Western States Petroleum Association
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Guy Bjerke
Manager, Bay Area Region & State Safety Issues

VIA ELECTRONIC MAIL

March 28, 2012

Ms. Carol Lee
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

RE: Workshop Comments on Proposed Amendments to Regulation 2 – New Source Review and Title V Permitting Programs

Dear Ms. Lee:

The Western States Petroleum Association (WSPA) is a non-profit trade association representing twenty-six companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Arizona, Nevada, Oregon, Washington and Hawaii. Our members in the Bay Area have operations and facilities regulated by the Bay Area Air Quality Management District (BAAQMD or District). WSPA appreciates the opportunity to provide these workshop comments on the proposed amendments to Regulation 2.

Our comments, questions, and, in some instances suggested language, are found in the attached tables. They are a supplement to the Preliminary Comment Letter we submitted to the District on March 2, 2012. The nature of the proposed amendments (adding Particulate Matter (PM) 2.5, Greenhouse Gases (GHG), provisions for a State Implementation Plan (SIP) approved Prevention of Significant Deterioration (PSD) program) coupled with the comprehensive rewriting of the major provisions of the regulation have raised numerous concerns. Our goal in providing these comments is to help the District clarify how the amendments either change or reinforce current District practices and help you streamline the permitting process.

We understand the District will be revising the proposed amendments in response to these and other comments submitted as part of the workshop process. Our members found the recently held Technical Workgroup meetings very helpful in understanding the District's thinking and request the District hold another round of such meetings before releasing the final proposed amendments for public review.

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We appreciate your consideration of these comments. If you have any questions, please contact me at (925) 681-8206.

Sincerely,

Guy Bjerke
Manager, Bay Area Region & State Safety Issues

c. Alexander "Sandy" Crockett, Assistant Counsel
Jim Karas, Director of Engineering
Greg Stone, Manager – Air Quality Engineer

Tables/Attachments:
Reg. 2-1 Comments
Reg. 2-2 Comments
Reg. 2-4 Comments
Reg. 2-6 Comments

BAAQMD Regulation 2, Rule 1, General Requirements
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
2-1-220	**Portable Equipment:** *(BAAQMD proposed language – no redline/strikeout)* Designed to be and capable of being carried or moved from one location to another. Indications of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, platform or mounting. For purposes of this regulation, dredge engines on a boat or barge are portable. Equipment is not portable , if any of the following are true 220.1 The equipment is attached to a foundation, or if not so attached, will remain at the same location for a period in excess of twelve consecutive months, following the date of initial operation. Any unit replacement equipment, such as a back- up or standby unit, that replaces unit the equipment at that location and is intended to perform the same function as the equipment being replaced, will be counted toward the residency time of the equipment. In that case, the cumulative time spent by all such equipment at the location, including the time between the removal of the original equipment and the installation of the replacement equipment, will be counted in determining whether the equipment remains at the same location for a period in	The proposed amended language could prevent permitting and require retirement of specialty equipment, including safety equipment such as large emergency fire water pumps that are used throughout the state. The repercussions of the proposed rule language should be carefully considered citing specific examples. The proposed rule language states that loss of exemption on portable sources will require that the equipment be subject to the requirements of Regulation 2 as if it were a new source. This is in contradiction to the definition of new source (Regulation 2-1-232), which excludes loss of exemption or exclusion in accordance with Regulation 2-1-424. Additional discussion regarding how and where infrequently used portable equipment can be stored somewhere in the state without loss of exemption is needed. It is important to distinguish between in-service locations and warehouse locations (ie. storage). There is a difference between the definition of “seasonal operations” in regards to industries that operate seasonally, and seasonal non-operational maintenance activities. It does not seem to be the intention of the rule to require permits for ‘temporary’ maintenance equipment. To provide clarification for unforeseen issues related to the definition of Portable	The definition of portable should be the same as 2452(dd) for the CARB PERP regulation. Suggested changes to proposed rule amendment language: 220.1 The equipment is attached to a foundation, or if not so attached, will remain at the same *fixed* location for a period in excess of twelve consecutive months, following the date of initial operation. *The period during which the engine or equipment unit is maintained at a storage facility shall be excluded from the residency time determination.* 220.2 The equipment is used in connection with seasonal operations at a location, and it remains or will remain at the location for the full length of normal annual seasonal operations at that location, even if such period is less than twelve months, For purposes of this subsection, seasonal operations are operations that take place at a single location *on a permanent basis* for at least three months each year for at least two *consecutive* years. 220.3 The equipment is moved from one *fixed* location to another in an attempt to circumvent the portable equipment residence time limitations set forth in this definition. *Note 1: Reference PERP Regulation §2452*

