



**Siting, Transmission
 and Environmental
 Protection Division**

**FILE: Puente ROC EPA and
 AQ Staff**

PROJECT TITLE: Puente Power Project (P3) Docket: 15-AFC-01

TECHNICAL AREA(S): Air Quality			
<input checked="" type="checkbox"/> Telephone	(916) 654-3846	<input type="checkbox"/> Meeting Location: Phone	
NAME:	Jacquelyn Record and Gerry Bemis	DATE:	8/2/16 TIME: 2:00 PM
WITH:	Region 9 Environmental Protection Agency (EPA) – Lisa Beckham and Cleve Holliday		
SUBJECT:	Puente – Preliminary Determination of Compliance (PDOC)		

COMMENTS:

Background/discussion:

On November 10, 2015, the Ventura County Air Pollution Control District's (District's) Air Pollution Control Board adopted revisions to Rule 26.13 New Source Review – Prevention of Significant Deterioration (PSD). The Board adopted revisions to four sections including the addition of several new subsections to Rule 26.13. These revisions were requested by USEPA to address deficiencies identified in the rule as originally proposed by the District. District staff added additional minor editorial revisions. The overall intent of Rule 26.13 is to adopt 40 CFR Section 52.21, the federal PSD regulation, by reference. Rule 26.13 was submitted to EPA for approval into the California State Implementation Plan (SIP) on March 11, 2016.

Once approved, the revisions to Rule 26.13 will delegate PSD permitting authority from EPA to VCAPCD. The November 10, 2015 revisions include updates required as a result of court decisions and clarifications regarding enforceability and responsible parties.

Staff spoke with EPA Region 9 representatives Lisa Beckham and Cleve Holliday. We discussed whether or not PSD has been delegated to the local Air District (VCAPCD) per Rule 26.13. Both Region 9 and Energy Commission staff agree the PSD provision of this rule is not federally enforceable until the rule has been adopted into the SIP. EPA is reviewing Rule 26.13 for SIP approval and working with the District to obtain additional information prior to approval. Once the rule is approved into the California SIP, local PSD actions will be federally enforceable and the district will be "acting in the role of" EPA. At that point, PSD issues would be addressed in any Determination of Compliance (DOC) done for future Energy Commission permitting activities and in local permitting activities for any proposed projects not subject to Energy Commission permitting.

cc:	Date:	Signed: <Signed>
	8/2/16	Name: Jacquelyn Record



August 10, 2016

Gerardo Rios
Chief, Air Permits Office (Air-3)
EPA Region 9
75 Hawthorne Street
San Francisco, CA 94105

**RE: Clarifications for Ventura County APCD Rule 26.13
New Source Review - Prevention of Significant Deterioration (PSD)**

Dear Mr. Rios:

On March 11, 2016, the California Air Resources Board (CARB) submitted for the Environmental Protection Agency's (EPA) approval into the California State Implementation Plan (SIP) Ventura County Air Pollution Control District (District) Rule 26.13, "New Source Review - Prevention of Significant Deterioration (PSD)". This letter is intended to provide additional information and clarifications related to transferring the PSD program from EPA to the District and ensuring that certain PSD program requirements are met.

Existing PSD Permits

As part of, and concurrent with, EPA's approval of the District's PSD program into the SIP, the District is requesting approval to exercise its authority to administer the PSD program with respect to those sources located in the District that have existing PSD permits issued by EPA. These permits include Procter & Gamble Permits LA79-08 and LA 80-01. This would include authority to conduct general administration of these existing permits, authority to process and issue any and all subsequent PSD permit actions relating to such permits including, for example, modifications, amendments, or revisions of any nature, and authority to enforce such permits.

Discussion of Clean Air Act Section 110(a)(2)(E)(i)

Pursuant to Section 110(a)(2)(E)(i) of the Clean Air Act (CAA or Act), we discuss how the information provided previously and State and District statutory and regulatory requirements demonstrate that the District has adequate personnel, funding, and authority under State and/or local law to implement the PSD program within the District.

The District has the primary responsibility for regulating air pollution from all stationary sources within the Ventura County Air Pollution Control District (see California Health & Safety Code (H&SC) sections 39002 and 40000). The California Air Resources Board oversees the District's activities and regulates mobile sources of air pollution. Under State law, the District is required to adopt rules to achieve ambient air quality standards and to enforce the provisions of local, State and federal air quality laws (see H&SC section 40001(a)).

The District's permitting program (which is authorized by H&SC section 42300 and must meet the requirements of section 42301), as approved by EPA, currently implements requirements from both the California and federal Clean Air Acts. The District is authorized by state law to enforce its rules, regulations and orders, including conditions contained in District-issued Title V and PSD permits (see H&SC §§ 40752(b); 41513; 42402-42403). District Rule 26.13 provides the District with specific authority to issue PSD permits and otherwise implement and enforce the PSD program.

