Regulation XIII – New Source Review

South Coast AQMD

Working Group Meeting

August 13, 2020

Join Zoom Meeting

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Agenda

- Previous Working Group Meeting Summary
- Tracking NSR Issues
- NSR Applicability Test

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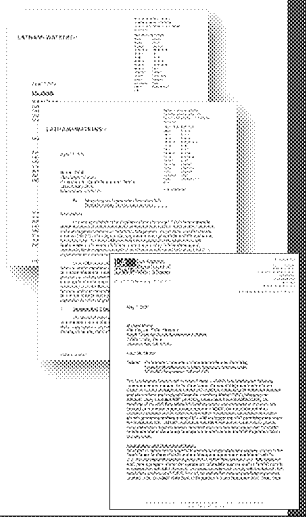
Previous Working Group Meeting Summary

- Discussed responses to three comment letters received pertaining to Regulation XIII
- South Coast AQMD responses to these letters is available on the Regulation XIII Proposed Rules Page
  - Two comment letters from the Regulatory Flexibility Group and the Western States Petroleum Association focused on
    - Ammonia Limits: Where, when, and how ammonia emission limits for SCR units will be established
    - PM BACT: Applicability of PM BACT requirements for modifications with SCR
  - Comment letter from LADWP focused on the NSR Applicability test



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Tracking NSR Issues

- Through the Working Group process staff has been addressing a variety of NSR issues
- Difficult to address and resolve issues in a linear fashion
  - Complexity of certain issues require starts and stops to develop recommendations, work with U.S. EPA, gather additional data, etc.
  - As new issues are raised in the rule development process, staff will pause discussions on a certain issue to focus on the new issues
- To help track the status and the breadth of NSR issues, staff has compiled a general list of NSR issues
  - At the beginning of each Working Group, staff will provide a summary status of NSR issues
  - Providing an overall recap of the status of NSR issues today

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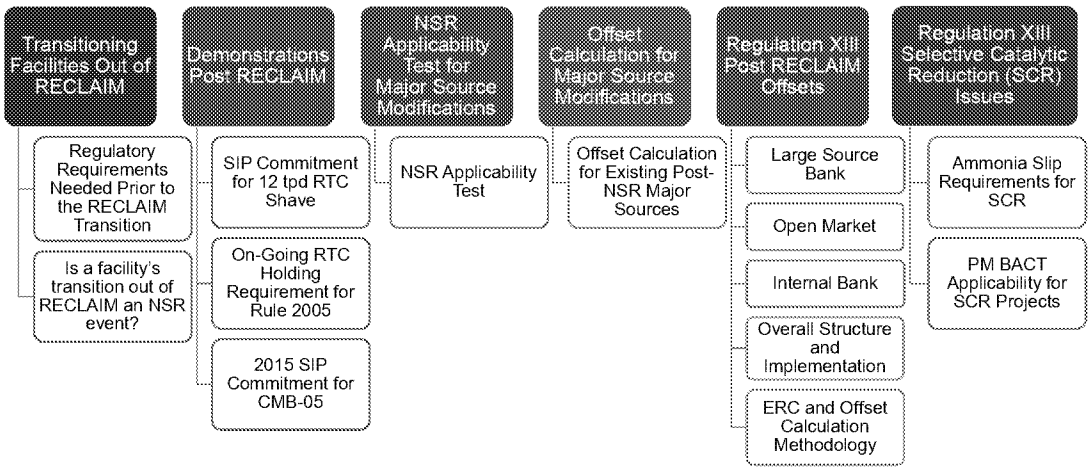
Overview of NSR Issues



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Transitioning Facilities Out of RECLAIM

Transitioning Facilities Out of RECLAIM

Regulatory Requirements Needed Prior to the RECLAIM Transition

Is a facility's transition out of RECLAIM an NSR event?

- Staff discussed with the Working Group that U.S. EPA has recommended and staff agrees that facilities will stay in RECLAIM until the three regulatory programs are approved into the SIP:
  - Command-and-control BARCT landing rules
  - Regulation XX – RECLAIM
  - Regulation XIII – New Source Review
- Staff has discussed with the Working Group that U.S. EPA agrees with staff that the transition of a facility from RECLAIM to command-and-control is not an NSR event
  - Rule 2005 applies when in RECLAIM
  - Regulation XIII applies when out of RECLAIM
- Status of both issues: Complete, no further action

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Demonstrations Post RECLAIM

- SIP commitment for 12 tpd RTC shave
  - U.S. EPA recommended and staff agreed that a one-time programmatic equivalency with the SIP submittal package for the RECLAIM transition
  - Emission projections with implementation of landing rules with future effective dates can be used to project actual emissions if actual emissions are > 14.5 tons per day
- On-going RTC holding requirements for Rule 2005
  - Staff had initial discussions with CARB, but needs final confirmation that a one-time post-RECLAIM demonstration satisfies SB288 requirements for Rule 2005 NSR holding requirements
- 2016 SIP commitment for CMB-05
  - U.S. EPA concurred that no demonstration was needed for the additional 5 tons per day that will be achieved through implementation of command-and-control rules
- Status:
  - SIP issues for the 12 tpd RTC shave and CMB-05 are complete, no further action
  - Staff is working with CARB regarding on-going RTC holding requirements

