

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 1303 – REQUIREMENTS

*(Adopted Oct. 5, 1979)(Amended March 7, 1980)(Amended Sept. 10, 1982)
(Amended July 12, 1985)(Amended August 1, 1986)(Amended June 28, 1990)
(Amended May 3, 1991)(Amended December 7, 1995)(Amended May 10, 1996)
(Amended October 20, 2000)(Amended February 16, 2001)
(Amended April 20, 2001)(Amended December 6, 2002)*

- (a) Best Available Control Technology (BACT):
- (1) The Executive Officer or designee shall deny the Permit to Construct for any relocation or for any new or modified source which results in an emission increase of any nonattainment air contaminant, any ozone depleting compound, or ammonia, unless BACT is employed for the new or relocated source or for the actual modification to an existing source.
 - (2) In implementing subdivision (a), the Executive Officer or designee shall periodically publish guidelines indicating the administrative procedures and requirements for commonly permitted sources. BACT for other source categories shall be determined using the definition of BACT in Rule 1302 and the general administrative procedures and requirements of the BACT Guidelines. BACT for sources located at major polluting facilities shall be at least as stringent as Lowest Achievable Emissions Rate as defined in the federal Clean Air Act Section 171(3) [42 U.S.C. Section 7501(3)]. When updating the BACT guidelines to become more stringent for sources not located at major polluting facilities, economic and technical feasibility shall be considered in establishing the class or category of sources and the applicable requirements.
 - (3) BACT for sources not located at major polluting facilities shall be as specified in the BACT Guidelines for such source categories, unless the BACT specified in the guideline is less stringent than required by state law in which case BACT shall be as defined in state law considering economic and technical feasibility.
 - (4) The BACT requirements of this paragraph shall apply regardless of any modeling or offset exemption in Rule 1304.
- (b) The Executive Officer or designee shall, except as Rule 1304 applies, deny the Permit to Construct for any new or modified source which results in a net emission increase of any nonattainment air contaminant at a facility, unless each

of the following requirements is met:

(1) Modeling

The applicant substantiates with modeling that the new facility or modification will not cause a violation, or make significantly worse an existing violation according to Appendix A or other analysis approved by the Executive Officer or designee, of any state or national ambient air quality standards at any receptor location in the District.

(2) Emission Offsets

(A) Emission Reduction Credits

Unless exempt from offsets requirements pursuant to Rule 1304, emission increases shall be offset by either Emission Reduction Credits approved pursuant to Rule 1309, or by allocations from the Priority Reserve in accordance with the provisions of Rule 1309.1, or allocations from the Offset Budget in accordance with the provisions of Rule 1309.2. Offset ratios shall be 1.2-to-1.0 for Emission Reduction Credits and 1.0-to-1.0 for allocations from the Priority Reserve, except for facilities not located in the South Coast Air Basin (SOCAB), where the offset ratio for Emission Reduction Credits only shall be 1.2-to-1.0 for VOC, NO_x, SO_x and PM₁₀ and 1.0-to-1.0 for CO.

(B) Short-Term Credits (STCs):

Notwithstanding sub-paragraph (b)(2)(A) above, emission increases may be offset, in whole or part, by the use of SIP-approved STCs provided that:

- (i) the same offset ratio as in subdivision (A) above is used; and
- (ii) STCs must be used in the same calendar year in which they are generated; and
- (iii) the applicant provides a minimum of 5 consecutive years of STCs; and
- (iv) the BACT evaluation shall be based on the highest permitted emissions level during the term of the permit, unless there is an increase in the amount of highest permitted emissions levels of any pollutant from the immediately previous permit; and
- (v) the permit is expressly conditioned on a year-by-year basis

