Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Timothy Mitro, Air Quality Engineer (961-8883)

SUBJECT: Proposed Amendments to Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening

RECOMMENDATION:

That the Board:

A. Hold a public hearing to receive testimony on the proposed amendments to Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening;

B. Approve the resolution included as Attachment 1 that contains the following action items:

1) Adopt the CEQA Findings pursuant to the California Environmental Quality Act (CEQA) and the CEQA guidelines;

2) Adopt the General Rule Findings in support of the proposed rule pursuant to Health and Safety Code section 40727 regarding necessity, authority, clarity, consistency, nonduplication, and reference; and

3) Adopt the proposed amendments to Rule 1304.
BACKGROUND:

On November 10, 2016, the United States Environmental Protection Agency (EPA) issued a final rule in the Federal Register that revised the public notice provisions for major stationary sources of air pollution, which is a provision of the Part 70 operating permit program. ¹ The final rule allows the District to meet the Part 70 public notice provisions by issuing an electronic notice (“e-notice”) of the permit action instead of issuing a hardcopy newspaper notice. For these e-notices, the draft permit and supplementary material will also be available online at the District’s website, which is termed electronic access (“e-access”).

DISCUSSION:

In the 1990s, legal notices in the newspaper were the most effective way of soliciting public input in the permit process. However, in recent years, the circulation of newspapers and other print media has declined, making printed newspaper notices less effective in providing widespread public notice of permit actions.

Staff proposes to meet the Part 70 noticing provisions by fully transitioning to the e-notice and e-access system. The District has been using e-notice and e-access for the last decade, as it is an effective way to communicate permit actions to the public quickly and efficiently. Compared to newspaper publications, e-notices will provide cost savings to both the regulated community and to the District. Furthermore, the proposed amendments do not preclude the District from supplementing an e-notice with a newspaper notice or any other additional means of notification to the public.

The proposed amendments are based on a model rule that was prepared jointly by EPA Region IX and the California Air Pollution Control Officers Association (CAPCOA). These amendments modernize, enhance and improve the consistency in the public noticing provisions that are codified in the District’s rulebook.

FISCAL IMPACTS TO THE REGULATED COMMUNITY:

There are currently 16 stationary sources within the District that have Part 70 permits. The proposed amendments will slightly decrease the permitting fees for these stationary sources, as all staff time and publishing costs incurred by the District for organizing the newspaper notice are passed through to the stationary source in accordance with District Rule 210, Fees. These fees typically amount to between $500 and $1,000, depending on the publishing costs for the newspaper.

FISCAL IMPACTS TO THE DISTRICT BUDGET:

The District does not envision substantive changes to fee revenues or staffing requirements due to the proposed rule amendments. The District anticipates the current staffing levels will be sufficient to maintain the Part 70 Operating Permit Program.

¹ Major stationary sources of air pollution typically have a criteria pollutant potential to emit that exceeds 100 tons per year. The full definition can be found in Rule 1301, Part 70 Operating Permits, under the definition “Part 70 Source.”
PUBLIC REVIEW:

The District made documents on this project available for review on November 29, 2017. The District brought the proposed revisions to the Community Advisory Council (CAC) on January 11, 2018. The CAC approved the revisions by a vote of 16-2. The proposed revisions were then publicly noticed on September 16, 2018, and the public was invited to this Board Hearing. There have been no substantial changes to the proposed rule since the CAC meeting.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The California Environmental Quality Act (CEQA) requires environmental review for proposed Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening. The District is the lead agency for this project. Proposed revisions to Rule 1304 were examined and it was determined that the adoption of the amended rule will not result in the relaxation of air pollution control requirements in general, or in the relaxation of air pollution control standards that apply to any specific existing facilities or processes. Pursuant to §15061(b)(3) of the State CEQA Guidelines, the project is exempt from CEQA as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. As a result, the project is exempt from any additional CEQA review. CEQA findings to be adopted by the District Board, as well as a discussion of these findings, are provided in Attachment A to the Board resolution. A Notice of Exemption, as shown in Attachment B to the Board resolution, will be prepared in compliance with CEQA Guidelines section 15062.

ATTACHMENTS:

1) District Board Resolution for adopting the Proposed Amendments to Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening, which includes the following:
   A. California Environmental Quality Act (CEQA) Findings
   B. CEQA Notice of Exemption
   C. General Rule Findings
   D. Staff Report
   E. Proposed Rule 1304
ATTACHMENT #1

Resolution in the Matter of
Amending Rule 1304, Part 70 Operating Permits –
Issuance, Renewal, Modification and Reopening
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

IN THE MATTER OF AMENDING
RULE 1304, PART 70 OPERATING
PERMITS – ISSUANCE, RENEWAL,
MODIFICATION AND REOPENING

APCD RESOLUTION NO. ______

RECITALS

WHEREAS, the Air Pollution Control District Board of the County of Santa Barbara (“Board”) is authorized to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code section 40725 et seq; and

WHEREAS, pursuant to Health and Safety Code section 40001, the Board is required to adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards; and

WHEREAS, the Board has determined that a need exists to amend Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening, to reflect updated public notification procedures.

NOW, THEREFORE, IT IS HEREBY RESOLVED, as follows:

1. This Board has held a hearing and accepted public comments in accordance with the requirements of Health and Safety Code section 40725 et seq.

2. The California Environmental Quality Act (“CEQA”) findings, as set forth in Attachment A of this resolution, are hereby adopted as findings of this Board pursuant to CEQA and the CEQA Guidelines.

3. The General Rule findings, as set forth in Attachment C of this resolution, are hereby adopted as findings of this Board pursuant to Health and Safety Code section 40727.
4. The Staff Report, as set forth in Attachment D of this resolution, has been presented to this Board and reviewed and considered prior to approving this project.

