

(Adopted: 10/05/79; Amended: 03/07/80; Amended: 09/10/82;
Amended: 07/12/85; Amended: 01/10/86; Amended: 08/01/86;
Amended: 06/28/90; Amended: 05/03/91; Amended: 06/05/92;
Amended: 09/11/92; Amended: 12/07/95; Amended: 06/14/96;
Amended: 03/20/01; Amended: 07/20/21)

RULE 1304

New Source Review Emissions Calculations

(A) General

(1) Purpose

- (a) This rule provides the procedures and formulas to calculate increases and decreases in emissions of Regulated Air Pollutants for new or Modified Facilities. The results of such calculations shall be used to:
 - (i) Determine the applicability of the provisions of District Rule 1303.
 - (ii) Calculate SERs generated within the same Facility.
 - (iii) Determine the Potential to Emit (PTE) for new or Modified Facilities and Emissions Unit(s).
 - (iv) Calculate certain terms used in District Rule 1305.
 - (v) Calculate emissions decreases used to determine ERCs pursuant to the provisions of District Rule 1309.

(B) Calculating Emissions Changes in a Facility

(1) General Emissions Change Calculations

- (a) The emissions change for new or Modified Emissions Unit(s) shall be calculated, in pounds per day, by subtracting Historic Actual Emissions (HAE) from Proposed Emissions (PE).

$$\text{Emissions Change} = (\text{PE}) - (\text{HAE})$$

- (b) The emissions change for a project at new or Modified Facility is the sum of all the positive emissions changes for each Emissions Unit(s) which occur at the Facility at the same time or in connection with the same permitting action.

(2) Net Emissions Increase Calculations

- (a) The Net Emissions Increase for a new or modified Emissions Unit(s) shall be calculated, in pounds per day, by subtracting Historic Actual Emissions (HAE) from Proposed Emissions (PE).

$$\text{Net Emissions Increase} = (\text{PE}) - (\text{HAE})$$

- (b) The Net Emissions Increase for a new Facility is the sum of all the Potential Emissions from each Emissions Unit(s) at the Facility.
- (c) The Net Emissions Increase for a project at a modified Facility is the sum of all the Net Emissions Increases for each Emissions Unit(s) minus any SERs as calculated and verified pursuant to Section (C) below which occur at the Facility at the same time or in connection with the same permitting action.

(C) Calculating Simultaneous Emissions Reductions.

- (1) SERs as defined in District Rule 1301(UUU) may result from the Modification or shut down of Existing Emission Unit(s) so long as the resulting reductions are Federally Enforceable, Real, Surplus, Permanent, Quantifiable and Enforceable, and are reductions in of the Emissions Unit(s).
- (2) SERs resulting from the Modification or shutdown of existing Emission Unit(s) within the same Facility shall be calculated as follows:

- (a) For the shutdown of Emissions Unit(s);

$$\text{SER} = \text{HAE}$$

- (b) For Modifications or limitations on operations of Emission Unit(s);

$$\text{SER} = (\text{HAE}) - (\text{PE})$$

- (c) For shutdown, Modifications or limitations on mobile, area or indirect sources of emissions;

- (i) Any calculation formula and protocol as approved by the District, CARB and USEPA; and
- (ii) The SERs also comply with the applicable provisions of District Rule 1305(C)(3).

- (d) In the case of a Modified Major Facility, the HAE for a specific Emission Unit(s) may be equal to the Potential to Emit for that Emission Unit(s), the particular Emissions Unit have been previously offset in a documented prior permitting action so long as:
 - (i) The PTE for the specific Emissions Unit is specified in a Federally Enforceable Emissions Limitation; and
 - (ii) The resulting Emissions Change from a calculation using this provision is a decrease or not an increase in emissions from the Emissions Unit(s) and
 - (iii) Any excess SERs generated from a calculation using this provision are not eligible for banking pursuant to the provision of District Regulation XIV.

- (3) SERs calculated pursuant to subsection (C)(2) above shall thereafter be adjusted to reflect emissions reductions which are otherwise required by Federal, State or District law, rule, order, permit or regulation as follows:
 - (a) SERs shall be adjusted to reflect only the excess reductions beyond those already achieved by, or achievable by, the Emissions Unit(s) using RACT.
 - (b) SERs shall be adjusted to reflect only the excess reductions beyond those required by applicable Federal, State or District law, rule, order, permit or regulation.
 - (c) SERs shall be adjusted to reflect only the excess reductions beyond those required by any applicable proposed District Rules and Regulations which have been taken to public workshop.
 - (d) SERs shall be adjusted to reflect the excess reductions beyond those required by any control measures identified in the District's Air Quality Attainment Plan or contained in the State Implementation Plan of the District and which have not yet been implemented in the form of District Rules and/or Regulations.

