ADEQ
Arizona Department of Environmental Quality

SIP Revision: Minor New Source Review

Air Quality Division
May 1, 2020 Proposed

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Completeness Criteria
(40 C.F.R. Part 51, Appendix V, § 2.0)

Appendix V § 2.1 - Administrative Materials

(a) A formal signed, stamped, and dated letter of submittal from the Governor or his designee, requesting EPA approval of the plan or revision thereof (hereafter "the plan"). If electing to submit a paper submission with a copy in electronic version, the submittal letter must verify that the electronic copy provided is an exact duplicate of the paper submission.

See the cover letter for this SIP submission [TBD] and attached delegation of authority from Misael Cabrera, Director of ADEQ, to Daniel Czecholinski Director of the ADEQ Air Quality Division, authorizing Mr. Czecholinski to perform any act the ADEQ Director is authorized to perform under the state air quality statutes, including the submission of SIPs to EPA.

(b) Evidence that the State has adopted the plan in the State code or body of regulations; or issued the permit, order, consent agreement (hereafter "document") in final form. That evidence shall include the date of adoption or final issuance as well as the effective date of the plan, if different from the adoption/issuance date.

As described in greater detail in section 1, this SIP submission consists of revisions to ADEQ's New Source Review (NSR) program. These revisions pertain primarily to requirements for minor sources, and are designed to cure deficiencies identified in EPA's Limited Approval/Limited Disapproval of the 2012 Arizona NSR SIP Revision.

The Notice of Final Rulemaking (NFRM) for the NSR revisions, published in the Arizona Administrative Code on February 10, 2017, is attached as **Appendix A**. Under ARS § 49-1013(A)(9), included in **Appendix C**, the AAR is the official Arizona publication for final rules.

In addition, **Appendix C** includes (1) the certificate of approval of the NFRM by the Governor's Regulatory Review Council (GRRC) and (2) a receipt from the Arizona Secretary of State showing that the approved NFRM was filed on January 20, 2017. Under ARS §§ 41-1052(A) and 41-1031(A) (included in **Appendix C**), approval by GRRC and filing with the Secretary of State are the final steps in the adoption of an Arizona rule. Under ARS § 41-1032(A), also attached in **Appendix C**, the final rules became final sixty (60) days after they were filed and time-stamped, or on March 21, 2017, according to the NFRM.

(c) Evidence that the State has the necessary legal authority under State law to adopt and implement the plan.

ADEQ is authorized to issue and administer NSR rules and to submit the rules for approval in the SIP under Arizona Revised Statutes sections 49-104, 49-106, 49-404, 49-406, 49-425, and 49-426, which are attached as **Appendix B**.

(d) A copy of the actual regulation, or document submitted for approval and incorporation by reference into the plan, including indication of the changes made (such as redline/strikethrough) to the existing approved plan, where applicable. The submission shall include a copy of the official State regulation/document, signed, stamped, and dated by the appropriate State official indicating that it is fully enforceable by the State. The effective date of any regulation/document contained in the submission shall, whenever possible, be indicated in the regulation/document itself; otherwise the State should include a letter signed, stamped, and dated by the appropriate State official indicating the effective date. If the regulation/document provided by the State for approval and incorporation by reference into the plan is a copy of an existing publication, the State submission should, whenever possible, include a copy of the publication cover page and table of contents.

The rulemaking for the 2017 amendments to the regulations, which shows the changes made to the rules approved into the existing plan, is attached as Appendix A. Also included in Appendix A are existing rules cross-referenced in the rules submitted in 2012 but not previously included in the SIP.

(e) Evidence that the State followed all of the procedural requirements of the State's laws and constitution in conducting and completing the adoption/issuance of the plan.

[TBD]

(f) Evidence that public notice was given of the proposed change consistent with procedures approved by EPA, including the date of publication of such notice.

[TBD]

(g) Certification that public hearing(s) were held in accordance with the information provided in the public notice and the State's laws and constitution, if applicable and consistent with the public hearing requirements in 40 CFR 51.102.

[TBD]

(h) Compilation of public comments and the State's response thereto.

[TBD]

Appendix V § 2.1 - Technical Support

(a) Identification of all regulated pollutants affected by the plan.

ADEQ's minor NSR program covers all regulated minor NSR pollutants, defined in AAC R18-2-101(123) as follows:

> "Regulated minor NSR pollutant" means any pollutant for which a national ambient air quality standard has been promulgated and the following precursors for such pollutants:
>
> a. VOC and nitrogen oxides as precursors to ozone.
>
> b. Nitrogen oxides and sulfur dioxide as precursors to $PM_{2.5}$.

(b) Identification of the locations of affected sources including the EPA attainment/ nonattainment designation of the locations and the status of the attainment plan for the affected areas(s).

ADEQ's NSR program applies to the areas of the state subject to ADEQ's permitting jurisdiction. As explained in the July 2, 2014 supplement to the October 29, 2012 New Source Review State Implementation Plan Submission, this consists of all counties in Arizona other than Maricopa, Pima, and Pinal, except where ADEQ asserts jurisdiction or has jurisdiction over certain source categories in these counties.

(c) Quantification of the changes in plan allowable emissions from the affected sources; estimates of changes in current actual emissions from affected sources or, where appropriate, quantification of changes in actual emissions from affected sources through calculations of the differences between certain baseline levels and allowable emissions anticipated as a result of the revision.

Not applicable.

(d) The State's demonstration that the national ambient air quality standards, prevention of significant deterioration increments, reasonable further progress demonstration, and visibility, as applicable, are protected if the plan is approved and implemented. For all requests to redesignate an area to attainment for a national primary ambient air quality standard, under section 107 of the Act, a revision must be submitted to provide for the maintenance of the national primary ambient air quality standards for at least 10 years as required by section 175A of the Act.

The regulations submitted with this SIP revision are as stringent or more stringent than the existing SIP rules they are replacing.

(e) Modeling information required to support the proposed revision, including input data, output data, models used, justification of model selections, ambient monitoring data used, meteorological data used, justification for use of offsite data (where used), modes of models used, assumptions, and other information relevant to the determination of adequacy of the modeling analysis.

Not applicable.

(f) Evidence, where necessary, that emission limitations are based on continuous emission reduction technology.

Not applicable.

(g) Evidence that the plan contains emission limitations, work practice standards and recordkeeping/reporting requirements, where necessary, to ensure emission levels.

Not applicable.

(h) Compliance/enforcement strategies, including how compliance will be determined in practice.

Not applicable.

(i) Special economic and technological justifications required by any applicable EPA policies, or an explanation of why such justifications are not necessary.

Not applicable.

1 Introduction

The primary purposes of this SIP revision are to cure deficiencies in ADEQ's minor new source review (minor NSR) program identified by EPA and to secure full approval of that program.

On October 29, 2012, ADEQ submitted a SIP revision designed to bring the state's new source review (NSR) program into compliance with Clean Air Act (CAA) requirements. The revision included comprehensive amendments to ADEQ's air quality permitting rules designed to satisfy both the NSR requirements for major sources in Title I, Parts C and D of the CAA (major NSR) and the minor NSR requirements in section 110(a)(2)(C) of the CAA.

On November 2, 2015, the EPA Region 9 Administrator published a notice of final rulemaking issuing a limited approval/limited disapproval (LA/LD) of the 2012 SIP revision.[1] The limited disapproval identified deficiencies in both the major and minor NSR rules submitted by ADEQ.

