

**REGULATION V
PERMIT TO OPERATE REGULATIONS**

RULE 526

LIMITING POTENTIAL TO EMIT

CONTENTS

- PART 1.0 PURPOSE AND GENERAL REQUIREMENTS**
- PART 2.0 APPLICABILITY**
- PART 3.0 DEFINITIONS**
- PART 4.0 EMISSION LIMITATIONS**
- PART 5.0 RECORDKEEPING REQUIREMENTS**
- PART 6.0 REPORTING REQUIREMENTS**
- PART 7.0 ALTERNATIVE OPERATING LIMIT AND REQUIREMENTS**
- PART 8.0 VIOLATIONS**

**REGULATION V
PERMIT TO OPERATE REGULATIONS**

RULE 526 LIMITING POTENTIAL TO EMIT

PART 1.0 PURPOSE

The purpose of this rule is to eliminate the need for certain stationary sources to obtain a Title V operating permit pursuant to District Rule 522 - TITLE V - FEDERAL OPERATING PERMIT PROGRAM. Stationary sources subject to this rule are those whose actual emissions are less than or equal to 50% of those of a major stationary source, but whose potential emissions are equal to or greater than the major stationary source thresholds. These stationary sources must comply with emissions limitations set in this rule or apply for and receive a federal operating permit pursuant to Rule 522.

PART 2.0 APPLICABILITY

2.1 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 hazardous air pollutants (HAPs) and which meets one of the following conditions:

- A. In every 12-month period, the actual emissions of the stationary source are less than or equal to the emission limitations specified in section 4.1 below; or
- B. 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 7.1 below.

2.2 Provision for Air Pollution Control Equipment:

The owner or operator of a stationary source may take into account the 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.

REGULATION V
PERMIT TO OPERATE REGULATIONS

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 U.S. EPA. Such extension shall be valid unless, and until, the U.S. EPA disapproves the extension of this provision.

2.3 **Exemption, Stationary Source Subject to Rule 522, Title V Federal Operating Permits:**

This rule shall not apply to the following stationary sources:

- A. Any stationary source whose actual emissions, throughput, or operation, at any time after the effective of this rule, is greater than the quantities specified in sections 4.1 or 7.1 below and which meets both of the following conditions:
 - 1. The owner or operator has notified the District at least 30 days prior to any exceedance that s/he will submit an application for a Part 70 permit, or otherwise obtain federally-enforceable permit limits, and
 - 2. A complete 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.

- B. Any stationary source that has applied for a Part 70 permit in a timely manner and in conformance with Rule 522, Title V Federal Operating Permits, and is awaiting final action by the District and U.S. EPA.
- C. Any stationary source required to obtain an operating permit under Rule 522, Title V Federal Operating Permits for any reason other than being a major source.

REGULATION V
PERMIT TO OPERATE REGULATIONS

D. Any stationary source with a valid Part 70 permit.

Notwithstanding subsections B and D above, nothing in this section shall prevent any stationary source which has had a Part 70 permit from qualifying to comply with this rule in the future in lieu of maintaining an application for a Part 70 permit or upon rescission of a Part 70 permit if the owner or operator demonstrates that the stationary source is in compliance with the emissions limitations in section 4.1 below or an applicable alternative operational limit in section 7.1 below.

2.4 **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 3.7 and 3.8 below.

2.5 Within three years of the effective date of Rule 522, Title V Federal Operating Permits, the District shall maintain and make available to the public upon request, for each stationary source subject to this rule, information identifying the provisions of this rule applicable to the source.

2.6 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.¹ This does not preclude issuance of any preconstruction permit with conditions or terms necessary to ensure compliance with this rule.

\1 – e.g. federal PSD, NSR, and ATC

PART 3.0 DEFINITIONS

All terms shall retain the definitions provided under Rule 522, Title V Federal Operating Permits unless otherwise defined herein.

3.1 **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.

