(Adopted October 15, 1993)(Amended December 7, 1995)(Amended May 10, 1996)
(Amended July 12, 1996)(Amended February 14, 1997)(Amended April 9, 1999)
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(Amended December 4, 2015)(Amended November 5, 2021)

RULE 2005. NEW SOURCE REVIEW FOR RECLAIM

(a) Purpose

This rule sets forth pre-construction review requirements for new facilities subject to the requirements of the RECLAIM program, for modifications to RECLAIM facilities, and for facilities which increase their allocation to a level greater than their starting Allocation plus non-tradable credits. The purpose of this rule is to ensure that the operation of such facilities does not interfere with progress in attainment of the National Ambient Air Quality Standards, and that future economic growth in the South Coast Air Basin is not unnecessarily restricted.

(b) Requirements for New or Relocated RECLAIM Facilities

(1) The Executive Officer shall not approve the application for a Facility Permit to authorize construction or installation of a new or relocated facility unless the applicant demonstrates that:

(A) Best Available Control Technology will be applied to every emission source located at the facility; and

(B) the operation of any emission source located at the new or relocated facility will not cause a violation nor make significantly worse an existing violation of the state or national ambient air quality standard at any receptor location in the District for NO2 as specified in Appendix A. The applicant shall use the modeling procedures specified in Appendix A.

(2) The Executive Officer shall not approve the application for a Facility Permit authorizing operation of a new or relocated facility, unless the applicant demonstrates that:

(A) the facility holds sufficient RTCs, including any RTCs from Table 9 in Rule 2002, to offset the total facility emissions for the first year of operation, at a 1-to-1 ratio; and

(b) (2) (B) the RTCs procured to comply with the requirements of subparagraph (b)(2)(A) were obtained pursuant to the requirements of subdivision (e), and

(C) the total facility emissions determined to comply with the requirements of subparagraph (b)(2)(A) shall also include ship emissions directly associated with activities at stationary sources subject to this rule as follows:

(i) all emissions from ships during the loading and unloading of cargo and while at berth where the cargo is loaded or unloaded; and

(ii) non-propulsion ship emissions within coastal waters under District jurisdiction.

(c) Requirements for Existing RECLAIM Facilities, Modification to New RECLAIM Facilities, Facilities which Undergo a Change of Operator, or Facilities which Increase an Annual Allocation to a Level Greater Than the Facility's Starting Allocation Plus Non-tradable Credits.

(1) The Executive Officer shall not approve an application for a Facility Permit Amendment to authorize the installation of a new source or modification of an existing source which results in an emission increase as defined in subdivision (d), unless the applicant demonstrates that:

(A) Best Available Control Technology will be applied to the source; and

(B) the operation of the source will not result in a significant increase in the air quality concentration for NO2 as specified in Appendix A. The applicant shall use the modeling procedures specified in Appendix A.

(2) The Executive Officer shall not approve an application for a Facility Permit Amendment to authorize operation of the new or modified source which results in an emission increase as defined in subdivision (d), unless the applicant demonstrates that the facility holds sufficient RTCs to offset the annual emission increase for the first year of operation at a 1-to-1 ratio.

(3) The Executive Officer shall not approve an application for Change of Operator for a Facility Permit unless the applicant demonstrates that the facility holds sufficient RTCs for the compliance year in which the change of operator permit is issued. Credits must be held in an amount equal to:

(c) (3) (A) The annual Allocation initially issued to the original Facility Permit holder for existing facility as defined in Rule 2000 for the same compliance year, in which the change of operator permit is issued, multiplied, where applicable, by the Tradable/Usable RTC Adjustment Factor for the same compliance year as listed in Rule 2002(f)(1)(A); or

(B) The sum of annual RECLAIM pollutants from all the sources located at the facility. The amount of annual RECLAIM pollutants for each source shall be calculated by the maximum hourly potential to emit, over an operating schedule of 24 hours per day and 365 days per year, or shall be based on a permit condition limiting the source's emission.

(4) The Executive Officer shall not approve an application to increase an annual Allocation to a level greater than the facility's starting Allocation plus non-tradable credits, unless the applicant demonstrates that:

(A) each source which creates an emission increase as defined in subdivision (d) will:

(i) apply Best Available Control Technology;

(ii) not result in a significant increase in the air quality concentration for NO2 as specified in Appendix A; and

(B) the facility holds sufficient RTCs acquired pursuant to subdivision (e) to offset the annual increase in the facility's starting Allocation plus non-tradable credits at a 1-to-1 ratio for a minimum of one year.

