



# South Coast Air Quality Management District

## Permit Streamlining Task Force Subcommittee Meeting

November 3, 2009  
2:00 – 4:00 p.m.  
Conference Room CC8

# Agenda

- Call to Order/Opening Remarks
- Review of Minutes from March 17, 2009 Subcommittee Meeting
- Update on Lawsuit related to Rules 1309.1 and 1315 and District's Offset Credits
- Update on Recent Legislation SB 827 & AB 1318 and Permit Moratorium
- Update on EPA's Proposed New Source Review Rule for Permitting of Greenhouse Gas Emission Sources under PSD and Title V Tailoring Rule
- Rule 1110.2 Implementation Guidelines
- Permit Inventory Status Update
- Review Permit Streamlining Task Force (PSTF) List of Suggestions
- Other Permit Streamlining Recommendations
- Next Meetings Schedule

# Update on Lawsuit related to Rules 1309.1 and 1315 and District's Offset Credits

Barbara Baird

# Update on Recent Legislation SB 827 & AB 1318 and Permit Moratorium

Mohsen Nazemi



# Environmental Organizations Lawsuit

## State Court

- In October 2006 and August 2007 NRDC, etc. filed lawsuits in State Superior Court challenging SCAQMD's Adoption of Rules 1315 and 1309.1 Amendments based on CEQA
- In July & November 2008, State Court Judge issued an order invalidating Rules 1315 & 1309.1 Amendments
- In September 2009, State Court Judge stayed the injunction on issuance of permits under Rules 1304 and previous 1309.1 using only the old offset tracking without the use of any other credits

## Federal Court

- In August 2008, NRDC, etc. filed a lawsuit in Federal court to invalidate all credits in SCAQMD's offset bank
- In July 2009, Federal Judge approved SCAQMD's Motion to Dismiss the case



# New Legislation

## SB 827 – Senator Wright

- Passed both Assembly & Senate (9/11/09) & was signed by the Governor (10/11/09)
- Lifts the Permit Moratorium by allowing SCAQMD to issue permits to projects subject to Rule 1309.1 (Essential Public Services) and Rule 1304 (i.e. **Power Plant Repowering** and other exempt sources)
- Requires SCAQMD to use the previous (Pre-Rule 1315) offset tracking system plus emission reductions and shutdowns from minor sources until a new tracking system is approved by EPA
- Requires SCAQMD to make any necessary submissions to EPA for crediting and use of emission reductions and shutdowns from minor sources
- Goes into effect Jan. 1, 2010 and is effective until May 1, 2012



# New Legislation

## AB 1318 – Assembly Member Perez

- Passed both Assembly & Senate (9/11/09) & was signed by the Governor (10/11/09)
- Requires SCAQMD to provide offsets for power plants within SCAQMD jurisdiction, but outside SCAB, which have a power purchase agreement prior to 2008
- Power Plant must pay mitigation fee to be used for emission reductions (30% near the Power Plant and 30% in EJ areas)
- Requires SCAQMD to use the previous (Pre-Rule 1315) offset tracking system from plus emission reductions and shutdowns from minor sources until a new tracking system is approved by EPA
- Requires SCAQMD to make any necessary submissions to EPA for crediting and use of emission reductions and shutdowns from minor sources
- Requires SCAQMD to report to CEC the emission credits to be used for power plants within 60 days
- Requires CARB (in consultation with CEC, ISO and SWRCB) to conduct an evaluation of electrical system reliability needs for SCAB and recommend most effective and efficient means to meet the needs and report to the Governor and Legislature by July 1, 2010
- Goes into effect Jan. 1, 2010 and is effective until Jan. 1, 2012

# Update on EPA's Proposed New Source Review Rule for Permitting of Greenhouse Gas Emission Sources under PSD and Title V Tailoring Rule

Mohsen Nazemi

# Proposed Rule: Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule

## Background

- Rule proposed on 9/30/09 and comment period is 60 days
- When EPA issues regulations under the Clean Air Act to control GHG emissions from light duty vehicles (proposal signed 9/15/09 and due to be promulgated March 2010), it will trigger Clean Air Act permitting requirements under the Prevention of Significant Deterioration (PSD) and Operating Permit (title V) programs for GHG emissions.

