

# Air Quality Update

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## WHAT'S NEW AT THE SCAQMD?

### THE PERMIT "MORATORIUM"

In the Fall of 2008, a court ruling was issued that affected the use of three rules used in the South Coast Air Quality Management District (SCAQMD) permitting process. These rules include Rules 1315, 1309.1 and 1304, which together provide offsets which allow exemptions for facilities with low emissions, or certain types of permit actions such as equipment replacements or control equipment and, for some facilities, like essential public services, credits from the "priority reserve".

### New Source Review Background

Under federal law and by district Regulation XIII, for new or modified equipment, the permit application process requires "New Source Review" (NSR). NSR specifies that the increase in non-attainment pollutant emissions (e.g., NOx, VOCs, etc.) be offset by emission decreases at a 1 to 1.2 ratio (Rule 1303). The offsets are often provided through the use of Emission Reduction Credits (ERC's), which can be banked and traded.

While Rule 1304 provides "exemptions" from offsets for a new permit, the SCAQMD maintains an internal bank of credits to satisfy the federal NSR requirements. As an example, under Rule 1304, facilities with less than 4 tons of emissions are "exempt from offsets," however, they actually have the credits provided by the SCAQMD's internal bank. This

process was performed by the permit engineering staff at the SCAQMD. Under the permit moratorium, due to the court ruling, the SCAQMD cannot use their credits. As a result, facilities will have to provide credits that they have banked, buy ERC's from the open market, or wait until the moratorium is resolved.

### What does this mean for facilities needing an air permit?

If the permit request does not increase non-attainment emissions, such as a modification or adding a control device, etc., then the permit will be processed as usual. If your criteria pollutant emissions are increasing by less than 0.49 lbs/day, the SCAQMD will round down to zero and no ERC's will be required. If you have a facility emissions cap, you may permit emissions under the cap.

However, if the non-attainment pollutants are increasing more than 0.49 lbs/ day, ERC offsets must be provided, and these can be expensive.

### What is going to happen next?

The SCAQMD is pursuing three paths to resolve the situation: State and Federal court actions, CA State legislation (SB 696), and readopting the SCAQMD affected Rules through the CEQA process (as the court required). All three of these paths are active and may resolve the situation, however, the timing is difficult to predict. Currently, the Rule changes are set for the Fall of 2009. Please go the link below for more info:

<http://www.aqmd.gov/permit/index.html>

### Air Quality Tip....

*Did you know that you can lose your air permit if you fail to pay your renewal fees for each unit, even if the SCAQMD neglects to include the unit on the bill?*

*Always compare your permit renewal invoice to your internal list of permitted equipment. You only have one year to pay so we highly suggest reviewing this year's "permit/application renewals" bill to make sure the Air District included all of your permitted equipment and open applications.*

### Upcoming Training Offered by UCI or Yorke Engineering:

- South Coast Air Quality Permitting and Compliance Seminar: October 6 & 7<sup>th</sup>, 2009  
<http://www.yorkeengr.com/gpage1.html>

### Upcoming Due Dates:

- GHG- AB32 Reporting 6/1
- TRI EPA Form R 7/1
- Annual Storm Water Monitoring Report 7/1
- Rule 1110.2 Qtr. Rpt. 7/15
- RECLAIM Quarterly Reconciliation (Cycle 1) 7/30
- RECLAIM APEP (Cycle 2) 8/29
- Title V – SAM 8/31
- Title V - Certification (RECLAIM Cycle 2 only) 8/29
- Title V – Application for Permit Renewal due 180 days prior to permit expiration.

All due dates listed are the statutory dates; sometimes dates are extended when they fall on a day the agency is closed.

## FACILITY MODERNIZATION EXPLORING SCAQMD RULE 1146

The SCAQMD amended Rule 1146 and 1146.1, "Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters," on September 5, 2008. A brief description of the major changes to Rule 1146 is presented below. Rule 1146.1 has similar requirement changes for smaller boilers between 2 and 5 MMBTU/hr.

There are three significant changes to the Rule 1146:

1. Source and/or portable analyzer monitoring for NOx;
2. Lower NOx emission limits for applicable permit units; and
3. The submittal of a compliance plan that outlines a program to achieve the new NOx emission limits.

Beginning on July 1, 2009, all operators of equipment subject to Rule 1146 will need to conduct portable analyzer testing for NOx and CO (RECLAIM facilities are exempt from the NOx testing). Portable analyzer testing shall be conducted, at least once each month, or every 750 unit operating hours, whichever occurs later. These testing intervals can be extended to once every quarter or every 2,000 unit operating hours, whichever occurs later, if the unit has passed three consecutive emission checks without any adjustments to the unit. Portable analyzer testing can only be conducted by personnel that have completed the SCAQMD training program.

Source testing for NOx compliance is required every three years, for units with a rated heat input  $\geq 10$  MMBtu/hr. For units with a rated heat input  $<10$  MMBtu, and  $\geq 5$

MMBtu/hr, source testing is required once every five years.

In addition to equipment testing, all units that are fired on natural gas may need to comply with lower NOx emission limits. For example, by January 1, 2012, 75% or more of the units with a rated heat input  $<75$  MMBtu/hr, and  $\geq 20$  MMBtu/hr will need to meet a 9 ppm NOx emission limit. As a result of these lower limits, all owner/operators may need to submit a compliance plan outlining a program to achieve the lower emission rates by January 1, 2010. Note that if an owner-operator fails to submit a compliance plan by the above-mentioned date, they will be automatically subject to the more stringent compliance limit of 5 ppm NOx.

If you are an owner-operator of a boiler, steam generator, and/or process heater with a rated heat input  $\geq 2$  MMBtu/hr, please review the amended Rule 1146 and 1146.1 to understand the impacts on your facility.

## SOUTH COAST AQMD RULE CHANGES ADOPTED

For full details on rule adoptions go to:  
<http://aqmd.gov/rules/recentrules.html>

- Rule 1122: Solvent Degreasers
- Rule 1171: Solvent Cleaning Operations
- Rule 1144: Varnishing Oils and Rust Inhibitors
- Rule 1156: Further Reductions of Particulate Emissions from Cement Manufacturers

- Rule 1173: Control of VOC leaks from Petroleum Facilities;
- Rule 1469: Hexavalent Chromium Emissions from Electroplating and Anodizing Operations

## SOUTH COAST AQMD RULE CHANGES PROPOSED

For full details on proposed rule changes below go to:  
<http://www.aqmd.gov/rules/proposed.html>

- Rule 317: This proposed rule would raise fees on major stationary sources that do not mitigate emissions of VOC's or NOx below 80% of the source's baseline emissions.
- Rule 1147: This rule is designed to lower emissions on existing combustion equipment and equipment not covered by existing source specific rules. Rule 1147 requires equipment to meet the rule NOx emission limits in phases based upon equipment age and type. Older equipment is required to meet the emission limits first, starting with equipment older than 25 years then equipment over 15 years. Rule 1147 applies to gaseous and liquid fuel combustion equipment including: ovens, dryers, heaters, kilns, calciners, furnaces, incinerators, cookers, roasters, fryers, heated tanks, distillation units, afterburners, thermal oxidizers, and others. NOx limits vary from 30ppm to 60ppm. If the equipment is covered by another source specific rule, such as the 1110.2, this rule does not apply.

*Yorke Engineering, LLC specializes in environmental and air quality consulting for stationary and mobile sources including dispersion modeling, health risk assessments, permitting, emission inventories, air quality compliance systems, etc. Yorke Engineering has over 200 customers including a wide variety of industrial facilities and government organizations throughout California.*

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