- to restrict operation and emissions to the amount of STCs provided for that year and to the number of years of STCs provided and further conditioned so as to cease operation and cancel the permit when all STCs are expired; and
- (vi) STCs must be generated from real reductions, quantifiable, permanent for the time period in which they are valid, federally enforceable and surplus as defined by the SIP approved protocols; and
 - (vii) operation of the source using STCs is subject to annual verification of the amount of STCs generated pursuant to a SIP-approved credit generation rule that authorizes the use of such credits in Regulation XIII. The generator of the STCs is responsible for providing additional offsets as a result of any shortfall. Failure to provide additional offsets where a shortfall occurs is a violation of this rule by the generator. If the generator does not provide the required additional offsets, the operator shall provide those offsets within 90 days upon notification by the Executive Officer. Any failure by the operator to secure such offsets after notification by the Executive Officer is a violation of this rule for each and every day for the period sufficient credits were not provided; and
 - (viii) STCs shall be identifiable by the time the public notice is given and shall be surrendered to the District before a new or revised permit to construct or operate is issued; and
 - (ix) notwithstanding (b)(2)(B)(viii), if a source has identified an enforceable obligation, including an approved application by the generator, to create STCs pursuant to a SIP approved protocol on or before commencement of operations of the source, a permit to construct may be issued. Operation of the source will be contingent upon the credits being generated and verified. For sources using this provision, the Permit to Construct does not serve as a Temporary Permit to Operate until the Executive Officer has verified the generation of the STCs; and
 - (x) operator files an application to extend or modify the permit

to construct or operate or notifies the AQMD of the intent to cease operation at least 1 year prior to the date the permit requires the source to cease operation;

- (xi) the term of the initial permit issued pursuant to clause (b)(2)(B)(v) based on STCs, may be extended for a minimum of five years and in at least five year increments thereafter provided:
 - (A) the operator provides sufficient additional STCs, as determined by the Executive Officer, and
 - (B) the operator complies with all applicable rules and regulations; and
 - (xii) the emission limit of the initial permit issued pursuant to clause (b)(2)(B)(v) based on STCs may be extended based on the quantity of credits provided; and
 - (xiii) applications using STCs shall follow the public noticing procedures of Rule 1309.2(d); and
 - (xiv) application for permits to construct and operate issued for extensions of the initial permit issued pursuant to (b)(2)(B)(xi) shall not trigger the BACT requirements of Rule 1303(a), unless there is an increase in the amount of the permitted emission levels of any pollutant from the immediately previous permit.
- (C) Specific VOC ERCs
- Any VOC ERCs issued for acetone, 1,1,1- trichloroethane, and perchloroethylene may not be used for any purpose except that they may be retired within 90 days after February 16, 2001. Within 150 days after February 16, 2001, the District will:
- (1) Re-issue all remaining VOC ERCs according to the following formula:

$$\text{New Certificate Value} = \text{Old Certificate Value} \times \frac{[(\text{ERC}_T - \text{ERC}_D)]}{(\text{ERC}_T)}$$

where:

ERC_T = ERC_D plus all other VOC ERCs as of 90 days

after February 16, 2001.

ERC_D = Total remaining de-listed compound ERCs excluding those that resulted from equipment shutdowns and held by their original holders, as of 90 days after February 16, 2001.

- (2) Re-issue the difference between old and new certificate values as de-listed VOC reduction certificates. Such credits shall be issued in the same proportion as the old certificate holders were devalued. Reissue the certificates for ERCs for perchloroethylene, acetone, and 1,1,1-trichloroethane that resulted from equipment shutdowns and held by their original owners as of 90 days from February 16, 2001 as de-listed VOC reduction certificates. Such certificates shall not be eligible for inter-pollutant trading, for providing Regulation XIII offsets in the South Coast District or for any SIP purpose, and shall be labeled accordingly.
- (3) Sensitive Zone Requirements
Unless credits are obtained from the Priority Reserve, facilities located in the South Coast Air Basin are subject to the Sensitive Zone requirements specified in Health and Safety Code Section 40410.5. A facility in zone 1 may obtain Emission Reduction Credits originated in zone 1 only, and a facility in zone 2A may obtain Emission Reduction Credits from either zone 1 or zone 2A, or both, or demonstrate to the Executive Officer or designee a net air quality benefit in the area impacted by the emissions from the subject facility.
- (4) Facility Compliance
The subject facility complies with all applicable rules and regulations of the District.
- (5) Major Polluting Facilities
In addition to the above requirements, any new major polluting facility or major modification at an existing major polluting facility shall comply with the following requirements:
 - (A) Alternative Analysis

Conduct an analysis of alternative sites, sizes, production processes, and environmental control techniques for such proposed source and demonstrate that the benefits of the proposed project outweigh the environmental and social costs associated with that project.

