

State of California
AIR RESOURCES BOARD

Resolution 79-69

September 27, 1979

WHEREAS, the Board is required pursuant to Health and Safety Code Section 41500 to review the rules, regulations, and programs of air pollution control districts to assure that they make reasonable provision to achieve and maintain state ambient air quality standards;

WHEREAS, the Board is authorized pursuant to Health and Safety Code Section 41504, on making a finding that a district's rules and regulations will not likely achieve and maintain the state's ambient air quality standards, to establish rules, regulations, and programs as it deems necessary to enable a district to achieve and maintain the state's ambient air quality standards, and is further authorized pursuant to Health and Safety Code Section 39002 to undertake control activities in any area where it determines that the regional authority has failed to meet its responsibilities under Division 26 of the Health and Safety Code or any other provision of law;

WHEREAS, Health and Safety Code Section 41700 prohibits the discharge by any person of such quantities of air contaminants which cause injury, detriment, or nuisance to any considerable number of persons or to the public, or which endanger the health or safety of such persons or the public;

WHEREAS, Public Resources Code Section 21080.5 and Title 17, California Administrative Code, Section 60006 require that where significant adverse effects stemming from a proposed action are identified during a hearing, any action taken at the hearing must incorporate feasible measures to mitigate such effects;

WHEREAS, Health and Safety Code Section 42301 requires that no permit shall be issued for the construction, modification, use or operation of any source of air contaminants where such source will prevent or interfere with the attainment or maintenance of any applicable ambient air quality standards;

WHEREAS, the Board has after 30 days notice held the public hearing required by Health and Safety Code Section 41502 pursuant to the procedures set forth in the California Administrative Procedure Act (Government Code Section 11371, et. seq.), and has considered the evidence and testimony presented at the public hearing by the BAAQMD's staff, the affected industries, and other interested persons pertaining to Regulation 2 (Permits) of the BAAQMD; and

WHEREAS, the Board finds:

That the San Francisco Bay Area Air Basin and the neighboring Sacramento Valley, San Joaquin Valley and North Central Coast Air Basins exceed state ambient air quality standards for oxidant among other pollutants;

That organic gases and oxides of nitrogen have been demonstrated to be chemical precursors to photochemical oxidant and contribute to exceedances of the state oxidant standard;

That the new source review rules and regulations of the BAAQMD governing permits for the construction, modification, and operation of emission sources are deficient in that they will not likely achieve and maintain the state's ambient air quality standards in the San Francisco Bay Area Air Basin and will likely interfere with the attainment and maintenance of the state's ambient air quality standards in the Sacramento Valley, San Joaquin Valley, and North Central Coast Air Basins;

That the amendments to Regulation 2 of the BAAQMD adopted by the Board through this resolution will correct the deficiencies and will contribute to the achievement and maintenance of the state ambient air quality standards for oxidant and other pollutants in the San Francisco Bay Area Air Basin, as well as in the Sacramento Valley, San Joaquin Valley, and North Central Coast Air Basins;

That in the NOI proceedings leading to approval by the California Energy Commission for a coal-fired power plant known as Fossil 1 and 2 to be built on Montezuma Slough, the calculations of emissions and emission reductions expected from the plant's operation and construction were based on the Board's model new source review rules on the assumption that the BAAQMD would adopt a similar or identical rule;

That unless amended to be in conformity with the Board's model new source review rules, the BAAQMD's Regulation 2 will permit emissions from Fossil 1 and 2 greater than those on which the California Energy Commission's approval is based and hence may imperil the entire NOI process relating to Fossil 1 and 2;

That significant adverse environmental effects have been identified which will likely result from adoption of proposed amendments to the new source review rules of the BAAQMD if emissions of 1,1,1-trichloroethane, methylene chloride, and several fully halogenated organic compounds are exempt from the coverage of such rules;

That exemption of such substances will likely result in depletion of the ozone layer and/or injurious effects to the public health, and may be expected to affect adversely plant and insect life;

NOW THEREFORE BE IT RESOLVED that the Air Resources Board amends Regulation 2 of the BAAQMD as set forth in Attachment A hereto;

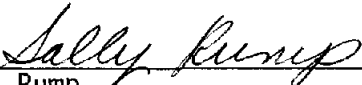
BE IT FURTHER RESOLVED that Regulation 2 as amended in this resolution shall have the same force and effect as rules and regulations adopted by the BAAQMD and shall be enforced by the District in accordance with the provisions of the Health and Safety Code;

BE IT FURTHER RESOLVED that BAAQMD's Regulation 2 as amended may subsequently be amended by the District, provided that no such amendment shall be effective unless and until the Executive Officer finds that such amendment does not impair the overall effectiveness or stringency of said rules. The Executive Officer shall be deemed to have made such a finding unless he notifies the District to the contrary within thirty days of the filing with the Board of such amendments;

