regulations can be satisfied by the proposed facility;
 - 3. a preliminary list of conditions which the proposed facility must meet in order to comply with this rule or any other applicable District regulation.

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

- B. Upon receipt of an AFC for a power plant, the Control Officer shall conduct a Determination of Compliance review. This Determination shall consist of a review identical to that which would be performed if an application for an Authority to Construct had been received for the power plant. If the information contained in the AFC does not meet the District's established requirements for permit applications, the Control Officer shall, within 20 calendar days of receipt of the AFC, so inform the Commission, and the AFC shall be considered incomplete and returned to the applicant for resubmittal.
- C. The Control Officer shall consider the AFC to be equivalent to an application for an Authority to Construct during the Determination of Compliance review, and shall apply all provisions of this rule which apply to applications for an Authority to Construct.
- D. The Control Officer may request from the applicant any information necessary for the completion of the Determination of Compliance review. If the Control Officer is unable to obtain the information, the Control Officer may petition the presiding Commissioner for an order directing the applicant to supply such information.
- E. Within 180 days of accepting an AFC as complete, the Control Officer shall make a preliminary decision on:
 - 1. whether the proposed power plant meets the requirements of this rule and all other applicable district regulations; and
 - 2. in the event of compliance, what permit conditions will be required including the specific BACT and LAER requirements and a description of required mitigation measures.
- F. The preliminary written decision made under Subsection (E) shall be treated as a preliminary decision under Subsection (7)(A)(I) of this rule, and shall be finalized by the Control Officer only after being subject to the public notice and comment requirements of Section (7). The Control Officer shall not issue a Determination of Compliance unless all requirements of this rule are met.
- G. Within 240 days of the filing date, the Control Officer shall issue and submit to the Commission a Determination of Compliance or, if such a determination cannot be issued, shall so inform the Commission. A Determination of Compliance shall confer the same rights and privileges as a permit to construct only when and if the Commission approves the AFC, and the Commission certificate includes all conditions of the Determination of Compliance.
- H. Any applicant receiving a certificate from the Commission pursuant to this section and in compliance with all conditions by the certificate shall be issued a Permit to Operate by the Control Officer.

RULE 210.2 Standards for Permits to Operate

Definitions

The definitions contained in Rule 210.0 shall be applicable to this Rule.

2. General

The Control Officer shall deny a Permit to Operate for any new or modified stationary source or any portion thereof to which Rule 210.1 applies unless:

- A. The owner or operator of the source has obtained an Authority to Construct granted pursuant to Rule 210.1; and
- B: The Control Officer has determined that the source and any sources which provide offsets have been constructed and/or modified to operate, and emit quantities of air contaminants, consistent with the conditions imposed on their respective Authorities to Construct under Section (6) of Rule 210.1; and
- C. The Control Officer has determined that any offsets required as a condition of the Authority to Construct will commence at the time of or prior to initial operations of the new source or modifications, and that the offsets will be maintained throughout the operation of the new or modified source. In the case of a new or modified source which will be, in whole or in part, a replacement for an existing source on the same property, the Control Officer may allow a maximum of ninety (90) days as a start-up period for simultaneous operation of the existing stationary source and the new stationary source or replacement; and
- D. The Control Officer has determined that all conditions specified in the Authority to Construct have been or will be likely complied with by any dates specified.

3. Requirements

The Control Officer shall require as a condition for the issuance of any Permit to Operate for a new or modified source, that the source and any offset source be operated consistent with any conditions imposed on their respective Authorities to Construct under Section (6) of Rule 210.1.

4. Severability

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

State of California AIR RESOURCES BOARD

Attachment B to Resolution 79-68

Preliminary Guidelines for Interpreting Kern County's New Source Review Rule (Rule 210.1)

- 1. In interpreting Rule 210.1(5)(B)(7) the District shall have made a finding that an application is "complete", including proposed offset measures, prior to the date of adoption of a new rule in order for a permit applicant to claim offsets as provided by the exemption in this clause.
- 2. For the purposes of Section 210.1(5)(B)(7):
 A rule which is adopted to be effective or to achieve emissions reductions at a later date shall have the same effect as a rule adopted to taken effect immediately.
- 3. If one form of control technology has been required by the Kern County Air Pollution Control District as Best Available Control Technology on one project and this has been shown to be better than other control technologies, the same type of control technology (or another type which has equivalent performance) shall be required on all similar projects.
- 4. If one form of control technology has been required as BACT in other control districts within the state, it should be applied as BACT to similar sources in Kern County, unless the applicant can show that equivalent emissions reductions can be obtained by another process.
- 5. The Kern County Air Pollution Control District will exercise its own engineering judgement as the final decision in evaluating applications. The applicant has the burden of proof to show that any proposed control system will, in fact, achieve the proposed design efficiency.
- 6. Only that fraction of fugitive dust emissions smaller than three microns in size shall be acceptable as emissions offsets for new sources of combustion particulates.

State of California AIR RESOURCES BOARD

Response to Significant Environmental Issues

Adoption of a Regulation Controlling Emissions of Sulfur Compounds

from Steam Generators Used in Oilfield Operations in the Kern County

Air Pollution Control District

Public Hearing Date: September 7 and 12, 1979.

Response Date: September 12, 1979

Issuing Authority: Air Resources Board

EPA has proposed regulations which would designate scrubber

waste as a hazardous waste. There would not be sufficient disposal sites in Kern County for the disposal of hazardous waste and the cost of scrubbing would be greatly increased.

Response: Both EPA and the state Department of Health have proposed regulations which may result in scrubber waste as being designated as hazardous. Such hazardous waste would have to be disposed of in impoundments with impervious linings. The impoundments would have to have groundwater and leachate monitoring systems installed. The staff believes that such hazardous waste disposal sites could be constructed in Kern County. The need to manage scrubber waste as hazardous would increase the cost of meeting the regulation from \$0.28 to as much as \$0.42 per pound of \$0, reduced. This cost is lower than other programs proposed by the staff and therefore, the Executive Officer believes that Regulation 424 should not be revised by this environmental consideration. The supplemental staff report (79-7-1) prepared in response to comments raised at the Board's March 23, 1979 hearing on this matter, discusses these issues in greater detail and is incorporated by reference herein. Further, use of low sulfur fuel (or a combination of low sulfur fuel and scrubbers) could obviate the need for total reliance on scrubbers, since Rule 424 does not specify the particular control measure to be used to meet the emission requirements of the rule.

Certified: Sally Rump
Board Secretary

Date: 9/12/79

(Resolution No. 79-68)

State of California

Memorandum

To

Huey D. Johnson, Secretary

Resources Agency

Date :

September 21, 1979

Subject:

Filing of Notice of

Decision of the

Air Resources Board

From : Air Resources Board

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

Sally Rump

BOARD SECRETARY

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Attachments

Resolution 79-68