



Amendments to District Rule 502 New Source Review

AUGUST 12, 2021

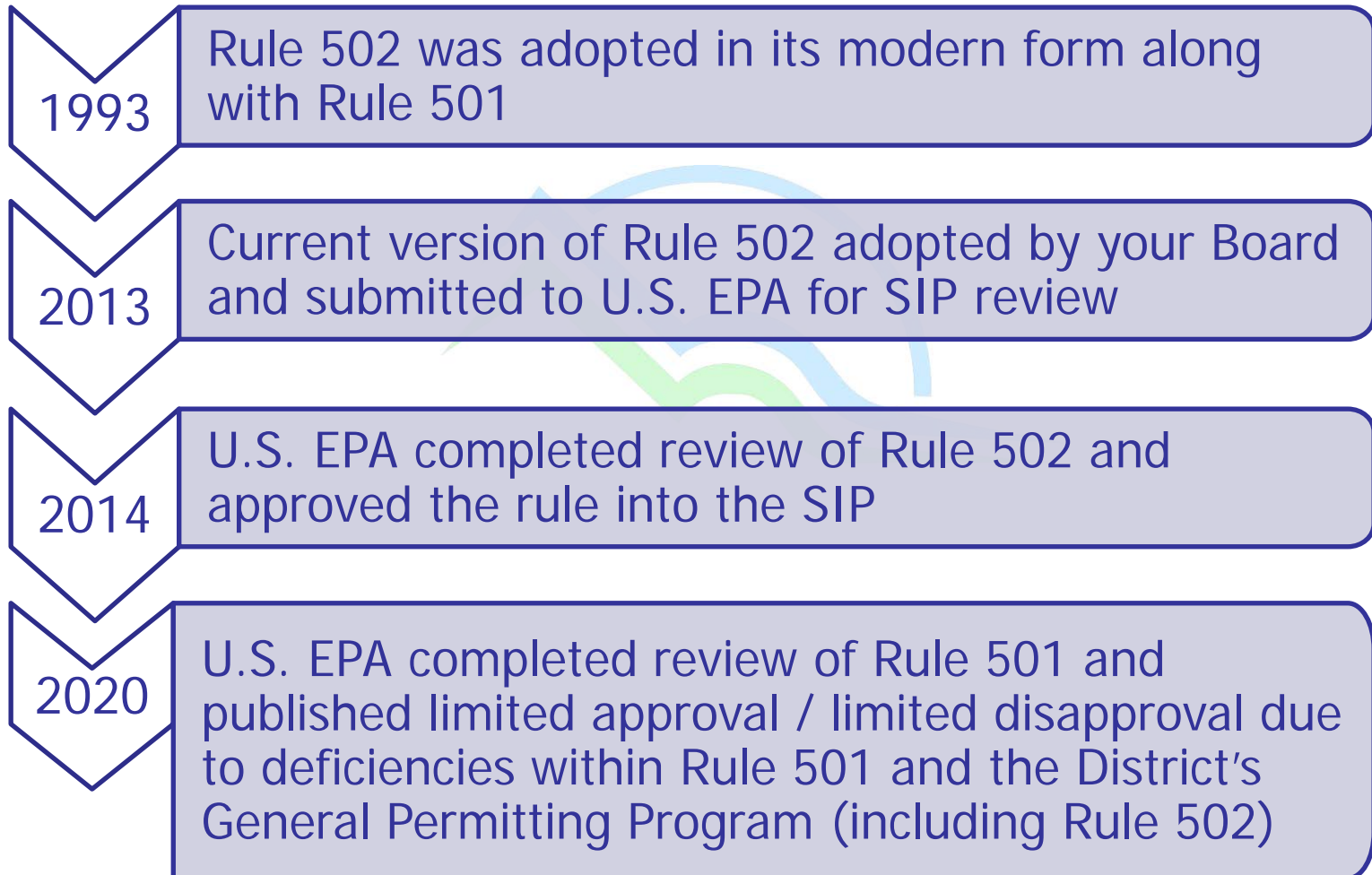


INTRODUCTION TO RULE 502, NEW SOURCE REVIEW

- NSR is an essential part of the District's general permitting program
- Provides requirements for the review of new and modified sources of air pollution through mechanisms which ensure compliance with air quality standards
- A federally-approved permit program for every air district is required to be included as a part of the California State Implementation Plan (SIP)



