

RULE 201.3 Federally Enforceable Limits on Potential to Emit - Adopted 1/25/96,
Amended X/XX/XX (effective XX/XX/XXXX)

I. Purpose

The purpose of this Rule is to allow relatively small sources of air pollution to avoid requirements of Rule 201.1, Permits to Operate for Sources Subject to Title V of The Federal Clean Air Act Amendments of 1990 by obtaining federally-enforceable limitations on the source's potential to emit.

II. Definitions

All terms shall retain the definition provided under Rule 201.1, Permits to Operate for Sources Subject to Title V of the Federal Clean Air Act Amendments of 1990 unless otherwise defined herein.

- A. 12-month period: A period of twelve consecutive months determined on a rolling basis with a new 12-month period beginning on the first day of each calendar month.
- B. Actual Emissions: The emissions of a regulated air pollutant from a stationary source for every 12-month period. Valid continuous emission monitoring data or source test data shall be preferentially used to determine actual emissions. In the absence of valid continuous emissions monitoring data or source test data, the basis for determining actual emissions shall be: throughputs of process materials; throughputs of materials stored; usage of materials; data provided in manufacturer's product specifications, material VOC content reports or laboratory analyses; other information required by this Rule and applicable District, State and Federal regulations; or information requested in writing by the District. All calculations of actual emissions shall use United States Environmental Protection Agency (EPA), California Air Resources Board (ARB) or District approved methods, including emission factors and assumptions.
- C. Alternative Operational Limit: A limit on a measurable parameter, such as hours of operation, throughput of materials, use of materials, or quantity of product, as specified in Section VII., Alternative Operational Limit and Requirements.
- D. Carbon Dioxide Equivalent (CO₂e): As defined in District Rule 102, Definitions.
- E. Emission Unit: Any article, machine, equipment, operation, contrivance or related groupings of such that may produce and/or emit any regulated air pollutant or hazardous air pollutant.
- F. Federal Clean Air Act: The Federal Clean Air Act as amended in 1990 (42 U.S.C. Section 7401 et seq.) and its implementing regulations (CAA).
- G. Greenhouse Gas (GHG): As defined in District Rule 102, Definitions.
- H. Global Warming Potential (GWP): As defined in District Rule 102, Definitions.

- I. Hazardous Air Pollutant (HAP): Any air pollutant listed pursuant to Section 112(b) of the Federal Clean Air Act.
- J. Major Source of Regulated Air Pollutants (excluding HAP's): A stationary source that emits or has the potential to emit a regulated air pollutant in quantities equal to or exceeding any of the following thresholds:
1. 50 tons per year (tpy) of NO_x or VOCs;
 2. 100 tpy of any regulated air pollutant, excluding HAP's and GHGs; or
 3. GHG emissions that are “subject to regulation” as defined in 40 CFR 70.2, provided that the mass emissions of all GHGs emitted, without consideration of GWP, are equal to or greater than 100 tpy.

Fugitive emissions of these pollutants shall be considered in calculating total emissions for stationary sources in accordance with 40 CFR Part 70.2 "Definitions- Major source(2)".

- K. Major Source of Hazardous Air Pollutants: A stationary source that emits or has the potential to emit 10 tons per year or more of a single HAP listed in Section 112(b) of the CAA, 25 tons per year or more of any combination of HAP's, or such lesser quantity as the EPA may establish by rule. Fugitive emissions of HAP's shall be considered in calculating emissions for all stationary sources. The definition of a major source of radionuclides shall be specified by rule by the EPA.
- L. NO_x: All oxides of nitrogen, except Nitrous Oxide, measured as NO₂, Nitrogen Dioxide.
- M. Part 70 Permit: An operating permit issued to a stationary source pursuant to an interim, partial or final Title V program approved by the EPA. (See Rule 201.1)
- N. Potential to Emit: The maximum capacity of a stationary source to emit a regulated air pollutant based on its physical and operational design. Any physical or operational limitation on the capacity of the stationary source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation is federally-enforceable.
- O. Process Statement: An annual report on permitted emission units from an owner or operator of a stationary source certifying under penalty of perjury the following: throughputs of process materials; throughputs of materials stored; usage of materials; fuel usage; any available continuous emissions monitoring data; hours of operation; and any other information required by this Rule or requested in writing by the District.
- P. Regulated Air Pollutant: Any pollutant: 1) emitted into or otherwise entering the ambient air, and 2) “subject to regulation” as defined in 40 CFR 70.2. Regulated air pollutants include, but are not limited to:

1. NO_x and VOCs;
2. Any pollutant having a National Ambient Air Quality Standard (NAAQS) promulgated pursuant to Section 109 of the CAA;
3. Any Class I or Class II ozone-depleting substance subject to a standard promulgated under or established by Title VI of the CAA;
4. Any pollutant subject to a New Source Performance Standard (NSPS) promulgated pursuant to Section 111 of the CAA; and
5. GHG emissions subject to regulation;
6. Any pollutant subject to a standard or requirement promulgated pursuant to Section 112 of the CAA, including:
 - a. Any pollutant listed pursuant to Section 112(r) (Prevention of Accidental Releases) upon promulgation of the list;
 - b. Any HAP subject to a standard or other requirement promulgated by the EPA pursuant to Section 112(d) or adopted by the District pursuant to 112(g) and (j) shall be considered a regulated air pollutant for all sources or categories of sources: 1) upon promulgation of the standard or requirement, or 2) 18 months after the standard or requirement was scheduled to be promulgated pursuant to Section 112(e)(3); or
 - c. Any HAP subject to a District case-by-case emissions limitation determination for a new or modified source, prior to the EPA promulgation or scheduled promulgation of an emissions limitation, shall be considered a regulated air pollutant when the determination is made pursuant to Section 112(g)(2). In case-by-case emissions limitation determinations, the HAP shall be considered a regulated air pollutant only for the individual source for which the emissions limitation determination was made.

Q. Volatile Organic Compounds (VOC): As defined in District Rule 102, Definitions.

III. Applicability

- A. General Applicability: This Rule shall apply to any stationary source which would, if it did not comply with the limitations set forth in this Rule, have the potential to emit air contaminants equal to or in excess of the threshold for a major source of regulated air pollutants or a major source of HAP's and which meets one of the following conditions:
1. In every 12-month period, the actual emissions of the stationary source are less than or equal to the emission limitations specified in Section IV.A.; or
 2. In every 12-month period, at least 90 percent of the emissions from the stationary source are associated with an operation limited by any one of the alternative operational limits specified in Section VII.A.1.

B. Stationary Source with De Minimis Emissions: The recordkeeping and reporting provisions in Sections V., VI., or VII. shall not apply to a stationary source with de minimis emissions or operations as specified in either Subsection III.B.1. or III.B.2., below:

1. In every 12-month period, the stationary source emits less than or equal to the following quantities of emissions:
 - a. 5 tpy of a regulated air pollutant (excluding GHGs and HAPs);
 - b. 20,000 tpy of CO₂e;
 - c. 2 tpy of a single HAP;
 - d. 5 tpy of any combination of HAP's; or
 - e. 20 percent of any lesser threshold for a single HAP that the EPA may establish by rule.
2. In every 12-month period, at least 90 percent of the stationary source's emissions are associated with an operation for which the throughput is less than or equal to one of the quantities specified in Subsections III.B.2.a. through III.B.2.i., below:
 - a. 1,400 gallons of any combination of solvent-containing materials but not more than 550 gallons of any one solvent-containing material, provided the materials do not contain the following: methyl chloroform (1,1,1-trichloroethane), methylene chloride (dichloromethane), tetrachloroethylene (perchloroethylene), or trichloroethylene;
 - b. 750 gallons of any combination of solvent-containing materials where the materials contain the following: methyl chloroform (1,1,1-trichloroethane), methylene chloride (dichloromethane), tetrachloroethylene (perchloroethylene), or trichloroethylene, but not more than 300 gallons of any one solvent-containing material;
 - c. 550 gallons of organic solvent-containing material used at a paint spray unit(s) if the organic solvent content of the material used at a paint spray unit(s) does not exceed 7.3 pounds per gallon;
 - d. 4,400,000 gallons of gasoline dispensed from equipment with Phase I and II vapor recovery systems;
 - e. 470,000 gallons of gasoline dispensed from equipment without Phase I and II vapor recovery systems;
 - f. 1,400 gallons of gasoline combusted;
 - g. 16,600 gallons of diesel fuel combusted;
 - h. 500,000 gallons of distillate oil combusted; or