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
	excess of twelve months. 220.2 The equipment is used in connection with seasonal operations at a location, and it remains or will remain at the location for the full length of normal annual seasonal operations at that location, even if such period is less than twelve months, For purposes of this subsection, seasonal operations are operations that take place at a single location for at least three months each year for at least two years. 220.3 The equipment is moved from one location to another in an attempt to circumvent the portable equipment residence time limitations set forth in this definition.	Equipment, it is important to reference PERP Regulation §2452(cc). This is the basis for the Portable Equipment definition in Section 220. Including the PERP reference will resolve questions regarding how and where infrequently used portable equipment can be stored (not utilized or hooked up for operation) without loss of exemption.	
2-1-106 **2-1-302.2**	**Limited Exemption, Accelerated Permitting Program** **Permit to Operate, Accelerated Permitting Program**	**These sections have significant discussion. Please see Discussion and Concerns Comments in Attachment 2-1-B.**	.
2-1-128.21	**Exemption, Miscellaneous Equipment – Modification, Replacement, or Addition of Fugitive Components** Modification, replacement, or addition of fugitive components only (e.g. valves, flanges, pumps, compressors, relief valves, process drains) at existing	As discussed in the Reg 2-1 workgroup, the District intended that changes in fugitive components only, no matter where they are located at a facility, are exempt from permitting requirements. Modify rule amendment language to clarify that all fugitive component only changes including non-process units such as tank	Suggested changes to proposed rule amendment language: Modification, replacement, or addition of fugitive components only (e.g. valves, flanges, pumps, compressors, relief valves, process drains) at existing permitted ~~process units at~~ petroleum refineries, chemical plants, bulk terminals or bulk

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
	permitted process units at petroleum refineries, chemical plants, bulk terminals or bulk plants, provided that the cumulative emissions from all additional components installed at a given process unit during any consecutive twelve month period do not exceed 10 lb/day, components installed satisfy the "typical control technology" listed in the BACT/TBACT Workbook, and that the components meet applicable requirements of Regulation 8 rules.	fields and interplant piping a fall under the same permitting exemption.	plants…
2-1-213	**Facility:**	The language in the strikeout version of the draft rule does not match the language in the document "Proposed Changes to Regulation 2-1". This clarification is required so that WSPA can appropriately comment.	Please clarify which proposed rule language is intended.
2-1-214	**Federally Enforceable:** All limitations and conditions ~~which~~ that are enforceable by the Administrator of the U. S. EPA, including but not limited to (i) requirements developed pursuant to 40 CFR Parts 60 (NSPS), 61 (NESHAPS), 63 (HAP), 70 (State Operating Permit Programs) and 72 (Permits Regulation, Acid Rain); (ii), requirements contained in the State Implementation Plan (SIP) that are applicable to the District;, (iii) ~~any District permit requirements established pursuant to 40CFR 52.21 (PSD)~~	It is important to maintain '(iii) any District permit requirements established pursuant to 40 CFR 52.21 (PSD)". in the definition of Federally Enforceable. What was the District's intent in removing this language from the definition? Federal and/or District permit requirements in PSD permits issued by EPA or BAAQMD (under delegation) are federally enforceable.	Suggested changes to proposed rule amendment language: **Federally Enforceable:** All limitations and conditions ~~which~~ that are enforceable by the Administrator of the U. S. EPA, including but not limited to (i) requirements developed pursuant to 40 CFR Parts 60 (NSPS), 61 (NESHAPS), 63 (HAP), 70 (State Operating Permit Programs) and 72 (Permits Regulation, Acid Rain); (ii), requirements contained in the State Implementation Plan (SIP) that are applicable to the District;, (iii) *any federal or District permit requirements established pursuant to 40CFR 52.21 (PSD) or BAAQMD Regulation 2-2 (adoption date, if SIP approved)*