Demonstrations Post RECLAIM

SIP Commitment for 12 tpd RTC Shave

On-Going RTC Holding Requirement for Rule 2005

2015 SIP Commitment for CMB-05

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NSR Applicability Test for Major Source Modifications

NSR Applicability Test for Major Source Modifications

NSR Applicability Test

- At the June Working Group meeting, staff discussed a revised approach for the NSR applicability test
- At today's Working Group meeting, staff will discuss
  - Additional refinements to the NSR applicability test and
  - Additional details and other requires to satisfy the federal NSR applicability test
- Staff will propose recommendations after input from the Working Group and additional discussions with U.S. EPA
- Status: Still under development

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Offset Calculation for Major Source Modifications

Offset Calculation for Major Source Modifications

Offset Calculation for Existing Post-NSR Major Sources

- Offset calculation methodology for major sources has been discussed at various Working Group meetings
- U.S. EPA and staff agreed on the following offset calculation for existing post-NSR major sources:
  - First Tier: Allow use of PTE-to-PTE when
    - Actual emissions are at least 80% of the PTE; or
    - Past emission increases were fully offset less than 5 years prior to an application deemed complete
  - Second Tier: Require Actual Emissions-to-PTE for all other situations
- Status: Complete, no further action

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Regulation XIII Post RECLAIM Offsets

- Staff has discussed at Working Group meetings the current supply and demand for offsets in the Open Market and Internal Bank
- Initial concepts for the Large Source Bank were discussed at the May Working Group meeting
- At today's Working Group meeting, staff will discuss initial concepts for the overall structure and implementation approach
- Additional discussions are needed for details of the Large Source Bank, Open Market, Internal Bank, and ERC and Offset Calculation Methodology
- Status: All issues under this category are still under development

Regulation XIII Post RECLAIM Offsets

- Large Source Bank
- Open Market
- Internal Bank
- Overall Structure and Implementation
- ERC and Offset Calculation Methodology

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Regulation XIII SCR Issues

Regulation XIII Selective Catalytic Reduction (SCR) Issues

Ammonia Slip Requirements for SCR

PM BACT Applicability for SCR Projects

- At the June Working Group meeting staff discussed ammonia slip limits and explained that:
  - Ammonia BACT limits for SCR will be addressed during permitting since this is an NSR issue
  - Staff intends to remove the ammonia slip limits in the rules where ammonia limits were included
- Staff discussed PM BACT for refinery gas SCR projects at the June Working Group meeting
  - Staff is continuing to work with U.S. EPA on this issue
- Status:
  - Ammonia BACT limits will be addressed through NSR, no further action
  - Staff is working with U.S. EPA on PM BACT issues for refinery gas SCR projects

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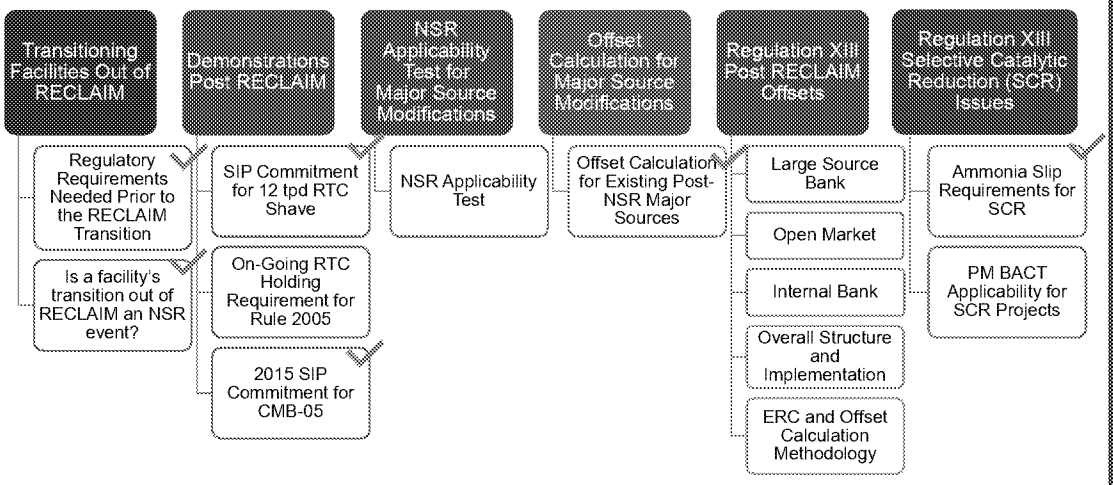
Summary of Status of NSR Issues



