(Adopted June 28, 1990)(Amended May 3, 1991) (Amended December 7, 1995)

## **RULE 1309.1 - PRIORITY RESERVE**

(a) Priority Reserve

A Priority Reserve is established to provide credits for specific priority sources. The funding of the Priority Reserve shall be made biannually on June 30 and December 31 or other schedule deemed practicable by the Executive Officer or designee. The amount of this allocation shall not exceed the following amounts:

Air Contaminant	Quarterly Allocation (Lbs per day)
Reactive Organic Gases (ROG) Nitrogen Oxides (NO <sub>x</sub> )	500 250
Sulfur Dioxide $(SO_x)$	60
Particulate Matter (PM <sub>10)</sub>	125
Carbon Monoxide (CO)	250

The following priority sources will be qualified to draw from a pool of credits established every six months.

(1) Innovative Technology

Is innovative equipment or a process which:

- (A) the applicant demonstrates will result in a significantly lower emission rate from the affected source than would have occurred with the use of BACT; and
- (B) can be expected to serve as a model for emission reduction technology.
- (2) Research Operations

Is an experimental research operation for which:

- (A) the purpose of the operation is to permit investigation, experiment or research to advance the state of knowledge or the state-of-the-art; and
- (B) a specific time limit is imposed by the Executive Officer or designee, in no case exceeding two years.
- (3) Essential Public Service

Is used to provide essential public service, provided the applicant:

- (A) has provided all required offsets available by modifying sources to Best Available Retrofit Control Technology (BARCT) levels at the same facility; or
- (B) demonstrates to the satisfaction of the Executive Officer or designee that the applicant owns or operates no sources within the facility which could be modified to BARCT levels to provide offsets.

For equipment not subject to any Regulation XI rule, application(s) for modifications providing offsets to satisfy subparagraph (A) of this section shall accompany the application(s) for the new source(s). For purposes of this section only, BARCT, as defined in the California Health and Safety Code Section 40406, shall not exceed any applicable District BACT cost guidelines and shall be determined as of the date that the application is deemed complete.

- (4) The following provisions shall apply to the Priority Reserve:
  - (A) Access to Priority Reserve Credits shall be prioritized based on qualifying as an Essential Public Service and then, on the earliest date that an application is deemed complete.
  - (B) Each facility shall maintain a balance of total Priority Reserve Credits obtained.
  - (C) Essential Public Services may, at the discretion of the Executive Officer or designee, reserve Priority Reserve Offsets for up to three years to allow multiyear projects to be planned. The sum of such reservations shall amount to no more than 25 percent of the Priority Reserve allocation for those three years.
  - (D) The AQMD Governing Board may determine that a specific project shall be given priority for access to the priority reserve based on public health or safety regardless of date of application submitted.
  - (E) If a subject facility holds an Emission Reduction Credit (ERC), then that ERC must be used before access to the Priority Reserve is allowed.
  - (F) Allocations from the Priority Reserve shall not be banked or transferred.

Proposed Amended Rule 1309.1 (Cont.)