On April 28, 2017, ADEQ submitted a SIP revision with rule amendments designed to address deficiencies related to *major NSR*. EPA approved the 2017 revision on May 4, 2018.[2]

This SIP revision addresses the outstanding LA/LD deficiencies in ADEQ' s NSR program, primarily relating to *minor NSR*.

Section 2 of this SIP revision lists the rules that ADEQ is submitting for incorporation by reference into the Arizona SIP, as well as the existing SIP rules that the new rules are replacing and that should be removed from the SIP. Section 2 also identifies a federal implementation plan (FIP) provision that should be repealed in light of EPA's approval of the major NSR SIP revision in 2018.

Section 3 identifies the specific rule revisions designed to address all but four of the minor NSR deficiencies identified in the 2015 LA/LD.

Section 4 addresses the remaining deficiencies. In the LA/LD EPA identified four deficiencies that did not necessarily require rule amendments:

- the permit exemption for "normal farm operations";
- the permit exemption for certain stationary fuel burning equipment;
- the minor NSR applicability thresholds for nonattainment areas; and
- the minor NSR threshold for emissions of primary $PM_{2.5}$.

EPA stated that it could approve these elements of the minor NSR program, if ADEQ submitted an analysis demonstrating that they are consistent with CAA requirements. Section 4 provides that analysis.

[1] 80 FR 67319.
[2] 83 FR 19631.

2 Rules to Be Added to and Removed from SIP

The Notice of Final Rulemaking (NFRM) published in the Arizona Administrative Register on February 10, 2017, which shows changes to the rules from the version submitted on October 29, 2012, is attached as Appendix A. Also included in Appendix A are existing rules cross-referenced in the rules submitted in 2012 but not previously included in the SIP.

Table 2-1 identifies the rules from the Arizona Administrative Code (AAC), as amended on February 10, 2017, that ADEQ is requesting be approved into the SIP and, where appropriate, the existing SIP rules that they are replacing. ADEQ requests that EPA remove the replaced rules from the Arizona SIP. The table also includes existing rules inadvertently omitted from the 2012 SIP Revision.

Table 2-1 Rules to Be Added to and Removed from the SIP

Rule	Title	Existing SIP Rule(s) Requested to be Removed from SIP
R18-2-301	Definitions	R18-2-301 (8/7/2012)[3]
R18-2-302	Applicability; Registration; Classes of Permits	R18-2-302 (8/7/2012)
R18-2-302.01	Source Registration Requirements	R18-2-302.01 (8/7/2012)
R18-2-304	Permit Application Processing Procedures	R18-2-304 (8/7/2012)
R18-2-306	Permit Contents	R18-2-306 (8/7/2012)
R18-2-306.01	Permits Containing Voluntarily Accepted Emission Limitations and Standards	R18-2-306.01 (8/7/2012)
R18-2-317	Facility Changes Allowed Without Permit Revisions - Class I	N/A – Cross referenced in other minor NSR rules but not included in 2012 SIP
R18-2-317.01	Facility Changes that Require a Permit Revision - Class II	N/A – Cross referenced in R18-2-317.02
R18-2-317.02	Procedures for Certain Changes that Do Not Require a Permit Revision - Class II	N/A – Cross referenced in other minor NSR rules but not included in 2012 SIP

[3] Adoption date for SIP-approved version.

Rule	Title	Existing SIP Rule(s) Requested to be Removed from SIP
R18-2-319	Minor Permit Revisions	R18-2-319 (8/7/2012)
R18-2-320	Significant Permit Revisions	R18-2-320 (8/7/2012)
R18-2-334	Minor New Source Review	R18-2-334 (8/7/2012)
		R9-3-217, paragraph A (May 14, 1979

Amendments to AAC R18-2-101, R18-2-330, and R18-2-332 also relate to minor NSR but have already been approved into the Arizona SIP in the May 4, 2018 SIP approval.

On January 10, 2017, EPA adopted a FIP that incorporated 40 CFR 52.27 and 52.28 into the Arizona SIP..[4] These rules apply to states with SIPs that do not comply with the visibility NSR requirements in 40 CFR 51.307.[5] In EPA's May 4, 2018 approval of ADEQ's major NSR program, EPA approved R18-2-410, which is designed to satisfy 40 CFR 51.307 as well as the PSD visibility requirements in 40 CFR 51.166(p)..[6]

ADEQ therefore requests that in addition to removing the rules listed in Table 2-1 from the SIP, EPA repeal the FIP in 40 CFR 52.145(b) as it applies to sources for which ADEQ has permitting jurisdiction.

[4] 82 FR 3078, 3128-29 (Jan. 10, 2017) (amending 40 CFR 52.145).
[5] 50 FR 28544 (July 12, 1985).
[6] 83 FR 19631, 19632, 19635 (May 4, 2018).

3 Minor NSR Deficiencies Addressed by Rule Changes

Table 3-1 lists the deficiencies with ADEQ's minor NSR program identified in the LA/LD and the amended rules designed to correct those deficiencies.

Table 3-1 Correction of Minor NSR Deficiencies

Federal Requirement	Deficiency Identified in LA/LD	Amended Rules Correcting Deficiency
40 CFR 51.160(a) and (b)	ADEQ rules do not ensure review of NAAQS in neighboring areas outside ADEQ permitting jurisdiction.	R18-2-302.01(C), R18-2-334(C)(2), (E) (F), and R18-2-406(A)(5)(a), (b)
40 CFR 51.160(a) and (b)	Registration rule does not reference "maintenance" of a NAAQS.	R18-2-302.01(C)(4)
40 CFR 51.160(b)(1)	Registration rule missing requirement to ensure sources must comply with all applicable portions of control strategy, similar to language in other portion of rules, e.g. R18-2-306(A)(2).	R18-2-302.01(E)(1)
40 CFR 51.160(c)	R18-2-302.01 does not fully meet requirement to submit necessary information for ADEQ to review source.	R18-2-302.01(A)(3)
40 CFR 51.160(c)(1)	Rules allow some emissions units to be exempt from being included in applications for NSR purposes.	R18-2-304(F)(8)
40 CFR 51.160(d)	Registration rule missing provision that approval does not affect responsibility of o/o to comply with other requirements.	R18-2-302.01(I)
40 CFR 51.160(e)	Thresholds for minor NSR in nonattainment areas and exemptions from permitting program require additional justification.	See section 4
40 CFR 51.160(f)(1)	Registration program missing requirement to use Appendix W, when applicable.	R18-2-302.01(C)(3) "Screening model" requirement R18-2-301(21) Definition of "screening model" requires compliance with Appendix W

Federal Requirement	Deficiency Identified in LA/LD	Amended Rules Correcting Deficiency
40 CFR 51.161(a)	Does not require public notice in all instances for permitting program.	R18-2-302.01(B)(3).[7] Repeal of former R18-2-334(G)
40 CFR 51.161(a)	Elective limits for registrations need additional requirements to ensure enforceability: technically accurate limit and the portion of the source subject to the limit, time period over which the limit applies, daily records if limit is not on a daily basis.	R18-2-302.01(F)
40 CFR 51.161(b)(1)	Public notice requirements do not fully satisfy requirement that materials be available in the "area affected" and that the Director's analysis be available.	R18-2-330(D)
40 CFR 51.161(d)	Notice to additional parties required for registrations.	R18-2-302.01(B)(4)
40 CFR 51.163	Submittal contains references to AAC R18-2-317 and R18-2-317.02, which are not included in the submittal or the existing SIP.	As indicated in Table 2-1, R18-2-317 and R18-2-317.02 are included in this submittal. R18-2-304(B).[8]

[7] Existing R18-2-101(32) defines "construction" to include "any physical change or change in the method of operation." Thus, the requirement for public notice of the registration of the construction of a source applies to the registration of both a newly constructed source under R18-2-302(B)(3)(a) and a source undergoing a physical or operational change that increases its maximum capacity to emit above the permitting exemption threshold under R18-3-302(B)(3)(d).