REGULATION V
PERMIT TO OPERATE REGULATIONS

3.2 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 volatile organic compound (VOC) content reports or laboratory analysis; 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 U.S. EPA, California Air Resources Board (CARB) or District approved methods, including emission factors and assumptions.

3.3 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 7.0, Alternative Operational Limit and Requirements.

3.4 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.

3.5 Federal Clean Air Act

The federal Clean Air Act (CAA) as amended in 1990 (42 U.S.C. section 7401 et seq.) and its implementing regulations.

3.6 Hazardous Air Pollutant

Any air pollutant listed pursuant to section 112(b) of the federal Clean Air Act.

REGULATION V
PERMIT TO OPERATE REGULATIONS

3.7 **Major Source of Regulated Air Pollutants (excluding HAPs)**

A stationary source that emits or has the potential to emit a regulated air pollutant (excluding HAPs) in quantities equal to or exceeding the lesser of any of the following thresholds:

- A. 100 tons per year (tpy) of any regulated air pollutant;
- B. 50 tpy of volatile organic compounds or oxides of nitrogen for a federal ozone nonattainment area classified as serious, 25 tpy for an area classified as severe, or 10 tpy for an area classified as extreme; and
- C. 70 tpy of PM₁₀ for a federal PM₁₀ nonattainment area classified as serious.

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)." Attainment status maps are available from the Air Resources Board or the Northern Sierra AQMD.

3.8 **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 HAPs, or such lesser quantity as the U.S. EPA may establish by rule. Fugitive emissions of HAPs shall be considered in calculating emissions for all stationary sources. The definition of a major source of radio nuclides shall be specified by rule by the U.S. EPA .

3.9 **Part 70 Permit**

An operating permit issued to a stationary source pursuant to an interim, partial or final Title V program approved by the U.S. EPA.

REGULATION V
PERMIT TO OPERATE REGULATIONS

3.10 **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.

3.11 **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.

3.12 **Regulated Air Pollutant**

The following air pollutants are regulated:

- A. Oxides of nitrogen and volatile organic compounds;
- B. Any pollutant for which a national ambient air quality standard has been promulgated;
- C. Any Class I or Class II ozone depleting substance subject to a standard promulgated under Title VI of the federal Clean Air Act;
- D. Any pollutant that is subject to any standard promulgated under section 111 of the federal Clean Air Act; and
- E. Any pollutant subject to a standard or requirement promulgated pursuant to section 112 of the federal Clean Air Act, including:
 - 1. Any pollutant listed pursuant to section 112(r) (Prevention of Accidental Releases) shall be considered a regulated air pollutant upon promulgation of the list.

REGULATION V
PERMIT TO OPERATE REGULATIONS

2. Any HAP subject to a standard or other requirement promulgated by the U.S. 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).

3. Any HAP subject to a District case-by-case emissions limitation determination for a new or modified source, prior to the U.S. 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.

PART 4.0 EMISSION LIMITATIONS

4.1 Unless the owner or operator has chosen to operate the stationary source under an alternative operational limit specified in section 7.1 below, no stationary source subject to this rule shall emit in every 12-month period more than the following quantities of emissions:

- A. 50 percent of the major source thresholds for regulated air pollutants (excluding HAPs),
- B. 5 tons per year of a single HAP,
- C. 12.5 tons per year of any combination of HAPs, and
- D. 50 percent of any lesser threshold for a single HAP as the U.S. EPA may establish by rule.

4.2 The APCO shall evaluate a stationary source's compliance with the emission limitations in section 4.1 above as part of the District's annual permit renewal process required by Health & Safety Code section 42301(e). In performing the evaluation, the APCO shall consider any annual process statement submitted pursuant to Section 6.0, 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 U.S. EPA , CARB, or the APCO.

REGULATION V
PERMIT TO OPERATE REGULATIONS

- 4.3 Unless the owner or operator has chosen to operate the stationary source under an alternative operational limit specified in section 7.1 below, 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 the limits specified in section 4.1 above.

