

# SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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## **Preliminary Draft Staff Report**

**Proposed Amended Regulation XIII – New Source Review**

**Proposed Amended Regulation XX – Regional Clean Air Incentives Market**

**Proposed Amended Regulation XXX – Title V Permits**

## **September 2020**

### **Deputy Executive Officer**

Planning, Rule Development, and Area Sources

Philip M. Fine, Ph.D.

### **Assistant Deputy Executive Officer**

Planning, Rule Development, and Area Sources

Susan Nakamura

### **Planning and Rules Manager**

Planning, Rule Development, and Area Sources

Jillian Wong, Ph.D.

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**AUTHOR:** Tiffani To – Assistant Air Quality Specialist

**CONTRIBUTORS:** Jong Hoon Lee, Ph.D. – Air Quality Specialist  
Kalam Cheung, Ph.D. – Program Supervisor  
Sang-Mi Lee, Ph.D. – Program Supervisor  
Scott Epstein, Ph.D. – Program Supervisor  
Marc Carreras Sospedra, Ph.D. – Air Quality Specialist  
Britney Gallivan – Air Quality Specialist  
Shah Dabirian, Ph.D. – Program Supervisor  
Barabara Radlein – Program Supervisor

**REVIEWED BY:** Michael Laybourn – Program Supervisor  
Barbara Baird – Chief Deputy Counsel

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Supervisor, Second District  
County of San Bernardino

EXECUTIVE OFFICER:  
WAYNE NASTRI

# Table of Contents

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## ***CHAPTER 1: BACKGROUND***

<b>EXECUTIVE SUMMARY .....</b>	<b>1-1</b>
<b>INTRODUCTION .....</b>	<b>1-1</b>
<b>ATTAINMENT STATUS FOR OZONE FEDERAL AIR QUALITY STANDARDS.....</b>	<b>1-2</b>
<b>REGULATORY HISTORY.....</b>	<b>1-4</b>
<b>PUBLIC PROCESS.....</b>	<b>1-4</b>

## ***CHAPTER 2: SUMMARY OF PROPOSED AMENDMED RULES***

<b>INTRODUCTION .....</b>	<b>2-1</b>
<b>REGULATION XIII – New Source Review (NSR).....</b>	<b>2-1</b>
Proposed Amended Rule 1302 – Definitions .....	2-1
Definition of BASIN - Subdivision (g).....	2-1
Definition of MAJOR MODIFICATION - Subdivision (r).....	2-2
Definition of MAJOR POLLUTING FACILITY - Subdivision (s) .....	2-2
<b>REGULATION XX – Regional Clean Air Incentives Market (RECLAIM) .....</b>	<b>2-3</b>
Proposed Amended Rule 2000 – General .....	2-3
Definition of MAJOR MODIFICATION - Paragraph (c)(44).....	2-3
<b>REGULATION XXX – TITLE V PERMITS.....</b>	<b>2-3</b>
Proposed Amended Rule 3001- Applicability .....	2-3
Phase One and Phase Two Facilities - Subdivisions (a) and (b).....	2-3
Phase One Exclusions - Subdivision (e) .....	2-3
Proposed Amended Rules 3002 and 3003.....	2-4
References to Phase One and Phase Two Facilities .....	2-4

## ***CHAPTER 3: IMPACT ASSESSMENT***

<b>IMPACTS OF PROPOSED RULE AMENDMENTS.....</b>	<b>3-1</b>
Review of Facilities Potentially Affected by Proposed Amendments .....	3-1
Potential Regulation XIII (NSR) Impacts to Facilities .....	3-1
Potential Regulation XX (RECLAIM) Impacts to Facilities .....	3-3
Potential Regulation XXX (Title V) Impacts to Facilities.....	3-3
<b>CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).....</b>	<b>3-4</b>
<b>SOCIOECONOMIC ASSESSMENT .....</b>	<b>3-4</b>
<b>DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727 .....</b>	<b>3-4</b>
Requirements to Make Findings .....	3-4
Necessity .....	3-4
Authority .....	3-4
Clarity .....	3-5

Consistency .....	3-5
Non-Duplication.....	3-5
Reference .....	3-5
<b>COMPARATIVE ANALYSIS .....</b>	<b>3-5</b>
<b>REFERENCES .....</b>	<b>3-5</b>

**LIST OF FIGURES**

Figure 1 - Air Basins Within South Coast AQMD’s Jurisdiction .....	1-2
Figure 2 - Coachella Valley Ozone 3-year Design Value Trends .....	1-3

**LIST OF TABLES**

Table 1 - Summary of Proposed Amendments to Regulations XIII, XX, and XXX.....	2-2
Table 2 - Summary and List of Potentially Impacted Facilities Proposed Amendments to Regulations XIII, XX, and XXX .....	3-1

