



WORKSHOP NOTICE

January 23, 2012

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER / APCO
SUBJECT: **PUBLIC WORKSHOP –DRAFT REGULATION 2 (PERMITS),
RULE 1: GENERAL REQUIREMENTS,
RULE 2: NEW SOURCE REVIEW,
RULE 4: EMISSIONS BANKING, AND
RULE 6: MAJOR FACILITY REVIEW**

The staff of the Bay Area Air Quality Management District will conduct a public workshop to present, discuss, and receive comments on the draft Regulation 2 (Permits), Rule 1 (General Requirements), Rule 2 (New Source Review), Rule 4 (Emissions Banking), and Rule 6 (Major Facility Review). The details of the upcoming workshop are presented below:

Wednesday, February 22, 2012

09:30 am – 10:00 am Informal Open House

10:00 am – 10:45 am Presentation

10:45 am – 12:00 pm Question and Answers

BAAQMD Headquarters

7th Floor Board Room

939 Ellis Street, San Francisco

This workshop will be simultaneously webcast. The link to the webcast can be found at <http://www.baaqmd.gov/pln/ruledev/workshops.htm>.

BACKGROUND

The Bay Area Air Quality Management District (District or BAAQMD) regulates air pollutant emissions from stationary sources throughout the nine counties surrounding the San Francisco Bay. The District is proposing to amend the regulations for permitting stationary sources to incorporate recent U.S. Environmental Protection Agency (EPA) mandated requirements for nitrogen dioxide (NO₂), particulate matter less than 2.5 micrometers (PM_{2.5}), and Greenhouse Gases (GHG) Prevention of Significant Deterioration (PSD) and Title V permitting. The objective of these amendments is for the BAAQMD to obtain an approved State Implementation Plan (SIP) for its PSD and nonattainment New Source Review (NSR) programs, which protect public health and welfare from criteria pollutant and GHG emissions.

DRAFT PROPOSAL

The major amendments include:

- Revise the New Source Review Rule (Regulation 2-2) to incorporate new federal PSD requirements, including the National Ambient Air Standard (NAAQS) for NO₂ (1-hour) and PM_{2.5} (24-hour and annual) and GHG PSD review requirements.
- Incorporate EPA PM_{2.5} requirements for NSR and emission banking.
- Incorporate EPA Title V permitting requirements for Major Sources of GHGs (Tailoring Rule).
- Clarifying language has been added to permit exemptions that may have been previously misinterpreted or where clarification is needed.
- Removed permit exemption for space heaters.
- Reorganize Regulation 2 and Rules 1, 2, 4 and 6 so that it is easier to read; applicable definitions are now located in Rule 1 and standards are now located in the most appropriate rules.
- Clarifying language has been added to further detail the procedure of determining a modified source and the calculation of emission increases.
- Add public noticing requirements for new facilities and modifications to existing facilities that may result in a significant increase of criteria pollutants.

INFORMATION AND COMMENTS

In addition to the amended rules, District staff has prepared a Workshop Report. Staff invites your comments and questions about the proposed rules amendments and Workshop Report. For copies of the draft rule amendments and Workshop Report, please visit our website at <http://www.baaqmd.gov/pln/ruledev/workshops.htm>.

Interested parties are invited to submit comments on the draft Rules or the Workshop Report. Staff is available to meet with interested parties regarding the proposal. Staff will consider all comments, and the proposed rule amendments will be revised as appropriate before they are presented to the District's Board of Directors for adoption at a public hearing. The deadline for comments is March 2, 2012.

For questions or comments on the regulatory proposal, please contact Carol Lee at (415) 749-4689 or clee@baaqmd.gov or Greg Stone at (415) 749-4745 or gstone@baaqmd.gov. For questions on the workshop, please contact Aneesh Rana at (415) 749-4914 or arana@baaqmd.gov.

Multi-Lingual Assistance

Para asistencia en español, llame al 415-749-4609.

如需华语服务，请致电 415-749-4609.

Para sa tulong sa Tagalog, tumawag sa 415-749-4609.

Neáu muoán bieát theâm chi tieát baêøng tieáng Vieät haõy goii soá 415-749-4609.

Frequently Asked Questions

Why is BAAQMD amending Regulation 2?

BAAQMD is amending Regulation 2 to make it consistent with recent changes in federal requirements. Regulation 2 must be consistent with these federal requirements in order for

- BAAQMD to issue Prevention of Significant Deterioration (PSD) and New Source Review permits; and
- BAAQMD to obtain approval of its State Implementation Plan (SIP). The Clean Air Act requires SIPs for areas in non-attainment of air quality standards.

BAAQMD has taken this opportunity to clarify the language and structure of Regulation 2.

What facilities will be most affected by the proposed rule changes?

Most of the changes will affect major facilities, such as refineries and power plants.

In addition, facilities that apply for new or modified permits for sources of PM_{2.5} will be subject to a new Best Available Control Technology (BACT) trigger level. Sources of PM_{2.5} are generally sources which combust fuel (e.g., boilers, steam generators, engines, turbines) and/or handle solid materials (e.g., quarries, asphalt plants, landfills and refineries).

In general, the proposed rule changes will incorporate existing PSD requirements and codify existing District procedures and practices.

I am not a major facility and I'm not applying for a new or modified permit, will I be affected by the rule changes?

Smaller facilities that are not applying for new or modified permits will not be affected by the rule changes. The language in the proposed rule amendments is intended to clarify requirements and to codify existing District procedures and practices.

Why is BAAQMD proposing to renumber Regulation 2-2?

Regulation 2-2 has been revised piecemeal many times over the years. Reorganization of the Regulation was needed so that it clearly delineates the requirements for New Source Review, including PSD, in a manner consistent with federal and state laws. The goal is for the improvement in clarity and functionality from this overhaul to outweigh the amount of effort it will take to get used to the new organization, language and numbering system.

Why did BAAQMD add clarifying language detailing the procedure of determining a modified source and the calculation of emission increases?

The procedures in current Regulation 2-2 are confusing to permit seekers. The proposed new language has been written to reflect current practice and the intent of the original language.

Why did BAAQMD add additional public noticing requirements for new facilities and modifications for existing facilities?

This additional requirement has been added to directly address the requirement of 40 CFR Section 51.161 which requires that the Air District provide opportunities for public involvement, including a 30-day public comment period for new facilities and modifications of existing facilities which may result in a significant increase of criteria pollutants.

What will the new public noticing/comment procedures require?

The rule amendments identify which permit applications will be subject to noticing requirements. Current public noticing/comment requirements only apply to major facilities or major modifications of major facilities. Public noticing/comment is currently carried out by the BAAQMD staff and involves:

- Posting the notice in a newspaper as required by federal requirements
- Posting the permit evaluation on the Air District website
- Providing electronic notification to interested parties
- Accepting comments for 30 days
- Preparing a summary response to comments

BAAQMD will revisit and codify the public noticing/comment procedure for permits in its Public Engagement Policy and Guidance Plan, which is currently under development. Staff anticipates presenting the Plan to the District Board of Directors in the second quarter of 2012. Permit holders and the general public are welcome to participate in the development of the plan or to comment on the draft once it becomes available. For more information, see:

<http://www.baaqmd.gov/Divisions/Communications-and-Outreach/Community-Outreach/Public-Engagement-Policy-and-Guidance-Plan.aspx>

When does the BAAQMD intend to adopt the proposed changes?

The staff intends to present the proposed amendments to the District Board of Directors in the summer of 2012. If adopted in summer 2012, the changes would take effect immediately upon adoption.