



Regulation XIII – New Source Review

Working Group Meeting
April 15, 2021

Join Zoom Webinar Meeting
<https://scaqmd.zoom.us/j/93109899879>

Webinar Meeting ID: **931 0989 9879**

Passcode: **298663**

Teleconference Dial-In: 1-669-900-6833

Agenda



Previous Working Group Summary

Status of NSR Issues

Proposed Amended Rule 1304

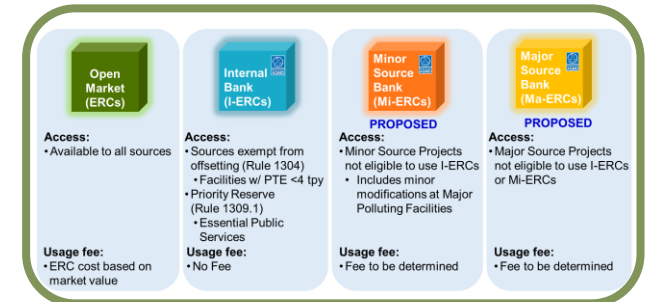
Previous Working Group Meetings Summary

February 2021

- PAR 1304 Rule Development
 - BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities
- Overall Offsetting Structure
 - Proposed Minor and Major Source Banks
 - Seeding the proposed banks

PAR 1304 – Proposed Rule Language

(f) BACT Exemptions A RECLAIM NOx facility or a former RECLAIM NOx facility that is transitioning from a RECLAIM regulatory structure to a command-and-control regulatory structure shall be exempt from the BACT requirement of Rule 1303 (a)(1) for non-ozone precursors, except for ammonia emissions, provided:	Exemption needs to be limited to secondary pollutants and RECLAIM transition in order to ensure no backsliding under SB 288
(1) The facility installs or modifies an emission control device solely to comply with South Coast AQMD command-and-control NOx BACT rules;	Exemption limited to projects solely for the purposes of BACT rules
(2) There is no increase in maximum rating or permitted operating schedule of the source;	Ensures no increase in total capacity, rating, throughput, and hours of operation
(3) There is no increase in the physical or operational design of the existing facility, except for those changes to the design needed for the installation or modification of the emission control device itself;	Exemption needs to be below major modification thresholds in order to not require major new source review
(4) Emissions from the source, by itself, do not cause an exceedance of any ambient air quality standards; and	
(5) The project does not constitute a federal major modification.	