5. The amendments to Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening, as set forth in Attachment E of this resolution, are hereby adopted as amendments to the rules of the Santa Barbara County Air Pollution Control District pursuant to Health and Safety Code section 40725 et seq.

6. The Board authorizes the Control Officer to transmit the amended rule to the California Air Resources Board in compliance with applicable state and federal law. Additionally, the Board authorizes the Control Officer to do any other acts necessary and proper to obtain necessary approvals of the rule by the California Air Resources Board and the United States Environmental Protection Agency.
PASSED, APPROVED AND ADOPTED by the Air Pollution Control District Board of the Santa Barbara County, State of California, this ___ day of __________, ____, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

By _____________________________
Chair

ATTEST:

AERON ARLIN GENET
Clerk of the Board

By _____________________________
Deputy

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
Santa Barbara County Counsel

By _____________________________
Deputy
Resolution in the Matter of
Amending Rule 1304, Part 70 Operating Permits –
Issuance, Renewal, Modification and Reopening

ATTACHMENT #A

CEQA Findings
CEQA FINDINGS

Pursuant to State CEQA Guidelines, Santa Barbara County Air Pollution Control District (District), as Lead Agency, reviewed the adoption of proposed Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening. The District found that there is no potential for significant environmental impacts from the adoption of the amended rule.

The Board finds that:

- The adoption of amended Rule 1304 will not have significant adverse impacts on the environment.
- No relaxation in meeting ambient air quality standards will result. No cross-media impacts were identified.
- Pursuant to §15061(b)(3) of the CEQA Guidelines, the project is exempt from CEQA as it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

The District will prepare and file a Notice of Exemption for the project with the County Clerk of the Board in compliance with CEQA Guidelines section 15062.

Discussion of CEQA Guidelines Section 15061(b)(3) finding of no significant effect

District staff has evaluated the environmental impacts related to the adoption of amended Rule 1304 in the context of the California Environmental Quality Act (CEQA) Guidelines section 15061, Review for Exemption. Subsection (a) of this section states that, “once a lead agency has determined that an activity is a project subject to CEQA, a lead agency shall determine whether the project is exempt from CEQA.” A CEQA exemption can be in the form of a statutory exemption, a categorical exemption, or it can be covered by the general rule, as expressed in section 15061(b)(3), that, “...CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”

The project consists of adopting amendments to Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening. The main change consists of removing the mandatory requirement to issue newspaper notices for Part 70 permit actions and replacing it with an electronic notice (e-notice) and electronic access (e-access). These amendments modernize, enhance and improve the consistency in the Part 70 public noticing provisions that are codified in the District’s Rules & Regulations. The District has a program in place for providing notice via e-notices and e-access. Members of the public can subscribe to the District’s e-mailing list to directly receive notices related to Part 70 Operating Permits. The public can then access the draft permit, the permit application, the permit evaluation, and all relevant supporting information regarding the Part 70 operating permit on the District’s website.
District staff have concluded with certainty that there is no possibility the project will have a significant effect on the environment. As a result, the project is not subject to any additional CEQA review and the District will prepare and file a Notice of Exemption in compliance with CEQA Guidelines section 15062.
Resolution in the Matter of
Amending Rule 1304, Part 70 Operating Permits –
Issuance, Renewal, Modification and Reopening

ATTACHMENT #B

CEQA Notice of Exemption
NOTICE OF EXEMPTION

TO: Clerk of the Board  
County of Santa Barbara  
105 East Anapamu Street – Room 407  
Santa Barbara, CA 93101

FROM: Santa Barbara County  
Air Pollution Control District  
260 North San Antonio Road, Suite A  
Santa Barbara, CA 93110

Project I.D.: APCD Rule 1304, Part 70 Operating Permits

Project Title: Amendment of Rule 1304, E-notice and E-access

Location: Santa Barbara County

Project Description: The project consists of adopting amendments to Rule 1304, Part 70 Operating Permits – Issuance, Renewal, Modification and Reopening. The main change consists of removing the mandatory requirement to issue newspaper notices for Part 70 permit actions and replacing it with provisions for electronic notice (e-notice) and electronic access (e-access). These amendments modernize, enhance and improve the consistency in the Part 70 public noticing provisions that are codified in the District’s Rules & Regulations. The District has a program in place for providing notice via e-notices and e-access. Members of the public can subscribe to the District’s e-mailing list to directly receive notices related to Part 70 Operating Permits. The public can also access the draft permit, the permit application, the permit evaluation, and all relevant supporting information regarding the Part 70 Operating permit on the District’s website.

Exempt Status: (Check One)

— Ministerial (Section 21080 (b)(1); 15268)
— Declared Emergency (Section 21080(b)(3); 15269(a))
— Emergency Project (Section 21080(b)(4); 15269(b)(c))
— Categorical Exemption  
   CEQA Section(s): __________
— Statutory Exemption  
   Code Number(s): __________

X General Exemption under CEQA Section 15061(b)(3)

Reasons Why Project is Exempt: The project is exempt because it does not have the potential for causing a significant effect on the environment.

Contact Person: Timothy Mitro

Telephone: (805) 961-8883

Date: ____________________________

Clerk of the Board Date and Time Stamp

Molly Pearson  
Planning Division

Aeron Arlin Genet  
Air Pollution Control Officer
Resolution in the Matter of
Amending Rule 1304, Part 70 Operating Permits –
Issuance, Renewal, Modification and Reopening

ATTACHMENT #C

General Rule Findings
GENERAL RULE FINDINGS

Pursuant to California Health and Safety Code section 40727, the Board makes the following findings for the amendment of District Rule 1304.

Necessity

The Board determines that it is necessary to amend Rule 1304 in order to bring the rule text up to date with more efficient public notification procedures that enhance public participation in the Part 70 Operating Permit Program.

