

# 2020 Annual Offset Equivalency Demonstration

Emission Reduction Credit Program  
Public Advisory Workgroup  
Meeting #3

December 2, 2020

# 2020 Offset Equivalency Demonstration

- November 20, 2020 – District sent Final 2020 Demonstration to EPA
  - Tracking year: August 20, 2019 through August 19, 2020
- Tracked federal projects:
  - 15 Federal Major Modifications (3 NO<sub>x</sub> only, 8 VOC only, and 4 both NO<sub>x</sub> and VOC)
  - 0 New Major Sources
- Significant adjustments incorporated into 2020 Demonstration:
  - Incorporate Board’s action regarding removal of AG-ICE and orphan shutdown credits (affected PM<sub>10</sub>, PM<sub>2.5</sub> and SO<sub>x</sub>; affected surplus test)
  - Address cancelled/non-implemented projects (affected all pollutants; affected tracked increases and decreases; affected quantity and surplus tests)
  - Federal Offset Ratio correction (affected NO<sub>x</sub> and VOC tracked increases from 8/20/2010 to 8/19/2014; affected quantity and surplus tests)
- Enhancing process and report to increase transparency

# San Joaquin Valley APCD

## Annual Offset Equivalency Report

### Offset Quantity Equivalency

Summary for 08/20/2019 through 08/19/2020

Pollutant	Number of New Major Sources	Number of Federal Major Mods	Offsets Required under Federal NSR	Offsets Required under District NSR	Current Year Excess or Shortfall	Previous Year-End Total Carryover Excess or Shortfall	Year-to-Year Adjustment to Carryover Balance	Year-End Total Carryover Excess or Shortfall
NOx	0	7	18.8	26.8	8.0	4,319.9	(3,968.8)	359.1
VOC	0	12	50.0	35.0	(15.0)	733.4	(2,820.6)	(2,102.2)
PM10	0	0	0.0	15.1	15.1	837.5	(529.7)	322.9
PM2.5	0	0	0.0	12.4	12.4	377.7	(185.4)	204.7
CO	0	0	0.0	0.0	0.0	198.1	0.0	198.1
SOx	0	0	0.0	8.5	8.5	2,863.6	(1,696.1)	1,176.0

Notes:

- All values are in tons per year

# San Joaquin Valley APCD

## Annual Offset Equivalency Report

### Surplus Value Equivalency

Summary for 08/20/2019 through 08/19/2020

Pollutant	Number of New Major Sources	Number of Federal Major Mods	Offsets Required under Federal NSR	Surplus Reductions Used for Equivalency This Year	Current Year Excess or Shortfall	Previous Year-End Total Carry-over Creditable Reductions	Year-to-Year Adjustment to Carryover Balance	Current Year New Creditable Reductions	Year-End Total Carry-over Creditable Reductions
NOx <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
VOC <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PM10	0	0	0.0	0.0	0.0	1,898.0	(1,583.2)	15.2	330.0
PM2.5	0	0	0.0	0.0	0.0	1,020.0	(823.0)	0.0	197.0
CO	0	0	0.0	0.0	0.0	763.0	0.0	0.0	763.0
SOx	0	0	0.0	0.0	0.0	2,038.0	(1,702.2)	2.3	338.2

*Notes:*

- All values are in tons per year

<sup>1</sup> Effective September 17, 2020, NOx and VOC were no longer Surplus Value equivalent and Rule 2201 remedy was enacted to require surplus at time-of-use ERCs for projects requiring NOx and VOC offsets under Rule 2201. Therefore, these pollutants are not included in Surplus Value demonstration.

# 2020 Offset Equivalency Outcome

Equivalent?	NOx	VOC	PM10	PM2.5	CO	SOx
Test 1: Offset Quantity	Yes	No	Yes	Yes	Yes	Yes
Test 2: Surplus Value	No	No	Yes	Yes	Yes	Yes

# 2020 Offset Equivalency Implications

Effective November 20, 2020:

- **VOC:** All new major sources or federal major modifications triggering offsets for VOC required to provide ERC for the full federal offset quantity and surplus at time of ATC issuance
- **NOx:** All new major sources or federal major modifications triggering offsets for NOx under the District NSR rule required to provide ERC surplus at time of ATC issuance
- **PM10, PM2.5, and SOx:** No change to the offset quantity and ERC surplus value requirements at this time