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
	~~or~~ District regulations approved pursuant to 40 CFR Part 51, Subpart I (NSR); (iv), ~~and~~ requirements in any operating permit~~s~~ issued under an EPA-approved program that is a part of the SIP and expressly requires adherence to any permit issued under such program, including requirements of any District permit condition (excluding conditions that are not enforceable by the Administrator of the U.S. EPA); and (v) requirements in federal consent decrees that are enforceable by the Administrator of the U.S. EPA.		
2-1-218	**Regulated Air Pollutant:** Except for purposes of major facility review in connection with Regulation 2, Rule 6, for which the definition in Section 2-6-222 applies, a regulated air pollutant is any air pollutant that is subject to a regulation adopted by or implemented by the District.	This definition implies regulated air pollutants will be identified in other adopted regulations or for Title V facilities only seems awkward. Since refineries are subject to Regulation 2-6, it may not matter, but it seems incorrect and confusing for the District not to identify the pollutants in this section and rely on identifying the pollutants from other regulations.	Please clarify the District's intent for not identifying pollutants in this section. If it is to allow changes in regulated pollutants then a federal reference or a specific District reference is needed.
2-1-228	**Particulate Matter (PM):** Any airborne finely divided solid or liquid material with an aerodynamic diameter smaller than 100 microns.	General PM Discussion: Compliance with PM10 and PM 2.5 must include a date for compliance, as is outlined in the federal regulation. Otherwise, there could be many sources out of compliance. The redefinition of PM10 and PM2.5 is a big deal because the definition is expanding to include condensables without a corresponding increase in the	Going forward, Title V permits need to be very specific regarding PM condensable/filterable limits. Absent specific reference, the filterable portion only should be assumed for existing permit conditions. Suggested clarifying language to proposed rule amendment language:

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
		related limits. Arbitrarily including additional mass (back half) into the PM10 realm doesn't respect the basis under which the original permit limits were defined (front half).	Add language from 40CFR 52.21(b)(50)(vi) for definition of PM, PM10 and PM2.5: "Compliance with emission limitations for PM, PM2.5 and PM10 issued prior to [January 1, 2011] shall not be based on condensable particulate matter unless required by the terms and conditions of the permit or the applicable implementation plan. Applicability determinations made prior to this date without accounting for condensable particulate matter shall not be considered in violation of the section unless the applicable implementation plan required condensable particulate matter to be included.")
2-1-229	**PM10:** Particulate matter with aerodynamic diameter smaller than or equal to a nominal 10 microns. PM10 emissions shall include gaseous emissions from a source or activity that condense to form particulate matter with an aerodynamic diameter smaller than or equal to 10 microns at ambient temperatures.	Reference 'General PM Discussion, above.	**(**Suggested clarifying language and federal citation reference be included in the proposed rule amendment language: **PM10:** Particulate matter with aerodynamic diameter smaller than or equal to a nominal 10 microns. *As of <rule effective date>,* PM10 *emissions for newly permitted sources* shall include gaseous emissions from a source or activity that condense to form particulate matter with an aerodynamic diameter smaller than or equal to 10 microns at ambient temperatures. *PM10 emissions from sources permitted prior to <rule effective date> shall be based only on non-condensable particulate matter. Absent stated condensable/non-condensable PM permit requirements, the non-condensable only portion should be assumed for compliance purposes.* *Note 1: Reference 40 CFR 52.21(b)(50)(vi).*

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
2-1-241	**PM2.5:** Particulate matter with aerodynamic diameter smaller than or equal to a nominal 2.5 microns. PM2.5 emissions shall include gaseous emissions from a source or activity that condense to form particulate matter with an aerodynamic diameter smaller than or equal to 2.5 microns at ambient temperatures.	Reference General PM Discussion, above. Regarding condensibles, particle size cannot be measured at this time. Local definition should match EPA definition.	Suggested clarifying language and federal citation reference be included in the proposed rule amendment language: **PM2.5:** Particulate matter with aerodynamic diameter smaller than or equal to a nominal 2.5 microns. PM2.5 emissions shall include gaseous emissions from a source or activity that condense to form particulate matter with an aerodynamic diameter smaller than or equal to 2.5 microns at ambient temperatures. *Note 1: Reference 40 CFR 52.21(b)(50)(vi))*
2-1-232.1	**New Source:** 232.1 Any source constructed or proposed to be constructed after March 7, 1979 but which never had a valid District authority to construct or permit to operate.	What if the source has limits that the district didn't issue, but the EPA issued prior to district delegation.	The definition should also address that sources issued federal construction permits issued under 40 CFR 52.21 (PSD) and/or CFR 40 51.165 (NNSR) are not new sources. Suggested clarifying language to proposed rule amendment language: Any source constructed or proposed to be constructed after March 7, 1979 but which never had a valid District Authority to Construct or Permit to Operate *or federal construction permits issued by EPA under 40 CFR 52.21 (PSD) and/or CFR 40 51.165 (NNSR).*
2-1-233	**Alter:**	**This section has significant discussion. Please see Discussion and Concerns Comments in Attachment 2-1-B.**	
2-1-234	**Modify:**	**This section has significant discussion. Please see Discussion and Concerns Comments in Attachment 2-1-B.**	