## Proposed Rule: Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule (cont'd)

- **First Phase** (6 years period) - Emission levels that trigger a Title V permit or a PSD permit
  - **Title V program**
    - a major source emitting more than 25,000 tpy of carbon dioxide CO<sub>2</sub>e
  - **PSD Permit**
    - A new facility or a major modification - emitting more than 25,000 tpy of carbon dioxide CO<sub>2</sub>e
    - Existing major sources making modifications with significance level between 10,000 and 25,000 tpy CO<sub>2</sub>e.
    - Presumptive BACT approach for GHG
  - Within 5 years of final version of rule – EPA to conduct a study to assess the administrability issues
- **Second phase** (end of sixth year) - Propose revised applicability and significance levels

## Proposed Rule: Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule (cont'd)

- Existing facilities with GHG emissions greater than 25,000 tons per year that already have a Title V permit operating permits would not need to immediately revise them until the end of a 5-year period when the operating permit must be renewed.
- New or existing source that does not have a Title V permit will have 1 year to apply.
- Minor Source NSR not subject to GHG regulation since there are no NAAQS for GHGs.

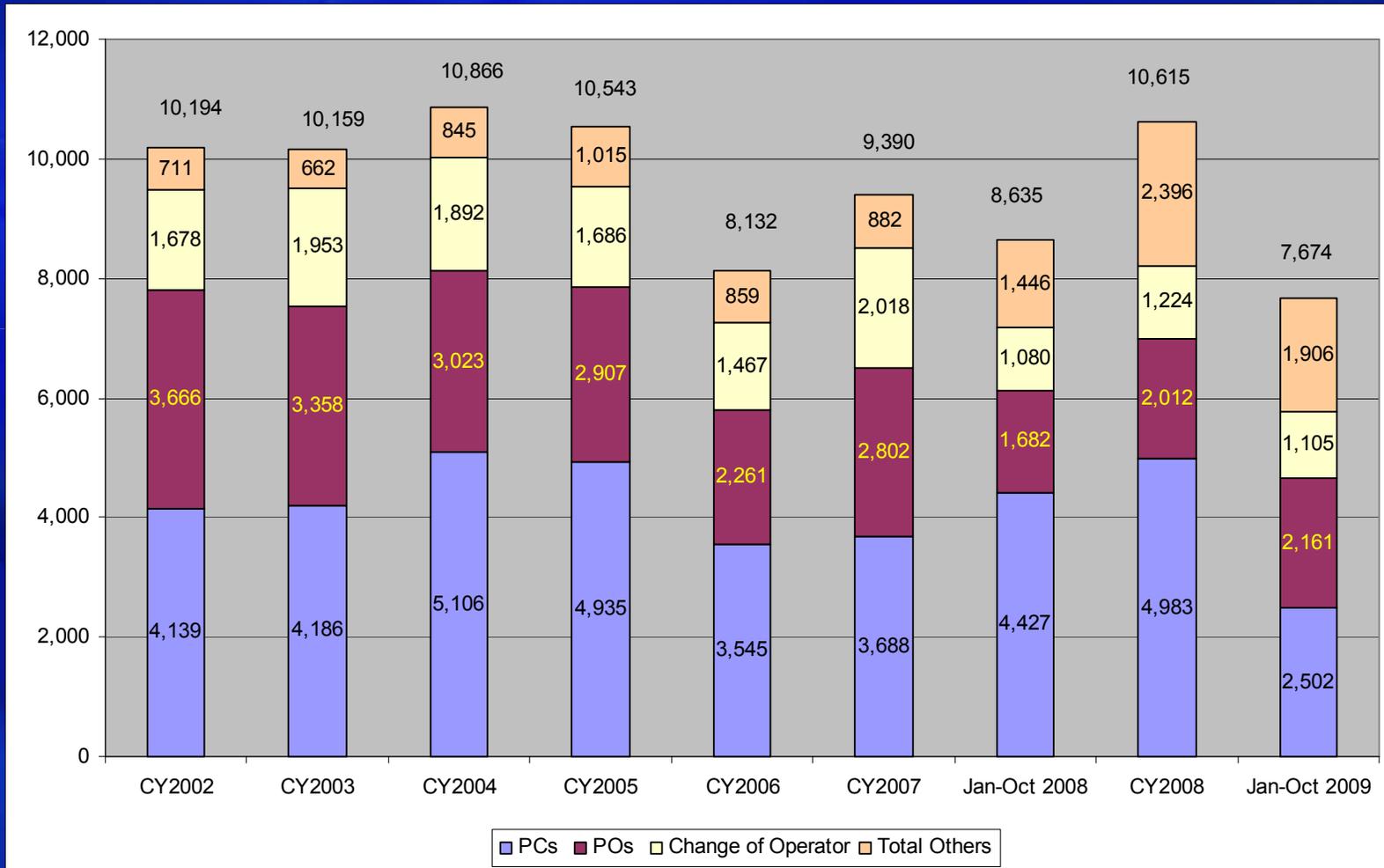
# Rule 1110.2 Implementation Guidelines

Mohsen Nazemi

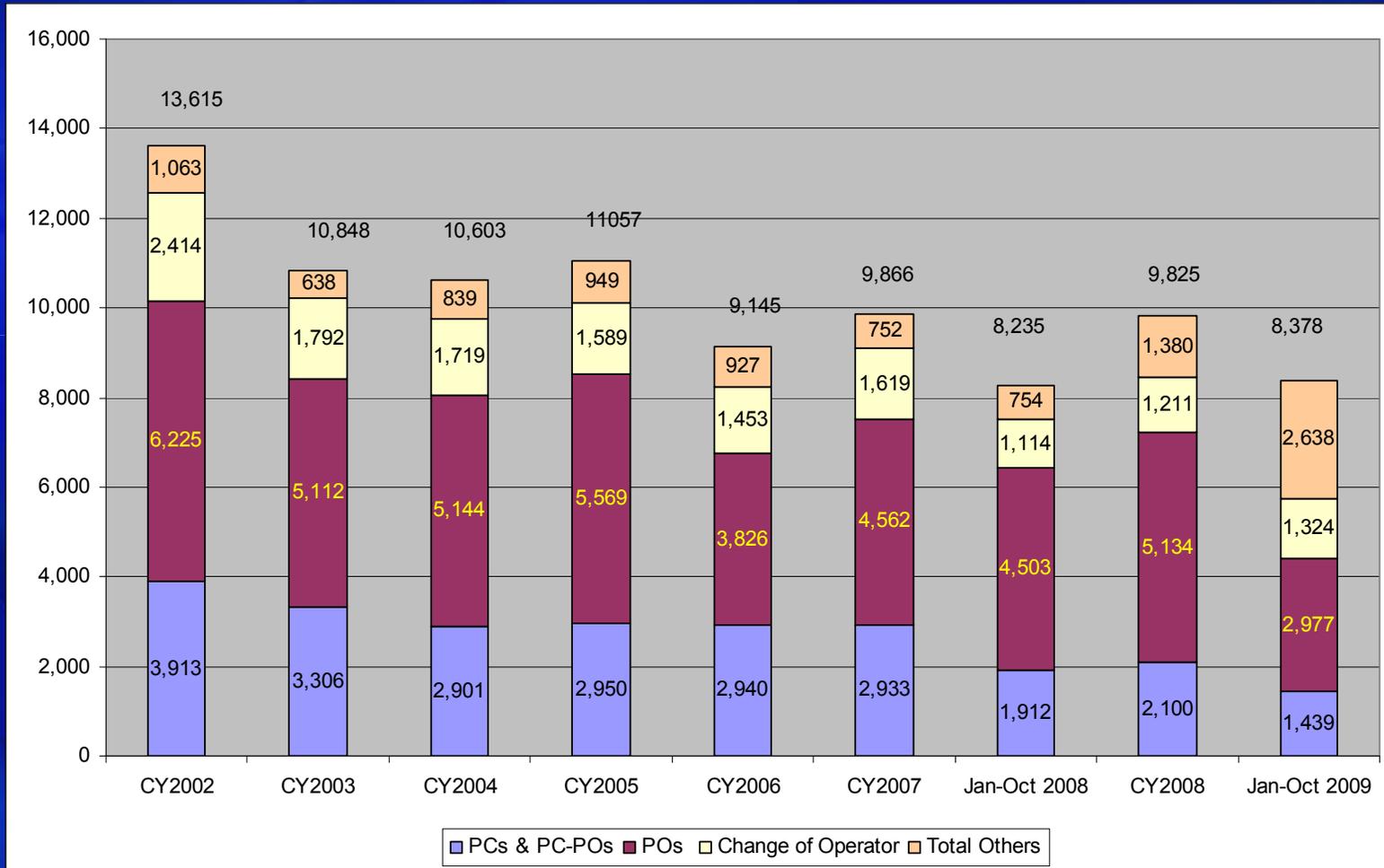
# Permit Inventory Status Update

Mohsen Nazemi

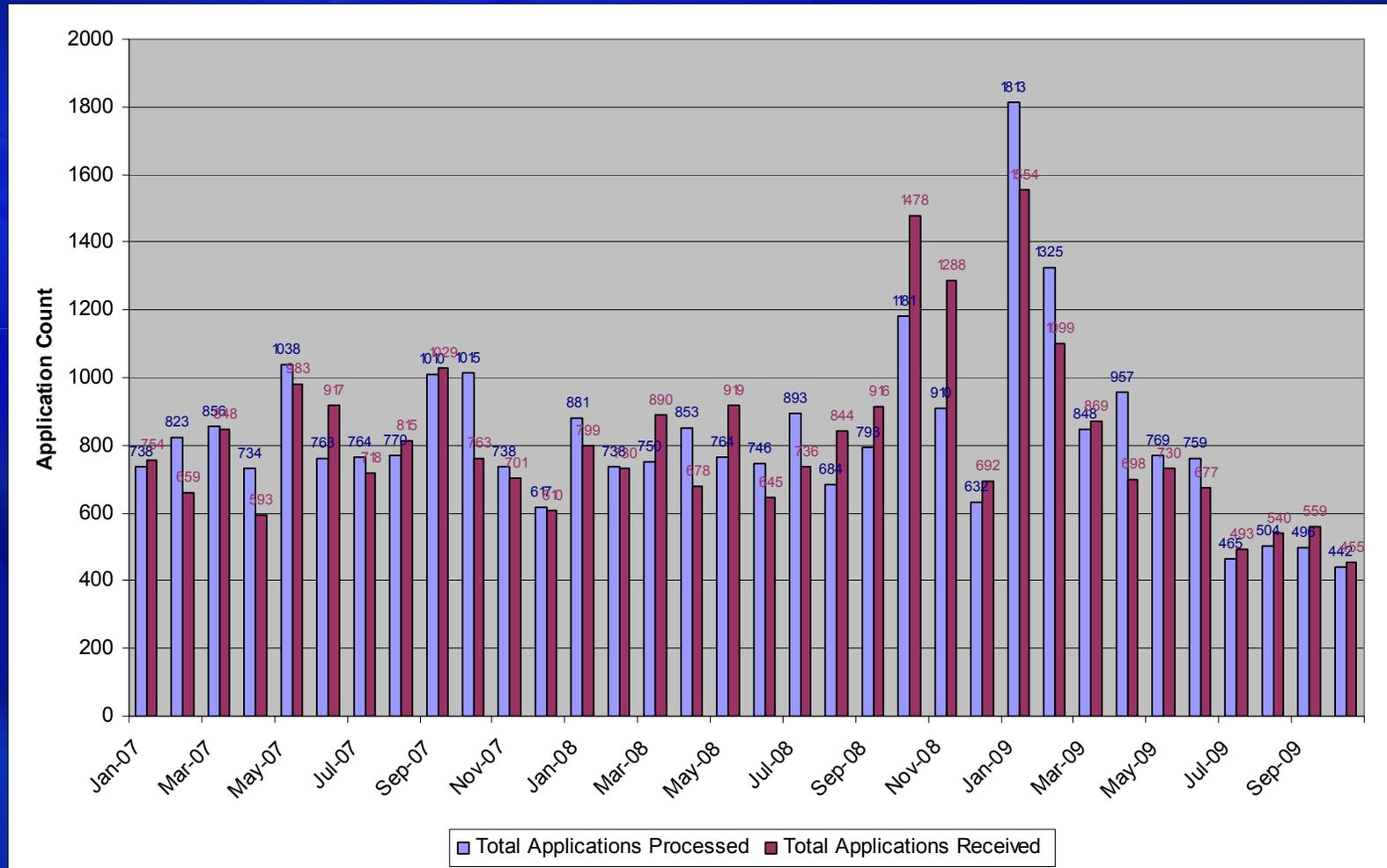
# Permit Inventory Status Update - Applications Received