[8] This subsection has been amended to allow ADEQ to specify the contents required for a class II permit application in a form to be provided by the Director rather than spelling them out in rule. The class II application requirements relating to minor NSR, however, continue to be specified in existing R18-2-304(F)(3).

4 Demonstration of Adequacy

This analysis demonstrates that the following features of the ADEQ program satisfy CAA minor NSR requirements (described in section 4.1):

- the permit exemption for "agricultural equipment used in normal farm operations" (section 4.2);
- the permit exemption for certain stationary fuel burning equipment (section 4.2);
- the minor NSR applicability thresholds for nonattainment areas (section 4.4); and
- the minor NSR threshold for emissions of primary $PM_{2.5}$ (section 4.5).

4.1 Clean Air Act Minor NSR Requirements

Section 110(a)(2)(C) of the CAA requires a SIP to:

> include a program to provide for the…regulation of the modification and construction of any stationary source within the areas covered by the plan as necessary to assure that national ambient air quality standards are achieved, including a permit program as required in parts C and D of this subchapter…..[9]

Because regulations adopted under this section apply to newly constructed and modified sources, as opposed to existing sources, they are commonly referred to as "new source review" (NSR) programs.

Part C of title I of the CAA establishes NSR requirements for *major sources* that are constructed or modified in areas that have attained the NAAQS for one or more criteria pollutants. Part D of Title I establishes NSR requirements for *major sources* and modifications in nonattainment areas.

In addition to requiring compliance with the specific major NSR requirements of Parts C and D, section 110(a)(2)(C), requires "regulation of the modification and construction of any stationary source within the areas covered by the plan *as necessary to assure that national ambient air quality standards are achieved*." (Emphasis added.) EPA refers to 110(a)(2)(C) programs that apply to non-major sources and to minor modifications to major sources as "minor NSR."[10]

Under EPA regulations implementing section 110(a)(2)(C), a state minor NSR program must include procedures to prevent the construction of a "facility, building, structure or installation," that will result in:

> (1) A violation of applicable portions of the control strategy; or
>
> (2) Interference with attainment or maintenance of a national standard in the State in which the proposed source (or modification) is located or in a neighboring State.[11]

The program must "identify types and sizes of facilities, buildings, structures, or installations which will be subject to review." The minor NSR SIP must "discuss the basis for determining which facilities will be subject to review."[12]

The demonstrations of adequacy for the four program elements addressed in this section all relate to these core minor NSR requirements. The issue is whether the four limitations on the applicability of the ADEQ

[9] 42 USC 7410(a)(2)(C).
[10] 76 Fed. Reg. 38748, 38752 (July 1, 2011).
[11] 40 CFR 51.160(a), (b).
[12] 40 CFR 51.160(e).

minor NSR program identified by EPA interfere with the program's ability to protect the NAAQS or ensure compliance with the SIP control strategy.

4.2 The Permit Exemption for "Normal Farm Operations"

As EPA notes in the LA/LD, both the state statute and regulation relating to the applicability of the ADEQ air quality permit program include exemptions for "equipment used in normal farm operations."

EPA has requested a demonstration that "regulation of the [exempt] equipment…is not needed to meet federal NSR requirements for attainment and maintenance of the NAAQS or review for compliance with the control strategy." EPA states that this demonstration should include "identification of the types of equipment ADEQ considers to be 'agricultural equipment used in normal farm operations,'" and an explanation of how the statutory and regulatory provisions "apply to ADEQ's NSR program."[13]

The discussion below addresses these requests and demonstrates that the exemption in ADEQ's program is consistent with federal NSR requirements. As explained below:

- ADEQ determines the applicability of permit requirements and permit exemptions on a stationary-source-wide basis.
- Equipment used in normal farm operations will normally be located at a stationary source that would not in any case require a permit because of the SIP-approved fugitive emissions exclusion.
- In the overwhelming majority of the remaining cases, equipment used in normal farm operations will be located at a stationary source that either qualifies as a title V source or includes equipment subject to a new source performance standard (NSPS). In these cases the exemption will not apply and the stationary source will require a permit.
- In the few, if any, cases where equipment used in normal farm operations is located at a non-title V source that has stack emissions[14] above the permitting exemption thresholds[15] but does not include NSPS equipment, ADEQ retains the authority to require a permit to the extent necessary to assure protection of the NAAQS and the control strategy.
- A permit issued to a stationary source that includes normal farm operations will include all requirements of the control strategy applicable to that source, including a requirement to comply with the BMP rules applicable to the source. Specific best management practices (BMP) applicable to a stationary source under A.R.S. § 49-457 will be incorporated into the permit only to the extent and in a manner consistent with the SIP-approved provisions relating to permitting and enforcement in A.R.S. § 49-457(I)-(K).

[13] United States Environmental Protection Agency, Region 9 Air Division, Technical Support Document; EPA's Notice of Proposed Rulemaking Revision to the Arizona State Implementation Plan for the Arizona Department of Environmental Quality Revisions to Air Plan; Arizona; Stationary Sources; New Source Review (March 2015) (the "2015 TSD").

[14] The term "stack emissions" is used in this document to refer to those emissions that do not meet the definition of fugitive emissions in R18-2-101(59). Fugitive emissions refers to those emissions which could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

[15] The permitting exemption thresholds, defined in R18-2-101(101), are set at one-half the significant emission rates for criteria pollutants and precursors. They constitute the applicability thresholds for both the registration program that serves as a screening mechanism for minor NSR, *see* R18-2-302(B)(3)(a), R18-2-302.01(C), and for modifications subject to minor NSR, *see* R18-2-301(14), R18-2-334(A)(1).

4.2.1 Statutory and Regulatory Exemptions

Section 49-426(A) of the Arizona Revised Statutes (ARS) provides that a "permit shall…be required for any person…beginning actual construction of or operating any *source*, except as prescribed in subsection B of this section…." (Emphasis added). ARS § 49-426(B) provides that subsection A's permit requirement "shall not apply to…agricultural equipment used in normal farm operations."

The regulatory version of this exemption, AAC R18-2-302(C), provides as follows:

> C. Notwithstanding subsections (A) and (B), the following *stationary sources* do not require a permit or registration unless the source is a major source, or *unless operation without a permit would result in a violation of the Act*:
>
> ….
>
> 2. Agricultural equipment used in normal farm operations. "Agricultural equipment used in normal farm operations" *does not include equipment classified as a source that requires a permit under Title V of the Act, or that is subject to a standard under 40 CFR 60, 61 or 63.*

(Emphasis added.)

This rule represents ADEQ's official implementation and interpretation of the statutory exemption under its rulemaking authority in ARS §§ 49-425 and 49-426(B). The rule has been recognized as valid by the Arizona Attorney General in its opinion supporting the state's Title V program in 1993.[16] In approving Arizona's Title V program in 1996, EPA deferred to this opinion but stated that it would revisit this issue if "a successful legal challenge to [the regulatory exemption] occurs."[17] In the subsequent 23 years, there has been no such challenge.