BE IT FURTHER RESOLVED that Regulation 2, Rules 1, 2, and 3 as amended by the Board September 27, 1979, shall be effective immediately, except that any application for Authority to Construct which received an affirmative preliminary decision prior to September 27, 1979, shall not be subject to Regulation 2 as amended September 27, 1979, and shall receive final review under applicable pre-existing regulations;

BE IT FURTHER RESOLVED that to the extent that Regulation 2, Rules 1, 2, and 3 are in conflict or are not consistent with any other provision of the BAAQMD's rules or regulations, the provisions of Regulation 2, Rules 1, 2, and 3 adopted September 27, 1979, shall prevail.

I certify that the above is a true
and correct copy of Resolution 79-69
as passed by the Air Resources Board



Sally Rump
Board Secretary

Bay Area Air Quality Management District

REGULATION 2 - PERMITS

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REGULATION 2 - PERMITS

RULE 1 - GENERAL REQUIREMENTS

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 through the issuance of permits.

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

2-1-111 Exemption, Sources and Operations: The following sources and operations are exempt from the requirements of Sections 2-1-301 and 302 except that where air pollution control equipment is used to meet applicable emission standards, such air pollution control equipment is not exempted.

111.1 Single family dwellings.

111.2 Multiple family dwellings, hotels and motels.

111.3 Office and commercial buildings where emissions result solely from space heating by natural gas of less than 10 GJ (10 million BTU) per hour heat input. Incinerators operated in conjunction with such sources are not exempt.

111.4 Road construction, widening and rerouting.

111.5 Restaurants and other retail establishments for the purpose of preparing food for human consumption.

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

2-1-112

Exemption, Equipment: The following equipment is exempt from the requirements of Sections 2-1-301 and 302, except that where air pollution control equipment is used to meet applicable emission standards, such air pollution control equipment is not exempted. Further, equipment that is part of any plant or facility that produces air contaminants in excess of 67 kg (150 lbs.) per day is not exempt.

2-1-112.1

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

112.2

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

112.3

Vacuum producing devices in laboratory operations or 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.

112.4

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.

112.5

Equipment used exclusively for steam cleaning.

112.6

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

112.7

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

112.8

Presses used for the curing of rubber products and plastic products.

- 112.9 Equipment used for hydraulic or hydrostatic testing.
- 112.10 All sheet-fed paper printing presses and all other printing presses using exclusively inks containing no organic solvents, diluents or thinners.
- 112.11 Equipment used for buffing, carving, cutting, drilling, grinding, machining, routing, sanding, sawing, surface grinding or turning of fiberboard, masonry, carbon or graphite.
- 112.12 Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of fresh commercial or purer grades of:
- 112.12.1 Sulfuric acid with an acid strength of 99% or less by weight.
 - 12.2 Phosphoric acid with an acid strength of 99% or less by weight.
 - 12.3 Nitric acid with an acid strength of 70% or less by weight.
- 112.13 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.
- 112.14 Equipment used exclusively for the dyeing or stripping (bleaching) of textiles where no organic solvents, diluents or thinners are used.
- 112.15 Equipment used exclusively to mill or grind coatings and molding compounds in a paste form.
- 112.16 Crucible type or pot type furnaces with a brimful capacity of less than 7.4 liters (450 in³) of any molten metal.
- 112.17 Equipment used exclusively for the melting or applying of wax where no organic solvents, diluents or thinners are used.

- 112.18 Equipment used exclusively for bonding lining to brake shoes.
- 112.19 Lint traps used exclusively in conjunction with dry cleaning tumblers.
- 112.20 Equipment used exclusively to compress or hold dry natural gas.
- 112.21 Tumblers used for the cleaning or deburring of metal products without abrasive blasting.
- 112.22 Shell core and shell-mold manufacturing machines.
- 112.23 Molds used for the casting of metals.
- 112.24 Abrasive blast cabinet-dust filter combination units where the dust filter and blasting cabinet are built integrally and mounted on the same framework.
- 112.25 Batch mixers of 140 liters (5 ft³) rated working capacity or less.
- 112.26 Equipment used exclusively for the packaging of lubricants or greases.
- 112.27 Equipment used exclusively for the manufacture of water emulsions of waxes, greases or oils.
- 112.28 Ovens used exclusively for the curing of vinyl plastisols by the closed mold curing process.
- 112.29 Equipment used exclusively for conveying and storing plastic pellets.
- 112.30 Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives.
- 112.31 Smokehouses or commercial barbecue units in which the maximum horizontal inside cross sectional area does not exceed 2 m² (20 ft²).
- 112.32 Platen presses used for laminating.
- 112.33 Orchard heaters.