(5) Notwithstanding the applicability provision contained in Rule 1301 – General paragraph (b)(1), an owner or operator may elect to meet the requirements of Rule 1303 – Requirements paragraph (a)(1) and Rule 1304 – Exemptions paragraph (f)(1), including the limitations in those paragraphs, in lieu of subparagraph (c)(1)(A) of this rule for any associated increase in SOx emissions caused by the operation of any new or modified source with add-on air pollution control equipment exclusively installed to control NOx emissions to meet a Regulation XI rule.

(d) Emission Increase

An increase in emissions occurs if a source's maximum hourly potential to emit immediately prior to the proposed modification is less than the source's post-modification maximum hourly potential to emit. The amount of emission increase will be determined by comparing pre-modification and post-modification emissions on an annual basis by using: (1) an operating schedule of 24 hours per day, 365 days per year; or (2) a permit condition limiting mass emissions.

(e) Trading Zones Restrictions

Any increase in an annual Allocation to a level greater than the facility's starting plus non-tradable Allocations, and all emissions from a new or relocated facility must be fully offset by obtaining RTCs originated in one of the two trading zones as illustrated in the RECLAIM Trading Zones Map. A facility in Zone 1 may only obtain RTCs from Zone 1. A facility in Zone 2 may obtain RTCs from either Zone 1 or 2, or both.

(f) Offsets

The Facility Permit for a new or modified facility shall require compliance with this subdivision, if applicable.

(1) Any facility which was required to provide offsets pursuant to paragraphs (b)(2), or subparagraph (c)(4)(B) or any new facility required to provide offsets pursuant to paragraph (c)(2) shall, at the commencement of each compliance year, hold RTCs, including any RTCs from Table 9 in Rule 2002, in an amount equal to the amount of such required offsets. The Facility Permit holder may reduce the amount of offsets required pursuant to this subdivision by accepting a permit condition limiting emissions which shall serve in lieu of the starting Allocation plus non-tradable credits for purposes of paragraph (c)(4).

(2) Except for the RTCs referenced in Table 9 of Rule 2002, unused RTCs acquired to comply with this subdivision or with paragraphs (b)(2), (c)(2), or subparagraph (c)(4)(B) may be sold only during the reconciliation period for the fourth quarter of the applicable compliance year.

(f) (3) In lieu of compliance with paragraph (f)(2), the Facility Permit holder may accept a permit condition limiting quarterly emissions from the facility. A facility with quarterly emission limits may sell, at any time after the end of that quarter and prior to the end of the reconciliation period for that compliance year, unused RTCs acquired pursuant to this subdivision, excluding the RTCs referenced in Table 9 of Rule 2002, at the amount not to exceed the difference between the permitted emission limit for that quarter and the emissions during that quarter as reported to the District in the Quarterly Emission Certification. Any facility with quarterly certified emissions exceeding the quarterly emission limit for any quarter may sell RTCs, excluding the RTCs referenced in Table 9 of Rule 2002, only during the reconciliation period for the fourth quarter of the applicable compliance year. If there are a total of three exceedances in any five consecutive compliance years, the facility shall permanently comply with paragraph (f)(2) in lieu of (f)(3).

(g) Additional Federal Requirements for Major Stationary Sources

The Executive Officer shall not approve the application for a Facility Permit or an Amendment to a Facility Permit for a new, relocated or modified major stationary source, as defined in the Clean Air Act, 42 U.S.C. Section 7511a(e), unless the applicant:

(1) certifies that all other major stationary sources in the state which are controlled by the applicant are in compliance or on a schedule for compliance with all applicable federal emission limitations or standards (42 U.S.C. Section 7503(a)(3)); and

(2) submits an analysis of alternative sites, sizes, production processes and environmental control techniques for the proposed source which demonstrates that the benefits of the proposed source significantly outweigh the environmental and social cost imposed as a result of its location, construction, or modification (42 U.S.C. Section 7503(a)(5));

(3) Compliance Through California Environmental Quality Act

The requirements of paragraph (g)(2) may be met through compliance with the California Environmental Quality Act in the following manner.