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NSR Applicability Test for Major Source Modifications

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Background

- At the June Working Group Meeting staff introduced a concept for a two-tier NSR applicability test for major source modifications
- Today staff will be discussing
  - Refinements to the NSR applicability test for major source modifications
  - Provisions to ensure the federal NSR applicability test for major source modifications is enforceable
  - Other elements of the federal NSR applicability test for major source modifications that were not discussed

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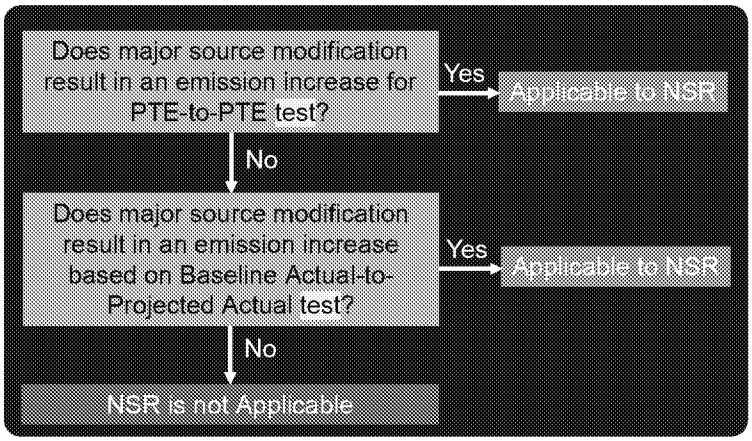
Proposed NSR Applicability Test for Major Source Modifications Presented at the June Working Group Meeting



- First applicability test is PTE-to-PTE
- Ensures no backsliding under SB 288 since PTE-to-PTE applicability test is layered with the federal applicability test
- Still incorporates the Baseline Actual-to-Projected Actual applicability test consistent with NSR Reform rules

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Refinements to the NSR Applicability Test for Modification to Existing Post-NSR Major Source

- The second tier of the proposed NSR applicability test was added to satisfy federal NSR requirements
- U.S. EPA commented that the second tier of the NSR applicability test can be based on federal thresholds for determining a Major Source Modification
- To reduce the complexity of the Federal Applicability Test staff has developed an implementation approach that will:
  - Streamline implementation to avoid having to prepare and analyze information that is not needed
  - Maintain all the elements of the Federal Applicability Test

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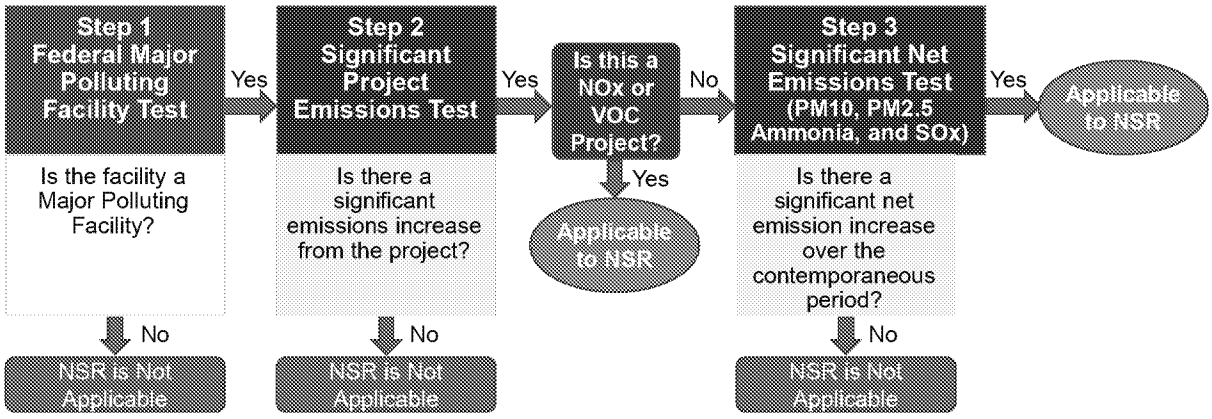
Federal Major Modification Applicability Test – Three Component Test



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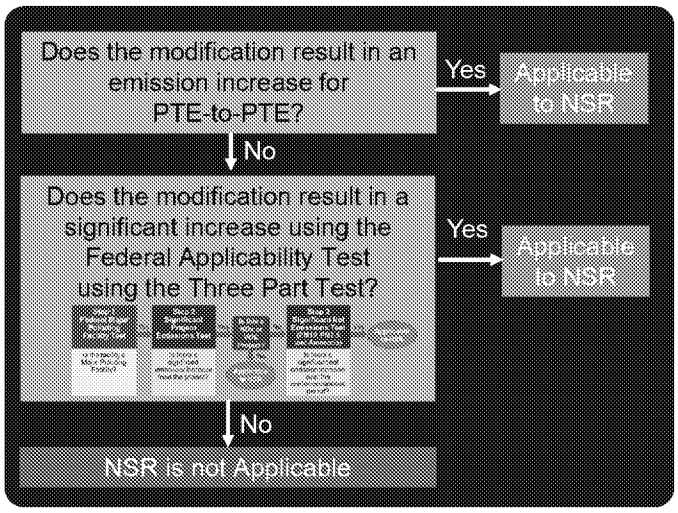
Proposed NSR Applicability Test for Major Source Modifications