- 112.34 Blast cleaning equipment using a suspension of abrasive in water.
- 112.35 Ovens, mixers and blenders used in bakeries where the products are edible and intended for human consumption.
- 112.36 Kilns used for firing ceramic ware, heated exclusively by natural gas, liquified petroleum gas, electricity or any combination thereof.
- 112.37 Laboratory equipment used exclusively for chemical or physical analyses and bench scale laboratory equipment.
- 112.38 Equipment used for inspection of metal products.
- 112.39 Confection cookers where the products are edible and intended for human consumption.
- 112.40 Equipment used exclusively for forging, pressing, rolling or drawing of metals or for heating metals immediately prior to forging, pressing, rolling or drawing.
- 112.41 Die casting machines.
- 112.42 Atmosphere generators used in connection with metal heat treating processes.
- 112.43 Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy.
- 112.44 Brazing, soldering or welding equipment.
- 112.45 Equipment used exclusively for the sintering of glass or metals.
- 112.46 Equipment used for buffing or polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding or turning of ceramic artwork, ceramic precision parts, leather, metals, plastics or rubber with an aggregate driver capacity of less than 7.5 kw (10 hp).

- 112.47 Equipment used for carving, cutting, drilling, grinding, planing, routing, sanding, sawing, shredding or turning of wood or the pressing or storing of sawdust, wood chips or wood shavings with an aggregate driver capacity of less than 7.5 kw (10 hp).
- 112.48 Equipment used for surface preparation, cleaning or stripping of metals by use of aqueous solutions.
- 112.49 Equipment used for washing or drying products fabricated from metal or glass, provided that no volatile organic materials are used in the process and that no oil or solid fuel is burned.
- 112.50 Laundry dryers, extractors or tumblers used for fabrics cleaned only with water solutions of bleach or detergents.
- 112.51 Containers, reservoirs, or tanks used exclusively for electrolytic plating with, or electrolytic polishing of, or electrolytic stripping of the following metals: brass, bronze, cadmium, copper, iron, nickel, tin, zinc and precious metals.
- 112.52 Foundry sand mold forming equipment to which no heat is applied.
- 112.53 Ovens used exclusively for curing potting materials or castings made with epoxy resins.
- 112.54 Equipment used to liquefy or separate oxygen, nitrogen or the rare gasses from the air.
- 112.55 Equipment used for compression molding and injection molding of plastics.
- 112.56 Mixers for rubber or plastics where no material in powder form is added and no organic solvents, diluents, or thinners are used.

- 112.57 Equipment used exclusively to package pharmaceuticals and cosmetics or to coat pharmaceutical tablets.
- 112.58 Equipment used exclusively to grind, blend or package tea, cocoa, spices or roasted coffee.
- 112.59 Roll mills or calenders for rubber or plastics.
- 112.60 Steam generators, steam superheaters, water boilers, water heaters and closed heat transfer systems of less than 10 GJ (10 million BTU) per hour capacity that are fired exclusively with natural gas, liquefied petroleum gas, or any combination thereof.
- 112.61 Natural draft hoods, natural draft stacks or natural draft ventilators.
- 112.62 Containers, reservoirs, or tanks used exclusively for:
- 112.62.1 Dipping operations for coating objects with oils, waxes or greases where no organic solvents, diluents, or thinners are used.
 - 62.2 Dipping operations for applying coatings of natural or synthetic resins which contain no organic solvents.
 - 62.3 Storage of liquified gases.
 - 62.4 Unheated storage of organic liquids with an initial boiling point of 150 degrees C(300°F) or greater.
 - 62.5 The storage of fuel oils with a gravity of 25° API or lower.
 - 62.6 The storage of lubricating oils.
 - 62.7 The storage of fuel oils with a gravity of 40° API or lower and having a capacity of 38 M³ (10,000 gal) or less.