(B) Statewide Compliance

Demonstrate prior to the issuance of a Permit to Construct, that all major stationary sources, as defined in the jurisdiction where the facilities are located, that are owned or operated by such person (or by any entity controlling, controlled by, or under common control with such person) in the State of California are subject to emission limitations and are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act.

(C) Protection of Visibility

(i) Conduct a modeling analysis for plume visibility in accordance with the procedures specified in Appendix B if the net emission increase from the new or modified source exceeds 15 tons/year of PM₁₀ or 40 tons/year of NO_x; and the location of the source, relative to the closest boundary of a specified Federal Class I area, is within the distance specified in Table C-1.

Table C-1

| <i>Federal Class I Area</i> | <i>Distance (km)</i> |
|-----------------------------|----------------------|
| Agua Tibia | 28 |
| Cucamonga | 28 |
| Joshua Tree | 29 |

| | |
|--------------|----|
| San Gabriel | 29 |
| San Gorgonio | 32 |
| San Jacinto | 28 |

- (ii) In relation to a permit application subject to the modeling analysis required by clause (b)(5)(C)(i), the Executive Officer shall:
- (I) deem a permit application complete only when the applicant has complied with the requisite modeling analysis for plume visibility pursuant to clause (b)(5)(C)(i);
 - (II) notify and provide a copy of the complete permit application file to the applicable Federal Land Manager(s) within 30 calendar days after the application has been deemed complete and at least 60 days prior to final action on the permit application;
 - (III) consider written comments, relative to visibility impacts from the new or modified source, from the responsible Federal Land Manager(s), including any regional haze modeling performed by the Federal Land Manager(s), received within 30 days of the date of notification, when determining the terms and conditions of the permit;
 - (IV) consider the Federal Land Manager(s) findings with respect to the geographic extent, intensity, duration, frequency and time of any identified visibility impairment of an affected Federal Class I area,

- including how these factors correlate with times of visitor use of the Federal Class I area, and the frequency and timing of natural conditions that reduce visibility; and,
- (V) explain its decision or give notice as to where to obtain this explanation if the Executive Officer finds that the Federal Land Manager(s) analysis does not demonstrate that a new or modified source may have an adverse impact on visibility in an affected Federal Class I area.
 - (iii) If a project has an adverse impact on visibility in an affected Federal Class I area, the Executive Officer may consider the cost of compliance, the time necessary for compliance, the energy and non-air quality environmental impacts of compliance, the useful life of the source, and all other relevant factors in determining whether to issue or deny the Permit to Construct or Permit to Operate.
- (D) Compliance Through California Environmental Quality Act
- The requirements of subparagraph (b)(5)(A) may be met through compliance with the California Environmental Quality Act in the following manner:
- (i) if the proposed project is exempt from California Environmental Quality Act analysis pursuant to a statutory or categorical exemption pursuant to Title 14, California Code of Regulations Sections 15260 to 15329, subparagraph (b)(5)(A) shall not apply to that project;
 - (ii) if the proposed project qualifies for a negative declaration pursuant to Title 14 California Code of Regulations Section 15070, or for a mitigated negative declaration as defined in Public Resources Code Section 21064.5; subparagraph

- (b)(5)(A) shall not apply to that project, or
- (iii) the proposed project has been analyzed by an environmental impact report pursuant to Public Resources Code Section 21002.1 and Title 14 California Code of Regulations Section 15080 et seq., subparagraph (b)(5)(A) shall be deemed to be satisfied.

APPENDIX A

The following sets forth the procedure for complying with the air quality modeling requirements of Rule 1303(b). An applicant must either (1) provide an analysis, approved by the Executive Officer or designee, or (2) show by using the Screening Analysis below, that a significant change (increase) in air quality concentration will not occur at any receptor location for which the state or national ambient air quality standards are exceeded. Modeling for VOC and SO_x is not required.

Table A-1 of the screening analysis is subject to change by the Executive Officer or designee, based on improved modeling data.

SCREENING ANALYSIS

Compare the emissions from the source you are applying for to those in Table A-1. If the emissions are less than the allowable emissions, no further analysis is required. If the emissions are greater than the allowable emissions, a more detailed air quality modeling analysis is required.