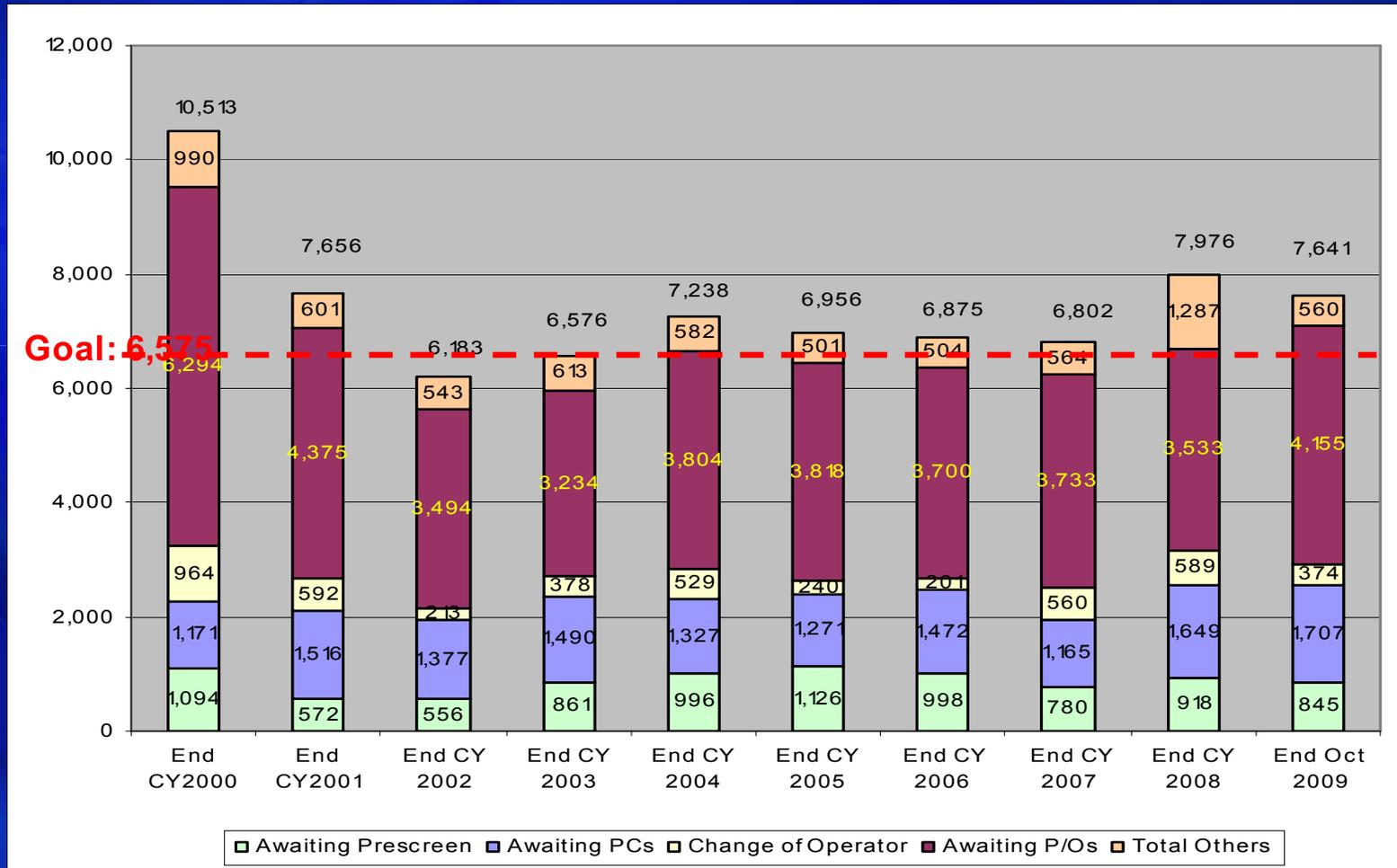
# Permit Inventory Status Update - Applications Processed