4.2.2 Scope of Permit Applicability and Exemptions

As noted above, ARS § 49-426(A) applies the requirement to obtain a permit to "any source." ADEQ's implementing regulations employ the term "stationary source."[18] Both terms are defined as:

> all of the pollutant-emitting activities that belong to the same industrial grouping, are located on one or more contiguous or adjacent properties and are under the control of the same person or persons under common control…..[19]

The exemptions in R18-2-302(B) also apply to "stationary sources."

Permit[20] and minor NSR applicability determinations are therefore made on a source-wide basis. For an exemption to apply, all the pollutant emitting activities within the same stationary source must qualify for the exemption. If equipment used in normal farm operations is located at the same stationary source as non-exempt equipment that requires a permit, then permit requirements, and potentially minor NSR, extend to the entire source, including the farm operations.

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[16] Attorney General's Opinion at 2 (Nov. 15, 1993) (Appendix D).
[17] 61 FR 55910, 55915 (Oct. 30, 1996)
[18] AAR R18-2-302(B).
[19] ARS 49-402.01(34), (8); AAC R18-2-101(140).
[20] In this discussion, the term "permit" is used to refer to all three forms of licenses issued to stationary sources under ADEQ's program, Class I permits, Class II permits, and registrations.

4.2.3 Operations Subject to the Normal Farm Operations Exemption

The term "normal farm operations" is not defined by statute or rule. However, in addition to adopting this exemption, the Arizona Legislature has adopted the Agricultural Best Management Practices (Ag BMP) program for PM_{10} nonattainment areas. Based on its experience with implementing both the normal farm operations exemption and the Ag BMP program, ADEQ believes they are based on similar concerns about problems that could arise if air quality programs designed for industrial operations were applied directly to farms. It is therefore appropriate to look to the Ag BMP statute for guidance on what constitutes normal farm operations.

Under the statute, the following activities at a commercial farm, dairy, beef cattle feed lot, swine facility, poultry facility, or in a PM_{10} nonattainment area designated after July 1, 2009, an irrigation district, must be subject to Ag BMPs:

- tillage, planting, and harvesting;
- areas of a commercial farm that are not normally in crop production (i.e. fallow);
- areas of a commercial farm that are normally in crop production;
- significant agricultural earthmoving activities;
- traffic over unpaved access connections or unpaved roads or feed lanes;
- animal waste handling and transporting;
- arenas, corrals, and pens;
- canals..[21]

ADEQ interprets the normal farm operations exemption for all stationary sources as applicable to the types of equipment used for the activities listed above and to crop and feed processing equipment that produce only fugitive emissions.

4.2.4 Applicability of the Fugitive Emissions Exclusion

Under the ADEQ minor NSR program:

> The fugitive emissions of a stationary source shall not be considered in determining whether the source requires a Class II permit under subsection (B)(2)(a) or (b) or a registration under subsection (B)(3)(a) or (d), unless the source belongs to a section 302(j) category. If a permit is required for a stationary source, the fugitive emissions of the source shall be subject to all of the requirements of this Article..[22]

This exclusion has been approved into the Arizona SIP..[23] Moreover, the definition of a "section 302(j) category" duplicates the list of source categories that are subject to the fugitive emissions exclusion in EPA's major NSR and tribal minor NSR regulations..[24] Application of the fugitive emissions exclusion to normal farm operations therefore does not raise an approvability issue.

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[21] ARS § 49-457(P)(1).
[22] AAC R18-2-302(F).
[23] 80 FR 67319, 67320 Table 1 (Nov. 2, 2015)
[24] AAC R18-2-101(129), (23); *see, e.g.,* 40 CFR 52.21(b)(1)(iii), 40 CFR 49.152(d) (definition of "minor source").

Normal farm operations do not belong to any of the categories defined by ADEQ regulations as a "section 302(j) category." Fugitive emissions from normal farm operations therefore do not count in determining permit applicability. Thus, when emissions from normal farm operations consist solely of fugitive dust or of fugitive dust with stack emissions below the permitting exemption threshold, those operations do not require a permit and are not subject to minor NSR, regardless of the normal farm operations exemption.

In ADEQ's experience, the overwhelming majority of normal farm operations would be excluded from permitting on this basis, even if the normal-farm-operations exemption were not available. Farm emissions tend to consist almost exclusively of fugitive dust generated by the disturbance of soils.

4.2.5 Applicability When Stack Emissions Above PET Are Present

Of course, it is possible for equipment used in normal farm operations to be part of a stationary source that produces stack emissions greater than the permitting exemption threshold. Normal farm operations may be collocated with (i.e. adjacent or contiguous to) items of non-farm equipment – such as boilers, stationary engines, or fuel storage tanks – that produce stack emissions. If the collocated equipment also belongs to the same industrial grouping and is under the control of the same person or persons under common control, the non-farm and farm equipment will constitute a single stationary source. It may also be possible for normal farm operations themselves to be configured in such a way as to produce stack emissions.

In most cases, such a stationary source would not qualify for the exemption. As noted in section 4.2.1, R18-2-302(C) provides that equipment used in normal farm operations "does not include equipment classified as a source that requires a permit under Title V of the Act, or that is subject to" an NSPS or NESHAP. As noted in section 4.2.2, permit applicability is determined on a stationary-source-wide basis. Thus, if a stationary source that engaged in normal farm operations qualified as a title V source or included equipment subject to an NSPS or NESHAP,[25] the source as a whole would require a permit and potentially be subject to minor NSR.

Under section 111 of the Clean Air Act, EPA is required to maintain a list of, and adopt NSPS for, all categories of sources that cause or significantly contribute to "air pollution which may reasonably be anticipated to endanger public health or welfare."[26] Consistent with the breadth of this charge, EPA has adopted standards for dozens of common sources of criteria pollutants, criteria pollutant precursors, greenhouse gases, and other pollutants. In ADEQ's experience, most permitted sources include one or more pieces of equipment subject to an NSPS. It is therefore likely that if equipment used in normal farm operations were collocated with equipment with stack emissions exceeding the permitting exemption thresholds, at least some of that equipment would be subject to an NSPS, and the exemption would not apply.

It is also possible, although probably less likely, that equipment used in normal farm operations could be at a stationary source that includes equipment subject to a NESHAP or that qualifies as a title V source. In these cases as well, the exemption would not apply.

The statement in R18-2-302(C) that equipment used in normal farm operations is not exempt if "operation [of the equipment] without a permit would result in a violation of the Act" provides a final safeguard. In

[25] The exemptions from registration in R18-2-302(B)(3)(b) and (c) for a stationary source subject to the listed NSPS and NESHAPS apply only when the source would otherwise be required to register "*solely* because it is subject to" the specified standards. A stationary source, including a source with normal farm operations, that required a permit because it exceeded an applicable emissions threshold or because it was subject to another, unlisted NSPS or NESHAP, would not be exempt.
[26] 42 USC § 7411(b), (d).

the few remaining cases where equipment used in normal farm operations is located at a stationary source with stack emissions above the permitting exemption threshold but below the major source threshold, ADEQ will invoke this provision to insure that any such source does not endanger attainment or maintenance of the NAAQS or enforcement of the control strategy. Whenever ADEQ becomes aware of such a source through citizen complaint, inspection of the facility under the Ag BMP program, inspection of a nearby or related facility, notice from a building permit agency, or other means, ADEQ will evaluate the facility using the methodology in R18-2-302.01(C) to determine whether it should be subject to permitting and minor NSR.

