

MEMORANDUM

TO: Community Advisory Council Members

FROM: Doug Grapple

DATE: November 24, 2010

SUBJECT: Proposed New Rule and Amended Rules to Implement EPA's Greenhouse Gas Tailoring Rule for Prevention of Significant Deterioration and Title V (Part 70) Permitting

Enclosed please find the proposed draft rules to implement the EPA requirements on greenhouse gases. The project includes amendments to the four rules and the adoption of one new rule as listed below:

1. Amended Rule 102, Definitions,
2. Amended Rule 201, Permits Required
3. Amended Rule 370, Potential to Emit – Limitations for Part 70 Sources
4. New Rule 810, Federal Prevention of Signification Deterioration (PSD)
5. Amended Rule 1301, Part 70 Operating Permits – General Information

The draft rules are provided in the attached draft Background Paper's Appendix A. Electronic versions of the draft Background Paper and individual proposed amended rules are available on the District web page (<http://www.sbcapcd.org/apcd/cacmtg.htm>).

On May 13, 2010, EPA issued regulations under the Clean Air Act to require permitting of larger stationary sources of greenhouse gases (GHG). Since GHG emissions are typically much greater in magnitude than other regulated pollutants, EPA tailored the requirements so that GHGs would not be subject to the same permit thresholds as "criteria" air pollutants. This District rule action incorporates the EPA emission thresholds for GHGs. Thus, it benefits the regulated community by providing relief from existing emission thresholds that would otherwise trigger federal PSD or Part 70 permits based on GHG emissions. Also, Rule 810 is proposed for incorporation into the State Implementation Plan (SIP) in order to obtain local authority to issue PSD permits that include the new GHG requirements.

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Due to the nature of this rulemaking project, the District 1) does not anticipate the changes to be controversial, and 2) has not conducted any public workshops or stakeholders meetings on the draft rules.

The District has identified two existing sources that may become subject to Part 70 permitting provisions due to the adoption of the amended rules. Staff met with representatives of those sources and informed them of the potential new Part 70 permitting requirements.

Enclosed: Draft Background Paper, New Rule and Amended Rules to Implement EPA's Federal Prevention of Significant Deterioration and Part 70 Greenhouse Gas Tailoring Rule