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3745-31-24 **Nonattainment provisions - baseline for determining credit for emission and air quality offsets.**

[Comment: For dates of non-regulatory government publications, publications of recognized organizations and associations, federal rules, and federal statutory provisions referenced in this rule, see "~~Incorporation by Reference~~" ~~at the end of rule 3745-31-01 of the Administrative Code~~ paragraph (KKKKKK) of rule 3745-31-01 of the Administrative Code entitled, "referenced materials.":]

(A) Applicability.

This rule applies to any major stationary source or major modification that is to be constructed in an area designated in 40 CFR 81.336 as nonattainment for an air pollutant for which the major stationary source or major modification is major.

(B) ~~The baseline for determining credit for emission reductions is the emission limit under the Ohio state implementation plan in effect at the time the application to construct is filed, except that the offset baseline shall be the actual emissions of the source from which offset credit is obtained where~~ Baseline for determining credit for emission offsets.:

(1) The baseline for determining credit for emission offsets shall be the emission limit under the Ohio state implementation plan in effect at the time the application to construct or modify a source is filed. Thus, credit for emission offset purposes may be allowed for existing control that goes beyond that required by the Ohio state implementation plan. Where the Ohio state implementation plan does not contain an emission limitation for that source or source category, the emission offset baseline involving such sources shall be the actual emissions determined in accordance with the following:

(a) The director shall allow tons per year in addition to a pounds per hour basis if necessary to determine the baseline calculations. The baseline emissions for existing sources providing the offsets shall be calculated using the actual emissions definition specified in rule 3745-31-01 of the Administrative Code.

(b) Where the emission limits under the Ohio state implementation plan allow greater emissions than the potential to emit of the source, emission offset credit will be allowed only for control below this potential.

~~(1)~~(2) The demonstration of reasonable further progress and attainment of ambient air quality standards is based upon the actual emissions of sources located within a designated nonattainment area for which the preconstruction review program was adopted;~~or.~~

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~~(2) The Ohio state implementation plan does not contain an emission limitation for that source or source category.~~

~~(C) Where the emission limits under the Ohio state implementation plan allows greater emissions than the potential to emit of the source, emission offset credit will be allowed only for control below this potential.~~

~~(D)~~(C) Old growth cushion.

Only those emissions that have been set aside for new source growth in the most recent Ohio state implementation plan can be used by a major stationary source or major modification to offset emissions. Emissions reserved for new source growth in past Ohio state implementation plans cannot be used by a major stationary source or major modification to offset emissions.

~~(E)~~(D) Combustion of fuels.

Generally, the emissions for determining emission offset credit involving an existing fuel combustion stationary source will be the allowable emissions under the Ohio state implementation plan for the type of fuel being burned at the time the major stationary source application is filed (i.e., if the existing owner or operator of the stationary source has switched to a different type of fuel at some earlier date, any resulting emission reduction [either actual or allowable] shall not be used for emission offset credit). If the owner or operator of the existing stationary source commits to switch to a cleaner fuel at some future date, emission offset credit based on the allowable emissions for the fuel involved is not acceptable unless the permit is conditioned to require the use of specific alternative control measures that would achieve the same degree of emission reductions should the stationary source be switched back to a dirtier fuel at some later date. The applicant must provide information to the director that documents that adequate long-term supplies of the new fuel are available.

~~(F)~~(E) Rocket engines or motors.

The director shall allow the owner or operator of a major stationary source to offset by alternative or innovative means emission increases from rocket engine and motor firing, and cleaning related to such firing, at an existing or modified major stationary source that tests rocket engines or motors under the following conditions:

- (1) Any major modification proposed is solely for the purpose of expanding the testing of rocket engines or motors at an existing stationary source that is permitted to test such engines on November 15, 1990.
- (2) The applicant demonstrates to the satisfaction of the director that it has used all reasonable means to obtain and utilize offsets, as determined on an annual basis, for the emission increases beyond allowable levels, that all available offsets are

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being used, and that sufficient offsets are not available to the major stationary source.