As noted in District Rule 26.13.D.3, a PSD permit applicant shall pay the applicable fees specified in District Rule 42. As discussed in the District's staff report for Rule 26.13, which was included with CARB's March 11, 2016 SIP submittal for this rule, the District will apply District Rule 42 permit fees to cover the costs of PSD permit review and issuance.

The District has been implementing its permitting program for well over 30 years to date and has been implementing the Title V federal operating program since its inception in the early 1990's. The District has issued permits to a wide variety of sources including gas turbine power plants, oilfields, gasoline stations, dry cleaners, military bases, and landfills. In addition, the District has issued a Title V permit to Procter & Gamble and is very familiar with its operations and air pollution regulatory requirements. The District permit processing staff each has over ten years of experience. If necessary for a PSD permit, the District has the ability to contract with air dispersion modeling experts as Rule 42.D allows a fee for an air quality impact or health risk assessment. The District has a good relationship with EPA Region 9 and will seek guidance from you if needed during the processing of a PSD permit application.

The above information shows that the District has adequate legal authority, personnel and funding to implement and enforce the PSD program for sources within the District, including those existing sources with PSD permits.

Sincerely,



MICHAEL VILLEGAS
Air Pollution Control Officer

XC → JF, SIP FILE
ORIG → TH, Rule FILE



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

APR 19 2016

Mr. Richard W. Corey, Executive Officer
California Air Resources Board
Post Office Box 2815
Sacramento, California 95812

Dear Mr. Corey: *Richard*

On March 11, 2016, CARB submitted revisions to the California State Implementation Plan (SIP). We have reviewed the materials submitted with the following documents and found that they fulfill the completeness criteria in 40 CFR Part 51, Appendix V.

APCD/AQMD	Rule #	Title
Butte County	300	Open Burning, Prohibitions and Exemptions
Placer County	250	Stationary Gas Turbines
Sacramento Metropolitan	442	Architectural Coatings
Ventura County	26.13	New Source Review-Prevention of Significant Deterioration

This addresses all the revisions in this submittal. In the coming months we will review the complete revisions for action pursuant to Clean Air Act section 110(k).

Questions regarding our completeness review should be directed to Arnold Lazarus at (415) 972-3024.

Sincerely,

Deborah Jordan
Director, Air Division

cc: Mr. James Wagoner,
Air Pollution Control Officer
Butte County Air Quality Management District

Mr. Erik White
Air Pollution Control Officer
Placer County Air Pollution Control District



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chair
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

March 11, 2016

Mr. Jared Blumenfeld
Regional Administrator
U.S. Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, California 94105

Ventura County
MAR 18 2016
Air Pollution Control District

Dear Mr. Blumenfeld:

Enclosed are revisions to the California State Implementation Plan (SIP). These revisions consist of amended rules, listed in Enclosure A, from the following air pollution control and air quality management districts (districts).

Butte County Air Quality Management District
Placer County Air Pollution Control District
Sacramento Metropolitan Air Quality Management District
Ventura County Air Pollution Control District

Also enclosed is Air Resources Board Executive Order S-16-001 adopting the districts' rules as revisions to the SIP. To meet the U.S. Environmental Protection Agency criteria for determining that rule submittals are administratively and technically complete, we have enclosed evaluations of the effects of the rules on emissions, evaluations of the rules' consistency with 40 CFR 51, and other supporting documentation provided to us by the districts. One compact disc and one paper copy, each containing the revisions in their entirety, are enclosed.

If you have any questions, please have your staff contact Ms. Karen Magliano, Chief, Air Quality Planning and Science Division, at (916) 322-5350 or by email at Karen.Magliano@arb.ca.gov.

Sincerely,

Richard W. Corey
Executive Officer

Enclosures

cc: See next page.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

California Environmental Protection Agency
AIR RESOURCES BOARD

Executive Order S-16-001

WHEREAS, the rules identified in Enclosure A have been amended by the following air pollution control and air quality management districts (districts):

Butte County Air Quality Management District
Placer County Air Pollution Control District
Sacramento Metropolitan Air Quality Management District
Ventura County Air Pollution Control District

WHEREAS, the districts are authorized by California Health and Safety Code (H&SC) section 40001 to adopt and enforce the rules identified in Enclosure A;

WHEREAS, the rules have been submitted to the Air Resources Board (ARB) for inclusion in the California State Implementation Plan (SIP) as reasonably available control measures for limiting emissions of air pollutants within the districts;

WHEREAS, ARB has determined that these rules are necessary to meet requirements of the federal Clean Air Act; and

WHEREAS, ARB is authorized by H&SC sections 39601, 39602, and 41650 through 41652 to adopt district rules as revisions to the SIP.

THEREFORE, IT IS ORDERED that ARB hereby adopts the districts' rules identified in Enclosure A as revisions to the SIP.

I certify, pursuant to 40 CFR 51.102(f), that the rules identified in Enclosure A were amended after notice and public hearings as required by 40 CFR 51.102(a) and 51.102(d).

Executed in Sacramento, California, this 11th day of March, 2016.



Richard W. Corey
Executive Officer