(g) (3) (A) if the proposed project is exempt from California Environmental Quality Act analysis pursuant to a statutory or categorical exemption pursuant to Title 14, California Code of Regulations, Sections 15260 to 15329, paragraph (g)(2) shall not apply to that project;

(B) if the proposed project qualifies for a negative declaration pursuant to Title 14 California Code of Regulations, Section 15070, or a mitigated negative declaration as defined in Public Resources Code Section 21064.5, paragraph (g)(2) shall not apply to that project; or

(C) if the proposed project has been analyzed by an environmental impact report pursuant to Public Resources Code Section 21002.1 and Title 14 California Code of Regulations, Section 15080 et seq., paragraph (g)(2) shall be deemed satisfied.

(4) Protection of Visibility

(A) Conduct a modeling analysis for plume visibility in accordance with the procedures specified in Appendix B if the net emission increase from the new or modified source exceeds 40 tons/year of NO_X; and the location of the source, relative to the closest boundary of a specified_Federal Class I area, is within the distance specified in Table 4-1.

Table 4-1

Federal Class I Area	*Distance (km)*
Agua Tibia	28
Cucamonga	28
Joshua Tree	29
San Gabriel	29
San Gorgonio	32
San Jacinto	28

(B) In relation to a permit application subject to the modeling analysis required by subparagraph (g)(4)(A), the Executive Officer shall:

(g) (4) (B) (i) deem a permit application complete only when the applicant has complied with the requisite modeling analysis for plume visibility pursuant to subparagraph (g)(4)(A);

(ii) notify and provide a copy of the complete permit application file to the applicable Federal Land Manager(s) within 30 calendar days after the application has been deemed complete and at least 60 days prior to final action on the permit application;

(iii) consider written comments, relative to visibility impacts from the new or modified source, from the responsible Federal Land Manager(s), including any regional haze modeling performed by the Federal Land Manager(s), received within 30 days of the date of notification when determining the terms and conditions of the permit;

(iv) consider the Federal Land Manager(s) findings with respect to the geographic extent, intensity, duration, frequency and time of any identified visibility impairment of an affected Federal Class I area, including how these factors correlate with times of visitor use of the Federal Class I area, and the frequency and timing of natural conditions that reduce visibility; and,

(v) explain its decision or give notice as to where to obtain this explanation if the Executive Officer finds that the Federal Land Manager(s) analysis does not demonstrate that a new or modified source may have an adverse impact on visibility in an affected Federal Class I area.

(C) If a project has an adverse impact on visibility in an affected Federal Class I area, the Executive Officer may consider the cost of compliance, the time necessary for compliance, the energy and non-air quality environmental impacts of compliance, the useful life of the source, and all other relevant factors in determining whether to issue or deny the Permit to Construct or Permit to Operate.

(h) Public Notice

The applicant shall provide public notice, if required, pursuant to Rule 212 - Standards for Approving Permits.

(i) Rule 1401

All new or modified sources shall comply with the requirements of Rule 1401 - New Source Review of Carcinogenic Air Contaminants, if applicable.

(j) Compliance with State and Federal New Source Review Requirements

The Executive Officer will report to the District Governing Board regarding the effectiveness of Rule 2005 in meeting the state and federal New Source Review requirements for the preceding year. The Executive Officer may impose permit conditions to monitor and ensure compliance with such requirements. This report shall be incorporated in the Annual Program Audit Report prepared pursuant to Rule 2015(b)(1).

(k) Exemptions

(1) Functionally identical source replacements are exempt from the requirements of subparagraph (c)(1)(B) of this rule.

(2) Physical modifications that consist of the installation of equipment where the modification will not increase the emissions rate of any RECLAIM pollutant, and will not cause an increase in emissions above the facility's current year Allocation, shall be exempt from the requirements of paragraph (c)(2).

(3) Increases in hours of operation or throughput for equipment or processes permitted prior to October 15, 1993 that the applicant demonstrates would not violate any permit conditions in effect on October 15, 1993 which were imposed in order to limit emissions to implement New Source Review offset requirements, shall be exempt from the requirements of this rule.

(4) Increase to RECLAIM emission concentration limits or emission rates not associated with Best Available Control Technology permit conditions provided that the increase is not a result of any modification to equipment shall be exempt from the requirements of this rule.