## **CHAPTER 1: BACKGROUND**

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EXECUTIVE SUMMARY

INTRODUCTION

ATTAINMENT STATUS FOR OZONE FEDERAL AIR QUALITY  
STANDARDS

REGULATORY HISTORY

PUBLIC PROCESS

## **EXECUTIVE SUMMARY**

On July 10, 2019, U.S. EPA granted the South Coast Air Quality Management District's (South Coast AQMD) request to voluntarily reclassify the Coachella Valley from "Severe-15" to "Extreme" for the 1997 8-hour Ozone National Ambient Air Quality Standard (NAAQS), with a new attainment date of June 15, 2024. Under the Clean Air Act, the reclassification requires a reduction in the Major Polluting Facility<sup>1</sup> and Major Modification thresholds for volatile organic compounds (VOC) and oxides of nitrogen (NOx) emissions as these pollutants are precursors for ozone. For the Coachella Valley, amendments are proposed to individual rules within Regulation XIII – New Source Review (NSR), Regulation XX – Regional Clean Air Incentives Market (RECLAIM), and Regulation XXX – Title V Permits (Title V) to lower the Major Polluting Facility thresholds for both VOC or NOx emissions from 25 tons per year for a Severe attainment area, to 10 tons per year for an Extreme attainment area. The reclassification also requires rule amendments to lower the Coachella Valley Major Modification threshold from 25 tons per year to 1 pound per day for VOC or NOx emissions. Other administrative changes are proposed to Regulations XIII, XX, and XXX to remove outdated rule provisions and to improve rule clarity.

Under the new lower thresholds, existing and new stationary sources in Coachella Valley with a Potential to Emit (PTE) of 10 tons per year or more of either VOC or NOx emissions would be subject to the applicable permitting requirements for Major Polluting Facilities and Major Modifications at a Major Polluting Facility. Based on staff's analyses, only two existing facilities in Coachella Valley may potentially be subject to new permitting requirements. Additionally, South Coast AQMD staff is unaware of any applications for new facilities that would exceed the new Major Polluting Facility thresholds. Existing and new facilities can also take a cap on total facility VOC or NOx emissions or make concurrent facility emission reductions to avoid triggering the additional permitting requirements.

## **INTRODUCTION**

The Coachella Valley consists of the Riverside County portion of the Salton Sea Air Basin. The region is under the jurisdiction of the South Coast AQMD, excluding tribal lands. Communities included within the area include Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, and Mecca. The Coachella Valley is located downwind of the South Coast Air Basin (Basin), which is also under the jurisdiction of the South Coast AQMD. Figure 1 shows the boundaries of the Coachella Valley and the Basin.

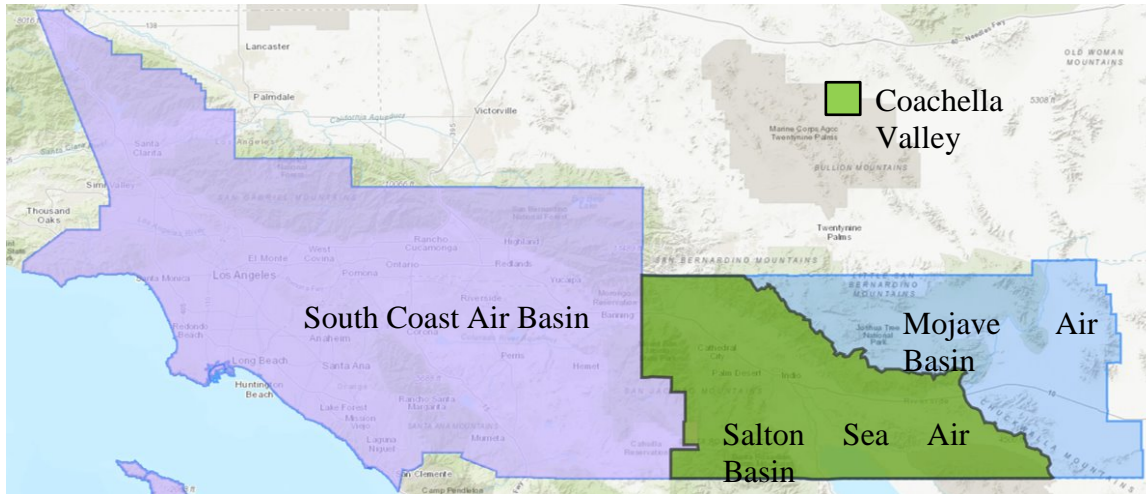
The topography and climate of Southern California, coupled with a dense population and significant emission sources, make the Basin an area with the worst ozone pollution in the nation. Ozone levels in the Coachella Valley are impacted by pollutants directly transported from the Basin as well as pollutants formed secondarily through photochemical reactions

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<sup>1</sup> For the purposes of the proposed amendments to Regulations XIII, XX, and XXX related to the Coachella Valley Extreme area ozone reclassification, the terms "Major Source", "Major Stationary Source", and "Major Polluting Facility" have the same meaning and are interchangeable.

from precursors emitted upwind with limited impact from local emission sources. While local emission controls benefit Coachella Valley’s air quality, the area must rely on emission controls being implemented upwind to demonstrate attainment of the federal ozone standard.