- 62.8 The storage of organic liquids normally used as solvents, diluents or thinners, inks, colorants, paints, lacquers, enamels, varnishes, liquid resins or other surface coatings, and having a capacity of 1 M³ (260 gal.) or less.
- 62.9 The storage of liquid soaps, liquid detergents, tallow, or vegetable oils, waxes or wax emulsions.
- 62.10 The storage of asphalt. This does not include the storage of asphalt cutback with hydrocarbon an initial boiling point less than 150°C (300°F).
- 62.11 Unheated solvent dispensing containers, unheated non-conveyorized solvent rinsing containers or unheated non-conveyorized coating dip tanks of 0.4 m³ (100 gal) capacity or less.
- 62.12 Etching (does not include chemical milling).
- 62.13 The storage of gasoline having a capacity of less than 1 m³ (260 gal.).
- 62.14 The storage of fermentation of wine.
- 112.63 Equipment used exclusively for heat treating glass or metals, or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing or diffusion treating of metal objects.
- 112.64 Crucible furnaces, pot furnaces or induction furnaces, with a capacity of 450 kg (1000 lbs) or less each, in which no sweating or distilling is conducted and from which only the following metals are poured or in which only the following metals are held in a molten state:
- 64.1 Aluminum or any alloy containing over 50% aluminum.
- 64.2 Magnesium or any alloy containing over 50% magnesium.

- 2-1-112.64.3 Lead or any alloy containing over 50% lead.
- 64.4 Tin or any alloy containing over 50% tin.
- 64.5 Zinc or any alloy containing over 50% zinc.
- 64.6 Copper.
- 64.7 Precious metals.
- 112.65 Vacuum cleaning system used exclusively for industrial, commercial or residential housekeeping purposes.
- 112.66 Portable sandblasting equipment used on a temporary basis within the District.

2-1-200 DEFINITIONS

2-1-201 Organic Compounds: For the purposes of this Rule, organic compounds are carbon and hydrogen, or compounds of carbon and hydrogen in combination with other gases which are emitted as liquids or gases, excluding methane.

2-1-202 Major Stationary Source: Any new or modified stationary source which emits more than 46 metric tons (50 T) per year of any air pollutant for which there is a NAAQS.

2-1-300 STANDARDS

2-1-301 Authority to Construct: Any person who builds, erects, modifies, 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 or equivalent equipment is not considered to be an alteration, modification or replacement for the purposes of this section.

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.

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 federal or California laws or regulations. Such denial shall not be based solely on type of construction or design of equipment by which compliance is attained.

2-1-305 Denial, Equipment Not in Conformance with Authority to Construct: The APCO shall deny a permit to operate if it is found that the subject of the application was not built substantially in conformance with the authority to construct.

2-1-306 Denial, Failure of all Facilities to be in Compliance: The APCO shall deny an authority to construct unless the applicant certifies that on the date a complete application is filed all other major stationary sources owned or operated by the applicant within the State of California are, under normal operating conditions, either in compliance or on a schedule of compliance with all applicable state and federal emission limitations and standards which are part of the state implementation plan.

2-1-400 ADMINISTRATIVE REQUIREMENTS

2-1-401 Persons Affected: Any person who has secured an authority to construct shall secure a permit to operate. In addition, the following shall apply for a permit to operate:

401.1 On or before July 1, 1977 any person who operates a facility causing emissions in excess of 450 metric tons (500 tons) per year of any air contaminant for which there is a national or California ambient air quality standard.

401.2 On or before July 1, 1978 any person who operates a facility causing emissions in excess of 90 metric tons (100 tons) per year of such air contaminants.

401.3 On or before July 1, 1979 persons who operate a facility causing emissions in excess of 22.5 metric tons (25 tons) per year of such air contaminants.

401.4 On or before July 1, 1980, persons who operate a facility causing emissions of 2.3 metric tons (2.5 tons) per year or more of such air contaminants

401.5 On or before July 1, 1980, persons who operate gasoline terminals, bulk plants and facilities that dispense gasoline for sale.

Any person exempt under Sections 2-1-111 or 112 who loses such exemption because of changes in those Sections or changes in federal, California or District laws or regulations shall apply for a permit to operate within 90 days of the loss of such exemption.

2-1-402 Applications: Every application for an authority to construct or 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 rule. 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: The APCO may impose any permit condition that he deems reasonably necessary to insure compliance with Federal or California law or District regulations. The APCO may require the installation of devices for measurement or analysis of source emissions or ground-level concentrations of air contaminants.

2-1-404 Changes in Throughput and Hours of Operation: After a permit to operate has been issued, 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 a permit 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 operation hours higher than any month in the prior 12 months.

2-1-404.1 The holder of a permit to operate shall advise the APCO not less than seven days prior to any changes in hours of operation, fuels, process materials or throughput which might increase emissions.

2-1-404.2 The APCO shall act to revoke the permit to operate of any person who fails to comply with the requirements of this section.

2-1-405 Posting of Permit to Operate: Every permit to operate, or approved designation thereof, shall be posted on or near the equipment for which the permit has been issued in such manner as to be clearly visible and accessible, or shall otherwise be available for inspection at all times.

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 for an additional two years upon receipt of a written request from the applicant and written confirmation thereof by the APCO.