(k) (5) The requirements under subparagraphs (b)(1)(B) and (c)(1)(B), and clause (c)(4)(A)(ii) shall not apply to equipment used exclusively on a standby basis for non-utility electrical power generation or any other equipment used on a standby basis in case of emergency, provided the source does not operate more than 200 hours per year as evidenced by an engine-hour meter or equivalent method and is listed as emergency equipment in the Facility Permit.

APPENDIX A

The following sets forth the procedure for complying with the air quality modeling requirements. An applicant must either (1) provide an analysis approved by the Executive Officer or designee, or (2) show by using the Screening Analysis below, that a significant change (increase) in air quality concentration will not occur at any receptor location for which the state or national ambient air quality standard for NO_2 is exceeded.

Table A-1 of the screening analysis is subject to change by the Executive Officer, based on improved modeling data.

SCREENING ANALYSIS

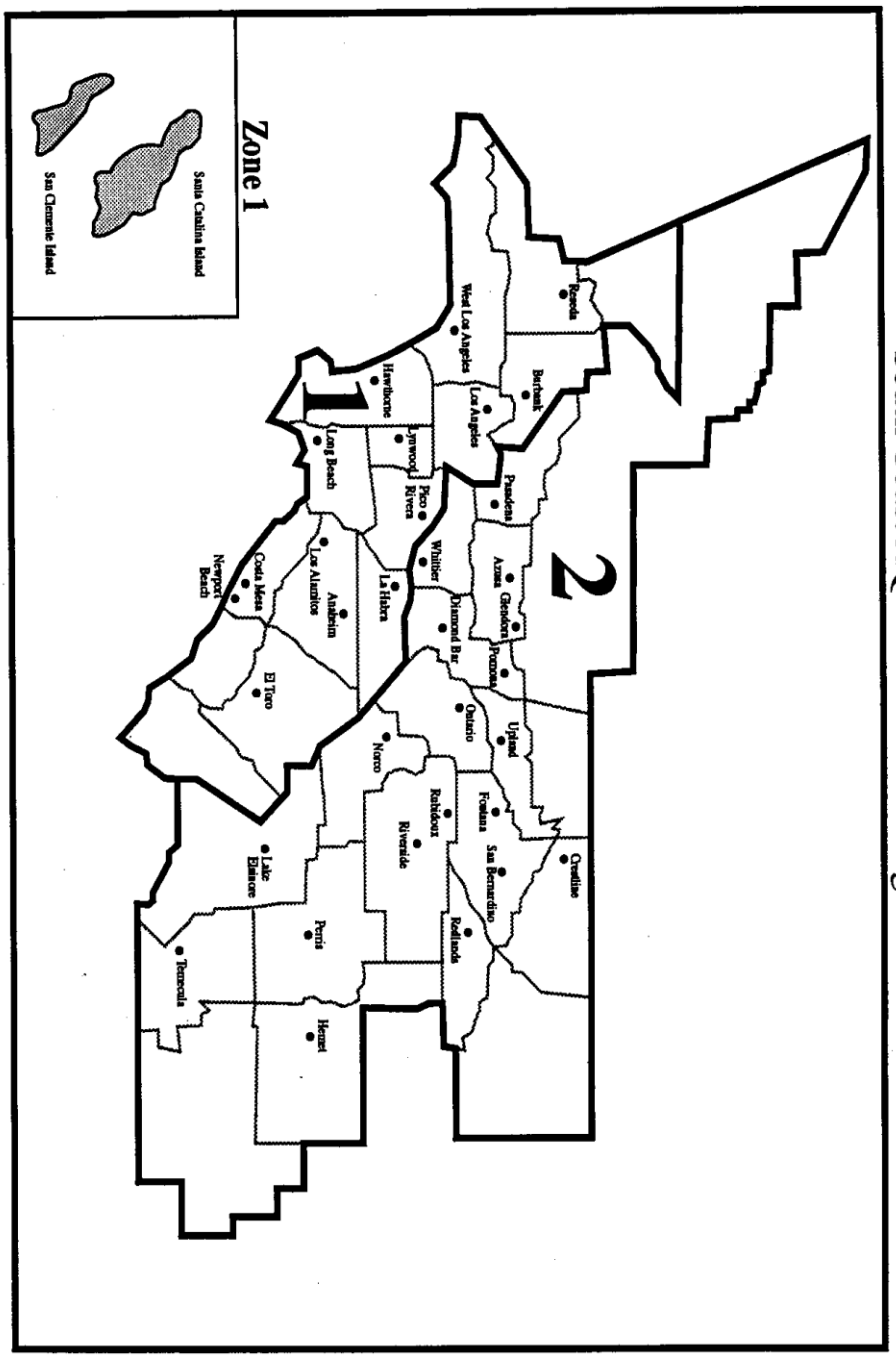
Compare the emissions from the equipment you are applying for to those in Table A-1. If the emissions are less than the allowable emissions, no further analysis is required. If the emissions are greater than the allowable emissions, a more detailed air quality modeling analysis is required.