**Figure 1 - Air Basins Within South Coast AQMD’s Jurisdiction**



### **ATTAINMENT STATUS FOR OZONE FEDERAL AIR QUALITY STANDARDS**

In 1979, the U.S. EPA established primary and secondary NAAQS (or standards) for ozone at 0.12 parts per million (ppm) averaged over a 1-hour period.<sup>2</sup> On July 18, 1997, the U.S. EPA revised the primary and secondary standards for ozone to 0.08 ppm, averaged over an 8-hour period (“1997 8-hour ozone standard”). The 1997 8-hour ozone standard was lowered to 0.075 ppm in 2008, and to 0.070 ppm in 2015. The U.S. EPA classifies areas of ozone nonattainment (i.e., Extreme, Severe, Serious, Moderate, or Marginal) based on the extent to which an area exceeds the standard. The higher the current exceedance level, the more time is provided to demonstrate attainment in recognition of the more significant challenge involved. However, nonattainment areas with higher classifications are also subject to more stringent requirements.

On November 28, 2007, South Coast AQMD requested that the U.S. EPA reclassify the Coachella Valley nonattainment area from Serious to Severe-15. This reclassification was granted effective June 4, 2010, and established an attainment date of June 15, 2019.<sup>3</sup> Implementation of the South Coast AQMD and the California Air Resources Board (CARB) emission control measures over the past several decades have resulted in demonstrable progress in reducing ozone levels and significant reductions in ozone precursor emissions such as NO<sub>x</sub> and VOCs. As a result, air quality in the Coachella Valley has steadily improved, as demonstrated by the ambient air quality data. However, in 2017 and 2018, the State of California experienced a series of high ozone episodes primarily

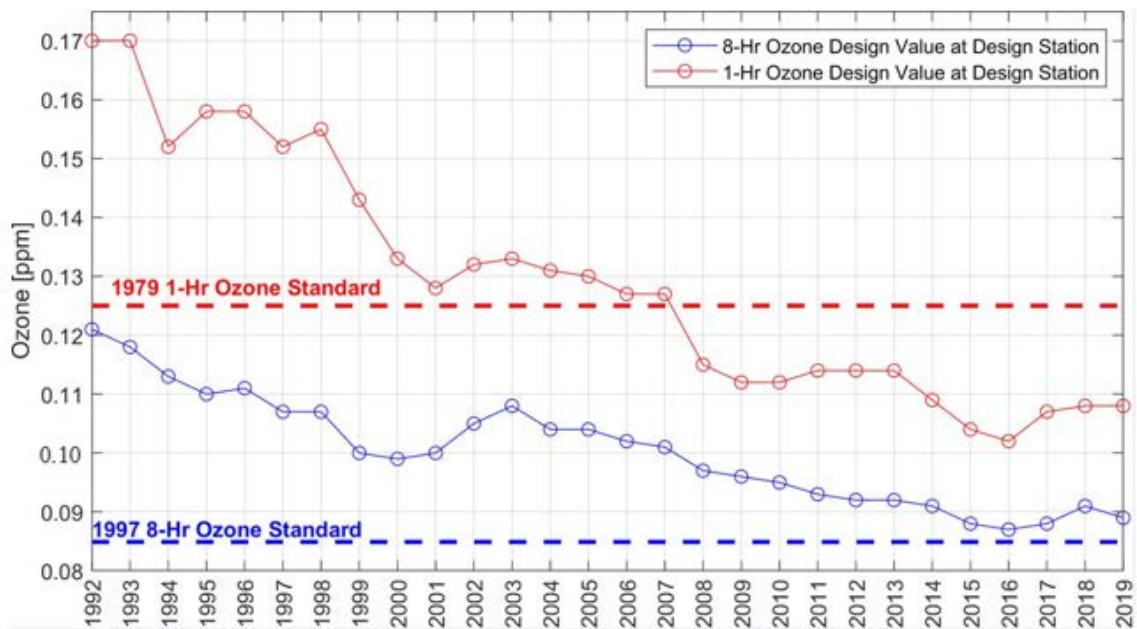
<sup>2</sup> U.S. EPA revoked the 1-hour ozone standard entirely in 2005. However, U.S. EPA regulations require the continuation of certain control measures in areas that were formerly in nonattainment for the 1-hour Standard.