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendation
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).		Please clarify the District's intent regarding this new definition
2-1-302	**Permit to Operate**	**This section has significant discussion. Please see Discussion and Concerns Comments in Attachment 2-1-B.**	
2-1-603	**Particulate Matter Measurements:** PM2.5 and PM10 shall be measured as prescribed in EPA Methods 201A and 202 (for measurements of emissions from specific sources) and in 40 C.F.R. Parts 50, 53 and 58 (for measurements of ambient concentrations).	During the workgroup meeting Avogadro provided relevant information regarding recent changes of the federal PM measurement methods and questioned the accuracy and repeatability of the federal PM measurement methods at low concentrations. Since accurately measuring small amounts of PM emissions is challenging, and because PM 2.5 measurement is a new requirement, it is recommended that the test method required in the rule allows flexibility to utilize a more reliable test method that has better repeatability and higher accuracy as it becomes available.	Suggested clarifying language is highlighted in yellow. **Particulate Matter Measurements:** PM2.5 and PM10 shall be measured as prescribed in EPA Methods 201A and 202 (for measurements of emissions from specific sources) and in 40 C.F.R. Parts 50, 53 and 58 (for measurements of ambient concentrations),*or other test methods with approval from the District.*

ATTACHMENT 2-1-B
DISCUSSION AND CONCERNS COMMENTS

Regulation 2-1-106 - Limited Exemption, Accelerated Permitting Program and

Regulation 2-1-302.2 - Permit to Operate, Accelerated Permiting Program

The BAAQMD is effectively removing the ability of refineries to use the accelerated permit program by deleting the 3rd option (summarized below from Reg 2-1-106) for the Accelerated Permitting Program for "alterations with no emissions increase." This program has been used extensively by refineries and was the subject of substantial discussion and negotiation between the District and WSPA during the 2001 revisions to this rule. This language was specifically added to the section as a result of the 2001 discussions to address minor refinery projects that had to be completed quickly. The removal of the 3rd criteria is contrary to the agreements between the District and industry when this language was adopted as well as the last 10 years of permitting practice, and is a substantive change.

Option 1 (Reg. 2-1-106.1, 106.2, 106.3)

A. Uncontrolled emissions are less than 10 lbs/day
B. Reg 2-5 thresholds are not exceeded
C. Source not subject to public notice reqns

Option 2 – Replacement of any abatement device (Reg. 2-1-106)

Option 3- The alteration with no increase in emissions (Reg. 2-1-106)

In addition, the qualifying criteria for the accelerated program have not always been consistently interpreted. During the 2001 discussions between WSPA and BAAQMD there was agreement that "an alteration with no emissions increase" included the addition of fugitive components exempt under 2-1-128.21. At the time, District permitting staff crafting the rule revisions considered this "obvious" and not needing additional clarifying rule language. Unfortunately, it has not always been this clear to staff over the years.

The accelerated permitting program was purposely included in the existing rule language and has been beneficial for implementing minor equipment corrections, energy efficiency projects and safety improvements immediately upon discovery of opportunities, often during maintenance turnaround activities. Without the ability to use the accelerated permitting program, such projects could be delayed for several years until the next opportunity to shut a unit down for scheduled maintenance. The accelerated permitting program allows important projects with no

emission impact to be implemented readily and at the first window of opportunity. By limiting this program to sources that have the PTE to emit less than 10 pounds per day, the proposed rule eliminates the ability to use this option of acceleration for almost all refinery sources.