- i. 71,400,000 cubic feet of natural gas combusted.

Within 30 days of a written request by the District or the EPA, the owner or operator of a stationary source not maintaining records pursuant to Sections V or VII shall demonstrate that the stationary source's emissions or throughput are not in excess of the applicable quantities set forth in Section III.B. above.

- C. Provision for Air Pollution Control Equipment: The owner or operator of a stationary source may take into account operation of air pollution control equipment on the capacity of the source to emit an air contaminant if the equipment is required by Federal, State, or District Rules and Regulations or permit terms and conditions. The owner or operator of the stationary source shall maintain and operate such air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. This provision shall not apply after January 1, 1999 unless such operational limitation is federally-enforceable or unless the District Board specifically extends this provision and it is submitted to the EPA. Such extension shall be valid unless, and until, the EPA disapproves the extension of this provision.
- D. Exemption, Stationary Source Subject to Rule 201.1: This Rule shall not apply to the following stationary sources:

1. Any stationary source whose actual emissions, throughput, or operation, at any time after the effective date of this Rule, is greater than quantities specified in Sections IV.A. or VII.A., and which meets both of the following conditions:
 - a. The owner or operator has notified the District at least 30 days prior to any exceedance that the owner/operator will submit an application for a Rule 201.1 (Part 70) permit, or otherwise obtain federally-enforceable permit limits, and
 - b. A complete Rule 201.1 (Part 70) permit application is received by the District, or the permit action to otherwise obtain federally-enforceable limits is completed, within 12 months of the date of notification.

However, the stationary source may be immediately subject to applicable federal requirements, including but not limited to, a maximum achievable control technology (MACT) standard;

2. Any stationary source that has applied for a Rule 201.1 (Part 70) permit in a timely manner and in conformance with Rule 201.1, and is awaiting final action by the District and EPA;
3. Any stationary source required to obtain an operating permit under Rule 201.1 for any reason other than being a major source of regulated air pollutants or a major source of hazardous air pollutants; or
4. Any stationary source with a valid Rule 201.1 (Part 70) permit.

Notwithstanding Subsections III.D.2. and III.D.4. above, nothing in this Section shall prevent any stationary source which has had a Rule 201.1 (Part 70) permit from qualifying to comply with this Rule in the future in lieu of maintaining an application

for a Rule 201.1 (Part 70) permit or upon rescission of a Rule 201.1 permit if the owner or operator demonstrates the stationary source is in compliance with emissions limitations in Subsection IV.A. or an applicable alternative operational limit in Subsection VII.A..

- E. Exemption, Stationary Source with a Limitation on Potential to Emit: This Rule shall not apply to any stationary source which has a valid operating permit with federally-enforceable conditions or other federally-enforceable limits limiting its potential to emit to below the applicable threshold(s) for a major source as defined in Sections II.J. and II.K.
- F. Within three years of the effective date of Rule 201.1, the District shall maintain and make available to the public upon request, for each stationary source subject to this Rule, information identifying provisions of this Rule applicable to the source.
- G. This Rule shall not relieve any stationary source from complying with requirements pertaining to any otherwise applicable preconstruction permit, or to replace a condition or term of any preconstruction permit, or any provision of a preconstruction permitting program. This does not preclude issuance of any preconstruction permit with conditions or terms necessary to ensure compliance with this Rule.