<sup>3</sup> 75 FR 24409 (May 5, 2010).

driven by unexpected changes in meteorology, including warm and stagnant weather conditions.

Consequently, the ozone levels in 2017 and 2018 were higher than the previous years, and the Coachella Valley did not attain the 1997 standard by the June 2019 attainment date. NAAQS are typically described by the design value, which is used to determine the attainment status of an area. Figure 2 depicts the trend in the 8-hour ozone design value and the 1-hour ozone design value. As a result, South Coast AQMD requested that the U.S. EPA reclassify the area from Severe-15 to Extreme ozone nonattainment.<sup>4</sup> The 8-hour ozone design value is the annual fourth-highest daily maximum 8-hour ozone concentration averaged over three years.

**Figure 2 - Coachella Valley Ozone 3-year Design Value Trends**



Note:

The year indicated on the x-axis represents the last year of the 3-year design value. Although the 1997 8-hour ozone standard is 0.08 ppm, the blue line is located at 0.084 ppm, which is the level needed to attain the standard due to rounding

On July 10, 2019, U.S. EPA granted the South Coast AQMD’s request to voluntarily reclassify the Coachella Valley from “Severe-15” to “Extreme” for the 1997 8-hour ozone NAAQS with a new attainment date of June 15, 2024.<sup>5</sup> In a subsequent action, U.S. EPA approved a deadline for submittal of revised NSR and Title V regulations of February 14, 2021.<sup>6</sup>

<sup>4</sup> 42 U.S.C. 7511(b)(3).

<sup>5</sup> 84 FR 32841 (July 10, 2019)

<sup>6</sup> 85 FR 2311 (January 15, 2020)



## **REGULATORY HISTORY**

Regulation XIII – New Source Review (NSR) establishes the federal and state mandated pre-construction review program for new, modified, or relocated sources in South Coast AQMD’s jurisdiction. The NSR program is a critical component of the South Coast AQMD’s attainment strategy and ensures that all new and modified sources install Best Available Control Technology (BACT), and their emission increases are fully offset with creditable emission reductions. Regulation XIII currently consists of 13 rules. Rule 1302 specifies the definitions used in Regulation XIII and is the only rule that is proposed to be amended.

Regulation XX – Regional Clean Air Incentives Market (RECLAIM) is a market incentive program that establishes NOx and SOx thresholds and includes NSR requirements for RECLAIM facilities. Facilities in the RECLAIM program that have new, modified, or relocated equipment must follow requirements set forth in Rule 2005 – RECLAIM NSR as opposed to Regulation XIII which applies to all non-RECLAIM facilities. Regulation XX currently consists of 13 rules. Rule 2000 specifies the definitions used in Regulation XX and is the only rule within Regulation XX that is proposed to be amended.

Regulation XXX – Title V Permits (Title V) complies with federal requirements to standardize air quality permits and the permitting process for Major Polluting Facilities. Per Regulation XXX, facilities above specified pollutant thresholds are subject to additional permitting requirements including public noticing, U.S. EPA approvals, and enhanced monitoring recordkeeping, and reporting. Regulation XXX includes provisions to exempt facilities with either actual emissions below specific pollutant thresholds or the permitted limits below specific pollutant thresholds from Title V permit requirements. Regulation XXX currently consists of nine rules. Rule 3001 specifies the applicability, Rule 3002 specifies the requirements, and Rule 3003 specifies the applications in Regulation XXX. Those are the only three rules within Regulation XXX that are proposed to be amended.

More information on the proposed amendments are included in Chapter 2.

## **PUBLIC PROCESS**

Development of proposed amendments to Regulations XIII, XX, and XXX is being conducted through a public process. Staff presented the proposed rule amendments to the RECLAIM Transition/Regulation XIII Working Groups on September 10, 2020. The Public Workshop is scheduled to be held virtually through a webinar on September 25, 2020. A Set Hearing and Public Hearing will be held, during which the public may provide comments on the proposed rule amendments. The Set Hearing is scheduled to be held virtually online over a webinar on November 6, 2020. The Public Hearing is scheduled to be held virtually online over a webinar on December 4, 2020. The Set Hearing and Public Hearing dates are subject to change.