The proposed rule amendments change the requirement for obtaining a receipt of a Temporary Permit to Operate prior to commencing construction on an accelerated permit. The proposed rule language states that the APCO will issue the Temporary Permit to Operate "upon determining that the application is complete…" District staff acknowledged that there is a difference between a "complete application" and a "completeness determination."

The language regarding abatement device replacement also raises questions. Please add language to clarify that an abatement device replacement qualifies for the accelerated permitting program regardless of the PTE of the source that it abates.

2-1-106 & 2-1-302 Recommended Changes:

1. Maintain the existing rule language allowing "alteration does not result in an increase in emissions" to be a viable option under the Accelerated Permitting Program. (2-1-106.2)

2. Clarify the process to determine how a project qualifies under the Accelerated Permit Program. Three clarifications requested are:

    a. Clarify the distinction between the definition of "*completeness determination*" under 2-1-106 to avoid delays in issuing a Temporary Permit to Operate in 2-1-302.2 and the definition of a "*complete application*" referenced in 2-1-202. These distinctions were discussed in the workgroup meetings.

    b. The addition of exempt fugitive components per 2-1-128.21 does not constitute "an increase in emissions" and therefore does not disqualify a project from the program.

    c. An increase in emissions is defined as an emissions increase above currently permitted limits.

3. If BAAQMD cannot allow facilities to start construction without the District having made a "completeness determination", then BAAQMD should include a provision for rapid review of permit application materials, perhaps via e-mail or other electronic communication, to facilitate the rapid permitting of unanticipated projects with zero or negligible emissions impact.

Regulation 2-1-233: Alter

The proposed changes do not clearly define the term "alteration" and will likely increase confusion in the permitting process. As interpreted currently, the proposed definition will require a significant increase in the number of permits required. In particular, the addition of the words "change in throughput or production" without further clarification will substantially increase the number of permits required. Specific examples of what is or is not an alteration have been deleted which will only increase uncertainty. As discussed in the workgroup meetings, an example of an Alteration may be a hardware change, but not a change in throughput product slate based solely on demand.

The proposed language in the definition states that "the APCO may impose permit conditions in an ATC or PTO for an alteration to ensure that the change authorized by the ATC or PTO will not result in a modification under Section 2-1-234". It is not clear how this differs from the definition of modification which identifies a "limit imposed to avoid such NSR requirements by keeping emissions below NSR applicability thresholds". Recent practice in issuing permits for alterations has resulted in very arbitrary permit conditions and limits, which have no technical basis or basis in the context of the BAAQMD regulations. There is nothing in the proposed language that clarifies to the BAAQMD staff or the applicants what the technical and regulatory basis and bounds of the imposed permit conditions for an alteration should be. At this point, with the citation as proposed, the BAAQMD is able to impose any condition whether it is relevant to the application or not (e.g. additional sampling, monitoring, reporting, and notification requirements). Permit Conditions are to be imposed, even if the project reduces emissions. There is no nexus between actual emission impacts and whether or not permit conditions are imposed.

2-1-233 Recommended Changes:

1. Provide clarification to rule language to only allow additional Alteration Project permit conditions if that permit condition is tied to relevant reasons to demonstrate the change is not a modification based on the project's technical basis.
2. Restore deleted specific examples of alterations, including "replacement of burners with non-identical burners" listed in 2-1-233.1.
3. Restore the language exempting a process stream composition change from "Alteration" if the source's description in the permit and permit conditions allow for the change and the change does not increase emissions above permitted levels. (2-1-233)
4. Include examples of Alter Projects in the Staff Report.

Regulation 2-1-234: Modify

The proposed changes will result in either more projects inappropriately triggering Regulation 2-2 (NSR or PSD) review or may result in new, overly restrictive operating limits to avoid triggering Regulation 2-2.

