

Proposed Amendments to
Rule 2201 (New and Modified Stationary Source Review)
Rule 2301 (Emission Reduction Credit Banking)
Rule 2520 (Federally Mandated Operating Permits)

April 15, 2019

(Webcast participants: submit comments to webcast@valleyair.org)

February 18, 2016, Amendments to Rule 2201

- Addressed requirements associated with reclassification to serious nonattainment for 1997 and 2006 PM_{2.5} NAAQS
 - Lowered PM_{2.5} Major Source and Federal Major Modification thresholds
 - Addressed PM_{2.5} precursors
 - Clarified PM_{2.5} definition pertaining to condensable particulates
- Other adopted changes
 - Changed Application Shield applicability (Section 8)
 - Removed CO nonattainment areas offset threshold
- Also included revisions based on EPA comments
 - Renamed “Routine Replacement” with “Replacement Emissions Unit” and removed the term “routine” from the definition
- Not submitted to SIP – ARB rejected removal of “Routine”

Limited Scope of New Amendments

- Add “Routine” to definition of “Replacement Emissions Unit”,
- Perform PM_{2.5} Precursor Demonstration for Ammonia (NH₃) for EPA’s approval
- Minor clarifications to Rule 2201 based on additional EPA comments
- Enhancement of Public Notice procedures for District Rules 2201, 2301, and 2520

Routine Replacement Emissions Unit

- During Feb 2016 amendment process, EPA agreed to replace “Routine Replacement” term with “Replacement Emissions Unit”
- However, later, ARB said removing the term “Routine” would potentially expand BACT exemption. Not allowed under SB 288 (Protect California Air Act of 2003)
- Proposed amendment will reinstate “Routine” to the definition (section 3.35) and will rename term as “Routine Replacement Emissions Unit” throughout the rule.
 - No change to current implementation

Rule Language Clarifications

- EPA requested clarification that the application shield for TREUs that was added to section 8.0 only applied to existing units with valid District Permit to Operate (PTO)
 - “...with a valid District Permit to Operate” added to section 3.41
 - Consistent with current definition for Routine Replacement Emissions Unit (section 3.35)
- EPA requested that the District consider additional language to specifically repeat the federal prohibition on netting out of federal major modification for VOC and NO_x in extreme ozone nonattainment areas
 - District added to section 3.18.1
- Neither of these language changes causes a change in the District’s longstanding interpretation or implementation of provisions

PM2.5 Precursor Demonstration for NH3

- District completed PM2.5 precursor demonstration for ammonia (NH3) for February 2016 amendments to Rule 2201 using EPA guidance at that time
- In November 2016 EPA changed the precursor demonstration guidance
 - EPA previously implemented PM2.5 requirements under the general nonattainment provisions Subpart 1
 - A court decision required EPA/District to evaluate PM2.5 requirements under Subpart 4 for PM nonattainment areas
- District is required to consider PM2.5 precursor pollutants under the presumption that each is a significant PM2.5 precursor
 - This differs from the previous requirements of Subpart 1 under which all precursors were presumed not to be significant precursors unless they were demonstrated to be so

PM2.5 Precursor Modeling Protocol

- November 2016, EPA issued new guidance for PM2.5 precursor demonstrations
 - Current EPA guidance requires modeling the affect of precursor increases for NSR (vs. decreases for planning)
- Collaborated with EPA (Region 9 and OAQPS) and ARB to establish the modeling protocol
- Performed “Absolute” and “Relative” model methods
 - Absolute Model Method: Derives overall PM2.5 concentrations with consideration of ammonia increase and without pollutant speciation contribution to overall concentration
 - Relative Model Method: Derives overall PM2.5 concentrations with consideration of ammonia increase and pollutant speciation to overall concentration

PM2.5 Precursor Modeling Protocol Steps

- The following steps were followed to conduct the modeling:
 - Step 1: identify sources for inclusion in future modeling scenarios
 - Reviewed the last 10 years (2008-2017) of permitting records
 - Step 2: identify appropriate source locations
 - Step 3: determine appropriate future source emissions
 - Estimated 128 modifications are hypothetically expected in the Valley between 2013 and 2025
 - Evaluated ten (10) hypothetical new sources of ammonia at 100 ton/year threshold – extremely conservative assumption, no such sources expected
 - Step 4: update CMAQ model inputs
 - Step 5: post-process the CMAQ output
 - Step 6: calculate the modeled impact from precursors

Preliminary Modeling Results

- Unforeseeably high increases in ammonia emissions will not significantly increase PM2.5 concentrations in the Valley

NAAQS	Maximum Modeled Change	Precursor Guidance Threshold	Significant Change?
Absolute Analysis			
24-Hour	0.79	1.3	No
Annual	0.032	0.2	No
Relative Analysis			
24-Hour	0.22	1.3	No
Annual	0.018	0.2	No

- Conclusion: Ammonia (NH₃) is not a significant precursor to PM_{2.5}

Enhancement of Public Notice Procedures

- District Rules 2201, 2301, and 2520 each currently require newspaper public notice when triggered
- Electronic notification (e-notice) rather than newspaper notice
- e-notice benefits
 - Increased opportunities for public participation through greater access to project documents (24/7 availability, link in e-notice)
 - Making available a higher quality of information in the form of more detailed and bilingual notices, and project related documents, on the District's website
 - Enable communication with public more quickly and efficiently
 - Increase opportunity for more meaningful public participation (can sign up to receive e-notices)

e-Notice Enhancements

- Proposed amendments do not change the standards that trigger public notification requirements
 - Publication in local newspapers still required for other actions when required by law (i.e. public hearings, CEQA, etc)
- Consistent with federal rules for permitting actions
- Does not violate the SB 288 Protect California Air Act of 2003
- Enhancements supported by EPA and ARB
- No other changes are proposed for Rules 2301 and 2520

Next Steps...

**4/15/2019 –
4/26/2019:**

Public comment
period

**5/20/2019 –
6/19/2019:**

Public comment
period

5/20/2019:

Publication of
proposed rule
package to District
web page

6/20/2019:

Governing Board
Public Hearing

Comment Deadline

April 26, 2019 at 5:00 PM

Contact: Ramon Norman
By Mail: San Joaquin Valley APCD
1990 E. Gettysburg Avenue
Fresno, CA 93726
Phone: (559) 230-6000
Fax: (559) 230-6061
Email: ramon.norman@valleyair.org

Questions/Comments

Please come to podium
State name and affiliation

Webcast participants can send questions/comments by email
while the webcast is operational:

webcast@valleyair.org