2-1-408 Action on Applications: The APCO shall notify the applicant in writing of the approval, approval with conditions or denial of the application within 60 days of receipt of a completed application unless the time is extended with the written consent of the applicant.

2-1-410 Appeal: Within 10 days of the date of publication or receipt of notice of the decision of the APCO, an applicant for a permit or any other person dissatisfied with the decision may appeal to the District Hearing Board 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 shall reverse or modify the decision of the APCO if it determines that the decision of the APCO was erroneous.

- 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 five days after notice has been served.
- 2-1-421 Appeal from Suspension: Within 10 days after 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 a permit should be revoked if it is found that the holder of a permit is violating any applicable order, rule or regulation of the District, or is violating any condition attached to the permit.
- 2-1-423 Hearings: Within 30 days after receipt of requests submitted pursuant to Sections 2-441 and 442, the Hearing Board shall hold a hearing, in accordance with Chapter 8 (commencing with Section 40800) of Part 3, to make such findings as are authorized by Section 42309 of the California Health and Safety Code.

REGULATION 2 - PERMITS

RULE 2 - NEW SOURCE REVIEW

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REGULATION 2 - PERMITS
RULE 2 - NEW SOURCE REVIEW

2-2-100 GENERAL

2-2-101 Description: The purpose of the Rule is to provide for the review of new and modified stationary sources and provide mechanisms, including emission tradeoffs and banking, by which authorities to construct such sources may be granted.

2-2-110 Exemption, Essential Public Services: The APCO shall exempt a person from the requirements of Section 2-2-302 of this Rule if it is determined that the subject of the application will be used exclusively for providing essential public services such as schools, hospitals, or police or fire fighting facilities, but specifically excluding sources of electrical power generation other than for emergency standby use.

2-2-111 Exemption, Conversion from Use of Gaseous Fuels: The APCO shall exempt a person from the requirements of Section 2-2-302 of this Rule if the reason for the new or modified stationary source is to convert from the use of gaseous fuels to fuel oil because of demonstrable shortages of gaseous fuels.

A condition shall be placed on the permit to operate requiring conversion to gaseous or other equivalent low polluting fuels when they are, or become available. The exemption shall be granted provided;

111.1 All changes constituting the modification shall utilize BACT, and

111.2 That the person demonstrates that best efforts to obtain sufficient emissions tradeoffs pursuant to Sections 2-2-302 and 2-2-303 of this Rule, have been made and will be conducted, and

111.3 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.

2-2-112 Exemption, New and Innovative Technology: With the written concurrence of the ARB, the APCO may exempt a person from the requirement of Section 2-2-302 of this Rule if it is determined that the new or modified stationary source will utilize unique and innovative control technology which will result in a significantly lower emission rate from the facility than would have occurred with the use of previously known BACT, and which will likely serve as a model for technology to be applied to similar sources within the state; or, that the facility represents a significant advance in the development of a technology that appears to offer extraordinary environmental or public health benefits or other benefits of overriding importance to the public health or welfare. The applicant shall establish by modeling that the new stationary source or modification will cause the violation of any national ambient air quality standard at the point of maximum ground level impact. This exemption shall apply only to pollutants which are controlled by the innovative control equipment or processes.

2-2-113 Exemption, Cogeneration Project: The APCO shall exempt a person from the requirements of Section 2-2-302 of this Rule if the subject of

the application is a cogeneration project, or a project using refuse-derived or biomass-derived fuel for energy generation, or a resource recovery project using municipal wastes, provided that;

113.1 The applicant establishes by modeling to the satisfaction of the APCO that the emissions from the stationary source will not cause a violation of and will not interfere with the attainment or maintenance of any NAAQS, and

113.2 The applicant certifies that best efforts to obtain sufficient emission offsets pursuant to Sections 2-2-302 and 2-2-303 of this Rule, for the project have been unsuccessful as of the date of this application.

2-2-114 Exemption, No Net Increase: If it is determined that a modification or replacement of an existing stationary source will result in no net increase in the emissions from the source being modified or replaced, the APCO shall exempt the applicant from the requirements of Section 2-2-302 of this Rule.

2-2-200 DEFINITIONS

2-2-201 Actual Emission Reductions: A reduction of emissions from the stationary source selected for emission offsets, from a baseline determined by source tests or other methods approved by the APCO. Baseline and reduced emissions shall be calculated as average daily emissions. If methods other than source tests (such as fuel consumed or solvent used) are used to calculate the baseline, such data must be based on the average of three years usage prior to the submission of the complete application, or other time period as approved by the APCO.