The existing rule allows changes to a source without it being considered a modification if the source already has permit limits and these limits won't be changed. The proposed language removes exemption from "modification" unless the permit limits were established after an application

under Reg. 2-2 NSR or limits to avoid NSR were imposed. No guidance is provided on how to determine if a limit was set to avoid imposing NSR. With these changes, projects will be delayed or canceled to avoid inappropriately triggering BACT and Offsets.
The new language also deletes Title V limits and limits on combined sources (bubble permits) as qualifying for the modification exemption. In particular, multiple source limits (bubble permits) which were developed as part of NSR will no longer be able to be used to avoid triggering "modification" even though the BAAQMD stated this was the purpose of the limits when they were issued. In addition, EPA has proposed to allow plant-wide applicability limits for GHG in order to avoid triggering PSD as part of its tailoring rule. It is premature for BAAQMD to eliminate the flexibility to use this compliance option

The proposed language in 2-1-234.2 states that "This Subsection 234.2 shall apply to both daily and annual emissions whenever such emissions are not subject to an enforceable limit that meets the criteria of Subsection 234.1 and the existence of an enforceable limit under Subsection 234.1 does not exempt daily emissions from analysis under Subsection 234.2 and vice versa…" The language does not describe how the daily emissions analysis shall be conducted. Furthermore, the existing rule language Section 234 that allows "an hourly limit or capacity to be converted to a daily limit or capacity by multiplication by 24 hours per day; a daily capacity may be converted to an annual capacity or limit by multiplication by 365 days per year" was deleted. The deleted language should be retained as discussed in the workshop.

2-1-234 Requested Changes:

1. Provide guidance in the Staff Report and clarification in the rule language on how to determine if a limit was set to avoid Regulation 2 Rule 2, NSR. Clarify that permit limits are not needed on every pollutant to use 2-1-234.1 to determine whether or not a change is a modification.

2. Maintain in the amended rule language the last paragraph in 2-1-234:
   <u>"For the purposes of applying this definition, an hourly limit or capacity may be converted to a daily limit or capacity by multiplication by 24 hours/day; a daily capacity may be converted to an annual capacity or limit by multiplication by 365 days per year."</u>

3. Delete the proposed language in 2-1-234.1 that prohibits use of combined source permit limits in determining whether or not a modification has occurred.
4. Provide clarification on the BAAQMD's intent with regard to the "enforceable permit limit" language in 2-1-234.1.

5. Delete use of historical operational records as a specific option to determine the maximum operational capacity. Clarify that the intent of 2-1-234.2 is to allow a source to utilize its effective maximum capacity and not be limited by historical operating levels. If a facility chooses to use historical source operational records, this can be supplied as "other reliable technical information describing the source's capacity." Provide examples in the staff report of design information, engineering specifications, etc.

6. Provide a flow chart or examples of situations where a modification would be triggered versus an alteration so that BAAQMDs intent is more clear on what types of changes would trigger permitting.

BAAQMD Regulation 2, Rule 2, New Source Review
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion, Concerns, & Recommendations
2-2-101	Description: This rule applies to all new and modified sources that are subject to the requirements of Section 2-1-201 and/or 2-1-302. The purpose of this Rule is to implement the New Source Review provisions of the federal and California Clean Air Acts (including the federal non-attainment New Source Review, Prevention of Significant Deterioration, and Minor New Source Review provisions) and the no-net-increase requirements of the California Health and Safety Code, among other requirements.	In the BAAQMD workgroup meetings, the BAAQMD has stated that an alteration is not subject to Regulations 2-2. Please confirm that Regulation 2 Rule 2 does <u>not</u> apply to alterations by adding language to the Section 2-2-101 description.
2-2-206.2	**Contemporaneous Definition**	Regulation 2-2-206.1 is the same as the current definition in 2-2-242. Please explain why was 2-2-206.2 added and is the purpose of the addition.
2-2-220	**Net Emissions Increase, PSD**	WSPA believes the District should be open to utilizing NSR Reform. We stated this in our previous comment letter, and arguments supporting the utilization of NSR Reform have been detailed in a previous WSPA member comment letter. Please clarify what types of projects are included in the calculation for creditable contemporaneous emissions increases and decreases.
2-2-221	**Offsets Definition**	Please consider whether contemporaneous emission reductions should be included in the offsets definition and elsewhere in the rule.
2-2-222	**Pollutant-Specific Basis**	This definition is not clear. Please clarify the context or standard in which this definition is used.