Authority

The Board is authorized under state law to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code sections 40000 and 40725 through 40728, which assigns to local and regional authorities the primary responsibility for the control of air pollution from all sources other than exhaust emissions from motor vehicles. Additionally, pursuant to Health and Safety Code section 40702, the District Board is required to adopt rules and regulations and to do such acts as are necessary and proper to execute the powers and duties granted to it and imposed upon it by State law.

Clarity

The Board finds that proposed Rule 1304 is sufficiently clear. The rule was publicly noticed and reviewed by the Community Advisory Council. The rule is written or displayed so that its meaning can be easily understood by persons directly affected by it.

Consistency

The Board determines that proposed Rule 1304 is consistent with, and not in conflict with or contradictory to, existing federal or state statutes, court decisions, or regulations.

Nonduplication

The Board finds that the proposed Rule 1304 does not impose the same restrictions as any existing state or federal regulation, and the proposed rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the District.

Reference

The Board finds that it has the authority under state law to amend proposed Rule 1304 pursuant to Health and Safety Code section 39002. Health and Safety Code section 39002 assigns to local and regional authorities the primary responsibility for the control of air pollution from all sources other than exhaust emissions from motor vehicles. Additionally, pursuant to Health and Safety Code section 40702, the Board is required to adopt rules and regulations and to do such acts as are necessary and proper to execute the powers and duties granted to it and imposed upon it by State law.
Resolution in the Matter of
Amending Rule 1304, Part 70 Operating Permits—
Issuance, Renewal, Modification and Reopening

ATTACHMENT #D

Staff Report
SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

Staff Report for:

Amended Rule 1304 - Part 70 Operating Permits –
Issuance, Renewal, Modification and Reopening

Date: September 14, 2018

Scheduled Adoption Hearing: October 18, 2018

Aeron Arlin Genet
Air Pollution Control Officer

Prepared By:
Tim Mitro,
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Our Mission
Our mission is to protect the people and the environment of
Santa Barbara County from the effects of air pollution.
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   9.1 Attachment A. FAQs and Rule Clarification
1. EXECUTIVE SUMMARY

On November 10, 2016, the United States Environmental Protection Agency (EPA) issued a final rule in the Federal Register that revises the public notice provisions for major stationary sources of air pollution, which is a provision of the Part 70 operating permit program.\(^1\) The final rule allows the District to meet the Part 70 public notice provisions by issuing an electronic notice (“e-notice”) of the permit action instead of issuing a hardcopy newspaper notice. For these e-notices, the draft permit and supplementary material will also be available online at the District’s website, which is termed electronic access (“e-access”).

Staff proposes to meet the Part 70 noticing provisions by fully transitioning to the e-notice and e-access system for the Part 70 program. The District has been using e-notices and e-access for the last decade, as it is an effective way to communicate permit actions to the public quickly and efficiently. Compared to newspaper publications, e-notices will provide cost savings to both the regulated community and the District. Furthermore, the proposed amendments do not preclude the District from supplementing an e-notice with a newspaper publication or any other additional means of notification to the public.

2. BACKGROUND

2.1 Public Notice Background

The 1990 amendments to the federal Clean Air Act (CAA) enacted new requirements where major stationary sources of air pollution had to obtain a federally approved operating permit. One of the requirements of this permit program, as codified in Title V of the CAA, is that it needs to provide “adequate, streamlined and reasonable procedures” including an opportunity for the general public to have informed participation in the air permitting process in the areas affected by a proposed permit. However, the statute does not specify the best or preferred method for providing public notification.

When the EPA finalized the rules that implemented the Title V requirements in 1992, the rule sections (as codified in 40 Code of Federal Regulations, Part 70) were written with more specificity regarding the methods of meeting the public notice requirements. The rules required that permitting authorities notify the public of permit actions by way of newspaper publication, which was the most effective way to advertise draft permits at the time.

In recent years, the circulation of newspapers and other print media has declined, making printed newspaper notices less effective in providing widespread public notice of permit actions. The EPA has recognized that newspaper noticing is no longer the only, or in many cases the most effective, method of communicating permit actions to the public and has issued rules allowing alternate methods of communication.

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\(^1\) Major stationary sources of air pollution typically have a criteria pollutant potential to emit that exceeds 100 tons per year. The full definition can be found in Rule 1301, Part 70 Operating Permits, under the definition “Part 70 Source.”
2.2 District Public Noticing Procedures

For the majority of the Part 70 permit actions, the District is required to prepare a draft permit, publish a newspaper public notice about the availability of the draft permit, and provide the public access to the draft permit, the application, and supporting information. Hardcopies of the draft materials are made available at the District office, and the public notice provides an opportunity for public comment, as well as an opportunity to request a public hearing on the draft permit.

In addition to the newspaper notices, the District has been issuing e-notices for the last decade, as it is an effective way to communicate permit actions to the public quickly and efficiently. Over the years, the availability of and access to the Internet and other forms of electronic media have increased significantly. Electronic posting of such notices has been demonstrated to be an efficient and cost-effective way to provide notice of Part 70 permit-related information to the public.

3. PROPOSED RULE AMENDMENTS

The proposed amendments are based on a model rule that was prepared jointly by EPA Region IX and the California Air Pollution Control Officers Association (CAPCOA). These amendments modernize, enhance and improve the consistency in the Part 70 public noticing provisions that are codified in the District’s Rules & Regulations.

3.1 E-notice and E-access

On November 10, 2016, the United States Environmental Protection Agency (EPA) issued a final rule in the Federal Register that revised the public notice provisions for major stationary sources of air pollution. The final rule allows the District to meet the Part 70 public notice provisions by issuing an electronic notice (“e-notice”) of the permit action instead of issuing a hardcopy newspaper notice. For these e-notices, the draft permit and supplementary material will also be available online at the District’s website, which is termed electronic access (“e-access”).

