

PG&E Comments on Proposed Amendments to BAAQMD Permit Rules

PG&E has reviewed proposed amendments to BAAQMD's permit rules (Regulation 2, Rules 1, 2, 4, & 6) and wishes to provide comments. We very much appreciate the BAAQMD's willingness to receive input from the regulated community in order to make the proposed amendments fair and workable.

BAAQMD staff has stated that the intent of the amendments is to add PM_{2.5} and GHGs into New Source Review; to obtain EPA approval of BAAQMD's PSD permit regulations; and to clarify ambiguous provisions. PG&E does not object to these goals. However, much work remains; many issues are very technical in nature and additional clarification would be very helpful.

Although regulatory language generally must be somewhat limited in detail, we suggest that intended implementation policies should be described in the staff report and fully documented in permit procedures found in the BAAQMD Manual of Procedures. For example, PG&E appreciates recently developed regulatory provisions regarding offset provisions for PM_{2.5}; conversion of PM₁₀ ERCs to PM_{2.5}; and adjustment of these ERCs to consider condensable portions. Nevertheless, detailed guidance and examples of the application of these provisions for common projects in the Manual of Procedures would provide additional clarity and improve consistency in implementation.

In addition, the BAAQMD is proposing extensive revisions to these rules; some that may have introduced new substantive requirement that may or may not have been intended, but nevertheless were not sufficiently presented, explained and/or justified. In particular, PG&E requests that the BAAQMD staff explain the intent and necessity of the proposed broadened definition of "facility".

The BAAQMD has proposed removing definitions of facility in Rule 2 & 6 and revising the definition of facility in Rule 1 (2-1-213) that would now be made applicable for all permit rules (2-1-102) [see Excerpts of the BAAQMD's Current Regulatory Proposal below]. We support regulatory revisions that increase clarity; however, this proposed action would substantially broaden the definition of facility and could significantly affect hundreds of facilities. BAAQMD staff should carefully analyze the impact of this proposed revision. We suggest maintaining the current meaning of "facility" and moving the criteria for determining cumulative increase from 2-2-215.3 to 2-2-607 [see PG&E's Suggested Alternative Provision below] instead of including it in the general facility definition of 2-1-213.

Excerpts of the BAAQMD's Current Regulatory Proposal:

Revised Section:

2-1-102 Applicability to Other Rules in Regulation 2~~1e~~ Requirements: The ~~requirements~~ provisions of this Rule, including the definitions, shall apply to the other Rules 2, 3, and 6 of this Regulation, where applicable, unless superseded by specific requirements in Rules 2, 3, and 6 provisions in those other Rules.

Revised Section (includes deleted provisions from facility definitions: 2-2-215 & 2-6-206)

2-1-213 Facility: Any property ~~source~~, building, structure or installation ~~(or any aggregation of facilities)~~ located on one or more contiguous or adjacent properties and under common ownership or control of the same person that that emits or may emit any air pollutant; or any aggregation of such sources, buildings, structures or installations that are located within a distance of three miles of each other and (i) are in and is considered a single the same major industrial grouping (identified by the first two-digits of the applicable code in The Standard Industrial Classification Manual) and under common ownership and control or (ii) are related sources, as defined in Section 2-2-227, even if such related sources are not within the same major industrial grouping and/or are not under common ownership and control. In addition, facilities which include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo. Accordingly, all emissions from such carriers while operating in the District, or within California Coastal Waters adjacent to the District, shall be included as part of the source emissions.

New Section (portions from 2-2-215: Facility, which was deleted)

2-1-242 Related Sources: Two or more sources where the operation of one is dependent upon, supports or affects the operation of the other(s).