- First applicability test retains the method of current Regulation XIII
- First test is expected to capture most NSR projects
- The Federal Applicability Test will use the NSR Reform calculation method and federal thresholds

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Step 1: Determine if the Facility is a Federal Major Polluting Facility

- Purpose is to determine if the facility is a Major Polluting Facility under the federal definition
- If facility emissions are less than the Major Polluting Facility Thresholds, the permitting action is not applicable to NSR

Discussion Topics

- Federal Thresholds for Defining a Major Polluting Facility
- Emission Sources Included in Facility Emissions
- Federal Exclusions for Major Modifications

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Thresholds for Major Polluting Facility

- Since this is a federal test, U.S. EPA agrees that the federal thresholds can be used for determining if a facility is a Major Polluting Facility
- Federal thresholds for PM10 are different than Regulation XIII
  - PM10 threshold will increase from 70 to 100 tons per year
- **Recommendation:** Use the Federal NSR thresholds for Major Polluting Facility

Major Polluting Facility (tons/year)[1]	
Pollutant	Federal NSR
NOx	10
VOC	10
PM10	100
PM2.5	70
Ammonia	70
SOx	70

1. Thresholds differ for Salton Sea Air Basin and Mojave Desert Air Basin

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Need confirmation from U.S. EPA

Emission Sources Included in Facility Emissions

- There are two areas where the federal definition for Major Polluting Facility differs from Regulation XIII
  - Fugitive emission sources
  - Mobile Sources
- Federal definition for Major Polluting Facility requires that only 27 listed industry categories account for fugitive emissions[1] (See next slide for 27 industry categories)
- Federal definition for Major Polluting Facility which references Stationary Sources does not include the following mobile sources as part of the facility
  - Internal combustion engines for transportation purposes,
  - Nonroad engines, or
  - Nonroad vehicles

Regulation XIII

- Regulation XIII requires all facilities to include fugitive emissions
- BACT Guidelines requires that the following mobile sources be considered as part of the facility
  - In-plant vehicles
  - Ship emissions during loading and unloading
  - Non-propulsion ship emissions within South Coast AQMD jurisdiction

[1] The analysis for project and net emissions requires all facilities to include fugitive emissions

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27 Industry Categories that Must Account for Fugitive Emissions

Emission Sources Included in Facility Emissions

- Federal definition for Major Polluting Facility requires that the following 27 industry categories account for fugitive emissions

(*1*) Coal cleaning plants (with thermal dryers);	(*15*) Carbon black plants (furnace process);
(*2*) Kraft pulp mills;	(*16*) Primary lead smelters;
(*3*) Portland cement plants;	(*17*) Fuel conversion plants;
(*4*) Primary zinc smelters;	(*18*) Sintering plants;
(*5*) Iron and steel mills;	(*19*) Secondary metal production plants;
(*6*) Primary aluminum ore reduction plants;	(*20*) Chemical process plants—The term chemical processing plant shall not include ethanol production facilities that produce ethanol by natural fermentation included in NAICS codes 325193 or 312140;
(*7*) Primary copper smelters;	(*21*) Fossil-fuel boilers (or combination thereof) totaling more than 250 million British thermal units per hour heat input;
(*8*) Municipal incinerators capable of charging more than 250 tons of refuse per day;	(*22*) Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels;
(*9*) Hydrofluoric, sulfuric, or nitric acid plants;	(*23*) Taconite ore processing plants;
(*10*) Petroleum refineries;	(*24*) Glass fiber processing plants;
(*11*) Lime plants;	(*25*) Charcoal production plants;
(*12*) Phosphate rock processing plants;	(*26*) Fossil fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input; and
(*13*) Coke oven batteries;	(*27*) Any other stationary source category which, as of August 7, 1980, is being regulated under section 111 or 112 of the Act.
(*14*) Sulfur recovery plants;	

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Federal Definition of Major Modification Includes Exclusions

Federal Exclusions for Major Modifications

- Federal definition of Major Modification includes exclusions for:
  - Use of an alternative fuel or raw material by reason of an order[2];
  - Use of an alternative fuel by reason of an order or rule under Section 125 of the Act;
  - Use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste;
  - Use of an alternative fuel or raw material by a stationary source which:
    - The source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975[3]; or
    - The source is approved to use under any permit issued under 40 CFR 51.165
- If a facility meets the exclusion for Major Modification, the permitting action would not be applicable to NSR