By having e-notice and e-access to the draft permit and key permit support documents, the public can easily participate in the permit process. The permit information can be accessed through the public notice section of the District’s website for the duration of the public comment period and until the issuance of the final permit (or until the permit application has been denied or withdrawn). Also, the draft permit and support documents will be in a format that can be opened and viewed by the public using commonly accepted computer software, such as in portable document format (pdf) that can be opened with Adobe Acrobat Reader.

The District will provide evidence of each e-notice and e-access in the permit record. This will generally encompass providing an electronic screenshot or printout of the applicable website pages, a “Memorandum to the File” by the permit writer documenting the posting, the website

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2 The types of Part 70 permit actions subject to public noticing include: initial permit issuance, permit renewal, significant permit modifications, and reopenings for cause.
address where the e-notice was posted, and verification that the posting remained available for the duration of the comment period.

3.2 Subscription List

The District currently maintains a subscription list that a member of the public can subscribe to if they want to stay informed of all District news and notices. Any member of the public that is on this list will be notified via email when a new public notice is issued. This direct method of noticing the public guarantees that interested parties can remain aware of all new Part 70 permit actions that occur at the District.

3.3 Supplement to the E-notice

Even though the District will be using e-notices as the main tool to inform the public, the draft rule language still allows for the District to use other methods to effectively communicate with the public about Part 70 permit actions. The District shall provide notice by other means if necessary to assure adequate notice to the affected public. For these instances, the District will consider specific circumstances of the permit application, such as the location of the proposed project and the accessibility of information sources in the community. Newspaper publications can still be performed to provide permit information to these communities.

4. Rule Discussion

4.1 Benefits of Electronic Media

The District has recognized the following benefits of e-noticing for some time, which include:

- Significantly improving communication with the public on permit actions in comparison to a one-day newspaper notice;
- Improved public access by making permit actions immediately available through convenient and reliable electronic media outlets; and
- Broader and better informed public participation.

Internet publishing provides the potential to reach unknown interested parties. Residents in a local jurisdiction may not subscribe to a local paper or happen to see a one-day posting in the legal notices section of the newspaper. At any given time, residents may be out of town or relying on the Internet for news. The fact that e-notices will remain on the Internet for the duration of the public comment period vastly increases the likelihood that interested parties will receive notice about draft permits.

Also, people can easily share these electronic notices with neighbors or other interested parties, and they would not have the burden of traveling to a physical location to review a copy of the draft permit since it would be posted on the Internet. Furthermore, the public has access the Internet through their local library. All communities throughout the county have public libraries with computers that provide access to the online permit notices and draft permits.
4.2 Other Newspaper Notices

The District is also required to publish newspaper notices for some permit actions that are subject to Regulation VIII, New Source Review. For example, if a stationary source submits an application to exceed the 25 ton per year offset threshold, a newspaper publication is required pursuant to Regulation VIII.

At this time, the District does not propose to amend Regulation VIII to remove the newspaper notice requirements and codify the e-notice and e-access procedures. This is because the public noticing requirements aren’t triggered very frequently for New Source Review projects. The District will reevaluate the need to update the New Source Review rules at a later date. In the meantime, the District will continue to make the information regarding these New Source Review projects readily available by posting the supplementary materials online on the District’s website in order to ensure that the public has a consistent and reliable location for all permit notices.

5. IMPACTS OF THE PROPOSED RULE

5.1 Emission Impacts

There will be no emission impacts associated with the proposed changes to the administrative public noticing procedures.

5.2 Cost-Effectiveness

Health and Safety Code section 40703 requires the District, in the process of adopting or amending a rule, to consider and make public its findings related to the cost-effectiveness of a control measure. Cost-effectiveness, for rule-making purposes, is calculated by taking the estimated compliance costs of the rule and dividing it by the amount of air pollution reduced. Since these amendments are not implementing a control measure that reduces emissions, there are no cost-effectiveness calculations for this project.

5.3 Incremental Cost-Effectiveness

Health and Safety Code section 40920.6 requires the assessment of incremental cost-effectiveness for a regulation that identifies more than one control option to meet the same emission reduction objectives. The incremental cost-effectiveness is the difference in cost between two successively more effective control strategies, divided by the additional emission reductions achieved for each of the control strategies. Since these amendments are not implementing a control measure that reduces emissions, there are no incremental cost-effectiveness calculations for this project.
5.4 Socioeconomic Impacts

California Health and Safety Code section 40728.5 requires Districts with populations greater than 500,000 people to consider the socioeconomic impact of any new rule if air quality or emission limits are significantly affected. In 2010, the population of Santa Barbara County was approximately 430,000 persons based off of data from the Santa Barbara County Association of Governments. Using the expected growth rates for the County, the current population estimate is still below the 500,000 person threshold. Therefore, the District is not required to perform a socioeconomic impact analysis for the proposed rule amendment.

5.5 Impact to Industry

There are currently 16 stationary sources within the District that have Part 70 permits. The proposed amendments will slightly decrease the permitting fees for these stationary sources, as all staff time and publishing costs incurred by the District for organizing the newspaper notice are passed through to the stationary source in accordance with District Rule 210, Fees. These fees typically amount to between $500 and $1,000, depending on the publishing costs for the newspaper.

5.6 Impact to the District

The District issues approximately six public notices per year for the Part 70 permit program. By removing the requirement to issue newspaper notices, the District will save staff time. The effort and cost to post a notice on the District’s website is generally lower than the effort to arrange for a newspaper advertisement. Staff time will still be used to have a complete e-access record for the permit action, but this is necessary to effectively communicate all pertinent information to the public and it is already incorporated into the current District procedures.