4.2.6 Permit Terms and Minor NSR Requirements for Normal Farm Operations

A stationary source that was subject to permitting under the circumstances described in section 4.2.5 would be subject to the same permit requirements as any other stationary source. Minor or major NSR, or both, would apply to the construction of a new source and potentially to changes that result in emissions increases at an existing source. If minor NSR applied, it would apply to all emissions, including fugitive emissions produced by normal farm operations.

In addition, all applicable requirements, including any applicable to normal farm operations, would be included in the source's permit, guaranteeing that the control strategy is protected.

It is important to note that if a stationary source subject to the agricultural BMP program were required to obtain a permit under these circumstances, that permit would not necessarily include BMPs as applicable requirements.

Under the SIP-approved permitting and enforcement provisions of ARS § 49-457(H)-(K),[27] a person engaged in regulated activities[28] has the right to operate those activities under the general permit rather than an individual permit. The person only loses that right if he or she violates the general permit, as well as compliance orders issued under section 49-457(I) and (J), and then ADEQ revokes the general permit for that person under ARS § 49-457(K).

ADEQ believes that in order to be consistent with these provisions, it should only incorporate BMPs into an individual permit issued under the circumstances described section 4.2.5, to a person who has lost the right to operate under the general permit under ARS § 49-457(K). Permits for other sources subject to the agricultural BMP program would include a condition

4.3 Permit Exemption for Stationary Fuel Burning Equipment

In addition to exempting equipment used in normal farm operation, ARS 49-426(B) exempts "fuel burning equipment which, at a location or property other than a one or two family residence, is rated at less than one million British thermal units per hour." With respect to this exemption, EPA requests an adequacy demonstration that addresses:

> ADEQ's interpretation of the exemption…and how it does, or does not, apply in the context of its major and minor NSR programs, and, to the extent such equipment is not subject to NSR review, ADEQ's basis for determining that equipment exempted under

[27] Effective May 29, 1998 and approved into the SIP in 64 FR 34726 (June 29, 1999).
[28] Defined in the current statute as "commercial farming practices that may produce PM_{10} emissions within" a PM_{10} nonattainment area. A.R.S. § 49-457(P)(5), (6).

> this provision does not need to be reviewed as part of ADEQ's minor NSR program under 40 CFR 51.160(e).

As indicated in section 4.2.2, ADEQ determines permit applicability on a source-wide basis. A stationary source therefore would be eligible for the statutory fuel-burning equipment exemption, only if it consisted *solely* of equipment with a *cumulative* heat input rate of less than one million Btu per hour.

This interpretation is reflected in ADEQ's regulatory implementation of the exemption in R18-2-302(C)(1), which exempts "a stationary source that consists solely of a single categorically exempt activity plus a combination of trivial activities." Categorically exempt activities consist of various combinations of fuel burning equipment with different capacities specified in horsepower or Btu per hour. As EPA has recognized, emissions from these activities will consistently be below the permitting exemption thresholds and therefore would not in any case require a permit.[29] Their purpose is to provide exemptions for common small fuel-burning installations that do not require these installations to perform unnecessary emissions calculations.

Stationary sources eligible for the fuel burning equipment exemption, i.e., "fuel burning equipment which, at a location or property other than a one or two family residence, is rated at less than one million British thermal units per hour," would not in any case require a permit under the approved SIP, based on the exemption in R18-2-302(C)(1). Therefore, they do not need to be reviewed under ADEQ's minor NSR program.

4.4 Minor NSR Thresholds for Nonattainment Areas

ADEQ's minor NSR thresholds were based on an analysis similar to that used by EPA to develop the emission thresholds for its Tribal minor NSR program.[30] Using a 2006 Maricopa County emission inventory, ADEQ compared how two alternative sets of threshold levels (½ and ¼ of the significant emission rates [SER]) would affect the percentage of emissions versus the percentage of sources subject to the program. The results are summarized in the following table:

[29] 2015 TSD at 25. For example, the NO_x emission factor for a small boiler burning no. 6 fuel oil is approximately 0.37 lb/mmBtu. AP-42 Compilation of Air Pollutant Emission Factors Table 1.3-1 at 1.3-12 (NO_x factor = 55 lb/10^3 gal), § 1.3.4.3 at 1.3-7 (convert lb/10^3 gal to lb/mmBtu by dividing by 140 mmBtu/10^3 gal). Annual NO_x emissions for a combination of boilers with a heat input rate of ten million Btu/hour (a categorically exempt activity under R18-2-101(24)(e)) burning No. 6 fuel oil therefore would be approximately 16.1 tons per year (1 mmBtu/hr X 0.37 lb/mmBtu X 8760 hrs/yr X 1 ton/2,000 lb).

[30] 18 AAC 1542, 1547-49 (July 26, 2012) (Appendix A to 2012 NSR SIP Revision); 2015 TSD at 23-24.

Table 4-1 Original Source Distribution Analysis

Scenario 1 (½ SER)

	CO	NO_x	Pb	PM_{10}	SO_2	VOC
% of emissions regulated	34.86	78.38	0	79.47	22.19	59.96
% of sources regulated	2.06	7.60	0	12.57	0.59	8.85

Scenario 2 (¼ SER)

	CO	NO_x	Pb	PM_{10}	SO_2	VOC
% of emissions regulated	56.86	85.65	0	84.22	72.57	75.89
% of sources regulated	5.00	13.16	0	15.52	4.13	16.49

ADEQ selected Scenario 1, reasoning that:

> Both scenarios result in a relatively large percentage of emissions being subject to regulation compared to the percentage of sources brought into the program. Based on the Maricopa County data, using Scenario 2 rather than Scenario 1 would result in considerable gains in coverage of carbon monoxide and sulfur dioxide emissions. Stationary source emissions of carbon monoxide, however, are dwarfed by mobile source emissions and do not contribute significantly to nonattainment of the carbon monoxide NAAQS. In areas under state jurisdiction, the sources that could contribute to noncompliance with the sulfur dioxide NAAQS are well-defined and consist of large industrial sources already subject to the permitting program. For purposes of minor source regulation, Scenario 2 does not offer any substantial benefits over Scenario 1.

EPA found this analysis sufficient to justify the thresholds for attainment areas. The agency determined, however, that ADEQ did "not provide a clear basis [for concluding] that the permitting thresholds selected by ADEQ will ensure a sufficient percentage of minor sources are subject to review in nonattainment areas." EPA noted that:

> (1) some of the other permitting programs [that both ADEQ and EPA used as points of comparison] have lower permitting thresholds in nonattainment areas than those applicable in attainment areas under their jurisdiction;
>
> (2) in looking at a similar analysis of minor source emissions for [the Sacramento Metropolitan Air Quality Management District minor NSR program], the permitting agency generally set thresholds that include a larger percentage of emissions in the NSR program than the percentage included in ADEQ's program; and
>
> (3) typically, nonattainment areas have more control requirements that apply to smaller minor sources, as compared to attainment areas.[31]

The following discussion demonstrates that ADEQ's minor NSR thresholds assure adequate minor NSR coverage in nonattainment areas based on the following factors:

- A source distribution reanalysis shows that ADEQ's minor NSR thresholds capture a much higher percentage of total stationary source emissions than anticipated in the original analysis.