2 Any order under section 2 (a) and (b) of the Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation) or by reason of a natural gas curtailment plan pursuant to the Federal Power Act;
3 Pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR subpart I or 40 CFR 51.166

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Step 2: Is There a Significant Emissions Increase from the Project

- Purpose of Step 1 is to determine if the project itself will result in a Significant Emissions Increase under the federal definition
- If Project Emissions are greater than or equal to the Federal Significant Emissions Thresholds, then the Significant Net Emissions test (Step 2) is needed to determine of the permitting action is applicable to NSR
- Project Emissions are:

Project Emissions = Projected Actual Emissions - Baseline Actual Emissions

Discussion Topics

- Federal Thresholds for Defining a Significant Emissions Increase
- Project Emissions
- Calculation Methodology and Approach

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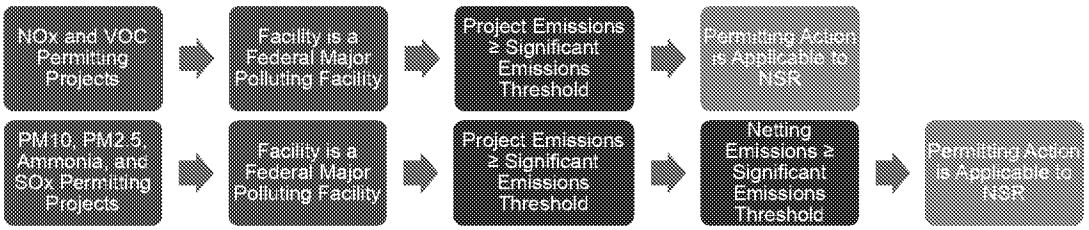
Significant Emission Thresholds

- Project Emissions are compared to the Significant Emissions Thresholds to determine if the increase exceeds the thresholds
- Since the Basin is extreme nonattainment for ozone, this is the last step in determining if a NOx or VOC permitting action is applicable to NSR
- PM10, PM2.5, Ammonia, and SOx permitting actions will need to conduct the Netting Emissions Test (Step 3) to determine NSR applicability



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Significant Emission Thresholds

- The Significant Emissions Thresholds are used for:
  - The Significant Project Emissions Test (Step 2)
  - The Significant Netting Emissions Test (Step 3)
- The federal thresholds for NOx, VOC, PM10 and PM2.5 are different than Regulation XIII
  - NOx, VOC thresholds will decrease from 1 lb/day to 0.5 lb/day
  - PM10 threshold will increase from 1 lb/day to 15 tons/year
  - PM2.5 threshold will increase from 1 lb/day to 10 tons/year
- No change for ammonia threshold

Significant Emission Thresholds[2]

Pollutant	Regulation XIII	Federal NSR
NOX	1 lb/day	0.5 lb/day
VOC	1 lb/day	0.5 lb/day
PM10	1 lb/day	15 tons/year
PM2.5	1 lb/day	10 tons/year
Ammonia	40 tons/year	40 tons/year
SOx	40 tons/year	40 tons/year

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Project Emissions

- U.S. EPA defines the "project" as a physical change in, or change in the method of operation of, an existing major polluting facility [40 CFR 165.(a)(1)(xxxix)]
  - Ensures that nominally-separated projects at a facility are treated as a single project
  - If a project has multiple emission sources, the increases of each individual emission source are added together to determine if the project as a whole has a Significant Emissions Increase
  - In general aggregated projects includes activities that are substantially related, including technical or economic dependence, and that generally occur within three years of each other
  - Aggregate projects would be evaluated on a case-by-case basis

Difference Between Federal NSR Applicability and Regulation XIII

- Regulation XIII permits are issued for each individual source or unit
- Regulation XIII does not include emission increases from other permitting or non-permitting actions

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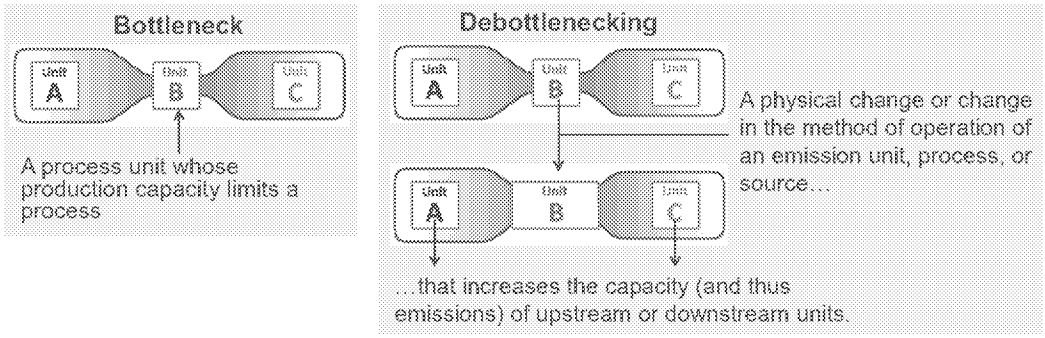
Debottlenecking



- Debottlenecked emissions must be added to a project's emission increases[4]
  - Add difference to emission increases from modified units (e.g., Unit A and/or Unit C) and other debottlenecked units (e.g., Unit B)

[4] Note that BACT applies only to the units actually being modified

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Should Project Emissions Include Emission Decreases in Step 1?