IV. Emission Limitations

- A. Unless the owner or operator has chosen to operate the stationary source under an alternative operational limit specified in Section VII.A., no stationary source subject to this Rule shall emit more than 50 percent of a major source threshold in every 12-month period in the following quantities:
 - 1. 25 tpy NO_x or VOC;
 - 2. 50 tpy of any regulated air pollutant (excluding GHGs and HAPs);
 - 3. 50,000 tpy of CO₂e;
 - 4. 5 tpy of a single HAP;
 - 5. 12.5 tpy of any combination of HAP's; or
 - 6. 50 percent of any lesser threshold for a single HAP as the EPA may establish by rule.
- B. The APCO shall evaluate a stationary source's compliance with the emission limitations in Section IV.A., above as part of the District's annual permit renewal process required by California Health & Safety Code Section 42301(e). In performing the evaluation, the APCO shall consider any annual process statement submitted pursuant to Section VI., Reporting Requirements. In the absence of valid continuous emission monitoring data or source test data, actual emissions shall be calculated using emissions factors approved by the EPA, ARB or the APCO.

- C. Unless the owner or operator has chosen to operate the stationary source under an alternative operational limit specified in Section VII., the owner or operator of a stationary source subject to this Rule shall obtain any necessary permits prior to commencing any physical or operational change or activity which will result in actual emissions that exceed limits specified in Section IV.A., above.

V. Recordkeeping Requirements

Immediately after adoption of this Rule, the owner or operator of a stationary source subject to this Rule shall comply with any applicable recordkeeping requirements in this Section. However, for a stationary source operating under an alternative operational limit, the owner or operator shall instead comply with applicable recordkeeping and reporting requirements specified in Section VII., Alternative Operational Limit and Requirements. Recordkeeping requirements of this Rule shall not replace any recordkeeping requirement contained in an operating permit or in a District, State, or Federal Rule or Regulation.

- A. A stationary source previously covered by the provisions in Section III.B. shall comply with the applicable provisions of Section V., VI., and VII. if the stationary source exceeds quantities specified in Section III.B.1.
- B. The owner or operator of a stationary source subject to this Rule shall keep and maintain records for each permitted emission unit or groups of permitted emission units sufficient to determine actual emissions. Such information shall be summarized in a monthly log, maintained on site for five years, and be made available to District, ARB or EPA staff upon request.

1. Coating/Solvent Emission Unit

The owner or operator of a stationary source subject to this Rule that contains a coating/solvent emission unit or uses a coating, solvent, ink or adhesive shall keep and maintain the following records:

- a. A current list of all coatings, solvents, inks and adhesives in use. This list shall include: information on the manufacturer, brand, product name or code, VOC content in grams per liter or pounds per gallon, HAP's content in grams per liter or pounds per gallon, or manufacturer's product specifications, material VOC content reports or laboratory analyses providing this information;
- b. A description of any equipment used during and after coating/solvent application, including type, make and model; maximum design process rate or throughput; control device(s) type and description (if any); and a description of the coating/solvent application/drying method(s) employed;
- c. A monthly log of the consumption for each solvent (including solvents used in clean-up and surface preparation), coating, ink and adhesive used; and
- d. All purchase orders, invoices, and other documents to support information in the monthly log.

2. Organic Liquid Storage Unit

The owner or operator of a stationary source subject to this Rule that contains a permitted organic liquid storage unit shall keep and maintain the following records:

- a. A monthly log identifying the liquid stored and monthly throughput; and
- b. Information on the tank design and specifications including control equipment.