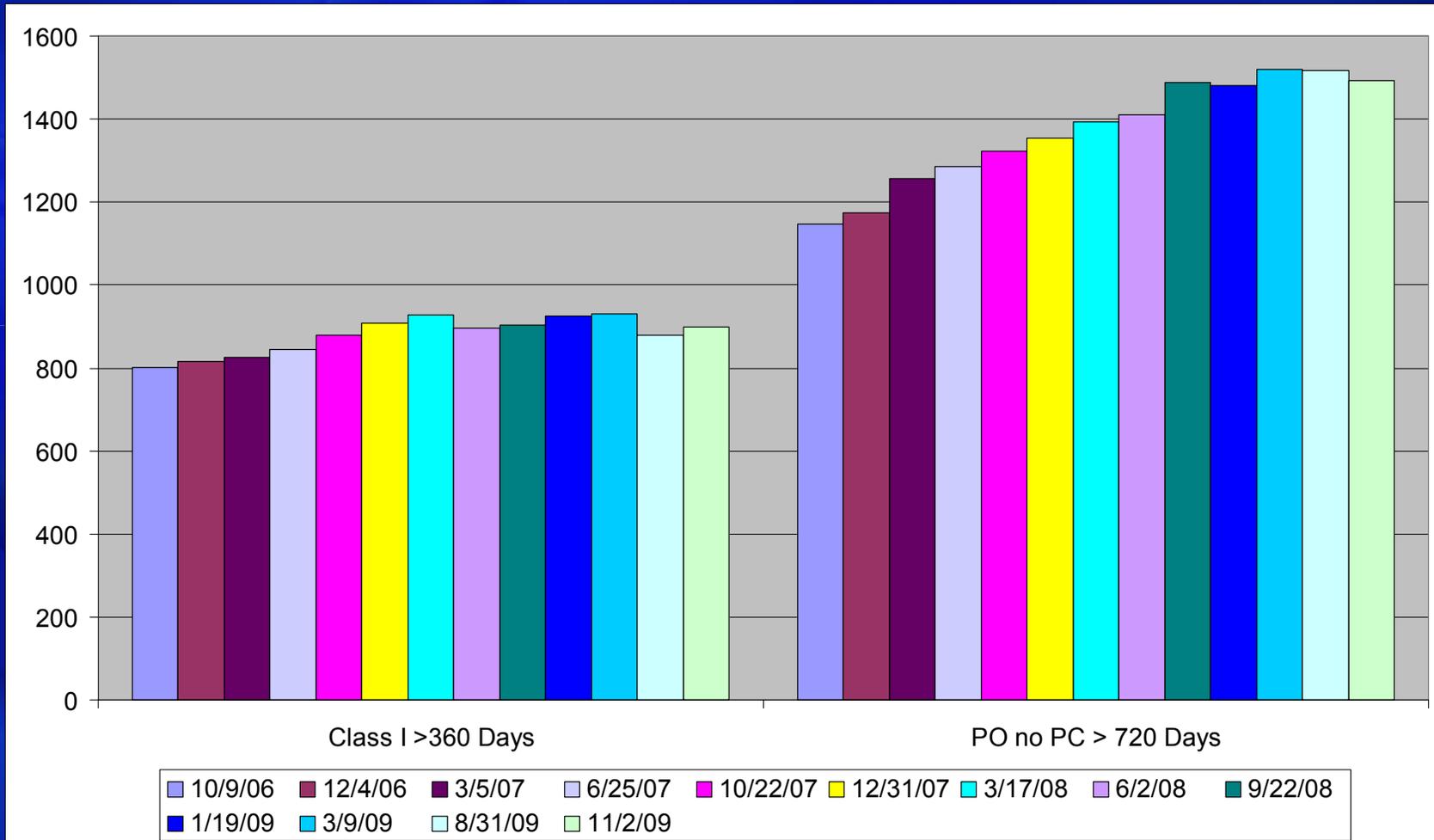
# Permit Inventory Status Update - Applications Processed & Received