HISTORY OF RULE 502





PUBLIC NOTIFICATION LAKE TAHOE AIR BASIN

April 2021

- Amended Rule 501, General Permit Requirements
- Resolved three of four deficiencies which made up the basis of U.S. EPA's "Limited Disapproval"

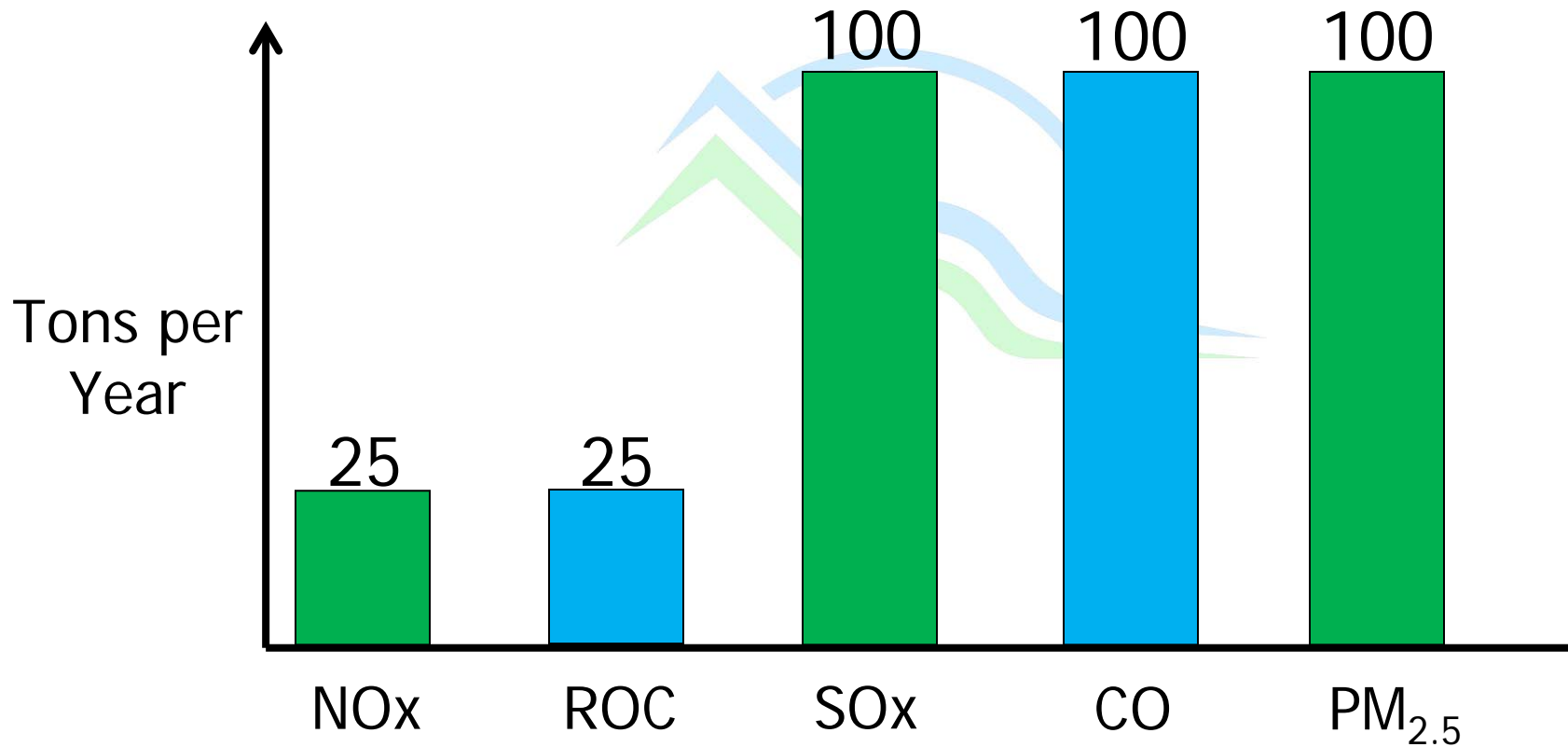
August 2021

- Amendments to Rule 502, New Source Review
- The District's permitting program requires a public notice process for new and modified sources in the Lake Tahoe Air Basin portion of the District
- Public notice procedures are required by the federal Clean Air Act (CAA)



