

RULE 2302 COMMUNITY BANK (Adopted September 19, 1991; Amended March 11, 1992; Amended December 17, 1992)

1.0 Purpose

The purpose of this rule is to define procedures for the funding of the Community Bank and distribution of emissions reductions from the Community Bank for offsets for qualifying new or modified emissions units for which application has been made pursuant to Rule 2201 (New and Modified Stationary Source Review Rule).

2.0 Applicability

This rule shall apply to any new or modified emission units for which application has been made and offsets are required pursuant to Rule 2201 (New and Modified Stationary Source Review Rule).

3.0 Definitions

Unless otherwise defined, terms as used in this rule are defined in Rule 2201 (New and Modified Stationary Source Review) and Rule 2301 (Emission Reduction Credit Banking).

3.1 Community Bank (CB): a depository for preserving emission reduction credits for use as offsets as required by Rule 2201 (New and Modified Stationary Source Review Rule).

3.2 Oilfield Small Producer: a person who:

3.2.1 produces an average of less than 6,000 barrels per day of crude oil from all operations within a county in the District, and

3.2.2 does not engage in refining, transporting or marketing of refined petroleum products.

3.3 Yearly Potential Emissions: the sum of maximum emissions for each affected pollutant from all emissions units at a stationary source, based on the maximum design capacity to emit, unless otherwise limited by enforceable conditions contained in Authorities to Construct and Permits to Operate.

4.0 Exemptions

A stationary source which is exempt from offset requirements by Rule 2201 (New and Modified Stationary Source Review Rule) or is exempt from permit requirements by Rule 2020 (Exemptions) shall not under any circumstances receive credits from the Community Bank.

5.0 Allocation of Emissions

5.1 Allocations from the Community Bank shall be available to a new or modified stationary source, to the extent allowed pursuant to sections 5.2 through 5.10, provided the following requirements are met:

5.1.1 Best Available Retrofit Control Technology (BARCT)

All existing emissions units at the stationary source shall have either:

5.1.1.1 a valid Permit to Operate which includes BARCT, or

5.1.1.2 an application for an Authority to Construct submitted and deemed complete for the incorporation of BARCT.

5.1.2 Emissions Limitations

The total potential to emit of all permitted emissions units at the entire stationary source after the incorporation of BARCT as required by Subsection 5.1.1 and the proposed new or modified emissions unit(s) shall be:

5.1.2.1 less than two (2) tons per year of each affected pollutant, or

5.1.2.2 less than the following amounts:

AFFECTED POLLUTANT	DAILY MAXIMUM (LBS/DAY)
VOCs	30
Nitrogen Oxides (as NO <sub>2</sub> )	40
PM <sub>10</sub>	30
SO <sub>x</sub> (as SO <sub>2</sub> )	30
Carbon Monoxide	220

5.1.3 Oilfield Small Producer

For the purpose of meeting the requirements of Sections 5.1.1 and 5.1.2, an oilfield small producer's stationary source shall include only those emissions units on the contiguous and adjacent properties owned by the small producer on which the new or modified emissions unit requiring offsets is to be located. Qualification as a small producer shall be demonstrated upon application for Community Bank offsets based on the preceding two calendar years of operation.

5.2 Allocations from the Community Bank (CB) shall be made on the first Wednesday of each month or another schedule deemed practicable by the APCO for permit applicants meeting the criteria of Section 5.1. Monthly allocations for each air contaminant shall not exceed the following percents of the total Community Bank accumulation:

Affected Pollutant	Monthly Allocation Percentage of CB
VOC	10
Nitrogen Oxides	10
PM <sub>10</sub>	10
SO <sub>x</sub> (as SO <sub>2</sub> )	10
Carbon Monoxide	10

5.3 If more emission credits are requested during a month than are available in the Community Bank allocation, the allocation shall be distributed to applicants in the order their applications were deemed complete. Where applications are deemed complete on the same day, credits shall first be granted to the applicants requesting the least total credits. If an applicant does not receive all requested Community Bank offsets initially, the application shall be considered each month until 145 days after the application has been deemed complete.