PART 5.0 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 the applicable recordkeeping and reporting requirements specified in Section 7.0, Alternative Operational Limit and Requirements. The 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.

- 5.1 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^{\1} 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, CARB, or U.S. EPA staff upon request.

\1 – In some cases it may be appropriate to keep records on groups of emission units which are connected in series. Examples are internal combustion engines in the oil fields with a common fuel line, or a series of paint spray booths with a common feed.

A. **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:

1. 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, HAPS content in grams per liter or pounds per gallon, or manufacturer's product specifications, material VOC content reports or laboratory analysis providing this information;

REGULATION V
PERMIT TO OPERATE REGULATIONS

2. 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;
3. A monthly log of the consumption of each solvent (including solvents used in clean-up and surface preparation), coating, ink and adhesive used; and
4. All purchase orders, invoices, and other documents to support information in the monthly log.

B. 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:

1. A monthly log identifying the liquid stored and monthly throughput; and
2. Information on the tank design and specifications including control equipment.

C. 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:

1. 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
2. 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.

REGULATION V
PERMIT TO OPERATE REGULATIONS

D. 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:

1. Information on equipment type and description, make and model, and emission units served by the control unit;
2. 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
3. A monthly log of hours of operation including notation of any control equipment breakdowns, upsets, repairs, maintenance and any other deviations from design parameters.

E. General Emission Unit

The owner or operator of a stationary source subject to this rule that contains an emission unit not included in subsections A, B or C above shall keep and maintain the following records:

1. 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);
2. Any additional information requested in writing by the APCO;
3. A monthly log of operating hours, each raw material used and its amount, each product produced and its production rate; and

REGULATION V
PERMIT TO OPERATE REGULATIONS

4. Purchase orders, invoices, and other documents to support information in the monthly log.

PART 6.0 REPORTING REQUIREMENTS

- 6.1 At the time of annual renewal of a permit to operate under Rule 521, Annual Renewal, each owner or operator of a stationary source subject to this rule shall submit to the District a process statement. The statement shall be signed by the owner or operator and certify that the information provided is accurate and true.
- 6.2 Any additional information requested by the APCO under section 6.1 above shall be submitted to the APCO within 30 days of the date of request.

PART 7.0 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.

- 7.1 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.
 - A. The owner or operator shall report within 24 hours to the APCO any exceedance of the alternative operational limit.
 - B. 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 U.S. EPA staff upon request.
 - C. **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:

REGULATION V
PERMIT TO OPERATE REGULATIONS

1. No more than 7,000,000 gallons of gasoline shall be dispensed in every 12-month period.
2. 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.
3. 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.

D. Degreasing or Solvent-Using Unit

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

1. 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.
2. 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.
3. 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.

REGULATION V
PERMIT TO OPERATE REGULATIONS

E. 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:

1. For a federal ozone area designation of attainment, unclassified, transitional, or moderate nonattainment, the emergency standby engine(s) shall not operate more than 5,200 hours in every 12-month period and shall not use more than 265,000 gallons of diesel fuel in every 12-month period.
2. A monthly log of hours of operation, gallons of fuel used, and a monthly calculation of the total hours operated and gallons of fuel used in the previous 12 months shall be kept on site.
3. 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.

- 7.2 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 7.1 above.

PART 8.0 VIOLATIONS

- 8.1 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.
- 8.2 A stationary source subject to this rule shall be subject to applicable federal requirements for a major source, including Rule 522, Title V Federal Operating Permits when the conditions specified in either subsections A or B below, occur:
- A. Commencing on the first day following every 12-month period in which the stationary source exceeds a limit specified in section 4.1 above and any applicable alternative operational limit specified in section 7.1, above, or

REGULATION V
PERMIT TO OPERATE REGULATIONS

- B. 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 4.1 above or any applicable alternative operational limit specified in section 7.1 above.