6. ENVIRONMENTAL IMPACTS – CEQA

The California Environmental Quality Act (CEQA) requires environmental review for certain actions. This rulemaking project consists of revisions to District staff administrative public notification procedures. This administrative change will not affect emissions in Santa Barbara County. The project is an action taken by the District for public notification and does not involve any physical changes to the environment. There will also be no relaxation of standards, as the public will be notified of permit actions through a more effective means of communication.

Pursuant to §15061(b)(3) of the State CEQA Guidelines, the project is not subject to CEQA as it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. A CEQA determination will be made when the proposed rule amendments are brought to the District Board of Directors for adoption. Any subsequent changes to the project description during the public review period will undergo additional environmental review under CEQA.
7. PUBLIC REVIEW

Community Advisory Council

To facilitate the participation of the public and the regulated community in the development of the District’s regulatory program, the District created the Community Advisory Council (CAC). The CAC is composed of representatives appointed by the District’s Board of Directors. Its charter is, among other things, to review proposed changes to the District’s Rules and Regulations and make recommendations to the Board of Directors on these changes.

The CAC met and discussed the amendments to District Rule 1304 on January 11, 2018. The draft rule and draft staff report were made available on the District’s website prior to the CAC meeting. At the meeting, CAC members deliberated and discussed various aspects of the rule. One of the topics revolved around transitioning the newspaper readers, many of whom are elderly, to the e-notice and e-access system. Some CAC members mentioned that these newspaper readers may not be as familiar with the Internet and the removal of the newspaper notice may limit public participation from these readers. Historically, the District has received very few public comments on these projects when both newspaper and e-noticing were used. The District anticipates that removing the newspaper notice will not decrease the participation levels related to Part 70 permit actions.

Furthermore, the District is committed to educating the public about the removal of the mandatory newspaper notice and directing the public to subscribe to the District’s e-notice mailing list. The District will continue to issue newspaper notices for the next three Title V renewals to make sure that the public has enough time to transition. These notices will include language that direct the readers to subscribe online to the notices. By providing additional outreach, the District will ensure that the public can stay involved with all Part 70 permitting actions.

After discussing the proposed revisions, the CAC recommended that the District Board adopt the amendments to Rule 1304, as proposed.

Public Hearing

In accordance with Health and Safety Code section 40725, the proposed amendments to Rule 1304 will be publicly noticed on September 16, 2018 and made available at the District offices and on the District’s website prior to the public hearing. The public will be invited to the hearing and can provide comments on the proposed amendments prior to or at the hearing.
8. REFERENCES

1) Revisions to Public Notice Provisions in Clean Air Act Permitting Programs, 81 Federal Register 71613 (October 18, 2016)
2) EPA Fact Sheet: Revisions to the Public Notice Provisions in Clean Air Act Permitting Programs, located at https://www.epa.gov/nsr/nsr-regulatory-actions
3) CAPCOA Title V Electronic Noticing Model Rule, Prepared by EPA Region 9 (October 25, 2017)

9. ATTACHMENTS TO THE STAFF REPORT

9.1 Attachment A. FAQs and Rule Clarification
ATTACHMENTS TO THE STAFF REPORT

ATTACHMENT A

FAQs and Rule Clarification
FAQs and Rule Clarification

The following text provides rule clarifications in the format of frequently asked questions:

1. **Question:** What does the word “copy” mean in the rule when it references sending a copy to the EPA?

   **Response:** In the context of this rule, “copy” means sending either a hardcopy or an electronic copy. Potential items that may need to be sent to EPA include the permit application, the draft and final permits, the public notice, and any necessary supporting information.

2. **Question:** Do you envision supplementing the e-notice with a newspaper notice or other noticing methods in any communities in Santa Barbara County?

   **Response:** Communities that may still benefit from the supplemental newspaper notice include Cuyama and residents living in remote areas of the Los Padres National Forest. Predominately Spanish-speaking communities may also benefit from supplemental notices or radio announcements. The District will evaluate the need to supplement the e-notice on a case-by-case basis.
Resolution in the Matter of
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ATTACHMENT #E

Proposed Rule 1304

Proposed amended rule text is provided in strikeout and underlined format.
Strikeout indicates text proposed for deletion.
Underlined text indicates proposed new text.
RULE 1304. PART 70 OPERATING PERMITS – ISSUANCE, RENEWAL, MODIFICATION AND REOPENING


A. Applicability

The provisions of this Rule shall apply to permit issuances, renewals, modifications or reopenings for any Part 70 source.

B. Exemptions

No exemptions apply to permit issuances, renewals, modifications and reopenings required under this Rule.

C. Definitions

For purposes of this Rule, definitions listed in Rule 1301, Part 70 Operating Permits – General Information, Section C shall apply.

D. Requirements – General

Permit issuances, renewals, modifications and reopenings shall be carried out in accordance with the following provisions and with other applicable provisions of Regulation XIII:

1. Permit Issuances, Renewals and Significant Modifications

   a. Timely Submission of Applications

      Any Part 70 source required to obtain a Part 70 permit shall submit an application for such permit in the following manner:

      i. For any Part 70 source that is required to obtain a Part 70 permit on the effective date of this Rule, an application for a Part 70 permit shall be submitted to the District, with a copy sent to the U.S. Environmental Protection Agency, Region IX.

      ii. For any Part 70 source that becomes subject to the requirement to obtain a Part 70 permit based on Rules 1301.C: “Part 70 Source - 1.b, 1.c, 2 and 6 categories,” after the effective date of Rule 1301, and provided the source was operated prior to the date on which such source becomes subject to the requirement to obtain a Part 70 permit, an application for a Part 70 permit shall be submitted to the District, with a copy sent to the U.S. Environmental Protection Agency, Region IX, by no later than 12 months after such source becomes subject to such requirement.