2-2-202 Best Available Control Technology (BACT): For any stationary source, except cargo carriers, the more stringent of:

202.1 The most effective emission control device or technique which has been utilized for at least one year, for the equipment comprising such stationary source; or

202.2 Any other emission control device or technique determined to be technologically feasible and cost-effective by the APCO; or

202.3 The most effective emission control limitation for the equipment comprising such stationary source which the EPA certifies, 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 District, state or federal laws or regulations.

2-2-203 Complete Application: An application for an authority to construct a new or modified stationary source which contains sufficient information for the APCO to determine the emissions from such new or modified source.

2-2-204 Cumulative Increase: The increase in emissions of any given pollutant from a stationary source occurring after December 20, 1977, pursuant to authorities to construct or permits to operate. In calculating cumulative increases, or shutdown of any existing

sources, provided that the abatement or shutdown is not required by changes in federal, state or District laws, rules or regulations.

2-2-205 Modeling: Using an air quality simulation model, based on data and assumptions acceptable to the APCO and the Executive Officer of the ARB.

2-2-206 Modification: 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. Unless previously limited by a permit condition the following shall not be considered changes in method of operation:

206.1 An increase in the production rate if such increase does not exceed the operating design capacity or the actual demonstrated capacity of the stationary source as approved by the APCO.

206.2 An increase in the hours of operation.

206.3 Change in ownership.

206.4 Use of an alternative fuel or raw material if the source was capable of using such fuel or raw material prior to July 1, 1972, or had received permits to use such fuel or raw material.

2-2-207 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.

2-2-208 Point of Maximum Ground Level Impact: The ground level geographic location where actual or projected air pollution concentrations resulting from the new or modified stationary source emissions are at a maximum concentration. If the general public is effectively excluded from the property on which the new or modified stationary source is located, such property shall not be considered as the point of maximum ground level impact.

2-2-209 Stationary Source: A unit or an aggregation of units of nonvehicular air contaminant-emitting equipment which is located on one property or on contiguous properties under the same ownership or entitlement to use and operate; and, in the case of an aggregation of units, those units which are related to one another. Units shall be deemed related to one another if the operation of one is dependent upon, or affects the process of, the other; if the operation involves a common or similar raw material, product, or function; or if they have the same first three digits in their standard industrial classification codes as determined from the Standard Industrial Classification Manual published in 1972 by the Executive Office of the President, Office of Management and Budget. In addition, in cases where all or part of a stationary source is a facility used to load cargo onto or unload cargo from cargo carriers, other than motor vehicles, the APCO shall consider such carriers to be parts of the stationary source. Accordingly, all emissions from such carriers (excluding motor vehicles) while operating within the District and within the California Coastal Waters adjacent to the Air Basin shall be considered as emissions from such stationary source. Emissions from such carriers shall include those that

result from operation of the carriers' engines; the purging or other method of venting vapors; and from the loading, unloading, storage, processing and transfer of cargo.

2-2-210 California Coastal Waters: That area between the California coastline and a line starting at the California - Oregon border at the Pacific Ocean

thence to 42.0 ⁰ N	125.5 ⁰ W
thence to 41.0 ⁰ N	125.5 ⁰ W
thence to 40.0 ⁰ N	125.5 ⁰ W
thence to 39.0 ⁰ N	125.0 ⁰ W
thence to 38.0 ⁰ N	124.0 ⁰ W
thence to 37.0 ⁰ N	123.5 ⁰ W
thence to 36.0 ⁰ N	122.5 ⁰ W
thence to 35.0 ⁰ N	121.5 ⁰ W
thence to 34.0 ⁰ N	120.5 ⁰ W
thence to 33.0 ⁰ N	119.5 ⁰ W
thence to 32.0 ⁰ N	118.5 ⁰ W

and ending at the California - Mexico border at the Pacific Ocean.

2-2-300 STANDARDS

2-2-301 Best Available Control Technology Requirement: An applicant shall apply BACT for each pollutant which exceeds the following limits:

301.1 For all new stationary sources emitting more than 68 kg (150 lbs.) per day of organic compounds, nitrogen oxides, sulfur oxides or particulate matter, or carbon monoxide by an amount which the APCO determines would cause an excess of the NAAQS for carbon monoxide.

301.2 All modifications of existing stationary sources which will increase emissions by more than 68 kg (150 lbs.) per day of organic compounds, nitrogen oxides, sulfur oxides, or carbon monoxide in an amount which the APCO determines would cause an excess of the NAAQS for carbon monoxide.

301.3 Any modification of a stationary source which will have a cumulative increase of more than 68 kg (150 lbs.) per day of organic compounds, nitrogen oxides, sulfur dioxide or particulate matter since December 20, 1977.