March 2021

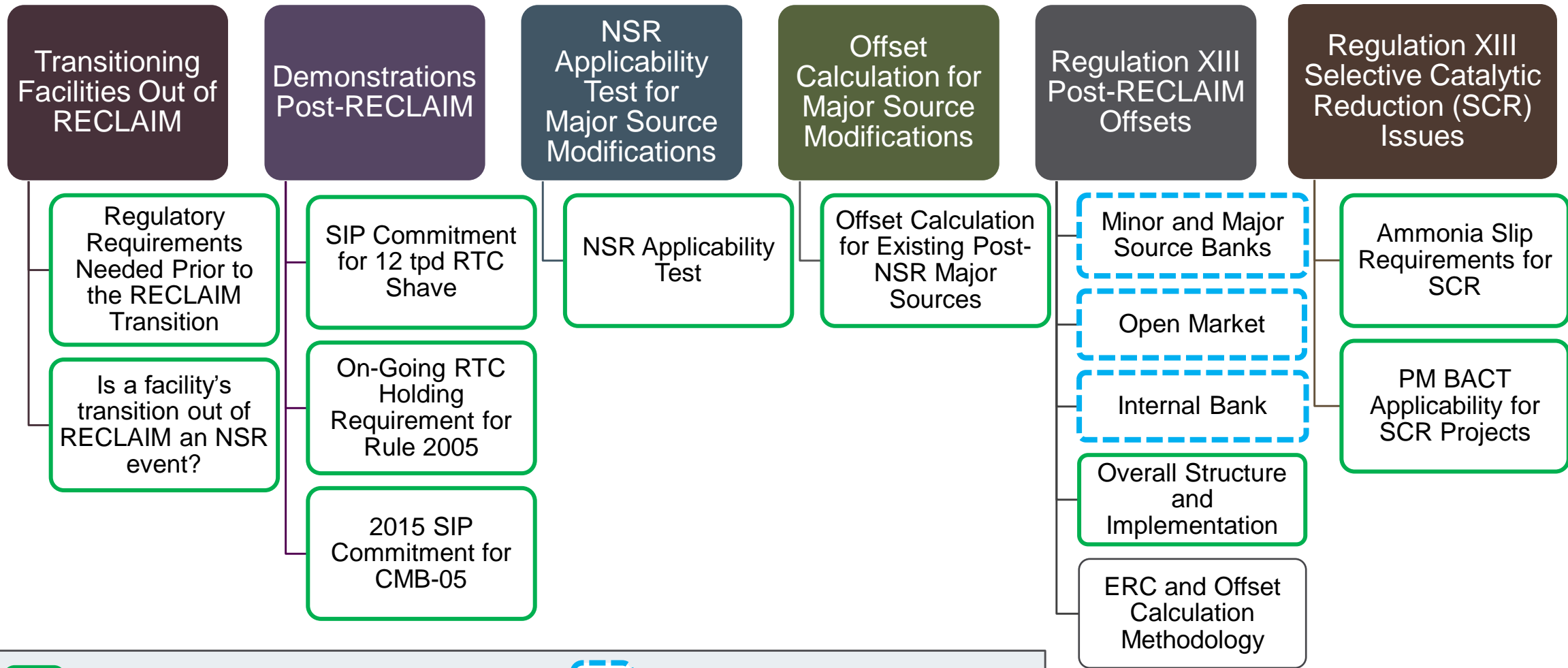
- Responded to stakeholder comments on the RECLAIM Transition Plan, Draft Version 2.0

Comment Letters

- Five comment letters were received from:
 - California Council for Environmental and Economic Balance (CCEEB)
 - Latham & Watkins on behalf of the Regulatory Flexibility Group (RFG)
 - Los Angeles Department of Water & Power (LADWP)
 - Torrance Refining Company LLC (TORC)
 - Western States Petroleum Association (WSPA)
- Comment letters are available on the proposed rules webpage¹