      iii. For any Part 70 source, including a new or modified source, that becomes subject to the requirement to obtain a Part 70 permit after the effective date of Rules 1301 through 1305, except a source subject to Section D.1.a.ii. of this Rule, an application for a Part 70 permit shall be submitted to the District, with a copy sent to the U.S. Environmental Protection Agency, Region IX, prior to commencing operation of those portions of the source that caused the source to become subject to the requirement to obtain a Part 70 permit.

      iv. For any Part 70 source that is requesting a significant permit modification, an application for a Part 70 permit shall be submitted to the District, with a copy sent to the U.S. Environmental Protection Agency, Region IX, prior to operating...
such source pursuant to the modification. Where an existing Part 70 permit would prohibit such construction or change in operation, the Part 70 source must obtain a permit revision prior to commencing operation.

v. For any Part 70 source that is applying for renewal/reissuance of a Part 70 permit, an application for a Part 70 permit shall be submitted to the District, with a copy sent to the USEPA Environmental Protection Agency, Region IX. Part 70 sources shall submit an application for permit renewal two years and six months after the date of issuance of the initial Part 70 permit or subsequent permit renewals. The District may approve a later submittal date, but in no case shall the time period for a renewal application exceed four years and six months from the date of issuance.

vi. Applications from acid rain sources for initial phase II acid rain permits shall be submitted to the District with a copy sent to the USEPA Environmental Protection Agency, Region IX, by January 1, 1996 for sulfur dioxide, and by January 1, 1998 for nitrogen oxides.

b. Completeness Determinations

The Control Officer shall provide written notice to an applicant regarding whether or not a Part 70 permit application is complete. Unless the Control Officer requests additional information or otherwise notifies the applicant that the application is incomplete within 60 days after receipt of such application, the application shall be deemed complete.

c. Action on Applications

The Control Officer shall take final action on each complete Part 70 permit application within the following time frame:

i. For applications for an initial Part 70 permit, the Control Officer shall take final action:

(A) On at least one-third of all initial applications, no later than one (1) year after the effective date of the USEPA Environmental Protection Agency approval of Rules 1301 through 1305, and

(B) On at least two-thirds of all initial applications, no later than two (2) years after the effective date of the USEPA Environmental Protection Agency approval of Rules 1301 through 1305, and

(C) On all initial applications, no later than three (3) years after the effective date of the USEPA Environmental Protection Agency approval of Rules 1301 through 1305.

ii. For any complete application for a Part 70 permit that contains an early reduction demonstration pursuant to Section 112(i)(5) of the Clean Air Act and its implementing regulations, the Control Officer shall take final action no later than nine months after receipt of such complete application.

iii. For any applications for a Part 70 permit for a phase II acid rain source, the Control Officer shall take final action in accordance with the deadlines in Title IV of the federal Clean Air Act and its implementing regulations and 40 Code of Federal Regulations Part 72.
iv. Except for applications listed pursuant to Sections D.1.c.i, D.1.c.ii and D.1.c.iii of this Rule, and applications for significant modifications, the Control Officer shall take final action on an application no later than 18 months after the receipt of such complete application.

v. Review of the majority of significant permit modification applications shall be completed within nine (9) months after the receipt of a complete application.

vi. All permit renewal applications from a Part 70 source shall be subject to the same procedures that apply to the initial permit issuance application, including those for public participation and USEPA, public and affected states review.

vii. For all permit issuances, renewals and significant modifications, no final permits shall be issued by the District unless the “Public Notification” procedures listed in Section D.6 of this Rule and the “USEPA and Affected States Notification” procedures outlined in Section D.8 of this Rule have been implemented.

2. Administrative Permit Amendment

a. An applicant shall submit an application for an administrative permit amendment prior to implementing the requested change. An applicant may implement the changes addressed in an application for an administrative permit amendment immediately after the submission of such application to the District.

b. The Control Officer shall take final action on any request for an administrative permit amendment within 60 days after receipt of such request. No USEPA, public or affected States review is required prior to taking this final action.

c. Administrative permit amendments for purposes of the acid rain portion of a Part 70 permit shall be governed by 40 Code of Federal Regulations Part 72.

3. Minor Permit Modifications

a. Application Submittal

An applicant for a minor Part 70 permit modification shall submit to the District and the USEPA, Region IX, an application for such modification prior to implementing such change. An applicant may implement the changes addressed in an application for a minor permit modification immediately after the submission of such application to the District and the USEPA. After the source makes the proposed change and before the District takes action on the application, the source must comply with both the applicable requirements governing the change and the proposed permit terms and conditions. During this time period, the source need not comply with the existing permit terms and conditions it seeks to modify. However, if the source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions shall be enforced against it.

b. Action on Applications

The Control Officer shall take final action on an application for a minor Part 70 permit modification within 90 days of receipt of such application or within 15 days after the USEPA’s 45-day review period, whichever is later. Also, the Control Officer shall not take this action until after the USEPA’s (45-day) review period or until the USEPA has reviewed the application.
notified the District that it will not object to the permit modification, whichever is first. Under this final action, the Control Officer shall:

i. Issue the permit modification as proposed; or
ii. Deny the permit modification application; or
iii. Determine the proposed permit modification does not meet the minor permit modification criteria and should be reviewed under the significant permit action procedures; or
iv. Revise the draft permit modification and transmit the new proposed permit to the USEnvironmental Protection Agency.

4. Non-Federal Minor Permit Change

a. Application Submittal

An applicant for a non-federal minor permit change shall submit an application for such change prior to implementing such change. An applicant shall submit such application to the District and shall provide a copy of the application to the USEnvironmental Protection Agency, Region IX. An applicant may implement the changes addressed in an application for a non-federal minor permit change upon submission of such application to the District.

b. Action on Applications

The Control Officer shall take final action on an application for a minor non-federal Part 70 permit modification within 90 days of receipt of such application. Under this final action, the Control Officer shall:

i. Issue the permit modification as proposed; or
ii. Deny the permit modification application; or
iii. Determine the proposed permit change does not meet the non-federal minor permit change criteria and should be reviewed under the significant permit action procedures or minor permit modification procedures.