- (4) SERs calculated pursuant to subsection (C)(2) above shall be considered Enforceable when the owner and/or operator of the Emissions Units involved has obtained appropriate permits and/or submitted other Enforceable documents as follows:

- (a) If the SERs are the result of a Modification or limitation on the use of existing equipment and the owner and/or operator has been issued revised ATCs or PTOs containing Federally Enforceable conditions reflecting the Modification and/or limitations.
- (b) If the SERs are the result of a shutdown of a Permit Unit(s) the owner and/or operator has surrendered the relevant permits and those permits have been voided.
 - (i) The specific Permit Units for which the permits were surrendered shall not be re-permitted within the District unless the emissions thereof are completely Offset pursuant to the provisions of this regulation.
- (c) If the SERs are the result of a Modification of Emissions Units(s) which did not have a District permit, the owner and/or operator has obtained a valid District permit or provided a contract, enforceable by the District which contains enforceable limitations on the Emissions Unit(s).
- (d) If the SERs are the result of the application of a more efficient control technology to Emissions Unit(s) the owner and/or operator has or obtains a valid District PTO for both the underlying Emissions Unit and the new control technology.
- (5) SERs as calculated above may only be used for purposes of calculating Net Emissions Increases pursuant to subsection (B)(2) or as Offsets pursuant to District Rule 1305(C)(2).
- (6) Prior to use, SERs must be approved by the APCO.

(D) Calculation of Emission Reduction Credits (ERCs)

- (1) ERCs as defined in District Rule 1301(X) may result from the Modification or shutdown of Existing Emissions Unit(s) so long as the resulting reductions are Federally Enforceable, Real, Surplus, Permanent, Quantifiable and Enforceable and are reductions in emissions of the Emissions Unit(s).

(2) ERCs resulting from the Modification or shutdown of existing Emissions Unit(s) shall be initially calculated as follows:

(a) For the shutdown of an emissions unit;

$$\text{ERC} = \text{HAE}$$

(b) For Modifications or limitations on operations of an Emission unit(s);

$$\text{ERC} = (\text{HAE}) - (\text{PE})$$

(c) For Modifications or limitations on mobile, area or indirect sources of emissions;

(i) For Nonattainment Air Pollutants, a SIP approved calculation method that represents actual emissions reductions from a USEPA approved emissions inventory

(ii) For other Regulated Air Pollutants, any calculation formula and protocol as approved by the District, CARB and USEPA.

(3) Prior to Banking and issuance of the certificate, ERCs shall be adjusted to reflect emissions reductions which are not otherwise required by Federal, State or District law, rule, order, permit or regulation, as follows:

(a) ERCs shall be adjusted to reflect only the excess reductions beyond those already achieved by, or achievable by, the emissions unit using RACT.

(b) ERCs shall be adjusted to reflect only the excess reductions beyond those required by applicable District Rules and Regulations.

(c) ERCs shall be adjusted to reflect only the excess reductions beyond those required by any applicable proposed District Rules and Regulations which have been taken to public workshop.

(d) ERCs shall be adjusted to reflect the excess reductions beyond those required by any control measures identified in the District's AQAP or contained in the SIP for the District which have not yet been implemented in the form of District Rules and/or Regulations.

(4) Readjustment of ERCs

(a) ERCs shall be eligible for readjustment when:

- (i) The original amount of ERCs as calculated were adjusted based upon a proposed Rule or Regulation, which was not identified in the District's AQAP or SIP and the District has subsequently determined that the Rule or Regulation will not be adopted by the District; or
- (ii) The original amount of ERCs as calculated were adjusted based upon a control measure which was identified in the District's AQAP or SIP and the control measure has subsequently been removed from either or both documents and no District Rule or Regulation has been adopted for the control measure.

- (b) If an ERC is eligible for readjustment the APCO shall calculate the readjustment as if the ERC was being initially issued and thereafter reissue the ERC pursuant to the provisions found in District Rule 1309(E).

(5) Discount of ERCs Generated from Military Bases

- (a) ERCs which are calculated from emission reductions created by a military base designated for closure or downward realignment shall be discounted five percent (5%) to improve air quality.

(E) Calculation of Terms Used in Rule 1304

(1) Proposed Emissions

- (a) For a new or Modified Facility or Emissions Unit(s), the Proposed Emissions shall be equal to the Potential to Emit defined by District Rule 1301(GGG) after modification or construction for that Facility or Emissions Unit(s) and as calculated pursuant to subsection (E)(3) below.

(2) Historic Actual Emissions (HAE)

- (a) HAE equal the Actual Emissions of Emissions Unit(s) including Fugitive Emissions directly related to those Emissions Unit(s) if the Facility belongs to one of the Facility categories as listed in 40 CFR 51.165(a)(1)(iv)(C), calculated in pounds per year, as follows:

- (i) The verified Actual Emissions of an Emissions Unit(s), averaged from the 2 year period which immediately proceeds the date of application and which is representative of Facility operations; or
- (ii) The verified Actual Emissions of an Emissions Unit(s), averaged for any 2 years of the 5 year period which immediately precedes the date of application which the APCO has determined is more representative of Facility operations than subsection (E)(2)(a)(i) above.
- (iii) If the Emissions Unit(s) have been in operation for less than one year, the HAE shall be equal to zero.

(3) Potential to Emit

- (a) The Potential to Emit for a Facility, for the purpose of this Rule, shall be calculated as follows:
 - (i) The sum of the Potentials to Emit for all existing Emission Unit(s) as defined pursuant to District Rule 1301(GGG); and
 - (ii) Any emissions increases from proposed new or Modified Emissions Unit(s) as calculated pursuant to subsection (B) above; and
 - (iii) Any Fugitive Emissions if the Facility belongs to one of the facility categories as listed in 40 CFR 51.165(a)(1)(iv)c.

[SIP: See AVAQMD SIP table at <https://avaqmd.ca.gov/rules-plans>]

This page intentionally left blank.