Table A-1

Allowable Emissions
for Noncombustion Sources and for
Combustion Sources less than or equal to 40 Million BTUs per hour

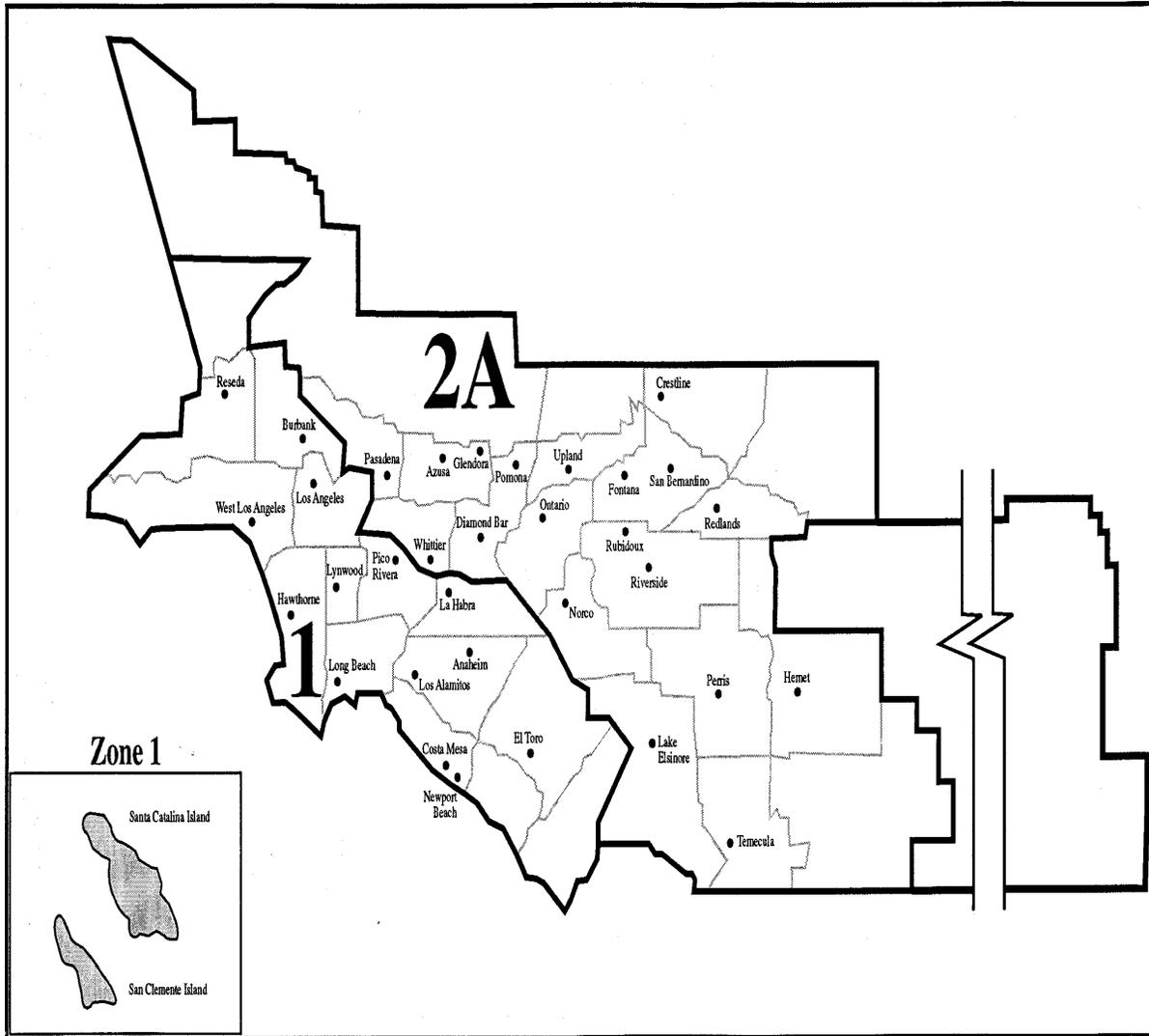
| Heat Input Capacity (million BTUs/hr) | NO _x (lbs/hr) | CO (lbs/hr) | PM ₁₀ (lbs/hr) |
|--|-----------------------------|----------------|------------------------------|
| Noncombustion Source | 0.068 | 3.7 | 0.41 |
| < 2 | 0.20 | 11.0 | 1.2 |
| >2 < 5 | 0.31 | 17.1 | 1.9 |
| >5 < 10 | 0.47 | 25.9 | 2.8 |
| >10 < 20 | 0.86 | 47.3 | 5.2 |
| >20 < 30 | 1.26 | 69.3 | 7.6 |
| >30 ≤40 | 1.31 | 72.1 | 7.9 |