[31] 2015 TSD § 5.2.2.3, at 71 (footnotes omitted).

- The original comparisons of ADEQ's thresholds to those of other programs did not account for the much more conservative emissions metric used by ADEQ.
- The threshold for PM_{10} is adequate to assure that exempt sources of PM_{10} will not produce a significant increase in ambient emissions.
- The characteristics of the areas of the state subject to ADEQ jurisdiction make the utility of lower minor NSR thresholds highly doubtful.

4.4.1 Source Distribution Reanalysis

ADEQ has conducted a reanalysis of the distribution of emissions versus sources covered by the state minor NSR thresholds using 2014 National Emission Inventory (NEI) point source facility summary dataset for the entire state.[32] EPA used an earlier version of this is the same dataset for the tribal minor NSR rule.[33] This inventory includes 313 sources with actual emissions below the permitting exemption thresholds, including 143 in counties subject to state minor NSR jurisdiction.

The following table shows the results of the reanalysis for:

- the entire state,
- areas of the state subject to ADEQ minor NSR jurisdiction (i.e. all counties except Maricopa, Pima, and Pinal), and
- the four counties subject to state minor NSR jurisdiction that include nonattainment areas (Cochise, Gila, Santa Cruz, and Yavapai).[34]

Table 4-2 Source Distribution Reanalysis

Location	Distribution	Pb	CO	NO_x	PM_{10}	$PM_{2.5}$	SO_2	VOC
Entire State	% emissions	68.5	95.7	99.2	98.2	97.6	99.6	90.3
	% sources	73						
Counties Subject to ADEQ Jurisdiction	% emissions	75.5	94.6	99.5	98.7	98.3	99.8	86.6
	% sources	70						
Counties Subject to ADEQ Jurisdiction with NAA	% emissions	86.9	NA	99.5	96.3	95.6	100.0	90.9
	% sources	50						

The percentage of emissions covered by ADEQ's program is comparable to the percentage covered by the Sacramento permit program that EPA referenced in its evaluation. As noted by EPA, the Sacramento program "generally exclude[s] less than 5% of the emissions inventory except for SO_2."[35] ADEQ's

[32] A printout of the Excel spreadsheet containing this analysis is attached as **Appendix D**. The spreadsheet itself is also being provided to EPA.
[33] Stephen Edgerton, EC/R Incorporated, Analysis of the Proposed Minor NSR Thresholds (Oct. 25, 2009).
[34] As explained in the July 2014 State Implementation Plan Revision New Source Review: Supplemental Information, ADEQ has authority to assume jurisdiction over sources subject to the minor NSR jurisdiction of Maricopa, Pima, and Pinal Counties. In that case, ADEQ would be obligated to enforce any more stringent requirements of the county's minor NSR program.
[35] 2015 TSD § 5.2.2.3, at 26, n.20.

thresholds achieve the same level of coverage except with respect to lead and VOC. ADEQ's coverage is also comparable to the coverage estimated for the Tribal minor NSR program, again with exception of lead and VOC.[36] As discussed in section 4.4.3, more extensive minor NSR coverage in the lead and ozone nonattainment areas in ADEQ's jurisdiction is not necessary to protect the NAAQS.

4.4.2 Emissions Metric for Threshold

If it were possible to use the actual program metrics, rather than actual emissions, in the source distribution analyses, the results of the comparisons in section 4.4.1 would be even more favorable to ADEQ's minor NSR program.

By necessity, source distribution analyses are based on actual emissions reported to the NEI.[37] Minor NSR programs, however, generally use metrics other than actual emissions to determine applicability. The Sacramento and Tribal minor NSR programs discussed above, for example, both use potential to emit to identify sources subject to the program.[38]

Potential to emit is an inherently conservative method for calculating emissions, in the sense that it tends to produce higher emission levels than a source's actual emissions. A source's potential to emit is defined as:

> the maximum capacity of a source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is enforceable as a practical matter.[39]

Because sources generally operate at levels below those allowed by enforceable limits, their actual emissions are lower than their potential to emit. Thus, a source with actual emissions below a minor NSR threshold as reported in the NEI may still be subject to minor NSR on the basis of its potential to emit.

The metric used in ADEQ's minor NSR program is even more conservative than potential to emit. To determine the applicability of the registration program, a source's "maximum capacity to emit any regulated minor NSR pollutant" is compared to the permitting exemption thresholds. "Maximum capacity to emit" is defined as "the maximum amount a source is capable of emitting under its physical and operational design without taking *any* limitations on operations or air pollution controls into account."[40]

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[36] 71 FR 48696, 48702, Table 2 (Aug. 21, 2006). The analysis conducted in support of the Tribal minor NSR program included a detailed breakdown of emissions coverage for the thresholds by pollutant, area designation, and nonattainment classification. Coverage ranged from 93.4 % for severe ozone nonattainment areas to 99.96 % for sulfur dioxide nonattainment areas. EC/R, Analysis of the Proposed Minor NSR Thresholds at 3-2, 3-5, Tables 3-2 and 3-6 (October 24, 2005).

[37] Producing a comprehensive compilation of other emission metrics would probably require the review of thousands of permits.

[38] 40 CFR 49.152 (definition of minor source), 49.153(a)(1)(i)(B), (ii)(B); United States Environmental Protection Agency, Region IX Air Division, Technical Support Document for EPA's Notice of Proposed Rulemaking for the California State Implementation Plan Sacramento Metropolitan Air Quality Management District Rule 214 Federal New Source Review Rule 217 Public Notice Requirements for Permits at 6 (January 23, 2013).

[39] 40 CFR 49.152.

[40] AAC R18-2-302(B)(3)(a), R18-2-301(12). A source subject to registration can avoid mandatory review for impacts on the NAAQS by adopting specific "elective limits" that reduce its "maximum capacity to emit with any elective limits" below the permitting exemption thresholds. AAC R18-2-302.01(C)(1), R18-2-301(13). Even these

The source distribution analysis reflects the conservatism of this metric. Of the 203 state jurisdiction sources included in the inventory, only 60 have actual emissions of *any* pollutant exceeding the permitting exemption threshold. For 98 of the sources, the actual emissions of *every* regulated minor NSR pollutant are less than one ton per year.

Thus, although the Sacramento and Tribal minor NSR thresholds are uniformly lower than ADEQ's, it would be possible for any given source to be above ADEQ's threshold but below the Sacramento and Tribal thresholds when the appropriate emissions metric is considered. A source, for example could have a maximum capacity to emit VOC greater than 20 TPY, the ADEQ threshold, but a potential to emit below 10 TPY, the Sacramento and Tribal threshold.

If the regulatory emissions metrics were used for the source distribution analyses, all three of the programs discussed in section 4.4.1 would cover a higher percentage of emissions than indicated by the analyses based on actual emissions. But because the metric used by ADEQ's program is the most conservative, the increase in predicted coverage would in all likelihood be significantly greater for ADEQ than for Sacramento or EPA's Tribal program.