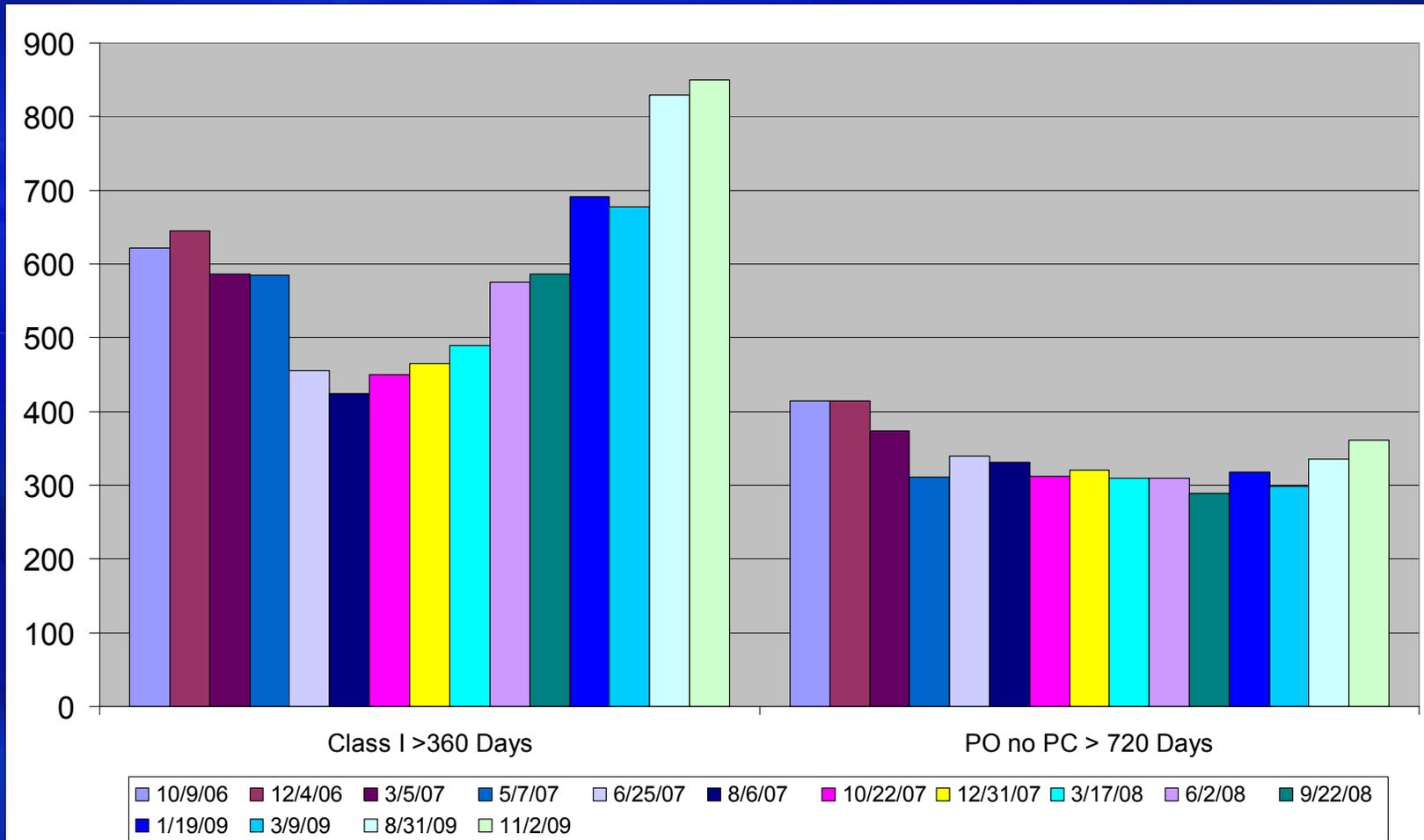
# Permit Inventory Status Update - Applications Pending