5. USEnvironmental Protection Agency Objection

The Control Officer shall not issue a final Part 70 permit to an applicant if the USEnvironmental Protection Agency objects to the issuance of such permit in writing within 45 days of the receipt of a copy of the District's proposed permit, and all necessary supporting information.

6. Public Notification

a. Electronic Notice: The Control Officer shall provide notice of and opportunity to review the proposed decision to issue a permit to operate in accordance with the requirements in this section, for initial permits, renewal of permits, significant permit modifications, and reopenings for cause:

i. The Control Officer shall provide electronic notice ("e-notice") by posting the notice prominently on the public notice section of the District's public website, for the duration of the public comment period. The public comment period shall provide at least 30 days from the date of publication for the public to submit written comments regarding such preliminary decision. This method shall be used for all draft permits subject to notice under this section.

ii. The notice shall provide the following information:
(A) Identification of the affected facility;
(B) The name and address of the permittee;
(C) The name and address of the District;
(D) The activity or activities involved in the permit action;
(E) The emissions change involved in any permit modification;
(F) The name, address, and telephone number of a person (or an email or website address) from whom interested persons may obtain additional information, including copies of the draft permit, the application, all relevant supporting materials, and all other materials available to the permitting authority (except for publicly-available materials and publications) that are relevant to the permit decision;
(G) A brief description of the comment procedures required by Section D.6; and
(H) The time and place of any hearing that may be held, including a statement of procedures to request a hearing (unless a hearing has already been scheduled). The Control Officer shall provide notice of any public hearing scheduled pursuant to this subsection at least 30 days prior to such hearing.

iii. The District shall maintain a mailing list of persons who request to be notified of the Part 70 permitting activity and shall distribute (e.g., by email and/or postal service) the notice to those persons. The District shall include a link on its public website allowing interested persons to subscribe to the mailing list, and shall offer a sign-up sheet to subscribe to the mailing list at any public hearing on a draft permit. The District may update the mailing list from time to time by requesting written indication of continued interest from those listed. The District may delete from the list the name of any person who fails to respond to such a request within a reasonable timeframe.

iv. The District shall provide notice by other means if necessary to assure adequate notice under applicable state and federal law to the affected public.

a. The Control Officer shall publish a notice, as specified in Section D.6.b of this Rule, of any preliminary decision to grant a Part 70 permit, if such granting would constitute a significant Part 70 permit action. Notice shall be provided by other means if necessary to assure adequate notice to the affected public.

b. Any notice of a preliminary decision required to be published pursuant to Section D.6.a of this Rule, shall:

i. Be published in at least one newspaper of general circulation in Santa Barbara County.

ii. Be provided to all persons on the "general public notice mailing list." The "general public notice mailing list" shall include any person(s) who request to be on such list provided the request is in writing and any fee for providing the document has been paid.

iii. Include, information that identifies the source, and the name and address of the applicant, also, the activities involved in the permit action, and the emission changes involved in the permit modification.

iv. Include the location where the public may inspect the information required to be made available pursuant to Section D.6.c of this Rule.

v. Provide at least 30 days from the date of publication for the public to submit written comments regarding such preliminary decision.
vi. Provide a brief description of comment procedures including procedures by which the public may request a public hearing, if a hearing has not been scheduled. The Control Officer shall provide notice of any public hearing scheduled pursuant to this subsection at least 30 days prior to such hearing.

b. Electronic Access: For each permit that the District has provided e-notice for on the District’s website, the District shall post (or hyperlink to) the draft permit and key permit support documents on the District’s website for electronic access (“e-access”) for the duration of the public comment period. Permit support documents may include the permit application, statement of basis/engineering evaluation, fact sheet, preliminary determination, final determination, and response to comments. Some information may not be publicly available (e.g., information entitled to confidential treatment pursuant to section 114(c) of the Clean Air Act or other information whose disclosure is restricted by federal law).

The Control Officer shall, by no later than the date of publication, make available for public inspection at the District office the information submitted by the applicant and the Control Officer’s supporting analysis for any preliminary decision subject to the notification requirements of Section D.6.a of this Rule. Information which contains trade secrets shall be handled in accordance with District Policy and Procedure Number 6100.020 (copy available from District), based on California laws.

c. The Control Officer shall keep a written or electronic log containing records of the commenters and issues raised during the public participation process.

d. The Control Officer need only consider comments regarding a preliminary decision to grant or reissue a Part 70 permit if the comments are germane to the applicable requirements implicated by the permit action in question. Comments will be germane only if they address whether the permit action in question is consistent with all applicable requirements including those of District Regulation XIII and of federal regulations listed in 40 Code of Federal Regulations Part 70. Comments that address a portion of a Part 70 permit that would not be affected by the permit action in question would not be germane.

7. Concurrent Review

At the Control Officer's discretion, the preliminary decision and proposed operating permit may be issued concurrently for public and USEnvironmental Protection Agency review. If public comment results in a significant change to the permit, then the USEnvironmental Protection Agency may require an extension of their 45-day review period.