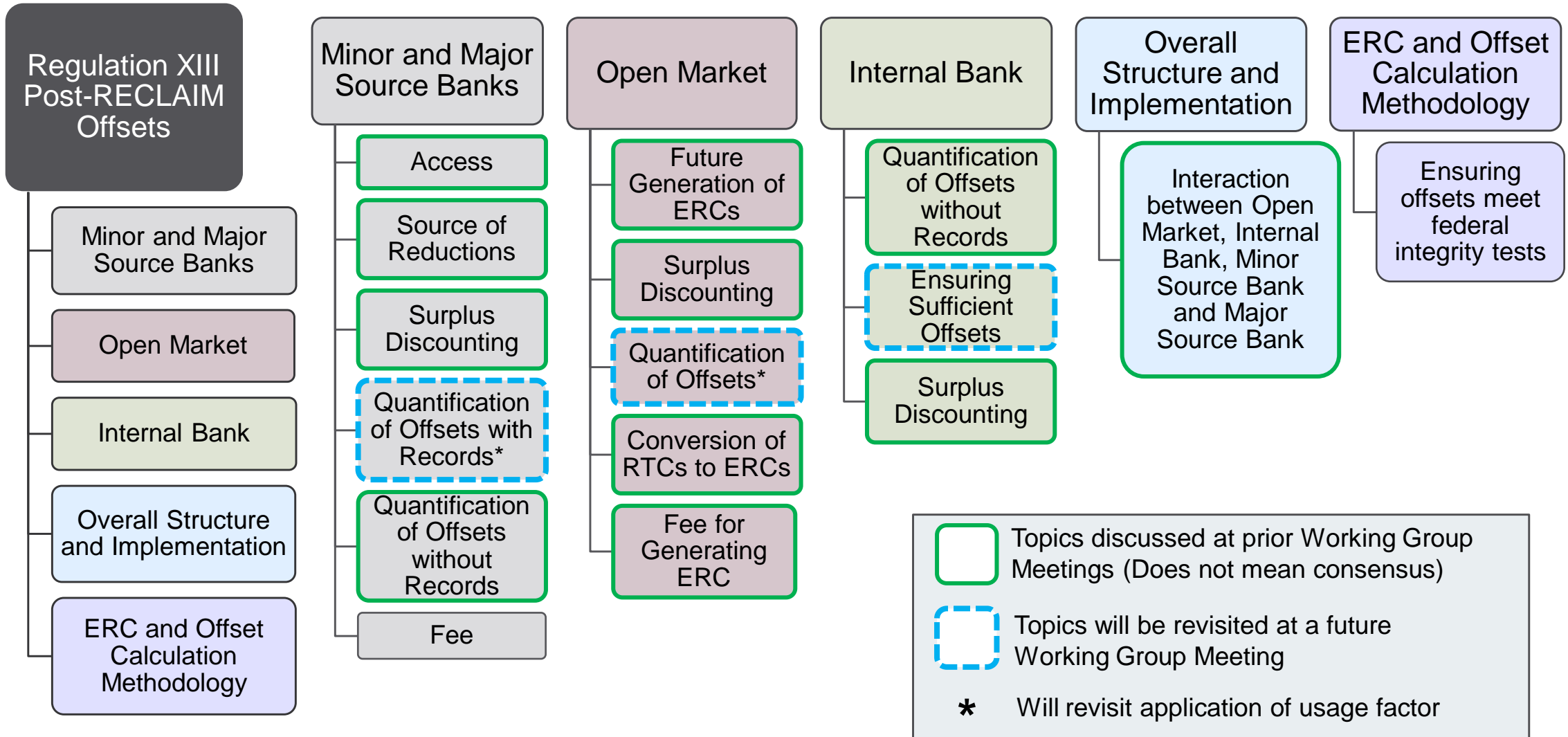
¹ <http://www.aqmd.gov/home/rules-compliance/rules/scaaqmd-rule-book/proposed-rules/regulation-x/comment-letters>

Status of NSR Issues



 Topics discussed at prior Working Group Meetings (Does not mean consensus)
 Topics will be revisited at a future Working Group Meeting

Regulation XIII Offsets Post-RECLAIM



Proposed Amended Rule 1304

- February Working Group discussed Proposed Amended Rule 1304
 - Presented draft rule language
 - Discussed different replacement scenarios, pending applications, and existing permit limits
- Received Working Group comments requesting:
 - Additional rule language to clearly allow replacements
 - Further clarification about replacement scenarios
 - Clarification about allowing increases in efficiency when limiting increases in the operational design
- Will discuss updated rule language during today's meeting

PAR 1304 – Updated Rule Language

(f) Limited BACT Exemption

(1) Upon approval by the Executive Officer or designee, a new or modification to the permitted unit(s), to install add-on air pollution control equipment to control the issuance of ozone precursors, is exempt from the BACT requirement of Rule 1303 (a)(1) provided:

(A) The exemption is limited to particulate matter emissions;

- Updated rule to specify applicability for new or modifications to permitted unit(s), to add pollution control equipment for the control of ozone precursor emissions
- Changed BACT exemption applicability from non-ozone precursors to particulate matter emissions only
 - PM emissions created by add-on pollution control would be exempt from BACT
 - Ammonia emissions from SCR installations would not be exempt
- Added language regarding exemption approval for consistency with other provisions in Rule 1304
 - Approval would occur during permitting

Subparagraph (f)(1)(B) – BACT Exemption Limitations

(B) The new or modification to the permitted unit(s) at a RECLAIM or former RECLAIM facility are to comply with a South Coast AQMD rule to meet a specified NO_x BARCT emission limit initially established before December 31, 2023;

- Exemption would be limited for the purpose of complying with a NO_x BARCT emission limit that was established for RECLAIM or former RECLAIM facilities for the RECLAIM transition to command-and-control and would not apply to future BARCT rules
- Rule language updated to with cutoff date to exclude applicability of future BARCT rules

