

BACWA AIR Meeting
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**Recent Updates to BAAQMD Regulation 2:
New Source Review and
Title V Permitting Programs**



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Presentation Outline

1. “Sound-bite” Overview
2. Background: Why Update Reg. 2?
3. Substantive Changes
4. Non-Substantive Changes
5. Effective Date of Amendments
6. Next Steps/Implementation

“Sound-Bite” Overview

- A few important *substantive changes* to how NSR and Title V permitting will work;
- Extensive *non-substantive revisions* to clarify and reorganize the regulations;
- Will (for the most part) be *effective upon final approval by EPA*

Background: Why Update Reg. 2 NSR and Title V Rules?

- PM_{2.5} Non-Attainment Designation
- EPA Regulation of Greenhouse Gases
- Lack of EPA-Approved PSD Provisions in the District's NSR Program
- Rule “Cleanup” Needed

Substantive Changes - Overview

1. New PM_{2.5} NSR Requirements
2. GHGs Included as Regulated Pollutant
3. New/Revised PSD Provisions
4. Revised NSR Applicability Test for “Modifications”
5. New “NAAQS Protection” Requirement
6. Expanded Notice and Comment Provisions

Substantive Change #1: PM_{2.5}

- New non-attainment NSR requirements for PM_{2.5}
 - BACT for sources with PTE over 10 lb/day
 - Offsets for Facility with PTE over 100 tons/yr
- “Condensable” PM emissions will be included (in both PM₁₀ and PM_{2.5} definitions)
 - Included in all regulatory determinations going forward
 - Will not reopen past regulatory determinations based on filterable PM emissions only
- Impacts on PM Emissions Banking
 - New credits issued will include condensable and specify both PM_{2.5} & PM₁₀
 - Existing credits can be converted to include condensable and specify PM_{2.5}

Substantive Change #2: GHGs

- **NSR:** GHGs regulated under PSD provisions (discussed below) –
 - “major” facilities with “significant” emissions increase
- **Title V:** Permits required for “major” facilities
- Both Use EPA’s “Tailoring Rule” thresholds
 - 100,000 tpy CO₂e “major” facility threshold
- Incorporates “Biogenic” Deferral

Substantive Change #3: PSD

- Incorporates substantive elements of EPA's PSD requirements by reference
 - Federal BACT and PSD Impact Analyses
- Creates New Term “PSD Project”
 - PSD requirements apply to “PSD Projects”
- “PSD Project” is same as EPA applicability test;
- Except that District does not use “NSR Reform”

Substantive Change #4: Revised NSR Applicability Test for “Modifications”

- Current Reg. 2-1-234 uses “**Potential-to-Potential**” test to determine whether a change to a source is a “modification” requiring NSR permit
 - Permit required only if change increases “Potential to Emit”
- EPA indicated that it will no longer accept this test. (!)

Substantive Change #4: Revised NSR Applicability test (cont'd)

- Amended Reg. 2-1-234 adds “**federal backstop**” test – a change at a source is a “modification” if either:
 - **234.1**: It increases source’s potential to emit (current rule); or
 - **234.2**: It is a “major modification” under federal definition:
 - Facility is a “major” facility
 - Project will result in a “significant” net increase in emissions
 - Does use “**NSR Reform**” applicability methodologies, including “actual-to-future actual” emissions increase test

Substantive Change #5: NAAQS Protection Requirement

- Requires “significant” new/modified sources to demonstrate that they will not cause or contribute to a violation of the NAAQS
- Currently a PSD requirement for “major” facilities and for “attainment” pollutants only
- New provision extends requirement to any facility with “significant” emissions increase, and adds PM_{2.5}
- Demonstration will be made using modeling and analysis requirements from EPA’s PSD program

Substantive Change #6: Expanded Public Notice and Comment

- Notice and comment currently required only for major facilities (over 100 tpy) and major modifications (over NSR “significance” thresholds)
- Will be expanded to cover projects at any facility with a “significant” net increase in emissions
 - Web notice only – not newspapers



Non-Substantive Changes

- Reorganizes permitting provisions to follow standard District regulation structure.
- Revises certain regulatory language to aid in implementation and avoid potential misinterpretation.
- Non-substantive changes only – these revisions do not affect how the regulations will apply in practice.



Effective Date of Revisions

- Everything except emissions banking provisions will be effective upon final approval by EPA.
 - Late 2012? Early 2013?
- Emissions banking provisions are effective immediately.
 - Holders of PM banking certificates can apply to have PM_{2.5} fraction specified and have condensable emissions included.

Implementation – Next Steps

- Training sessions
 - Internal (District staff) and external (other stakeholders)
- Updated permit handbook and related guidance documents
- Outreach to affected facilities
 - Formal and informal

Conclusion

- “Sound-Bite” Overview:
 - A few important substantive changes to how NSR and Title V permitting will work
 - Extensive non-substantive revisions to rule language
 - Effective (for the most part) upon EPA approval
- Questions?