8. USEnvironmental Protection Agency and Affected State Notification

a. Administrative Permit Amendments

The Control Officer shall submit a copy of the revised permit to the USEnvironmental Protection Agency.

b. Minor Permit Modifications

i. The Control Officer shall, no later than 7 days after receipt of a complete application for a minor permit modification, provide to the USEnvironmental Protection Agency and affected states a copy of such application.

ii. The Control Officer shall provide to the USEnvironmental Protection Agency and any affected state written notification of any refusal by the District to accept all recommendations that an affected state submitted for the permit. The notice
shall include the District's reasons for not accepting such recommendations, and a copy of the new proposed permit modification.

iii. The Control Officer shall provide written notice to the US Environmental Protection Agency of the final decision to grant or deny a minor permit modification, along with the new final permit modification.

c. Significant Permit Actions

i. The Control Officer shall provide to the US Environmental Protection Agency affected states and any person that requests such information a copy of any notification made pursuant to Section D.6.a of this Rule, and the supporting data and analysis relating to any such preliminary decision.

ii. The Control Officer shall provide to the US Environmental Protection Agency and any affected state written notification of any refusal by the District to accept all recommendations that an affected state submitted for the permit. The notice shall include the District's reasons for not accepting such recommendations. A copy of the proposed permit shall also be provided to the US Environmental Protection Agency, Region IX, and the affected states at this time.

iii. The Control Officer shall provide written notification of the final decision to grant or deny a Part 70 permit to the US Environmental Protection Agency and any affected states. If applicable, a copy of the final permit shall be provided to the US Environmental Protection Agency, Region IX, along with the notification.

9. Public Petitions to the US Environmental Protection Agency

If the US Environmental Protection Agency does not object in writing to the issuance of a Part 70 permit pursuant to Section D.5 of this Rule, any person may petition the US Environmental Protection Agency within 60 days after the expiration of the US Environmental Protection Agency’s 45-day comment period.

Such petition shall be based only on issues relating to the permit that were raised during the public comment period specified pursuant to Section D.6.b of this Rule, unless:

a. The petitioner demonstrates that it was impracticable to raise such issues during such public comment period, or

b. Grounds for such petition arose after the end of such public period.

If the US Environmental Protection Agency objects to the permit as a result of a petition filed pursuant to this section, the District shall not issue the permit. Notwithstanding the previous sentence, a petition does not stay the effectiveness of a permit if the permit was issued after the end of the 45-day US Environmental Protection Agency comment period and prior to an US Environmental Protection Agency objection.

10. Reopening of Permits for Cause

A permit shall be reopened and revised for cause as provided below:

a. If additional applicable requirements become applicable to the Part 70 source which has an unexpired permit term of three (3) or more years, the Control Officer will reopen the permit. Such a reopening shall be completed no later than 18 months after promulgation of the applicable requirement. However, no such reopening will be required if the
effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended pursuant to Rule 1304 D.4.a. Also, all such reopenings shall not be initiated before a notice of such intent is provided to the permittee by the Control Officer at least 30 days in advance of the date that the permit is to be reopened, except that the Control Officer may provide a shorter time period in the case of an emergency.

b. If additional requirements become applicable to an acid rain source under the acid rain program, a Part 70 permit reopening shall be made. Upon approval by the USEPA, Environmental Protection Agency (USEPA), excess emissions offset plans shall be deemed to be incorporated into the permit.

c. If the District or the USEPA determine that the Part 70 permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit, a permit reopening shall be made. Such reopenings shall be made as expeditiously as practicable.

d. If the District determines that the Part 70 permit must be revised or revoked to assure compliance with any applicable requirement, or the USEPA determines that the Part 70 permit must be revised or revoked to assure compliance with any federally enforceable requirement, the permit shall be reopened. Such reopenings shall also be made as expeditiously as practicable.

Administrative requirements to reopen and issue a permit shall follow the same procedures that apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists.

11. Reopenings for Cause by the USEPA

Procedures and time frames for permit reopenings by the USEPA for cause will be, as follows:

a. The USEPA will notify the District and the permittee of their findings for cause, in writing.

b. The District shall, within 90 days after receipt of such notification, forward to the USEPA a proposed determination of termination, modification, or revocation and reissuance, as appropriate. The USEPA may extend this 90-day period for an additional 90 days if it finds that a new or revised permit application is necessary or that the District must require the permittee to submit additional information.

c. If the USEPA’s review of the proposed determination results in an objection of the USEPA, objection, the District shall, within 90 days after receipt of an objection of the USEPA objection, resolve any such objection and terminate, modify, or revoke and reissue the permit in accordance with such USEPA objection.

d. If the District fails to submit a proposed determination pursuant to Section D.1a of this rule or fails to resolve any objection pursuant to Section D.1b of this rule, the USEPA shall terminate, modify or revoke and reissue the Part 70 permit after taking the following actions:

i. The permittee shall be provided with a 30-day notice prior to the USEPA’s final action, if any is taken.
ii. The permittee shall also be provided with an opportunity for comment on the USEnvironmental Protection Agency's proposed action and an opportunity for a hearing.

12. Permit Processing Costs

All costs incurred by the District for the issuance of a Part 70 permit shall be "reimbursable costs" pursuant to District Rule 210 and shall be subject to all requirements therein. Such costs shall include requirements for the public notices, hearings, and additional permit program activities necessary to issue the Part 70 permit, but shall not include any cost for work necessitated by District requirements which are funded by the Fee Schedule of Rule 210.

E. Rule Compliance Schedule

1. All Part 70 sources subject to this Rule, except the Outer Continental Shelf (OCS) sources, shall comply with this Rule on the date they become subject to the federal operating permit program as approved by the USEnvironmental Protection Agency for the District. All Outer Continental Shelf sources shall comply with this Rule either on the USEnvironmental Protection Agency's approval date for this Rule or on the date the USEnvironmental Protection Agency delegates the Outer Continental Shelf program to the District, whichever is later. Specific dates for compliance are provided in relevant sections of this Rule.

F. Effective Date of Rule

The requirements of this Rule shall become effective on the date of approval by the USEnvironmental Protection Agency.

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
Santa Barbara County Counsel

By [Signature]
Deputy