Table A-1
Allowable Emissions
for Noncombustion Sources and for
Combustion Sources less than 40 Million BTUs per hour

Heat Input Capacity (million BTUs/hr)	NOx (lbs/hr)
Noncombustion Source	0.068
2	0.20
5	0.31
10	0.47
20	0.86
30	1.26
40	1.31

Table A-2
Most Stringent Ambient Air Quality Standard and
Allowable Change in Concentration
For Each Air Contaminant/Averaging Time Combination

Air Contaminant	Averaging Time	Most Stringent Air Quality Standard		Significant Change in Air Quality Concentration	
Nitrogen Dioxide	1-hour	25 pphm	500 ug/m^3	1 pphm	20 ug/m^3
	Annual	5.3 pphm	100 ug/m^3	0.05 pphm	1 ug/m^3


RECLAIM Trading Zones
South Coast AQMD Air Monitoring Stations
Zone 1
Santa Catalina Island
San Clemente Island
1
2
Pasadena
West Los Angeles
Burbank
Los Angeles
Hawthorne
Lynwood
Long Beach
Pico Rivera
Azusa
Glendora
Whittier
La Habra
Los Alamitos
Anaheim
Costa Mesa
Newport Beach
El Toro
Diamond Bar
Pomona
Ontario
Upland
Norco
Fontana
San Bernardino
Riverside
Rubidoux
Crestline
Redlands
Lake Elsinore
Perris
Temecula
Hemet

APPENDIX B

MODELING ANALYSIS FOR VISIBILITY

(a) The modeling analysis performed by the applicant shall consider:

(1) the net emission increase from the new or modified source; and

(2) the location of the source and its distance to the closest boundary of specified Federal Class I area(s)**.**

(b) Level 1 and 2 screening analysis for adverse plume impact pursuant to paragraph (g)(4) of this rule for modeling analysis of plume visibility shall consider the following applicable screening background visual ranges:

Federal Class I Area	Screening Background Visual Range (km)
Agua Tibia	171
Cucamonga	171
Joshua Tree	180
San Gabriel	175
San Gorgonio	192
San Jacinto	171

For level 1 and 2 screening analysis, no adverse plume impact on visibility results when the total color contrast value (Delta-E) is 2.0 or less and the plume contrast value (C) is 0.05 or less. If these values are exceeded, the Executive Officer shall require additional modeling. For level 3 analysis the appropriate background visual range, in consultation with the Executive Officer, shall be used. The Executive Officer may determine that there is no adverse visibility impact based on substantial evidence provided by the project applicant.

(c) When more detailed modeling is required to determine the project's visibility impact or when an air quality model specified in the Guidelines below is deemed inappropriate by the Executive Officer for a specific source-receptor application, the model may be modified or another model substituted with prior written approval by the Executive Officer, in consultation with the federal Environmental Protection Agency and the Federal Land Managers.

(d) The modeling analysis for plume visibility required pursuant to paragraph (g)(4) of this rule shall comply with the most recent version of:

(1) "Guideline on Air Quality Model (Revised)" (1986), supplement A (1987), supplement B (1993) and supplement C (1994), EPA-450/2-78-027R, US EPA, Office of Air Quality Planning and Standards Research Triangle Park, NC 27711; and

(2) "Workbook for Plume Visual Impact Screening and Analysis (Revised)," EPA-454-/R-92-023, US EPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711;

(3) "User's Manual for the Plume Visibility Model (PLUVUE II) (Revised)," EPA-454/B-92-008, US EPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711 (for Level-3 Visibility Analysis)