2-2-302 Offset Requirement: Emission offsets for stationary sources with cumulative increase in emissions of air pollutants in excess of 112 kg (250 lbs.) per day shall be required for the following air pollutants under the following circumstances before the APCO may issue an authority to construct or modify a stationary source:

302.1 For organic compounds and nitrogen oxides if the NAAQS for ozone has been exceeded anywhere in the District more than 3 times (or for an annual standard, more than once) within the three years immediately preceding the date when the complete application is filed. Methylene chloride, 1,1,1, trichloroethane, and fully halogenated carbon compounds shall not be used as offsets against emissions increases of other organic compounds.

302.2 For nitrogen oxides, if the NAAQS for nitrogen dioxide has been exceeded any where in the District 3 times (or for an annual standard, more than once) within the three years immediately preceding the date when the complete application is filed. However, reductions of organic compounds may be used to offset increases of NO_x provided that the applicant demonstrates to the satisfaction of the APCO that the increased NO_x emissions will not cause or contribute to an excess

of any NAAQS for NO_2 at the point of maximum ground level impact.

302.3 For sulfur dioxide, carbon monoxide or total suspended particulates, unless the applicant demonstrates to the satisfaction of the APCO that such emissions will not interfere with the attainment or maintenance of any NAAQS at the point of maximum ground level impact.

2-2-303 Emission Calculation Standards: Calculation of emissions and emission offsets shall be made by following the guidelines in the ARB Model New Source Review Rule (February 16, 1979). Offsets, when required, shall be actual emission reduction sufficient to offset anticipated emission increases resulting from the construction or modification of the stationary sources. The offset ratios shall be as follows:

303.1 An offset ratio of 2.0:1 shall be required if the new or modified stationary source elects to use annual average emissions as the basis for offsets, provided that the location of offsets is within a 30-mile radius of the new or modified source for organic compounds or NO_x and within a 10-mile radius for particulate matter, SO_2 and CO.

303.2 An offset ratio of 1.2:1 shall be required if other than an annual average is used as the basis for offsets and the offsets are located within a 15-mile radius of the new or modified stationary source, for organic compounds or NO_x , and within a 5-mile radius for particulate matter, SO_2 and CO.

- 2-2-304 Net Air Quality Benefit: Any emission reductions may be used as offsets at ratios determined by the APCO, regardless of the distance between the new or modified stationary source and the location of the offsets, provided the applicant demonstrates to the satisfaction of the APCO that such reductions will result in a net air quality benefit in the area affected by the emissions from the new or modified stationary source and provided the written concurrence of the ARB is obtained.
- 2-2-305 Offsets, Resource Recovery: If an applicant for an authority to construct a resource recovery project using municipal waste demonstrates to the satisfaction of the APCO that the most likely alternative for treating such waste would result in an increase in emissions allowed under existing District permits and regulations, those emission increases which would not occur as a result of the proposed resource recovery project may be used to offset any net emissions increase from the resource recovery project in accordance with other provisions of this Rule.
- 2-2-306 Mandated Reductions, not Applicable: Emission reductions resulting from requirements of federal, state or District laws, rules or regulations shall not be allowed or banked as emission offsets unless a complete application was filed with the District at least 90 days prior to the adoption date of such laws, rules or regulations.
- 2-2-307 Denial, Permit to Operate: The APCO shall deny a permit to operate unless it is determined that the new or modified stationary source and any stationary source or sources which are modified to provide offsets have been constructed and operated substantially in accordance with the conditions on the authority to construct.

2-2-400 ADMINISTRATIVE REQUIREMENTS

2-2-401 Application: In addition to the requirements of Section 2-1-402 of Rule 1, applications for authorities to construct stationary sources subject to Rule 2 shall contain 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. The APCO shall determine whether an application for a permit to construct is complete not later than 30 calendar 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 30 day period to determine completeness shall begin.

2-2-402 Complete Application: Upon determination that the application is complete, the APCO shall notify the applicant in writing. Thereafter, only information regarding offsets, or information to clarify, correct or otherwise supplement the information submitted in the application, may be requested.

2-2-403 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.

- 2-2-404 Preliminary Decision: Within 60 days following the acceptance of an application as complete, 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, conditionally approved, or denied. The applicant shall be notified in writing if the application requires emission offsets.
- 2-2-405 Publication and Public Comment: If the application requires emission reductions from existing sources, 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 2-2-407, and inviting written public comment for a 30 day period following the date of publication. 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.
- 2-2-406 Public Inspection: If the application requires emission reductions from existing sources 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 authority to construct including any proposed conditions, including the reasons therefor. The confidentiality of trade secrets shall be considered in accordance with Section 6254.7 of the Government Code. Further, all such information shall be transmitted, upon the date of publication, to the ARB and the regional office of the EPA.