Project Emissions (Emission Decreases)

- For NOx and VOC, project-specific decreases cannot be accounted for in Project Emissions
  - EPA's March 2018 Memo does not apply to NOx and VOC because the basin is extreme nonattainment for ozone
- For other pollutants, NSR regulation language is uncertain if project-specific decreases can be accounted for in Project Emissions
  - At this time it is uncertain if emissions decreases will be included in the Project emissions - Final Rule is expected in Fall 2020
- If emission decreases are not included in Step 1, the Net Emissions Increase (Step 2), will account for emission increases and decreases

Historically some agencies' (including EPA's) reviews pre-2018 concluded that decreases should not be included

EPA's March 2018 Memo regarding project emission accounting said - decreases can now be included

Proposed Rule (84 FR39244, 8/9/2019) says decreases should be included

Uncertain at this time – Awaiting U.S. EPA final Rule – expected in Fall 2020

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Approach for Calculating Project Emissions

- Project Emissions are based on (Baseline Actual-to-Projected Actual)

Project Emissions = Projected Actual Emissions - Baseline Actual Emissions

Where:

Projected Actual Emissions = [Maximum Projected Emissions - Demand Growth]

- Must sum the Project Emissions for all sources, by pollutant within the project
- To streamline implementation, staff is recommending a hierarchy with two levels
  - First Level: Project Emissions that does not account for excludes Demand Growth
  - Second Level (if needed): Projected Emissions that accounts for excludes Demand Growth

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Two-Level Hierarchy for Evaluating Project Emissions

- **Level 1**: If Project Emissions without accounting for excluding Demand Growth are ≤ the Significant Emissions Threshold, then the permitting action is not applicable to NSR
  - If Projected Emissions without the excluding Demand Growth exclusion ≥ Significant Emission Threshold, then go to Level 2

		Post-Modification		*Pre-Modification*
Project Emissions (w/out Demand Growth)	=	Maximum Projected Emissions	-	Baseline Actual Emissions

- **Level 2**: If Project Emissions with the Demand Growth exclusion are ≤ the Significant Emissions Threshold, then the permitting action is not applicable to NSR
  - If Projected Emissions with Demand Growth exclusion > Significant Emission Threshold, then must conduct the net emissions increase analysis (Step 3) to determine if the permitting action is applicable to NSR

		Post-Modification				*Pre-Modification*
Project Emissions (with Demand Growth)	=	Maximum Projected Emissions	-	Demand Growth	-	Baseline Actual Emissions

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Calculating Project Emissions

- Under the Federal NSR Applicability test, Project Emissions are evaluated differently depending on when the source began operation
- Since the Federal NSR Applicability test looks at all increases from sources within a "project" the appropriate PTE-to-PTE test must be performed for each type of source when there are multiple new affected sources within a project

Description	Types of Sources	Calculation Method
All New Sources	All Each emission sources within project that began operation < 24 months	PTE-to-PTE, where PTE of brand new unit is zero
All Existing Sources	All Each emission sources within the project that began normal source operation ≥ 24 months	Baseline Actual-to-Projected Actual
Hybrid of Sources	Project includes a combination • New sources (began operation < 24 months) • Existing sources (began normal operation ≥ 24 months)	• New sources: PTE- to-PTE • Existing sources: Baseline Actual-to-Projected Actual • Add emission increases calculated for new and existing sources

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Overview of Baseline Actual Emissions

How Calculated

- Average annual emissions for any consecutive 24 months over during past:
  - Five years for Electricity Generating Facilities (EGFs)
  - Ten years for non-EGFs
- Same 24-month period per pollutant – can use a different 24-month period for other pollutants

What is Included in Baseline Actual Emissions

- All stationary emissions for each project source, including fugitive and startup/shutdown/ malfunction emissions
- Must exclude Cannot include emissions in violation of permit or regulatory limits

Downward Adjustments to Meet Current Regulations (Non-EGFs Only)

- Exclude emissions that would have exceeded an emission limit under current regulation for the consecutive 24-months
- Not applicable if part of a Maximum Achievable Control Technology standard, provided state has not taken credit for reductions in an attainment demonstration or maintenance plan

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When Timeframe Begins for Evaluating Baseline Emissions

- Under Federal NSR, the reference point for establishing the timeframes varies:
  - For EGFs, count from the beginning of actual construction of the project
  - For non-EGFs, count from the earlier of the following:
    - Beginning actual construction of the project, or
    - The date a permit application is deemed complete
- Estimating the beginning of construction can be challenging and can create permitting delays if the 24 consecutive months falls outside of the 5 or 10 year timeframe
- **Recommendation:** The reference point for the timeframe for selecting baseline emissions will be based on the date a permit is deemed complete for sources in the project, and construction date for Step 3 sources.