## **CHAPTER 2: SUMMARY OF PROPOSED AMENDMED RULES**

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INTRODUCTION

REGULATION XIII - NSR

REGULATION XX – RECLAIM

REGULATION XXX – TITLE V PERMITS

## **INTRODUCTION**

Regulations XIII, XX, and XXX currently establish Major Polluting Facility and Major Modification thresholds based on the previous classification of Coachella Valley of Severe nonattainment for the 1997 8-hour ozone standard. The reclassification of the Coachella Valley as an Extreme nonattainment area requires amendments to Regulations XIII, XX, and XXX Major Polluting Facility and Major Modification thresholds. Federal NSR and Title V requirements require lower thresholds for defining a Major Polluting Facility for extreme nonattainment areas. South Coast AQMD Regulations XIII and XX require applicants to use Best Available Control Technology (BACT) [referred to as Lowest Achievable Emission Rate (LAER) for Major Polluting Sources] for new sources, relocated sources, or modifications to existing sources that may result in an emissions increase. South Coast AQMD has developed BACT Guidelines which include threshold definitions for Major Polluting Facilities based on the attainment or nonattainment status for each air basin. The BACT Guidelines Major Polluting Facility emission thresholds for VOC and NO<sub>x</sub> emissions will need to be updated to reflect the Coachella Valley Extreme ozone reclassification. These BACT Guideline updates will occur after adoption of proposed amendments to Regulation XIII and XX.

Table 1 presents a summary of the proposed amendments to South Coast AQMD Regulations XIII, XX, and XXX rules that are associated with the reclassification of the Coachella Valley from Severe to Extreme ozone nonattainment.

## **REGULATION XIII – NEW SOURCE REVIEW (NSR)**

### **Proposed Amended Rule 1302 – Definitions**

Rule 1302 establishes the definitions for Regulation XIII. Proposed Amended Rule 1302 includes revisions to the definition of BASIN under subdivision (g), MAJOR MODIFICATION under subdivision (r), and MAJOR POLLUTING FACILITY under subdivision (s). For specific proposed amendments, please refer to Proposed Amended Rule 1302.

### **Definition of BASIN - Subdivision (g)**

The current definition of Basin includes the South Coast Air Basin (SOCAB) or the Riverside County portion of the Salton Sea Air Basin (SSAB) and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin (MDAB), and currently only references the California Code of Regulations for the South Coast Air Basin. Proposed Amended Rule 1302 will add the reference to the California Code of Regulations sections of Section 60114 of Title 17 for the Riverside County portion of the Salton Sea Air Basin and Section 60109 of Title 17 for the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin. Additionally, the acronyms SOCAB, SSAB, and MDAB are proposed to be removed as they are not used.

**Table 1 - Summary of Proposed Amendments to Regulations XIII, XX, and XXX**

Rule #	Title	Proposed Amendment
<b>Regulation XIII – NSR</b>		
1302	Definitions	<ul style="list-style-type: none"> <li>• Update references to California Code of Regulation sections for air basins</li> <li>• Update thresholds for Major Polluting Facility and Major Modification for VOC and NOx for Coachella Valley</li> </ul>
<b>Regulation XX – RECLAIM</b>		
2000	Definitions	<ul style="list-style-type: none"> <li>• Update thresholds for Major Modification for VOC and NOx for Coachella Valley</li> </ul>
<b>Regulation XXX – Title V</b>		
3001	Applicability	<ul style="list-style-type: none"> <li>• Remove Phase One requirements</li> <li>• Remove Phase Two references</li> <li>• Update Potential to Emit thresholds for VOC and NOx for Coachella Valley</li> </ul>
3002 3003	Requirements Applications	<ul style="list-style-type: none"> <li>• Remove Phase One and Phase Two references</li> </ul>

**Definition of MAJOR MODIFICATION - Subdivision (r)**

To provide clarity, specificity will be added that subdivision (x) references the definition of modification while subdivision (s) references the definition of a Major Polluting Facility.

The reclassification of Coachella Valley to Severe nonattainment for ozone will require that the VOC and NOx thresholds for a Major Modification at an existing Major Polluting Facility in the Coachella Valley be lowered to reflect the reclassification to Extreme nonattainment for ozone. Proposed Amended Rule 1302 subdivision (r) will lower the threshold for a Major Modification at a Major Polluting Facility from 25 tons per year to 1 pound per day for VOC or NOx emissions for Coachella Valley.

**Definition of MAJOR POLLUTING FACILITY - Subdivision (s)**

The reclassification of Coachella Valley to Severe nonattainment for ozone will require that the VOC and NOx thresholds for a Major Polluting Facility in the Coachella Valley be lowered to reflect the reclassification to Extreme nonattainment classification for ozone. Proposed Amended Rule 1302 subdivision (s) will lower the threshold for a Major Polluting Facility from 25 tons per year to 10 tons per year of VOC or NOx emissions for Coachella Valley.

## **REGULATION XX – REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

### **Proposed Amended Rule 2000 – General**

Rule 2000 establishes the definitions for Regulation XX. Rule 2000 presently includes a threshold definition for a Major Modification in Coachella Valley based on the previous Severe area ozone nonattainment classification.