- (3) The applicant has obtained a written finding from the United States department of defense, United States department of transportation, national aeronautics and space administration or other appropriate federal agency, that the testing of rocket motors or engines at the major stationary source is required for a program essential to the national security.
- (4) The major stationary source will be in compliance with an alternative measure, imposed by the director, designed to offset any emission increases beyond permitted levels not directly offset by the stationary source.

~~(G)~~(F) Operating hours and stationary source shutdown.

- (1) The owner or operator of a stationary source may be credited with emission reductions achieved by shutting down an existing stationary source or permanently curtailing production or operating hours below baseline levels if ~~such reductions are permanent, quantifiable, and federally enforceable. In addition, the shutdown or curtailment is creditable only if it occurred on or after the date specified for this purpose in the Ohio state implementation plan, and if such date is on or after the date of the most recent emission inventory used in the Ohio state implementation plan's demonstration of attainment. Where the Ohio state implementation plan does not specify a cutoff date for shutdown credits, the date of the most recent emission inventory or attainment demonstration, as the case may be, shall apply. However, in no event may credit be given for shutdowns which occurred prior to August 7, 1977. For purposes of this paragraph, the director may choose to consider a prior shutdown or curtailment to have occurred after the date of its most recent emission inventory, if the inventory explicitly includes as current existing emissions the emissions from such previously shutdown or curtailed stationary sources~~ the following requirements are met:-

(a) Such reductions are surplus, permanent, quantifiable, and federally enforceable.

(b) The shutdown or curtailment occurred after the last day of the base year used for the Ohio state implementation planning process. For purposes of this paragraph, the director may choose to consider a prior shutdown or curtailment to have occurred after the last day of the base year if the projected emissions inventory used to develop the most recent attainment demonstration explicitly includes the emissions from such previously shutdown or curtailed emission units. However, in no event may credit be given for shutdowns that occurred before August 7, 1977.

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- (2) Emission reductions may be credited in the absence of an approved attainment demonstration only if the shutdown or curtailment occurred on or after the date the major stationary source application is filed, or, if the applicant can establish that the proposed major stationary source is a replacement for the shutdown or curtailed stationary source and the cutoff date provisions of paragraph ~~(G)(1)~~ - (F)(1)(b) of ~~rule 3745-31-24 of the Administrative Code~~ this rule are observed.

(G) Credit for an emission reduction can be claimed to the extent that the director has not relied on it in issuing any permit under this chapter, or the state of Ohio has not relied on it in an attainment demonstration or for reasonable further progress.

(H) Credit for volatile organic compound (VOC) substitution.

No emission offset credit may be allowed for replacing one VOC with another of lesser reactivity, except for those compounds listed in Table 1 of the United States environmental protection agency's "Recommended Policy on Control of Volatile Organic Compounds".

(I) Banking of emission offset credit.

For owners or operators of major stationary sources obtaining permits by applying offsets after January 16, 1979, the director may allow offsets that exceed the requirements of reasonable progress toward attainment to be banked (i.e., saved to provide offsets for a major stationary source seeking a permit in the future) for use under this rule. Likewise, the director may allow the owner of an existing stationary source that reduces its own emissions to bank any resulting reductions beyond those required by the Ohio state implementation plan for use under this ruling, even if none of the offsets are applied immediately to a new major stationary source permit. The director may allow these banked offsets to be used under the preconstruction review program; as long as these banked emissions are consistent with the Ohio state implementation plan control strategy. The director may not approve the construction of a major stationary source using banked offsets if the new major stationary source would interfere with the Ohio state implementation plan control strategy or if such use would violate any other condition set forth for use of offsets.

(J) Offset credit for meeting new source performance standards or national emission standards for hazardous air pollutants.

Where a stationary source is subject to an emission limitation established in a new source performance standard or a national emission standard for hazardous air pollutants, (i.e., requirements under Sections 111 and 112, respectively, of the Clean Air Act), and a different Ohio State implementation plan limitation, the more stringent limitation shall be used as a baseline for determining credit for emission offsets. The difference in emissions between the Ohio state implementation plan and the new source performance standards or national emission standards for hazardous air pollutant standards, for such stationary source may not be used as offset credit.

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(K) All emission reductions claimed as offset credit shall be federally enforceable.