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Overview of Maximum Projected Emissions

Projected Actual Emissions = [Maximum Projected Emissions - Demand Growth]

- Maximum projected emissions is the maximum annual rate (tpy) at which an emissions unit is projected to emit a pollutant in:
  - Any one of the 5 years following the date the unit resumes regular operation, or
  - Any one of the 10 years following the above date if the project involves an increase in the unit's design capacity or PTE and full utilization of the unit would result in a significant emissions increase or significant net emissions increase at the source
- Includes fugitive emissions and emissions associated with startup, shutdown, or malfunctions
- Projected emissions must have a business forecast as the basis.

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Demand Growth Exclusion

Projected Actual Emissions = [Maximum Projected Emissions - Demand Growth]

- Projected Actual Emissions allows for a Demand Growth exclusion
- The Demand Growth exclusion removes emission increases associated with the facility's output that would have occurred regardless of the modification
- Demand Growth exclusions are allowed for:
  - The emissions An existing unit could have accommodated during the consecutive 24-month period used to establish the baseline actual, including any increased utilization due to product demand growth, and if
  - The emissions Are unrelated to the particular project, including any increased utilization due to product demand growth
- Facility must justify and substantiate such exclusions

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Initial Concepts to Ensure for Demand Growth Exclusion is Enforceable

Demand growth claims need to be substantiated with historical operation data

- Must demonstrate that source actually achieved emission level for specified time period in the past

"Emissions That Could Have Been Accommodated" ≠ Current Permit Limits

- "Emissions That Could Have Been Accommodated" is the highest level of pre-modification emissions the emission unit operated at
- Cannot be more than the projected level of business activity, and
- Must be Unrelated to the project

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Information Used for Projected Actual Emissions

Projected Actual Emissions = [Maximum Projected Emissions - Demand Growth]

- Federal NSR requires that Maximum Projected Emissions and Demand Growth exclusion must be supported with the following relevant information
  - Historical operational data
  - Company's own representations
  - Company's expected business activity
  - Company's highest projections of business activity
  - Company's filings with the State or Federal regulatory authorities, and
  - Compliance plans under the approved State Implementation Plan

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Initial Concepts for Bounding Projected Actual Emissions

Make the projected actual emissions a permit limit so that it is enforceable

Future business activity estimates to be based on publicly available information

- Estimates must be stockholder prospects, business loans, or other business information generated independently of Projected Actual Emission determination

If appropriate, projected actual emissions are not provided by the applicant, then the emission increase is calculated as Baseline Actual-to-PTE

- If Baseline Actual-to-PTE is used instead of Baseline Actual-to-Projected Actual, then recordkeeping and reporting obligations for "Reasonable Possibility" provisions can be avoided (discussion later)

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Federal Monitoring, Recordkeeping and Reporting Requirements – Reasonable Possibility Provisions

- Administrative obligations under reasonable possibility provisions would apply if:
  - Baseline Actual-to-Projected Actual method is used, and
  - Project is not a major modification, and
  - Project ≥50% of the significant emission thresholds (before demand growth exclusion)
- Can avoid such administrative obligations by using post-modification PTE instead of Projected Actual Emissions

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Federal Monitoring, Recordkeeping and Reporting Requirements – Reasonable Possibility Provisions

If increase ≥50% of significance level without applying Demand Growth Exclusion, applicant must document basis for non-applicability determination

- Description of the project
- Identification of the emissions unit(s) whose emissions of a regulated NSR pollutant could be affected by the project; and
- Details of applicability test used to determine that the project is not a major modification including:
  - Baseline actual emissions
  - Projected actual emissions
  - Amount of emissions excluded and an explanation for why such amount was excluded
  - Any netting calculations, if applicable

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Federal Monitoring, Recordkeeping and Reporting Requirements – Reasonable Possibility Provisions *(cont.)*

If increase still ≥50% of significance level with Demand Growth Exclusion

- For EGFs, before beginning actual construction, submit project information and applicability test to the reviewing authority
- Maintain a record of the annual emissions for a period of 5 years (or 10 years if the project increases the design capacity or PTE) following resumption of regular operations after the change
  - For EGFs, submit a report to the reviewing authority within 60 days after the end of each year during which records are required (5 or 10 years)
  - Non-EGFs, submit a report if the actual annual emissions shows that the project result in significant emission increase, and if such emissions differ from the preconstruction projection

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Step 3: Significant Net Emissions Test

- Purpose of Step 3 is to determine if emission increases and decreases at the facility during the contemporaneous period is less than the Significant Emissions Threshold
- Step 3 is only applicable for PM10, PM2.5, Ammonia, and SOx
- If Net Emissions during the contemporaneous period are greater than or equal to the Significant Emissions Thresholds, then the permitting action is applicable to NSR