### **Definition of MAJOR MODIFICATION - Paragraph (c)(44)**

The reclassification of Coachella Valley to Severe nonattainment for ozone will require that the VOC and NO<sub>x</sub> thresholds for a Major Modification at a Major Polluting Facility for RECLAIM facilities in the Coachella Valley be lowered to reflect the reclassification to Extreme nonattainment for ozone. Proposed Amended Rule 2000 paragraph (c)(44) will lower the threshold for a Major Modification at a Major Polluting Facility from 25 tons per year to 1 pound per day for NO<sub>x</sub> emissions. As previously mentioned, the Major Polluting Facility threshold in the Coachella Valley will be reduced from 25 to 10 tons per year for NO<sub>x</sub> emissions based on the reclassification.

## **REGULATION XXX – TITLE V PERMITS**

### **Proposed Amended Rule 3001- Applicability**

Rule 3001 establishes the applicability thresholds for determining which facilities are subject to Title V permitting requirements. The applicability thresholds are based on Major Source definitions for individual pollutants based on the attainment status of individual areas.

### **Phase One and Phase Two Facilities - Subdivisions (a) and (b)**

Rule 3001 currently includes Phase One and Phase Two applicability thresholds. Phase One [subdivision (a)] applicability thresholds are based on the facility's reported annual emission while Phase Two [subdivision (b)] applicability thresholds are based on Potential to Emit (PTE) emission levels. Phase One was established at the start of the Title V program and is no longer applicable. All facilities are now subject to the PTE thresholds. Proposed Amended Rule 3001 will remove the Phase One applicability requirements and references to Phase One and Phase Two. Applicability thresholds based on PTE emission levels (previously referred to as Phase Two) are proposed to be referred to as Title V Permits. Accordingly, Proposed Amended Rule 3001 will lower the applicability thresholds for the PTE annual emissions from 25 to 10 tons per year for VOC or NO<sub>x</sub> emissions for facilities located in Coachella Valley.

### **Phase One Exclusions - Subdivision (e)**

For facilities subject to the actual emissions thresholds in Phase One, Rule 3001 included exclusions for facilities that were able to demonstrate that their actual emissions were lower than the Phase One applicability thresholds either using most recent, validated, and reported emissions or with permanent changes that reduced emissions. The facilities were

required to submit a request with supporting information to the Executive Officer for approval. Upon approval by the Executive Officer, the facility would not be subject to Title V permit requirements. Since Phase One is no longer in effect, facilities currently do not have the ability to be excluded from Phase One. Therefore, with the deletion of references to Phase One, amendments to subdivision (e) are proposed to maintain this exclusion for Phase One facilities that previously received approval from the Executive Officer to be excluded from Title V permit requirements.

### **Proposed Amended Rules 3002 and 3003**

Rule 3002 specifies the requirements for the South Coast AQMD Title V program. Rule 3003 establishes the provisions for facilities submitting applications for a Title V permit.

### **References to Phase One and Phase Two Facilities**

As previously described, Phase One of the Title V permit program is no longer applicable, and Title V permit applicability will be based on a facility's PTE. Accordingly, references to Phase One and Phase Two are proposed to be removed from Rules 3002 and 3003. Applicability thresholds based on PTE (previously referred to as Phase Two) are proposed to be referred to as Title V permits under the proposed amendments to Rules 3002 and 3003.

## **CHAPTER 3: IMPACT ASSESSMENT**

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IMPACTS OF PROPOSED AMENDED RULES

CALIFORNIA ENVIRONMENTAL QUALITY ACT

SOCIOECONOMIC ASSESSMENT

DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE  
SECTION 40727

COMPARATIVE ANALYSIS

REFERENCES

## IMPACTS OF PROPOSED RULE AMENDMENTS

### Review of Facilities Potentially Affected by Proposed Amendments

As part of the Coachella Valley reclassification request, a preliminary assessment<sup>1</sup> was conducted to identify Coachella Valley facilities with a PTE for VOC or NOx above 10 tons per year. Based on this preliminary assessment, eight Coachella Valley facilities (Facility A through H in Table 2) were identified with a PTE of 10 tons per year or more of VOC or NOx emissions and might be affected by the proposed amendments. However, three of the eight facilities (Facility A, B, and C) have a PTE of 25 tons per year or more and would not be affected by the proposed amendments to lower the threshold from 25 to 10 tons per year. A more detailed discussion of the five remaining facilities (Facilities D through H) and the impacts of the proposed amendments are described below.