PUBLIC NOTIFICATION LAKE TAHOE AIR BASIN

Public Notification Thresholds





AMMONIA AS A PM_{2.5} PRECURSOR

- U.S. EPA finalized the 2012 Fine Particulate Matter (PM_{2.5}) NAAQS State Implementation Plan Requirements in August of 2016
- Federal rules now include the regulation of ammonia as a precursor to PM_{2.5}
- Necessary part of Rule 502 for SIP approval
- Only applicable to federal Major Sources and Major Modifications with ammonia emissions greater than 100 tpy (new source) or 40 tpy (modification)



OZONE PRECURSOR INTERPOLLUTANT TRADING

- In January of 2021, the U.S. Court of Appeals for the D.C. Circuit vacated several provisions of the 2018 Ozone Implementation Regulation
- Vacated the interpollutant trading of ozone precursors (NO_x and ROCs) due to violation of plain language of CAA
- Rule 502 amended to limit interpollutant trading to not allow NO_x and ROC trading as ozone precursors
- Applicable only to federal Major Sources and Major Modifications



EMISSION OFFSET APPLICABILITY AND QUANTIFICATION

- Additional updates to clarify the emission offset requirements of federal vs state NSR programs
- Current language may be interpreted ambiguously and can be confusing since both programs partially overlap
- Proposed language will more clearly define the program applicability thresholds as well as how to define the quantity of offsets which are needed



EMISSION OFFSET APPLICABILITY AND QUANTIFICATION

Emission Offset Applicability Thresholds (tons/yr)

		NOx	VOC	PM _{2.5}	CO	SO ₂
Federal †	Major Source	25	25	100	--	100
	Major Modification	25	25	10	--	40
State	Facility-Wide	10	10	15	99	27.5

† Federal Major Source and Major Modification thresholds correspond to sources in the Sacramento Valley Air Basin



EMISSION OFFSET APPLICABILITY AND QUANTIFICATION

Emission Offsets Required

Federal	$\begin{array}{r} \text{Proposed Project Emissions} \\ - \quad \underline{\text{Historic Actual Emissions}} \\ = \quad \text{Total Offsets Required} \end{array}$
State	$\begin{array}{r} \text{Proposed Project Emissions} \\ - \quad \underline{\text{Current Potential Emissions}} \\ = \quad \text{Total Offsets Required} \end{array}$



2015 OZONE NAAQS IMPLEMENTATION RULE REVIEW

- Parallel review with EPA's 2015 Ozone Standard Nonattainment Area State Implementation Plan Requirements (2015 Ozone Implementation Rule)
- The only applicable change to the Nonattainment New Source Review (NNSR) program was vacated by the January 2021 U.S Court of Appeals decision
- Submittal of Rule 502 to EPA will satisfy the 2015 Ozone Implementation Rule's review requirement



U.S. EPA AND CARB REVIEW

- Rule 502 language is consistent with federal and state statutory and regulatory requirements
- The proposed amendments were developed in collaboration with EPA Region 9
- California Air Resources Board (CARB) staff have completed their review of the proposed rule and had no comments



CONCLUSION AND RECOMMENDATION

District staff recommends the Board adopt Resolution #21-08, thereby:

- 1) Approving the proposed District Rule 502, New Source Review, as shown in Exhibit I to the Resolution; and,
- 2) Authorizing and directing the APCO to forward the amended Rule 502, New Source Review, and all necessary supporting documents to CARB and U.S. EPA as a requested revision to the SIP.