Subparagraphs (f)(1)(C) and (f)(1)(D) – BACT Exemption Limitations

(C) There is no increase in the total maximum rated capacity for the new permitted unit(s), and the new permitted unit(s) that are replacing permitted unit(s) serve the same purpose as those being replaced;

(D) There is no increase in the total maximum rated capacity for the modification to the permitted unit(s);

- Exemption would not apply if there is an increase in the maximum rated capacity for the new or modification to the permitted unit(s)
 - Maximum rated capacity based on the permitted heat input capacity, or if not specified on the permit, as specified on the nameplate of the combustion unit
- If there is no increase in total capacity and the replacements serve the same purpose, then:
 - A single unit can be replaced with one or more units, or
 - Multiple units can be replaced with one unit or multiple units

Subparagraph (f)(1)(E) – BACT Exemption Limitations

(E) The facility does not have an increase in the physical or operational design, except for those changes needed for the new or modification of the permitted unit(s). An increase in efficiency is not an increase in the physical or operational design;

- Exemption will not cover facility expansions or additional improvements or upgrades that are not for BARCT compliance
- Rule language was added to clarify that increases in efficiency will not disqualify an exemption

Subparagraph (f)(1)(F) – BACT Exemption Limitations

(F) Emissions from the new or modification to the permitted unit(s), by itself, do not cause an exceedance of any ambient air quality standard; and

- If it is determined that the increase in particulate matter from the new or modification to the permitted unit(s) would cause an exceedance of any ambient air quality standard, the BACT exemption cannot be used
- BACT exemption does not relieve an owner or operator from conducting modeling and offsets

Subparagraph (f)(1)(G) – BACT Exemption Limitations

(G) The new or modification to the permitted unit(s) does not constitute a federal Major Stationary Source as defined in 40 CFR 51.165(a)(1)(iv) or a federal Major Modification as defined in 40 CFR 51.165(a)(1)(v).

- New or modifications to the permitted unit(s) cannot be part of a project subject to federal NSR
- Federal NSR applicability is based on whether a project exceeds the federal major source thresholds
 - For major sources over 70 tons per year, the major modification thresholds are 15 ton per year for PM10 and 10 tons per year for PM2.5
- Under Regulation XIII, Major Polluting Facility is used in place of Major Stationary Source

Paragraph (f)(2) – Permit Limits

- BACT exemption will clarify that monthly emission limits, as required by Rule 1313 (g)(2), will still be included in Permits to Operate:
 - (2) The requirements of Rule 1313 – Permits to Operate shall apply regardless of the limited BACT exemption in paragraph (f)(1).
- PM increases exempt from BACT will have separate permit limits to ensure federal NSR thresholds are not exceeded

(Adopted October 5, 1979)(Amended March 7, 1980)(Amended September 10, 1982)
(Amended July 12, 1985)(Amended June 28, 1990)(Amended December 7, 1995)

RULE 1313. PERMITS TO OPERATE

(a) Change of Operator

The Executive Officer or designee shall exempt from the provisions of this rule any facility which is a continuing operation, without modification or change in

(g) Emission Limitation Permit Conditions

Every permit shall have the following conditions:

- (1) Identified BACT conditions;
- (2) Monthly maximum emissions from the permitted source.

purpose of this rule, be considered an application for a Permit to Construct. The Executive Officer or designee shall deny the Permit to Operate unless the new or modified facility complies with all provisions of Regulation XIII. All offsets must

Schedule for PAR 1304

- Scheduled for a Public Hearing on September 3, 2021 to accompany PR 1109.1

Public Workshop

Mid-June 2021

Stationary Source Committee

June 18, 2021

Set Hearing

August 6, 2021

Public Hearing

September 3, 2021

Ongoing Efforts and Next Steps



Continue Monthly Working Group Meetings



Continue rule development for PAR 1304



Continue work with U.S. EPA, CARB, and stakeholders to resolve NSR issues

Contacts

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