

## Functioning of the MCAQMD Indirect Source Rule

In May of 2003 the Mendocino County Air Quality Management adopted amendments to District Regulation 1, which (among many other things) established an indirect source rule for Mendocino County.

### Purpose

The purpose of this rule is to ensure that large development projects enact reasonable mitigation measures to reduce emissions. Unlike other indirect source rules in California it is not fee based, but permit based.

### Regulatory authority

While this process may initially appear completed, please keep in mind it only applies to the largest projects with the most significant indirect air quality impacts, the vast majority of projects are not subject to this rule. Because supporting and enabling regulations reside in three separate places within Regulation 1 the actual structure of this rule is somewhat complex.

The first section is in Regulation 1, Chapter 1 Rule 1-130 section I(2), which contains the definition of an indirect source:

*A facility, building, structure or installation, or combination thereof, that indirectly results in, or is projected to result in unmitigated emissions in excess of the following: ROG – 180 lbs/day, NOx – 42 lbs/day, CO – 690 lbs/day, PM10 – 80 lbs/day. Projected unmitigated emissions are to be generated using the latest ARB approved version of URBEMIS with the Mountain and Rural Counties default settings, or other ARB approved indirect source model. In any model the latest available fleet, meteorology, and trip generation information will be used and the model run for each season.*

The next section is in Regulation 1, Chapter 2 Rule 1-200 (Permits) which lists the requirements for a permit (Authority to Construct)

*A written authorization shall be obtained from the District prior to starting construction, modification, operation or use of any stationary, portable, or **indirect source** (emphasis added) which may cause, potentially cause, reduce, control or eliminate the emission of air contaminants. A single authorization may be issued for all components of an integrated system or process. An Authority to Construct shall remain in effect for one (1) year or until a Permit to Operate is issued or denied, or the application is canceled at the request of the applicant, whichever occurs first. If the Authority to Construct expires prior to issuance of a Permit to Operate, the authorization may be extended by the applicant submitting an annual renewal fee per Rule 1-300(f). Construction not in accordance with this Authority to Construct shall be sufficient reason to deny a Permit to Operate.*

Permit fees will be calculated based on the major emissions fee table in Regulation 1, Chapter 3, Rule 1-350.

### **Implementation Procedure**

As a matter of policy the indirect source rule operates as follows –

**Step 1** - The applicant or the District determines if a given project is subject to the rule by running the latest approved URBEMIS model. The District recommends that any development over 75 dwelling units and all large commercial projects (20,000 sq feet) run the model.

The URBEMIS model should be run initially without any mitigation measures, even those the applicant has already designed into the project or is willing to implement, and with 80% usage of woodstoves (for residential projects only).

**Step 2** - If the project is below the emission standard set in 1-130 (above) then no further action is required by the applicant by the indirect source rule. A letter stating that modeled emissions were below the 1-130 thresholds and copies of the modeling inputs and outputs will be provided to the District for verification. The District will keep a file documenting the compliance with the indirect source rule.

If the project exceeds the emissions standards set 1-130 (above) then the applicant has the option to run the URBEMIS model with any mitigation measures (from the program) which they choose to implement to attempt to lower emissions below the threshold established in 1-130.

If emissions from the second URBEMIS run (with mitigation measures), are below those set in 1-130 then the applicant may proceed with the project without any further action under the indirect source rule, provided the mitigation measures (above) are documented and implemented. A letter stating that modeled emissions were below the 1-130 thresholds and copies of the modeling inputs and outputs, including selected mitigation measures, will be provided to the District for verification. The District will keep a file documenting the compliance with the indirect source rule.

**Step 3** - If mitigated emissions still exceed those set in 1-130, or the applicant is unwilling to implement mitigation measures, then an Authority to Construct will be required by the District. As part of the Authority to Construct process the District may require additional mitigations, or verify the proper implementation of the proposed mitigations. **The mitigation measures do not need to reduce emissions to below the threshold set in 1-130, however they must reasonably be expected to significantly reduce emissions over the lifetime of the project** (e.g. a CC&R condition banning the installation of woodstoves). The Authority to Construct may be renewed, but provided the mitigation measures are implemented no annual permit will be required.

If the applicant is unwilling to implement mitigation measures then the Authority to Construct will convert to an Annual Permit to Operate and will be subject to annual renewal fees from the original project owner.

*All modeling runs must reflect the actual project that is under consideration and any changes made after the initial modeling which may result in higher emissions will require a new modeling run. Mitigation measures may include off-site mitigation.*