

(Adopted October 15, 1993)(Amended December 7, 1995)(Amended May 11, 2001)
(Version 07-08-2022)

PROPOSED AMENDED RULE 2006. PERMITS

(a) Purpose

The purpose of this rule is to set forth the procedures for issuing and amending Facility Permits.

(b) Issuance of Facility Permit

- (1) The Executive Officer will compile a draft inventory of sources at each Cycle 1 REgional CLean Air Incentives Market (RECLAIM) facility and provide the draft inventory to the prospective Facility Permit holder of each such facility. No later than six months after providing the draft inventories to the Cycle 1 facilities, the Executive Officer will compile a draft inventory of sources at each Cycle 2 RECLAIM facility and provide the draft inventory to the prospective Facility Permit holder of each such facility.
- (2) Within 30 days of receipt of the draft inventory, the prospective Facility Permit holder shall submit inventory corrections to the Executive Officer. At a minimum, the prospective Facility Permit holder shall identify each source of RECLAIM pollutants located at the facility, and shall submit equipment descriptions and operating parameters for such sources if required by the Executive Officer. Equipment previously exempt pursuant to Rule 219 ~~—~~ Equipment Not Requiring a Written Permit Pursuant to Regulation II, shall be listed by category. Inventory corrections shall be submitted in a form and manner specified by the Executive Officer.
- (3) After receiving the corrected list of emission sources from the facility, the Executive Officer will, based on the corrected list and any other relevant information, issue a Facility Permit for each RECLAIM facility. The Facility Permit will be issued by January 1, 1994, for Cycle 1 facilities and by July 1, 1994, for Cycle 2 facilities.

- (4) Each Facility Permit shall include the following terms and conditions:
- (A) a description of each source or process unit and emission control device located at the facility, including sources of non-RECLAIM pollutants. Equipment previously exempt pursuant to Rule 219—~~Equipment Not Requiring a Written Permit Pursuant to Regulation II~~, shall be listed by category and updated annually with the submittal of the APEP Report.
 - (B) a starting Allocation for the initial compliance year, which shall be calculated pursuant to Rule 2002 - Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x);
 - (C) an Allocation for each compliance year through the year 2010, determined pursuant to Rule 2002 - Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x);
 - (D) emission rates, or concentration limit, if applicable, and emission monitoring, recordkeeping and reporting conditions for each emission source in accordance with Rules 2011 — Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Sulfur (SO_x) Emissions, and/or 2012 — Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions;
 - (E) applicable federal Clean Air Act Title V requirements;
 - (F) conditions, other than concentration limits, appropriate to ensure that the source is operated within the applicable range of any emission rate specified for the source pursuant to Rules 2011—~~Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Sulfur (SO_x) Emissions~~, and/or 2012—~~Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions~~;
 - (G) all permit conditions applicable to sources at the facility which were in effect immediately prior to issuance of the Facility Permit and which relate to toxics and other non-RECLAIM pollutants;
 - (H) conditions necessary to ensure continued compliance with BACT requirements imposed prior to issuance of the Facility Permit;

- (I) all permit conditions applicable to sources at the facility immediately prior to issuance of the Facility Permit, provided that, unless the conditions are otherwise required by this regulation, such conditions will be in effect until December 31, 1994, for Cycle 1 facilities and June 30, 1995, for Cycle 2 facilities, or until such date the Executive Officer determined in writing that the facility has complied with all monitoring and reporting requirements of Rule 2011 or 2012, as applicable, whichever is later;
 - (J) permit conditions to ensure enforceability of, and compliance with, all applicable DistrictSouth Coast AQMD rules and state and federal statutes and regulations which the DistrictSouth Coast AQMD has jurisdiction to enforce;
 - (K) the term of the Facility Permit; and
 - (L) any other provisions necessary to assure compliance with DistrictSouth Coast AQMD rules or state or federal statutes or regulations
- (5) For facilities identified after January 1, 1994, as being subject to RECLAIM pursuant to Rule 2001 – Applicability subparagraph (c)(1)(D), the Executive Officer will issue a Facility Permit which will contain those provisions specified in paragraph (b)(4) of this rule.
- (6) For facilities which enter RECLAIM pursuant to Rule 2001 subdivision (f), the Facility Permit will contain those provisions specified in paragraph (b)(4) of this rule.
- (7) The Facility Permit shall serve as the Permit to Operate within the meaning of Rule 203 – Permit to Operate, for all equipment and sources at the facility. All valid preexisting Permits to Operate and Permits to Construct will be incorporated into the Facility Permit. An amendment to a Facility Permit may constitute both a Permit to Construct a modified source within the meaning of Rule 201 – Permit to Construct, and a Permit to Operate the modified source.
- (8) Operation of any source that is not listed in the Facility Permit in the manner described in subparagraph (b)(4)(A) shall constitute a violation of this rule.
- (9) The terms and conditions of the Facility Permit may be appealed to the Hearing Board. Such an appeal shall be filed within 30 days of the issuance of the permit or amendment thereto. The pendency of an appeal shall not stay the effect of the permit.

- (c) Amendments to Facility Permits and the RECLAIM Trading Credit (RTC) Listing
- (1) The Executive Officer will annually decrease an Allocation when the Facility Permit holder is a seller of RTCs and has complied with Rule 2007 ~~—~~ Trading Requirements.
 - (2) The Executive Officer will decrease a facility's Allocation pursuant to Rule 2010 ~~–~~ Administrative Remedies and Sanctions paragraph (b)(1) when the Facility Permit holder has been found to be in violation of Rule 2004 ~~–~~ Requirements subdivision (d).
 - (3) The Executive Officer will annually increase an Allocation when:
 - (A) the buyer of RTCs has an approved Facility Permit;
 - (B) the Facility Permit holder has complied with Rule 2007 ~~—~~ Trading Requirements, and with Rule 2005 ~~–~~ New Source Review for RECLAIM, if applicable; and
 - (C) the buyer of RTCs has not requested an RTC certificate.
 - (4) The Executive Officer shall deny any application for permit amendment unless the applicant demonstrates that operation of the facility, pursuant to the proposed revised permit will comply with all applicable ~~Distriet~~South Coast AQMD rules, and state and federal statutes and regulations which the ~~Distriet~~South Coast AQMD has jurisdiction to enforce.
 - (5) The Executive Officer may, upon annual renewal, add or amend written conditions on the Facility Permit to assure compliance with, and enforceability of, any applicable ~~Distriet~~South Coast AQMD rule, or state or federal statute or regulation which the ~~Distriet~~South Coast AQMD has jurisdiction to enforce.
 - (6) The Executive Officer will specify that requirements for NOx sources under Regulation XX – REgional CLean Air Incentives Market (RECLAIM) will no longer apply on and after January 1, 2026, except for requirements for Compliance Year 2025, pursuant to Rule 2004, and annual audits for Compliance Year 2024 and Compliance Year 2025, pursuant to Rule 2015.
 - (7) The Executive Officer shall reduce NOx RTC allocations by 50 percent for Cycle 2 facilities for Compliance Year 2025.