

Public Workshop

Proposed Updates to District's Best Available Control Technology Policy

December 3, 2020

Best Available Control Technology

- District Rule 2201 (*New and Modified Stationary Source Review Rule*) requires BACT for new and modified equipment or operations with emission increases over two pounds per day
- BACT is the most stringent emission limitation or control technique that is any of the following:
 - Achieved in practice for such category or class of source
 - Contained in any State Implementation Plan approved by the EPA for such category or class of source
 - Contained in an applicable federal New Source Performance Standard
 - Any other emission limitation or control found by the District to be cost effective and technologically feasible for such category or class of sources or for a specific source

Existing BACT Policy

- Originally adopted upon District formation in 1992
- Revised in 1999 to enhance procedures for greater public participation if significant changes to BACT guidelines
- Last revised in 2008
 - Increased cost effectiveness thresholds to the highest level in place in other California air districts
 - Modified emission reduction calculation related to cost effectiveness
 - Changes only affected cost effectiveness calculations for technologically feasible control options
 - Did not affect requirements for achieved in practice BACT (does not rely on cost effectiveness calculations)

Proposed Updates to Cost Effectiveness Thresholds

- Adjustment to 2008 cost effectiveness thresholds
 - Consumer price index (CPI) adjustment using 2008 as base year
- Additional increase to VOC threshold
 - District is extreme non-attainment for ozone (VOC is ozone precursor)
 - Establish parity with other air districts
 - Increase VOC threshold to be equal to NO_x threshold
- Considering future annual CPI adjustments to cost effectiveness thresholds
- Effective January 2021

Proposed BACT Policy Cost Effectiveness Thresholds Effective January 2021

NOx	CO	VOC	SOx	PM10/PM2.5
\$31,200/ton	\$400/ton	\$31,200/ton	\$23,200/ton	\$14,500/ton

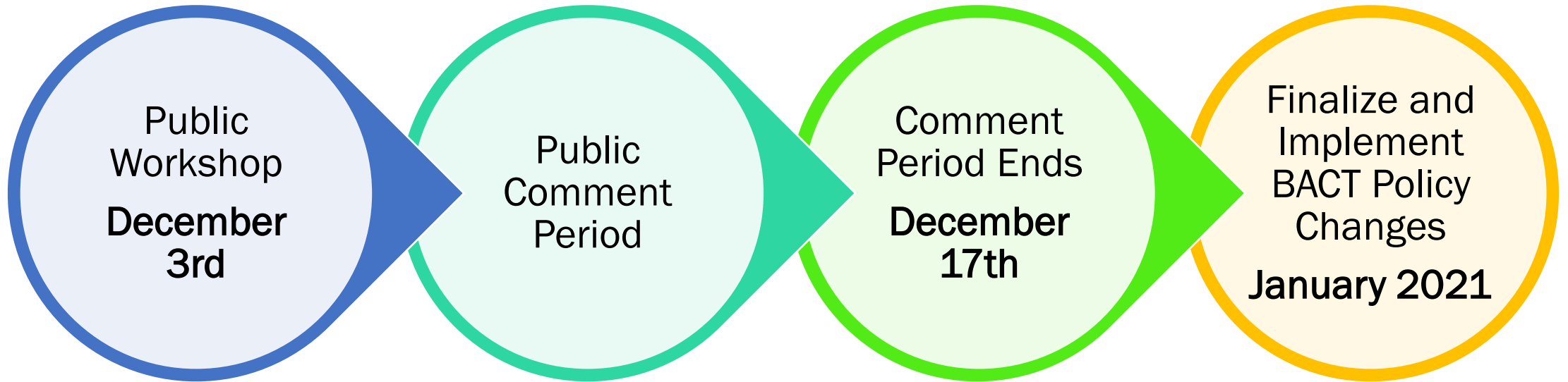
Proposed Updates to Interest Rate Assumption

- Interest rate assumption is used in cost effectiveness calculations for technologically feasible BACT determinations
 - Adjust current 10% interest rate assumption to be more reflective of actual interest rate environment
- Peg interest rate to US treasury 10 year security rate
 - 3-year rolling average
 - Add 2% to account for incremental risk
 - Using this method, updated interest rate assumption will likely be approximately 4-5% in 2021
- Considering future annual adjustments
- Effective January 2021

Other Potential Update

- Considering removal or modification of small emitter provision
- Impacts consideration of technologically feasible BACT at small emitter facilities
 - When first established in the early 1990s, technologically feasible BACT was not cost effective at small emitters
 - With ongoing evolution of control techniques, District believes it may be appropriate to remove or modify provision
- Would not affect requirements for achieved in practice BACT

Next Steps



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Comments/Questions

Attendees via Zoom
Please “raise your hand”
for comments and questions.

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