TABLE A-2

Most Stringent Ambient Air Quality Standard and
Allowable Change in Concentration
For Each Air Contaminant/Averaging Time Combination

| Air Contaminant | Averaging Time | Most Stringent Air Quality Standard | | Significant Change in Air Quality Concentration | |
|--|-----------------------|-------------------------------------|-----------------------|---|------------------------|
| Nitrogen Dioxide | 1-hour | 25 pphm | 500 ug/m ³ | 1 pphm | 20 ug/m ³ |
| | Annual | 5.3 pphm | 100 ug/m ³ | 0.05 pphm | 1 ug/m ³ |
| Carbon Monoxide | 1-hour | 20 ppm | 23 mg/m ³ | 1 ppm | 1.1 mg/m ³ |
| | 8-hour | 9.0 ppm | 10 mg/m ³ | 0.45 ppm | 0.50 mg/m ³ |
| Suspended Particulate Matter - <10um (PM ₁₀) | 24-hour | 50 ug/m ³ | | 2.5 ug/m ³ 1 ug/m ³ | |
| | Annual Geometric Mean | 30 ug/m ³ | | 1 ug/m ³ | |
| Sulfate | 24-hour | 25 ug/m ³ | | | |

NSR Trading Zones South Coast AQMD Air Monitoring Stations



**APPENDIX B
MODELING ANALYSIS FOR VISIBILITY**

- (a) The modeling analysis performed by the applicant shall consider:
 - (1) the net emission increase from the new or modified source; and
 - (2) the location of the source and its distance to the closest boundary of specified Federal Class I area(s).
- (b) Level 1 and 2 screening analysis for adverse plume impact pursuant to subparagraph (b)(5)(C) of this rule for modeling analysis of plume visibility shall consider the following applicable screening background visual ranges:

| Federal Class I Area | Screening Background Visual Range (km) |
|----------------------|---|
| Agua Tibia | 171 |
| Cucamonga | 171 |
| Joshua Tree | 180 |
| San Gabriel | 175 |
| San Gorgonio | 192 |
| San Jacinto | 171 |

For level 1 and 2 screening analysis, no adverse plume impact on visibility results when the total color contrast value (Delta-E) is 2.0 or less and the plume contrast value (C) is 0.05 or less. If these values are exceeded, the Executive Officer shall require additional modeling. For level 3 analysis the appropriate background visual range, in consultation with the Executive Officer, shall be used. The Executive Officer may determine that there is no adverse visibility impact based on substantial evidence provided by the project applicant.

- (c) When more detailed modeling is required to determine the project’s visibility impact or when an air quality model specified in the Guidelines below is deemed inappropriate by the Executive Officer for a specific source-receptor application, the model may

be modified or another model substituted with prior written approval by the Executive Officer, in consultation with the federal Environmental Protection Agency and the Federal Land Managers.

- (d) The modeling analysis for plume visibility required pursuant to subparagraph (b)(5)(C) of this rule shall comply with the most recent version of:
 - (1) “Guideline on Air Quality Model (Revised)” (1986), supplement A (1987), supplement B (1993) and supplement C (1994), EPA-450/2-78-027R, US EPA, Office of Air Quality Planning and Standards Research Triangle Park, NC 27711; and
 - (2) “Workbook for Plume Visual Impact Screening and Analysis (Revised),” EPA-454-/R-92-023, US EPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711;
 - (3) “User’s Manual for the Plume Visibility Model (PLUVUE II) (Revised),” EPA-454/B-92-008, US EPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711 (for Level-3 Visibility Analysis)