5.4 If fewer emission credits are requested than are available as provided in Section 5.2, excess credits shall be added to the allocation for the following month. Any amount allocated shall not be considered in the Community Bank accumulation unless it is returned pursuant to Section 6.0.

5.5 Each stationary source shall maintain a balance of total Community Bank credits obtained for each quarter. In no case shall this amount exceed emissions listed in Section 5.1.

5.6 If a subject facility holds Emission Reduction Credit Banking Certificate(s) issued pursuant to Rule 2301 (Emission Reduction Credit Banking), then that credit shall be used (including interpollutant offset of emissions) before access to the Community Bank is allowed.

5.7 Seasonal sources which qualify for offsets from the Community Bank shall request offsets for expected emissions in each calendar quarter.

5.8 Allocations from the Community Bank shall not be banked or transferred.

5.9 The Community Bank shall be divided into three geographical regional banks as follows:

- 5.9.1 Northern Region: Merced, San Joaquin and Stanislaus Counties
- 5.9.2 Central Region: Fresno and Madera Counties
- 5.9.3 Southern Region: Kings and Tulare Counties and the San Joaquin Valley portion of Kern County

Offsets qualifying as funding for the Community Bank shall be deposited into the bank of the region in which the offsets were generated. Regional Community Bank allocations shall only be distributed for use within the region of origin.

- 5.10 The APCO shall reserve a portion of each regional community bank credits equal to the estimated projected credits needed to mitigate the increase in emissions from the new and modified gasoline motor vehicle refueling facilities or dry cleaning facilities in each region pursuant to Rule 2201 (New and Modified Stationary Source Review Rule) unless the Control Officer designates other surplus emissions reductions for the same purpose.

#### 6.0 Funding of the Community Bank

- 6.1 The portion of emissions reductions and offsets as described in Rule 2201 (New and Modified Stationary Source Review Rule) shall be deposited in the Community Bank.
- 6.2 A stationary source which has received credits from the Community Bank shall return credits to the Community Bank if:
  - 6.2.1 An Authority to Construct using Community Bank credits is surrendered, expires, is revoked, or transferred unless vested rights are established before the Hearing Board.
  - 6.2.2 A Permit to Operate using Community Bank credits is surrendered, revoked or not renewed. In addition to Community Bank credits, any other actual emissions reductions from such action shall be credited to the Community Bank.
  - 6.2.3 The source has not engaged in a continuous program of construction within one (1) year of issuance of an Authority to Construct. Should this occur such Authority to Construct is no longer valid.
- 6.3 Any other actual emissions reductions which the APCO determines to be surplus may also be included in the Community Bank.
- 6.4 Any emissions reductions specifically identified in the California Clean Air Act Plan for funding of the Community Bank.

- 6.5 Any portion of the Community Bank accumulation which has been allocated for 12 months and not distributed within 12 months from allocation shall be returned to the Community Bank accumulation.
- 6.6 All emissions reduction credits distributed from the community bank for permitting new and modified gasoline motor vehicle refueling facilities or dry cleaning facilities prior to March 11, 1992 shall be returned to the current community bank allocation.

## 7.0 Community Bank Registry

- 7.1 For each region within the District, a registry shall be maintained of all funding of the Community Bank including:
  - 7.1.1 the action generating the credit,
  - 7.1.2 the date action was approved by the APCO,
  - 7.1.3 the amount of each affected pollutant in pounds for each calendar quarter credited by the action,
  - 7.1.4 the amount of credits allocated each month for qualifying stationary sources, and
  - 7.1.5 the balance through the end of each month.
- 7.2 The amount of credits allocated for qualifying stationary sources pursuant to Subsection 5.1 shall be ten (10) percent of the balance of each affected pollutant for each calendar quarter of all actions approved through the last day of the month preceding the month of allocation as recorded in the registry.
- 7.3 The registry shall be administered for each region as designated by the APCO.

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