# Permit Inventory Status Update - Aged Application Report - Average Age

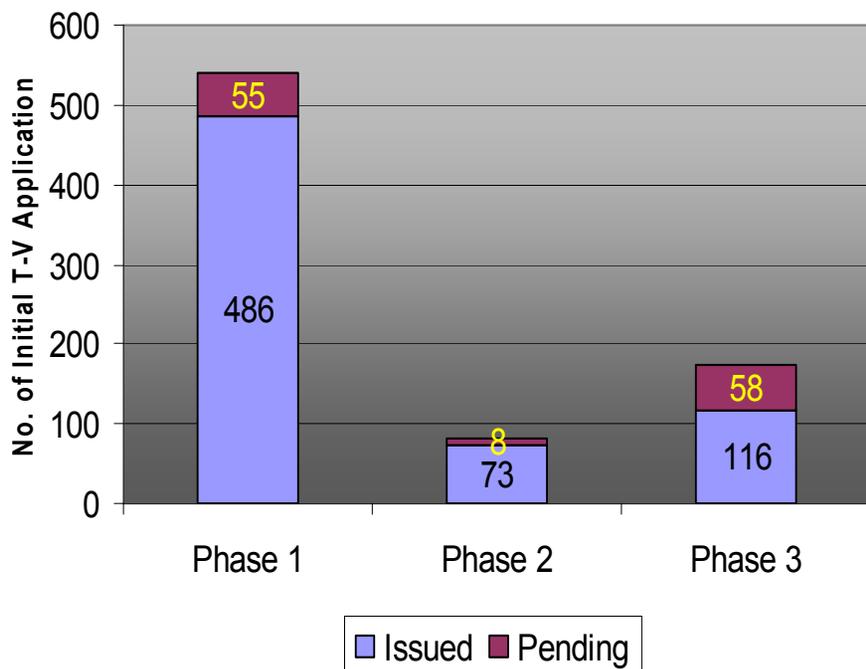


# Permit Inventory Status Update - Aged Application Report - Application Count



# Permit Inventory Status Update – Initial Title V Applications

Initial Title V Application Status as of April 30, 2008



Initial Title V Application Status as of Nov. 2, 2009