BAAQMD Regulation 2, Rule 2, New Source Review
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion, Concerns, & Recommendations
2-2-224	**PSD Project Definition**	Please confirm that alterations, as defined in Regulation 2-1, are not PSD Projects.
Original **2-2-305**	**Carbon Monoxide Modeling Requirement, PSD**	Section 2-2-305 is proposed to be amended to address the "required PSD source impact analysis". This proposed language incorporates the CO modeling requirement by reference. The BAAQMD should consider adding a section that explains that the BAAQMD is attainment for CO and therefore offsets are not required. It is confusing that even though the BAAQMD is attainment for CO, CO is still listed as a BACT pollutant.
Proposed **2-2-305**	**PSD Source Impact Analysis Requirement**	Does the PSD source impact analysis apply to GHGs? What will be required in a PSD analysis for GHGs?
2-2-603.1.2	**Determine Baseline Period: Contemporaneous onsite emission reductions**	The proposed rule as written indicates that the baseline period for any contemporaneous change (as defined in this Rule) ends on the date the change was first implemented, not the date the application is deemed complete. The rule as written does <u>not</u> specify that this contemporaneous change must be permitted or federally enforceable on the date the change was first implemented. Please confirm the District's intended definition for this Rule and propose new language as appropriate.
2-2-603.2 & 3	**Determine Baseline Throughput & Determine Baseline Emissions**	The proposed language states that if data is missing, throughput is zero. We understand the District's intent is to allow surrogate data to be used. Please add this provision in the rule language.
2-2-604.2	**Emission Increase/Decrease Calculation Procedures:** **Changes at Existing Sources**	We do not believe it is the District's intent for the emissions changes from an alteration project to be calculated per 2-2-604.2. Please confirm.

BAAQMD Regulation 2, Rule 2, New Source Review
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion, Concerns, & Recommendations
2-2-605.2	**Potential-to-Emit Increase Calculation Procedures for Purposes of Determining Cumulative Increase: Modified Source – Emissions Limited By Permit Condition**	Please verify that this Rule applies to cumulative increase only, and not to PSD calculations. Please verify that there is consistency between the calculation methods for modified sources in 2-2-605.2 and 2-2-605.3, and the definition of a modification in 2-1-234.

BAAQMD Regulation 2, Rule 4, Emissions Banking
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendations
2-4-201	**Emission Reduction Credit**: As defined in Section 2-2-201.	The definition of an Emission Reduction Credit in Section 2-2-201 was deleted and replaced with Section 2-2-201 Adjustment to Emission Reductions for Federal Purposes. The definition for Emission Reduction Credit has been moved to Section 2-2-211.	Update Emission Reduction Credit in section 2-4-201 to reference Section 2-2-211.
2-4-416	**Re-evaluating PM10 Emission Reduction Credits**: The owner of PM10 emission reduction credits (ERCs) that were approved but not used prior to <effective date of rule change> may request the District to re-evaluate those ERCs for the purpose of either converting PM10 to PM2.5 and/or including the condensable portion of PM10 or PM2.5 that was not included in the original evaluation.	WSPA is currently reviewing the BAAQMD's proposed language and may provide additional comments at a later date. We understand that one PM10 ERC certificate after conversion can be used for both PM10 and PM2.5 ERC's up to the converted values. For example, if you need to surrender 10 tons of PM10 and 10 tons of PM2.5 and you have a certificate that has been converted to10 tons PM10 and 10 tons PM2.5 ERCs, then you can use the same certificate to satisfy both PM10 and PM2.5. It is suggested to add rule amendment language to clarify this understanding. It would be helpful to include examples in the staff report for additional clarification. General Concern: 75% of the PM10 ERCs are owned by 5 companies. One company holds close to 50% of the total 482 tons of PM10 in the District's inventory. The regulated community does not have certainty that any of the owners of PM10 ERCs will request re-evaluation of their ERCs or what the market may be like for purchase of PM 2.5 ERCs.	Suggested changes to proposed rule amendment language: **Re-evaluating PM10 Emission Reduction Credits**: The owner of PM10 emission reduction credits (ERCs) that were approved but not used prior to <effective date of rule change> may request the District to re-evaluate those ERCs for the purpose of either converting PM10 to PM10 and PM2.5 and/or including the condensable portion of PM10 or PM2.5 that was not included in the original evaluation. An ERC, after conversion, can simultaneously be used for both PM10 and PM2.5 offsets, up to the converted values. Additional discussion and thought is needed to understand how PM2.5 credits can be obtained if not available on the open market.