**Table 2 - Summary and List of Potentially Impacted Facilities Proposed Amendments to Regulations XIII, XX, and XXX**

Facility	City	Potential Impacts from Proposed Reg. XIII Amendments	Potential Impacts from Proposed Reg. XX Amendments	Potential Impacts from Proposed Reg. XXX Amendments
A*	Coachella	No	No	No
B*#	North Palm Springs	No	No	No
C*#	North Palm Springs	No	No	No
D	Coachella	Possible	No	Possible
E	Rancho Mirage	Possible	No	Possible
F	Palm Springs	No	No	No
G	Indio	No	No	No
H	Palm Springs	No	No	No

\*Existing South Coast AQMD Title V Facility

#Existing South Coast AQMD RECLAIM Facility

### Potential Regulation XIII (NSR) Impacts to Facilities

Staff analyzed impacts from three areas where facilities could be impacted: 1) Permitting actions from changes to the Major Modification threshold; 2) Permitting actions from facilities with a PTE currently at or above 10 tons per year and below 25 tons per year; 3) Permitting actions from facilities with a PTE currently below 10 tons per year. Potential Regulation XIII impacts only occur if a facility is installing, modifying, or replacing equipment as discussed below.

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<sup>1</sup> SCAQMD, 2019. South Coast Air Quality Management District Preliminary Draft Staff Report Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard; May, 2019.



### ***Impacts from Changes to the Major Modification Threshold***

The modification threshold is used to determine if a permitting action for a new, modified, or relocated source is applicable to NSR requirements under Regulation XIII and Rule 2005 – RECLAIM NSR. If a permitting action is subject to NSR, the equipment must meet Best Available Control Technology (BACT) and the emission increase must be offset. Pursuant to the South Coast AQMD’s BACT Guidelines, an increase of 1 pound per day of VOC or NO<sub>x</sub> emissions is used as the applicability threshold for modifications under NSR for all sources. The 1 pound per day threshold is used to ensure that there is no net increase in emissions of pollutants that are not in attainment of state air quality standards.

### ***Impacts from Facilities with a PTE Currently Between 10 and 25 tons per year***

Lowering the Regulations XIII and XX thresholds for a “Major Modification” from 25 tons per year or more to 1 pound per day for VOC or NO<sub>x</sub> emissions will have little to no impact on permitting projects in Coachella Valley since the current threshold for modifications is 1 pound per day. The 25 tons per year for Severe non-attainment areas and the 1 pound per day for Extreme non-attainment areas is consistent with the federal definitions for Major Modifications under federal NSR. Since the federal threshold will now be consistent with the current threshold for modifications at 1 pound per day for VOC and NO<sub>x</sub>, no additional impacts are anticipated for new, modified and relocated permitting actions in Coachella Valley.

Proposed amendments to Regulation XIII would also lower the threshold for defining a Major Polluting Facility from 25 to 10 tons per year or more for VOC or NO<sub>x</sub> emissions for facilities in Coachella Valley. Lowering this threshold means that permitting projects that trigger NSR where the facility is a Major Polluting Facility would be subject to major source BACT. According to the South Coast AQMD’s BACT Guidelines<sup>2</sup>, Major Source BACT is generally the same as the federal Lowest Achievable Emission Rate (LAER). The primary difference between Major Source BACT and BACT for facilities that are not Major Polluting Facilities is that BACT requirements consider economic and technical feasibility.

Staff has identified two facilities in Coachella Valley that under the proposed definition of Major Polluting Facility and have a PTE between 10 and 25 tons per year of VOC or NO<sub>x</sub> (Facilities D and E in Table 2). If these facilities have a permit action for a new, modified, or relocated source that results in an emission increase of one pound per day, the permitting action could be subject to Major Source BACT. Additionally, facilities have the option to apply for permit changes to reduce their PTE emissions below the Major Polluting Facility threshold. If the facility reduces the PTE to less than 10 tons per year, there would be no change in NSR requirements for the facility and the permitting action would be subject to BACT not Major Source BACT. It is expected that both facilities would take a permit limit to reduce their PTE as their actual emissions are much lower.

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<sup>2</sup> South Coast AQMD, 2000. South Coast Air Quality Management District Best Available Control Technology Guidelines; February 2018.

### ***Impacts from Facilities with a PTE Currently Below 10 tons per year***

Any existing non-major facilities that would become a Major Polluting Facility under the updated and amended thresholds would also be subject to NSR permitting requirements for a Major Polluting Facility. Staff performed a detailed analysis of the emissions and PTE at each of the five remaining facilities in Table 2 using updated information and found that three of the five facilities would have a PTE of less than 10 tons per year of VOC or NO<sub>x</sub> (Facilities F, G, and H). Although initially considered potentially impacted, these three facilities have PTE below the lower Major Polluting Facility threshold and would not be subject to any additional permitting requirements under the proposed amendments.

### **Potential Regulation XX (RECLAIM) Impacts to Facilities**

New facilities are not being added to the RECLAIM program so the proposed amendments would only affect existing RECLAIM facilities. Existing facilities B and C in Table 2 are currently in the RECLAIM program. Staff does not foresee any impacts to facilities from this proposed rule amendment as a threshold of 1 pound per day is already being used to comply with state NSR requirements for RECLAIM facilities in Coachella Valley.

