

January 12, 2012

Board of Directors
Eastern Kern APCD
2700 "M" Street, Suite 302
Bakersfield, CA 93301

SUBJECT: Hearing to consider Adoption of Amendments to four Rules: Rule 201.1, Permits to Operate for Sources Subject to Title V of the Federal Clean Air Act Amendments of 1990; Rule 201.2, Synthetic Minor Source; 201.3, Federally Enforceable Limits on Potential to Emit; Rule 210.4, Prevention of Significant Deterioration; and Adoption of proposed Rule 301.4, Greenhouse Gas Fee

Honorable Board:

Eastern Kern Air Pollution Control District (District) is proposing amendments to four rules: Rule 201.1, Permits to Operate for Sources Subject to Title V of the Federal Clean Air Act Amendments of 1990 (Title V); Rule 201.2, Synthetic Minor Source (Synthetic Minor); Rule 201.3, Federally Enforceable Limits on Potential to Emit (PTE); Rule 210.4, Prevention of Significant Deterioration (PSD); and adoption of proposed Rule 301.4, Greenhouse Gas Fee (GHG Fee). A public workshop was held for Rule 210.4, PSD, at the Mojave Veteran's Center on February 10, 2011. After extensive revisions to Rule 210.4 a second workshop was held at the Rosamond CSD on November 9, 2011. Proposed amendments to Rules 201.1, 201.2, and 201.3 along with proposed Rule 301.4 were also presented at the November 9, 2011 workshop. All five rules were submitted to the California Air Resources Board (ARB) and the U.S. Environmental Protection Agency Region IX (EPA) for review 30-days prior to the November 9, 2011 public workshop. There was also a 30-day public comment period following that workshop.

Minor changes were made to all five rules based on verbal comments received at the workshop and emailed comments from ARB and EPA's review. No other written comments were received from Eastern Kern sources or other interested parties during the 30-day comment period following the workshop. One comment letter from Edwards AFB was received the following week and asked for clarifications in the staff report and rules concerning applicability to their facility. District staff expects to be able to address these concerns without any significant changes to the staff report or rules. District submitted revised drafts of the updated versions of the rules to the ARB and EPA for a second 30-day review period. ARB and EPA jointly, had one minor change to clarify the language in Rule 201.1, but no additional comments for the updated proposed revisions.

Rules 201.1, 201.2 and 201.3 have been amended to align them with the federal GHG requirements of the Tailoring Rule and PSD permitting requirements. Definitions related to GHGs have been added to the three rules in addition to reformatting them to follow the District's standard rule template. Minor corrections have also been made such as capitalization, punctuation, and spelling.

Rule 210.4 has been amended to include GHG emissions reporting to align with federal requirements of the Tailoring Rule and to update sections to reflect 40 CFR 52.21, which will allow the District to request PSD delegation from the EPA. EPA delegation will give the District the ability to offer sources subject to PSD a more streamlined permitting and appeals process.

Rule 301.4 provides additional funding for District operational costs to implement the federal GHG and Title V requirements of Eastern Kern's major sources. Existing fees on Title V sources with the addition of the GHG fee will still not exceed the cost to the District for implementation of these programs.

Proposed Rule 301.4 will become effective immediately upon Board adoption; amended Rules 201.1, 201.2, and 201.3 will not become effective until EPA's approval as part of the District's Title V Program; and amended Rule 210.4 will not become effective until EPA's approval a revision of the District's State Implementation Plan.

A Notice of Public Hearing was duly published 30 days prior to this hearing in an adjudicated newspaper, The Californian, and was subsequently also published that same week in the Mojave Desert News and the Daily Independent. Copies of staff reports for Rules 201.1, 201.2, 201.3, 210.4, and 301.4 are attached. Rules 201.1, 201.2, and 201.3 are combined in one staff report because they all pertain to Title V requirements.

IT IS RECOMMENDED your Board Open Hearing; Receive Public Comment; Close Hearing; Adopt Amended Rule 201.1, Permits to Operate for Sources Subject to Title V of the Federal Clean Air Act Amendments of 1990, and Resolution No. 2012-001-01; Adopt Amended Rule 201.2, Synthetic Minor Source, and Resolution No. 2012-002-01; Adopt Amended Rule 201.3, Federally Enforceable Limits on Potential to Emit, and Resolution No. 2012-003-01; Adopt Amended Rule 210.4, Prevention of Significant Deterioration, and Resolution No. 2012-004-01; and Adopt Rule 301.4, Greenhouse Gas Fee, and Resolution No. 2012-005-01.

Sincerely,

David L. Jones
Air Pollution Control Officer

DLJ: JC: dm
Attachments