3. Combustion Emission Unit

The owner or operator of a stationary source subject to this Rule that contains a combustion emission unit shall keep and maintain the following records:

- a. Information on equipment type, make and model, maximum design process rate or maximum power input/output, minimum operating temperature (for thermal oxidizers) and capacity, control device(s) type and description (if any) and all source test information; and
- b. A monthly log of hours of operation, fuel type, fuel usage, fuel heating value (for non-fossil fuels; in terms of BTU/lb or BTU/gal), percent sulfur for fuel oil and coal, and percent nitrogen for coal.

4. Emission Control Unit

The owner or operator of a stationary source subject to this Rule that contains an emission control unit shall keep and maintain the following records:

- a. Information on equipment type and description, make and model, and emission units served by the control unit;
- b. Information on equipment design including where applicable: pollutant(s) controlled; control effectiveness; maximum design or rated capacity; inlet and outlet temperatures, and concentrations for each pollutant controlled; catalyst data (type, material, life, volume, space velocity, ammonia injection rate and temperature); baghouse data (design, cleaning method, fabric material, flow rate, air/cloth ratio); electrostatic precipitator data (number of fields, cleaning method, and power input); scrubber data (type, design, sorbent type, pressure drop); other design data as appropriate; all source test information; and
- c. A monthly log of hours of operation including notation of any control equipment breakdowns, upsets, repairs, maintenance and any other deviations from design parameters.

5. General Emission Unit

The owner or operator of a stationary source subject to this Rule that contains an emission unit not included in Subsections V.B.1. through V.B.4. shall keep and maintain the following records:

- a. Information on the process and equipment including the following: equipment type, description, make and model; maximum design process rate or throughput; control device(s) type and description (if any);
- b. Any additional information requested in writing by the APCO;
- c. A monthly log of operating hours, each raw material used and its amount, each product produced and its production rate; and
- d. Purchase orders invoices, and other documents to support information in the monthly log.

VI. Reporting Requirements

- A. The owner or operator of a stationary source subject to this Rule shall submit a process statement to the District thirty-days prior to the date of annual Permit to Operate renewal. The statement shall be signed by the owner or operator and certify that the information provided is accurate and true.
- B. For the purpose of determining compliance with this Rule, Section VI.A. shall not apply to a stationary source which emits less than 25 percent of a major source threshold in every 12-month period in the following quantities:
 - 1. 25 tpy of any regulated air pollutant (excluding GHGs and HAPs);
 - 2. 12.5 tpy NOx or VOC;
 - 3. 25,000 tpy of CO2e;
 - 4. 2.5 tpy of a single HAP;
 - 5. 6.25 tpy of any combination of HAP's; or
 - 6. 25 percent of any lesser threshold for a single HAP as the EPA may establish by rule.
- C. If a stationary source previously covered by provisions in Section VI.B. exceed any major source threshold, the source shall comply with the provisions of Section VI.A..
- D. Any additional information requested by the APCO under Section VI.A., above shall be submitted to the APCO within 30 days of the date of request.

VII. Alternative Operational Limit and Requirements

The owner or operator may operate the permitted emission units at a stationary source subject to this Rule under any one alternative operational limit, provided that at least 90 percent of the stationary source's emissions in every 12-month period are associated with the operation(s) limited by the alternative operational limit.

- A. Upon choosing to operate a stationary source subject to this Rule under any one alternative operational limit, the owner or operator shall operate the stationary source in compliance with the alternative operational limit and comply with the specified recordkeeping and reporting requirements.
1. The owner or operator shall report within 24 hours to the APCO any exceedance of the alternative operational limit.
 2. The owner or operator shall maintain all purchase orders, invoices, and other documents to support information required to be maintained in a monthly log. Records required under this Section shall be maintained on site for five years and be made available to District or EPA staff upon request.
 3. Gasoline dispensing facility equipment with Phase I and II Vapor Recovery Systems

The owner or operator shall operate the gasoline dispensing equipment in compliance with the following requirements:

- a. No more than 7,000,000 gallons of gasoline shall be dispensed in every 12-month period,
 - b. A monthly log of gallons of gasoline dispensed in the preceding month with a monthly calculation of the total gallons dispensed in the previous 12 months shall be kept on site, and
 - c. A copy of the monthly log shall be submitted to the APCO at the time of annual permit renewal. The owner or operator shall certify that the log is accurate and true.
4. Degreasing or Solvent-Using Unit

The owner or operator shall operate the degreasing or solvent-using unit(s) in compliance with the following requirements:

- a. If the solvents do not include methyl chloroform (1,1,1-trichloroethane), methylene chloride (dichloromethane), tetrachloroethylene (perchloroethylene), or trichloroethylene, no more than 5,400 gallons of any combination of solvent-containing materials and no more than 2,200 gallons of any one solvent-containing material shall be used in every 12-month period,
- b. If the solvents include methyl chloroform (1,1,1-trichloroethane), methylene chloride (dichloromethane), tetrachloroethylene (perchloroethylene), or trichloroethylene, no more than 2,900 gallons of any combination of solvent-containing materials and no more than 1,200 gallons of any one solvent-containing material shall be used in every 12-month period,
- c. A monthly log of amount and type of solvent used in the preceding month with a monthly calculation of the total gallons used in the previous 12 months shall be kept on site, and

- d. A copy of the monthly log shall be submitted to the APCO at the time of annual permit renewal. The owner or operator shall certify that the log is accurate and true.

5. Paint Spraying Unit

The owner or operator shall operate the paint spraying unit(s) in compliance with the following requirements.

- a. Total usage rate of all organic solvent-containing materials, including but not limited to, coatings, thinners, reducers, and cleanup solution shall not exceed 2,200 gallons in every 12-month period, and the organic solvent content of the material used at a paint spray unit(s) shall not exceed 7.3 pounds per gallon,
- b. A monthly log of the gallons of organic solvent-containing materials used in the preceding month with a monthly calculation of the total gallons used in the previous 12 months shall be kept on site, and
- c. A copy of the monthly log shall be submitted to the APCO at the time of annual permit renewal. The owner or operator shall certify that the log is accurate and true.

6. Diesel-Fueled Emergency Standby Engine (s) with Output Less Than 1,000 Brake Horsepower

The owner or operator shall operate the emergency standby engine(s) in compliance with the following requirements:

- a. For a federal ozone non-attainment area classified as serious, the emergency standby engine(s) shall not operate more than 2,600 hours in a 12-month period and shall not use more than 133,000 gallons of diesel fuel in every 12-month period,
- b. A monthly log of hours of operation, gallons of fuel used, and monthly calculation of the total hours operated and gallons of fuel used in the previous 12 months shall be kept on site, and
- c. A copy of the monthly log shall be submitted to the APCO at the time of annual permit renewal. The owner or operator shall certify that the log is accurate and true.

- B. The owner or operator of a stationary source subject to this Rule shall obtain any necessary permits prior to commencing any physical or operational change or activity which will result in an exceedance of an applicable operational limit specified in Section VII.A.

VIII. Violations

- A. Failure to comply with any of the applicable provisions of this Rule shall constitute a violation of this Rule. Each day during which a violation of this Rule occurs is a separate offense.
- B. A stationary source subject to this Rule shall be subject to applicable federal requirements for a major source, including Rule 201.1 when conditions specified in either Subsections VIII.B.1. or VIII.B.2., below, occur:
 - 1. Commencing on the first day following every 12-month period in which the stationary source exceeds a limit specified in Section IV.A., and any applicable alternative operational limit specified in Section VII.; or
 - 2. Commencing on the first day following every 12-month period in which the owner or operator can not demonstrate that the stationary source is in compliance with the limits in Section IV.A., or any applicable alternative operational limit specified in Section VII.A..

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