Deleted Section (partially moved to 2-1-213; we suggest that 2-2-215.3 may be a better fit for 2-2-607 Cumulative Increase Calculation Procedures, see below)

~~**2-2-215 Facility:** Any property, building, structure or installation (or any aggregation of facilities) located on one or more contiguous or adjacent properties and under common ownership or control of the same person that emits or may emit any air pollutant and is considered a single major industrial grouping (identified by the first two-digits of the applicable code in The Standard Industrial Classification Manual). In addition, facilities which include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo. Accordingly, all emissions from such carriers while operating in the District, or within California Coastal Waters adjacent to the District, shall be included as part of the source emissions.~~

~~215.1 For determining the cumulative increase at a facility subject to the offset requirements of Sections 2-2-302 and 303, related sources on a single property or contiguous properties, even though under different ownership, or related sources on non-contiguous properties under the same ownership shall be considered one facility. Related sources are those sources where the operation of one is dependent upon or affects the operation of the other.~~

~~215.2 Notwithstanding the definition in Section 2-2-215 above, the emissions related to cargo carriers shall not be included when determining applicability of the requirements of Sections 2-2-304, 2-2-308, 2-6-301, and 2-6-310.~~

~~215.3 For determining the cumulative increase at a facility subject to the offset requirements of Sections 2-2-302 and 303, facilities under the same~~

~~ownership or entitlement to use that are located within a distance of three miles, property line to property line, shall be considered one facility if the facilities have the same first two digits in their Standard Industrial Classification codes, as determined from The Standard Industrial Classification Manual.~~

Revised Section (some provisions moved to 2-1-213)

~~**2-6-206 Facility:** As defined in Section 2-1-213 Any property, building, structure, or installation (or any aggregation of facilities) located on one or more contiguous or adjacent properties and under common ownership or control of the same person that emits or may emit any air pollutant and is considered a single major industrial grouping (identified by the first two digits of the applicable code in *The Standard Industrial Classification Manual*). In addition, facilities whose operations include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source that receives or loads the cargo. Accordingly, all emissions from such carriers while operating in the District, or within California Coastal Waters adjacent to the District, shall be included as part of the source emissions.~~

~~206.1 Notwithstanding the definition in Section 2-6-206 above, the emissions related to cargo carriers will not be included when determining applicability of the requirements of Sections 2-6-301, 307, 310, and 312.~~

PG&E's Suggested Alternative Provisions

Suggested revisions (move 2-2-215.3 to 2-2-607.3) to [clean version](#) of BAAQMD's proposed 2-2-607 instead of 2-1-213; maintain current meaning of facility:

2-1-213 Facility: Any source, building, structure or installation (or any aggregation of facilities) located on one or more contiguous or adjacent properties and under common ownership or control of the same person that emits or may emit any air pollutant and is considered a single major industrial grouping (identified by the first two-digits of the applicable code in *The Standard Industrial Classification Manual*). In addition, facilities that include cargo loading or unloading from cargo carriers other than motor vehicles shall include the cargo carriers as part of the source which receives or loads the cargo. Accordingly, all emissions from such carriers while operating in the District, or within California Coastal Waters adjacent to the District, shall be included as part of the source emissions.

2-2-607 Cumulative Increase Calculation Procedures: The cumulative increase in emissions associated with an authority to construct and/or permit to operate for a source shall be calculated as:

607.1 Project Emissions Increase: the increase in potential to emit associated with the authority to construct/permit to operate determined in accordance with Section 2-2-605; minus

607.2 Contemporaneous Onsite Emission Reduction Credits: any contemporaneous onsite emission reduction credits at the facility calculated in accordance with Section 2-2-606 that are credited to the authority to construct/permit to operate.

607.3 For determining the cumulative increase at a facility, facilities under the same ownership or entitlement to use that are located within a distance of three miles, property line to property line, shall be considered one facility if the facilities have the same first two digits in their Standard Industrial Classification codes, as determined from The Standard Industrial Classification Manual.

The cumulative increase associated with an authority to construct/permit to operate issued in the past shall be determined using the increase in potential to emit and contemporaneous onsite emissions reductions credits calculated at the time of issuance of the authority to construct/permit to operate. Emission reduction credits may not be double-counted (*i.e.*, an emission reduction credit may not be applied to the cumulative increase calculation for more than one authority to construct/permit to operate).