2-2-407 Authority to Construct, Final Action: Within 180 days following the acceptance of the application as complete, or a longer time period agreed upon, the APCO shall 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. 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.

2-2-408 Appeal: Appeals may be made from the decision of the APCO in accordance with the provisions of Section 2-1-410 of Rule 1.

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 stationary source or sources which provide offsets be operated in the manner assumed in making the analysis requires to determine compliance with this Regulation.

409.1 The Permit to Operate of any stationary 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 stationary 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 not 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 stationary source is, in whole or in part, a replacement for an existing stationary 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 stationary 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 stationary source subject to this Rule within 60 days after start-up of the new or modified stationary 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 Section 2-1-410 of Rule 1.

REGULATION 2 - PERMITS

RULE 3 - POWER PLANTS

- 2-3-100 GENERAL
- 2-3-101 DESCRIPTION
- 2-3-200 DEFINITIONS
- 2-3-201 Determination of Compliance
- 2-3-300 STANDARDS
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- 2-3-303 Power Plants, Offset Bank
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- 2-3-404 Public Notice, Comment and Public Inspection
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- 2-3-500 MONITORING AND RECORDS (Not Included)
- 2-3-600 MANUAL OF PROCEDURES (Not Included)

REGULATION 2 - PERMITS

RULE 3 - POWER PLANTS

2-3-100 GENERAL

2-3-101 Description: This Rule contains special provisions relating to the procedures for the review and standards for the approval of authorities to construct power plants within the District, for which a Notice of Intention (NOI) or application for Certification (AFC) has been accepted by the California Energy Commission (Commission).

2-3-200 DEFINITIONS

Determination of Compliance: A decision by the APCO, made following a review of applicable data, conducted in a manner that is identical to the review conducted to establish the eligibility of a person to receive an authority to construct a stationary source subject to Rule 2 of this Regulation.

2-3-300 STANDARDS

2-3-301 Authority to Construct a Power Plant: An authority to construct a power plant shall be issued only upon the issuance by the APCO of a Determination of Compliance, and the submittal of the Determination of Compliance to the Commission.

2-3-302 Permit to Operate a Power Plant: The APCO shall issue a permit to operate a power plant if the applicant has received certification pursuant to an AFC and after construction, the power plant, is in compliance with all conditions of the certificate, and the authority to construct.

2-3-303 Power Plants, Offset Bank: An applicant may, upon written notice to the District and the ARB, establish an emission offset bank for a power plant at a specific location. The bank shall be established no earlier than the date the NOI for the power plant is accepted by the Commission. The bank shall lapse if the Commission rejects the power plant or site, but in such cases the applicant may transfer the emission offsets contained in the bank to another power plant and location for which the Commission has accepted a NOI.

2-3-304 Use of Offsets: Emission offsets including banked emission offsets, shall be utilized in the same manner and subject to the same restrictions and ratios set forth in Rule 2 of this Regulation.

2-3-400 ADMINISTRATIVE REQUIREMENTS

NOI Proceedings: Within 4 days of receipt of a NOI, the APCO shall notify the ARB and the Commission of the District's intention to participate in the NOI proceedings. If the District chooses to participate in the NOI proceedings, the APCO shall prepare and submit a report to the ARB 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:

401.1 A preliminary specific definition of BACT for the proposed power plant.

401.2 A preliminary discussion of whether there is substantial likelihood that the requirements of District Regulations can be satisfied by the proposed power plant.

401.3 A preliminary list of conditions which the proposed power plant must meet in order to comply with District regulations.

2-3-402 AFC Proceedings: Upon receipt of an AFC, the APCO shall determine whether the information contained therein is sufficient to undertake a Determination of Compliance review. If not, the APCO shall, within 20 days of receipt of the AFC, so inform the Commission, and the AFC shall be considered incomplete and returned to the applicant for resubmittal. The APCO may also request from the applicant any information necessary for the completion of the Determination of Compliance review. If the information is not supplied, the APCO may petition the presiding Commissioner for an order directing the applicant to provide such information.

2-3-403 Preliminary Decision: Within 180 days of accepting an AFC as complete, the APCO shall conduct a Determination of Compliance review and make a preliminary decision as to whether the proposed power plant meets the requirements of District regulations. If so, the APCO shall make a preliminary determination of conditions to be included in the Certificate, including specific BACT requirements and a description of mitigation measures to be required.

2-3-404 Public Notice, Comment and Public Inspection: The preliminary decision made pursuant to Section 2-3-403 shall be subject to the public notice, public comment and public inspection requirements contained in Section 2-2-406 and 407 of Rule 2.