4.4.3 Nonattainment Areas Subject to ADEQ Minor NSR Program

The nature of the areas subject to ADEQ's minor NSR jurisdiction also militates against lower minor NSR thresholds for nonattainment areas. These areas are substantially different from the types of nonattainment areas that typically have lower permitting thresholds and "more control requirements that apply to smaller minor sources."[41]

For example, the average population density of the thirteen counties subject to ADEQ's minor NSR jurisdiction is approximately 19 persons per square mile, compared to 309 for Maricopa County. In a highly urbanized and densely populated area such as Maricopa County, where a large number of small stationary sources may have a significant aggregate impact on air pollutant concentrations, relatively low permitting thresholds make sense. In the largely rural areas subject to ADEQ's jurisdiction, however, it is much less likely that lower minor NSR thresholds are necessary to protect the NAAQS.

In addition to these general characteristics of areas under ADEQ's minor NSR jurisdiction, two features of the nonattainment areas in particular counsel against reducing the minor NSR thresholds for these areas. First, some of the areas under ADEQ's jurisdiction designated as nonattainment are not in fact violating the NAAQS. Second, small to mid-size stationary sources, of the kind that could be subject to minor NSR, are insignificant contributors to the emissions inventories for all of these areas.

4.4.3.1 PM_{10} Nonattainment Areas

4.4.3.1.1 Hayden

The Hayden PM_{10} NAA is dominated by primary PM_{10} emissions from windblown dust and three very large industrial facilities – the Hayden smelter and concentrator and Ray mine. For windblown dust, actual emissions are approximately 2,000 tons per year. Annual emissions from the three Asarco facilities average over 3,000 tons per year. Emissions from all other point sources in the NAA total less 10 tons per year.

---

sources, however, remain subject to discretionary review for NAAQS impacts. AAC R18-2-302.01(C)(2). In addition, the universe of limits that can be considered in determining a source's "maximum capacity to emit with any elective limits" is much smaller than the universe of limits that can be considered in determining potential to emit.

[41] 2015 TSD § 5.2.2.3, at 26.

4.4.3.1.2 Miami

The Miami area is nonattainment for PM_{10} in name only. The area has never had a monitored violation of the PM_{10} NAAQS and is designated nonattainment because it was at one time included in a single "Group III" area with Hayden. The predominant source of PM_{10} emissions in the area is the copper smelter.

4.4.3.1.3 Douglas Paul Spur

In the Douglas Paul Spur NAA, area sources make up 99.96 percent of the PM_{10} emissions inventory, while point sources contribute only 0.0005 percent.

4.4.3.1.4 Yuma

In the Yuma NAA, point source emissions constitute less than one percent of the design day emissions inventory. The predominant sources of PM_{10} emissions are paved and unpaved roads, road construction, and local windblown dust.

4.4.3.1.5 Nogales

The Nogales PM_{10} NAA attained the NAAQS in 2011.[42] Although violations of the NAAQS occurred subsequently, the area has a current design value of less than 1 exceedance per year.

PM_{10} concentrations in the area are attributable to area, rather than point sources, including paved road dust, construction, and residential wood burning. In addition, in 2012 ADEQ submitted a demonstration under CAA § 179B that the Nogales area would have attained the NAAQS but for the transport of emissions from Mexico.[43]

4.4.3.2 Nogales $PM_{2.5}$

The Nogales $PM_{2.5}$ nonattainment area was found to have attained the 2006 24-hour $PM_{2.5}$ NAAQS in 2017. Moreover, point sources contribute only 0.3 % of primary $PM_{2.5}$ emissions and 0 to 1.3 % of emissions of $PM_{2.5}$ precursors.[44]

4.4.3.3 Hayden and Miami SO_2

Nonattainment for SO_2 in the Hayden and Miami areas is attributable to the two copper smelters operating there. Reducing the thousands of tons per year of SO_2 emitted by these two facilities is the sole focus of the SIP revisions designed to bring Hayden and Miami areas into compliance with the 2010 one-hour SO_2 NAAQS.[45]

4.4.3.4 Hayden Lead

As in the case of SO_2, nonattainment with the lead NAAQS in Hayden is attributable to a single very large stationary source, the Asarco Smelter.

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[42] 76 FR 1532 (Jan. 11, 2011).
[43] ADEQ, Final 2012 State Implementation Plan: Nogales PM_{10} Nonattainment Area (Aug. 24, 2012).
[44] Primary $PM_{2.5}$ and Secondary Precursor Emissions Inventories for 2008 and 2010 at 28 (July 26, 2013), Appendix A to Final Arizona State Implementation Plan Revision for the Nogales $PM_{2.5}$ Nonattainment Area (Sep. 6, 2013).
[45] Arizona State Implementation Plan Revision: Hayden Sulfur Dioxide Nonattainment Area for the 2010 SO_2 NAAQS § 4.5, at 62 (March 8, 2017); Arizona State Implementation Plan Revision: Miami Sulfur Dioxide Nonattainment Area for the 2010 SO 2 NAAQS § 4.5, at 65 (March 8, 2017).

4.4.3.5 Yuma Ozone

Ozone nonattainment in Yuma is likely attributable largely to interstate and international transport..[46]

Thus, in the nonattainment areas subject to ADEQ jurisdiction, any concentrations that continue to exceed the NAAQS are attributable to sources other than the very small stationary sources that would be subject to the minor NSR program if ADEQ reduced the permitting exemption thresholds.

4.5 Minor NSR Threshold for PM2.5

$PM_{2.5}$ emissions data was not available for the original source distribution analysis. The reanalysis in Table 4-2 shows that the minor NSR threshold for $PM_{2.5}$ is likely to cover a percentage of emissions comparable to other programs that EPA has adopted or approved.

[46] ADEQ, 2015 Ozone NAAQS Boundary Recommendations § 4.2.4, at 50 (Aug. 30, 2016).

APPENDIX A

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DIRECTOR
Public Services Division
Scott Cancelosi

PUBLISHER
Secretary of State
MICHELE REAGAN

RULES MANAGING EDITOR
Arizona Administrative Register
Rhonda Paschal

NOTICES OF FINAL RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Final Rulemaking. Final rules have been through the regular rulemaking process as defined in the Administrative Procedures Act. These rules were either approved by the Governor's Regulatory Review Council or the Attorney General's Office. Certificates of Approval are on file with the Office.

The final published notice includes a preamble and text of the rules as filed by the agency. Economic Impact Statements are not published.

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the final rules should be addressed to the agency that promulgated them. Refer to Item #5 to contact the person charged with the rulemaking. The codified version of these rules will be published in the Arizona Administrative Code.

NOTICE OF FINAL RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 2. DEPARTMENT OF ENVIRONMENTAL QUALITY AIR POLLUTION CONTROL

[R17-10]

PREAMBLE

1. Article, Part, or Section Affected (as applicable)	Rulemaking Action
R18-2-101	Amend
R18-2-102	Amend
R18-2-201	Amend
R18-2-203	Amend
R18-2-217	Amend
R18-2-218	Amend
R18-2-301	Amend
R18-2-302	Amend
R18-2-302.01	Amend
R18-2-303	Amend
R18-2-304	Amend
R18-2-306	Amend
R18-2-306.01	Amend
R18-2-307	Amend
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R18-2-411	New Section
R18-2-412	Amend
R18-2-502	Amend
R18-2-503	Amend
R18-2-504	Amend
R18-2-507	Repeal
R18-2-508	Repeal
R18-2-512	Amend
R18-2-513	Amend
R18-2-514	New Section
R18-2-515	New Section

R18-2-1205	Amend
Appendix 1	Repeal

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statutes: A.R.S. §§ 49-104(A)(1) and (A)(10); 49-425(A)

Implementing statutes: A.R.S. § 49-426

3. The effective date of the rules:

March 21, 2017

4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the final rule:

Notice of Rulemaking Docket Opening: 21 A.A.R. 3173, December 11, 2015

Notice of Proposed Rulemaking: 22 A.A.R. 2431, September 9, 2016

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Steve Burr

Address: Arizona Department of Environmental Quality
1110 W. Washington Ave.
Phoenix, AZ 85007

Telephone: (602) 771-4251 (This number may be reached in-state by dialing 1-800-234-5677 and entering the seven digit number.)