BAAQMD Regulation 2, Rule 4, Emissions Banking
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendations
2-4-602	**Calculation Procedure for Converting Filterable PM10 to Filterable PM2.5:** Existing PM10 emission reduction credits can be converted to PM2.5 by multiplying the amount of PM10 by a Districtj-approved conversion factor, based on the type of source that originally generated the PM10 credits. Acceptable conversion factors may include, but are not necessarily limited to the following: …	Reference comments in 2-4-416 above regarding conversion of PM10 credits to PM10 and PM2.5. WSPA continues to review the BAAQMD's proposed language and may provide additional comments at a later date.	Suggested changes to proposed rule amendment language: **Calculation Procedure for Converting Filterable PM10 to Filterable PM2.5:** Existing PM10 emission reduction credits can be converted to ***PM10 and*** PM2.5 by multiplying the amount of PM10 by a District-approved conversion factor, based on the type of source that originally generated the PM10 credits. Acceptable conversion factors may include, but are not necessarily limited to the following: …
2-4-603	**Calculation Procedure for Including Condensable PM10 and PM2.5:** The adjustment to add condensable (back-half) particulate to an existing credit will be based on the following: 603.1 The applicant must demonstrate the original credits were based solely on filterable particulate; 603.2 The applicant must identify the ratio of filterable to condensable PM10 and provide supporting documentation; 603.3 The amount of condensable PM10 will be determined by multiplying the amount of original filterable PM10 by the ratio from section 2-4-603.2. 603.4 The condensable portion of PM10 will be reduced if necessary, based on data that indicates a lower filterable PM10 emission rate than was used in the original evaluation.	We believe that section 603 calculation is intended to include wording to also allow PM10 to condensable PM2.5 conversion. Suggested changes to the proposed rule language is included in Recommendations column. WSPA continues to review the BAAQMD's proposed language and may provide additional comments at a later date.	Suggested changes to proposed rule amendment language **Calculation Procedure for Including Condensable PM10 and PM2.5:** The adjustment to add condensable (back-half) particulate to an existing credit will be based on the following: 603.1 The applicant must demonstrate the original credits were based solely on filterable particulate; 603.2 The applicant must identify the ratio of filterable ***PM10*** to condensable PM10 ***and/or condensible PM2.5*** and provide supporting documentation; 603.3 The amount of condensable PM10 ***and/or condensible PM2.5*** will be determined by multiplying the amount of original filterable PM10 by the ratio from section 2-4-603.2. 603.4 The condensable portion of PM10 ***and/or condensible PM2.5*** will be reduced if necessary, based on data that indicates a lower filterable PM10 emission rate than was used in the original evaluation.

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Citation	BAAQMD Proposed Rule	Discussion and Concerns	Recommendations
	603.5 The original amount of filterable PM10 will not be adjusted.		603.5 The original amount of filterable PM10 will not be adjusted.

BAAQMD Regulation 2, Rule 6, Major Facility Review
WSPA Comments

Citation	BAAQMD Proposed Rule	Discussion, Concern and Recommendation
2-6-239	**Significant Source:**	The GHG definition of significant source is very low when compared to other pollutants. WSPA suggests that a significant source be changed from 2,000 tons per year to 15,000 tons per year for CO2e. This equates to approximately a 30 MMBtu per hour furnace and provides the same ratio of significant source to significant emission rate for PM2.5 (2 tons per year:10 tons per year) = 0.2. For GHG = 15000 tons per year:75000 tons per year = 0.2. The GHG and hazardous air pollutant thresholds for significant source seem low. Please explain the BAAQMD's basis for establishing these values.
2-6-315	**Case-by-Case MACT Requirement:**	Definition changed from evaluating a 'source' to evaluating a 'facility'. Please explain the reasoning for this change. We believe it is just to clarify, but want to ensure the intent has not changed. It is suggested to include this same wording in Reg 2-2 as well, per workgroup discussion. Section 315.3 allows the District to impose MACT requirements if EPA has not promulgated any for that source. We are uncertain of the District's basis for this, given how stringent local toxic standards are already; Adding a MACT requirement into the Title V for an existing source could be problematical if construction of a control device is required for compliance. A case-by-case MACT requirement on an existing or new source could include only include a monitoring requirement in Title V or it could require construction of a control device. Consider whether this section should also be retained in Regulation 2-1 or 2-2. BAAQMD TBACT may or may not address this, because the EPA HAP list is not identical to the BAAQMD toxics list. WSPA proposes to remove this item in proposed rule language.