### **Potential Regulation XXX (Title V) Impacts to Facilities**

Regulation XXX was adopted to comply with a federal program to standardize air quality permits and the permitting process for Major Polluting Facilities. Proposed amendments to Regulation XXX would lower the PTE threshold from 25 tons per year or more to 10 tons per year or more for VOC or NO<sub>x</sub> emissions. New or existing facilities above the pollutant threshold would be subject to Title V permit requirements. A facility can lower their PTE through enforceable permit conditions below the Title V pollutant thresholds to avoid Title V permit requirements. Additionally, Rule 3001 includes provisions whereby a facility can be exempt from Title V permit requirements through either facility modifications or through enforceable permit conditions which demonstrate the facility is below Title V permit applicability thresholds.

Currently, Title V permit thresholds are based on a facility's PTE. New or existing facilities above the amended Rule 3001 applicability thresholds (PTE of 10 or more tons per year of VOC or NO<sub>x</sub> emissions) could be subject to Title V permitting requirements. These additional permitting requirements include a consolidation of all previously issued air permits for individual pieces of equipment into one Title V permit as well as requirements for public noticing, U.S. EPA approvals, and enhanced monitoring recordkeeping and reporting. Staff is not aware of any applications for new facilities which would exceed the proposed Title V applicability thresholds.

As previously mentioned, three of the facilities in Table 2 (Facility A, B and C) are existing Title V facilities and would not be impacted by the new lower Title V applicability thresholds. Staff performed a detailed analysis of the emissions and PTE at each of the remaining five facilities identified in Table 2 using updated information and found that three of the five facilities would have a PTE of less than 10 tons per year of VOC or NO<sub>x</sub> and would not be impacted by amended Title V requirements while two of the five facilities (Facility D and E) would have a PTE between 10 and 25 tons per year for VOC or NO<sub>x</sub>. A review of the actual reported emissions at these two facilities is lower than their PTE.

Facilities with low actual emissions have the ability under Rule 3008 provisions to be exempted from Title V permitting requirements. Additionally, facilities can also be exempted from Title V permits through either facility modifications or enforceable permit conditions to reduce their PTE to below the thresholds. One of these facilities previously had a PTE exceeding the previous threshold and modified their permit to keep their PTE below the threshold.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed amendments to Regulations XIII, XX, and XXX are exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15308. Further, there is no substantial evidence indicating that any of the exceptions in CEQA Guidelines Section 15300.2 apply to the proposed project. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062. If the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties. In addition, the Notice of Exemption will be electronically filed with the State Clearinghouse to be posted on their CEQAnet Web Portal, which may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>.

### **SOCIOECONOMIC ASSESSMENT**

No socioeconomic impact will result from the reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS, and no socioeconomic assessment is required under Health and Safety Code Section 40440.8(a).

### **DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727**

#### **Requirements to Make Findings**

California Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report.

#### **Necessity**

Amendments to Regulations XIII, XX and XXX are need to meet federal CAA requirements because of the Coachella Valley’s reclassification from a “Severe” to a “Extreme” ozone nonattainment area.

#### **Authority**

The South Coast AQMD Governing Board has authority to amend Regulations XIII, XX, and XXX pursuant to the California Health and Safety Code Sections 39002, 40000, 40001, 40440, 40441, 40702 and 41508

### **Clarity**

Proposed Amended Regulations XIII, XX, and XXX are written and displayed so that the meaning can be easily understood by persons directly affected by them.

### **Consistency**

Proposed Amended Regulations XIII, XX, and XXX are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

### **Non-Duplication**

Proposed Amended Regulations XIII, XX, and XXX are will not impose the same requirements as or in conflict with any existing state or federal regulations. The Proposed Amended Regulations are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

### **Reference**

In adopting these amended regulations, the AQMD Governing Board references the following statutes which the South Coast AQMD hereby implements, interprets or makes specific: California Health and Safety Code sections 40001, 40440, and 40702, 42300 et seq., and Clean Air Act sections 172, 173, 182(e), (Extreme ozone areas) and 502 et. seq. (Title V requirements).

## **COMPARATIVE ANALYSIS**

California Health and Safety Code Section 40727.2 requires a comparative analysis of the proposed rule requirements with those of any Federal or District rules and regulations applicable to the same equipment or source category. The comparative analysis will be conducted and released in the draft staff report at least 30 days prior to the South Coast AQMD Governing Board Hearing on Proposed Amended Regulations XIII, XX, and XXX, which is scheduled to be heard on December 4, 2020.

## **REFERENCES**

SCAQMD, 2019. South Coast Air Quality Management District Preliminary Draft Staff Report Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard; May, 2019.