Discussion Topics

- Netting Method
- Contemporaneous Window
- Other Creditable Emission Increases and Decreases

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Netting Method

- Determine the contemporaneous net emissions increase from the Major Polluting Facility as a whole and compare to the Significant Emissions Thresholds
  - Uses the same Significant Emission Thresholds as the Project Emissions
- PM10, PM2.5, Ammonia, and SOx projects can ***net out*** of being a "major modification" if the ***net emission increase*** is less than the Significant Emission Thresholds
- Since the Basin is designated as extreme non-attainment for ozone, netting is **not allowed** for VOC and NOx

Net Emission Increase = Project Emissions + Sum of Emission Increases and Decreases Over Contemporaneous Period

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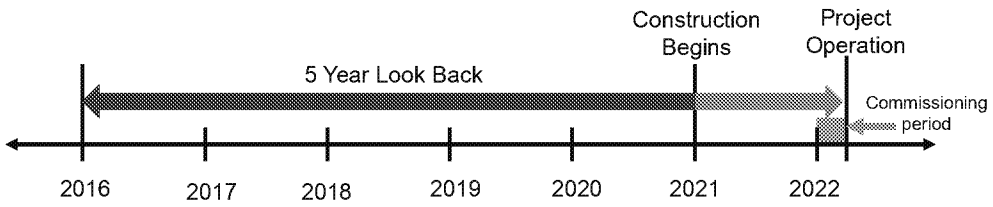
Instead of Construction begins, can we base this on when the permit is deemed complete? NO

Contemporaneous Window

- Contemporaneous period includes a “look back” and “look forward” period
- Look back period begins five years before the date construction of the (current) project commences
- Look forward period begins from the date of construction of the (current) project to the date that the increase from the (current) project occurs
  - For a replacement unit that requires shakedown, this may include a reasonable shakedown period, not to exceed 180 days



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Contemporaneous, Creditable Increases and Decreases Calculation Method

Other Creditable Emission Increases and Decreases

Emission Increases and Decreases Over Contemporaneous Period = Post-Project PTE - Baseline Actual Emissions

Description	Types of Sources	Calculation Method
All New Sources	All emission sources within project began operation < 24 months	PTE-to-PTE
All Existing Sources	All emission sources within the Project began normal source operation ≥ 24 months	Baseline Actual-to-PTE
Hybrid of Sources	Project includes a combination • New sources (began operation < 24 months) • Existing sources (began normal operation ≥ 24 months)	• New sources: PTE- to-PTE • Existing sources: Baseline Actual-to-PTE

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Creditable Increases and Decreases

- Must not have been relied on in:
  - An air quality analysis in a previous NSR permit analysis
  - A "Reasonable Further Progress" demonstration for nonattainment pollutant (PM2.5)
- Decrease must be enforceable by date construction commences
- Creditable decrease is based on actual emissions to PTE
  - If actual emissions are higher than existing allowable emissions, creditable decrease is based on the existing allowable emissions and the revised allowable emissions
- Increase must involve some amount of actual increase
- Must involve "approximately the same quantitative significance for public health and welfare" as project emission increase

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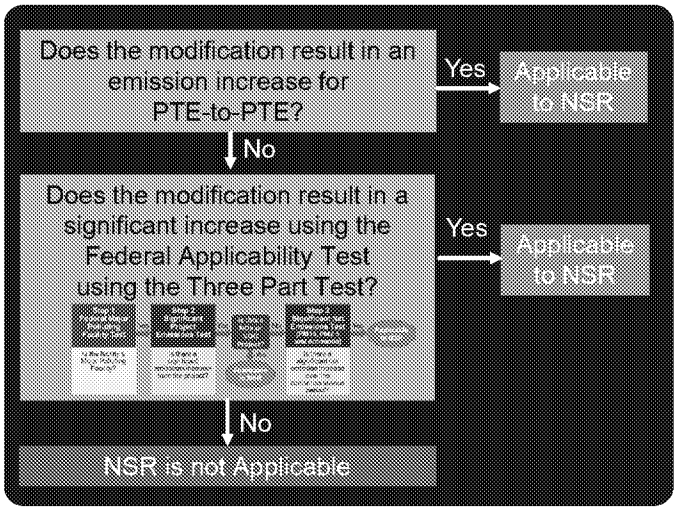
Summary of the Proposed NSR Applicability Test for Major Source Modifications



- First applicability test retains the method of current Regulation XIII
- The Federal Applicability Test is a 3-step test that uses the NSR Reform calculation method and federal thresholds
  - Netting not allowed for NOx and VOC, but is allowed for other NSR pollutants
- Most provisions can be incorporated by reference, with minor revisions as discussed
- A guidance document will be needed to streamline implementation

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