Fax: (602) 771-2366

E-mail: burr.steve@azdeq.gov

6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

Summary.

The purpose of this rulemaking is to remedy deficiencies identified by the Environmental Protection Agency (EPA) in Arizona's new source review (NSR) rules. This rulemaking action is required to secure approval of Arizona's NSR rules into the state implementation plan (SIP) and avoid sanctions and imposition of a federal implementation plan (FIP) under the federal Clean Air Act (CAA).

On November 2, 2015 the EPA Region 9 Administrator published a notice of final rulemaking issuing limited approval/limited disapproval (LA/LD) of the October 29, 2012 Arizona SIP revision designed to update the rules included in the SIP and to bring the state's NSR program into full compliance with federal requirements. The final LA/LD triggered a statutory deadline under the CAA to submit and obtain full approval of the state's NSR program. The Arizona Department of Environmental Quality (ADEQ) has eighteen months to remedy the deficiencies relating to NSR for nonattainment areas to obtain full approval or face sanctions. If ADEQ fails to remedy all of the deficiencies within 24 months, EPA will be obligated to impose a FIP addressing any remaining deficiencies.

ADEQ is revising Arizona's NSR rules to address the deficiencies and create a program that complies with federal requirements and protect the national ambient air quality standards (NAAQS).

Background.

Clean Air Act New Source Review Requirements

Under section 110(a)(1) of the Clean Air Act (Act or CAA) each state is obligated to submit a "plan which provides for implementation, maintenance and enforcement of" the NAAQS. The Act goes on to require SIPs to:

> Include a program to provide for the . . . regulation of the modification and construction of any stationary source within the areas covered by the plan as necessary to assure that national ambient air quality standards are achieved, including a permit program as required in parts C and D of [Title I of the CAA].

State and federal regulations adopted under this section are commonly referred to as "new source review" programs because they apply to newly constructed and modified, as opposed to existing, sources. The CAA divides NSR requirements into those that apply to attainment areas (Part C requirements) and those that apply to nonattainment areas (Part D requirements).

Part C of Title I of the CAA establishes the NSR requirements for major sources that are constructed or modified in areas that have attained the NAAQS for one or more criteria pollutants (ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, PM_{10}, $PM_{2.5}$, and lead). Sources that belong to the list of categories set forth in section 169(1) of the CAA (referred to as "categorical sources" in the ADEQ rules) are major if they emit or have the potential to emit 100 tons per year (tpy) or more of a regulated air pollutant. All other sources are major if they have the potential to emit 250 tpy or more of a regulated air pollutant.

The NSR program under Part C is known as "Prevention of Significant Deterioration" (PSD), because its purpose is to prevent air quality in attainment areas from deteriorating to the levels of the NAAQS. See CAA § 160. PSD establishes, or requires EPA to establish, maximum allowable increases, known as "increments," over existing concentrations of criteria pollutants and requires permit applicants subject to PSD to demonstrate that a new source or modification's emissions will not result in a violation of the increments or the NAAQS. In addition, PSD requires the installation of the best available control technology (BACT) when constructing or modifying a source.

Part D of Title I establishes NSR requirements for major sources and modifications in nonattainment areas and is known as "Nonattainment New Source Review" (NNSR). Under Subpart 1 of Part D, a major source is defined as any source that emits, or has the potential to emit, 100 tpy or more of a pollutant for which the area has been designated nonattainment. Subpart 2 of Part D estab-

lishes lower major source thresholds for certain ozone, carbon monoxide, PM_{10}, and $PM_{2.5}$ nonattainment areas.

Permit applicants subject to NNSR requirements under Part D must demonstrate that a major source or modification will comply with the lowest achievable emission rate (LAER) and that reductions in emissions from the same source or other sources will offset any emissions increases from the new or modified source.

In addition to requiring compliance with the specific major NSR requirement of Parts C and D, section 110(a)(2)(C) requires "regulation of the modification and construction of *any* stationary source within the areas covered by the plan *as necessary to assure that national ambient air quality standards are achieved*." (Emphasis added.) EPA refers to 110(a)(2)(C) programs that apply to non-major sources and to minor modifications as "minor NSR." 76 FR 38748, 38752 (July 1, 2011).

EPA NSR Regulations

EPA has promulgated regulations establishing the elements a state program must contain to satisfy section 110(a)(2)(C) at 40 CFR 51, Subpart I, Sections 51.160-51.166. NNSR requirements are found in section 51.165 and PSD requirements are found in section 51.166. These rules are highly detailed and prescriptive. States seeking approval of major NSR programs (both NNSR and PSD) must either strictly conform to the requirements in the federal rules or demonstrate that any deviations are at least as stringent.

Both sections 51.165 and 51.166 limit the applicability of major NSR to the construction of new major source or a "major modification" of a major source. A major modification is defined as physical or operational change that will result in both a significant increase and a significant *net* increase in the emissions of a regulated NSR pollutant.

For criteria pollutants and their precursors, "significant" is defined as:

Carbon monoxide	100 tpy
Nitrogen oxides	40 tpy
Sulfur dioxide	40 tpy
Ozone	40 tpy of volatile organic compounds or nitrogen oxides
Lead	0.6 tpy
PM_{10}	15 tpy
$PM_{2.5}$	10 tpy of direct $PM_{2.5}$ emissions; 40 tpy of sulfur dioxide emissions; 40 tpy of nitrogen oxides emissions; 40 tpy of volatile organic compound emissions in ozone nonattainment areas.

The Act and the implementing regulations at 40 CFR 51.160 through 51.164 provide states broad discretion to develop minor NSR programs designed to assure the NAAQS are achieved. EPA has noted that the "Federal regulations for minor source programs are considerably less detailed than the requirements for major sources." 71 FR 48696, 48700 (August 21, 2006). Under the minor NSR regulations, a state program must contain "legally enforceable procedures" to prevent the construction or modification of a minor source if it will "result in a violation of applicable portions of the control strategy" for compliance with the NAAQS or "interfere with the attainment or maintenance of a [NAAQS]." 40 CFR 51.160.

A minor NSR program need not apply to all new and modified sources, but it must "identify types and sizes of facilities, buildings, structures, or installations which will be subject to" minor NSR and "discuss the basis for determining which facilities will be subject to review." 40 CFR 51.161(e). As EPA has noted:

> Applicability thresholds are proper in [a minor NSR program] provided that the sources and modifications with emissions below the thresholds are inconsequential to attainment and maintenance of the NAAQS.

71 FR at 48701.

A minor NSR program must allow a minimum 30-day period to comment on the applicant's application and the agency's proposed decision. 40 CFR 51.161.

Arizona's Previous NSR Rulemaking and SIP Revision

On July 6, 2012, ADEQ adopted comprehensive amendments (the "2012 NSR Amendments") to its preconstruction review and permitting programs for stationary sources. On October 29, 2012, ADEQ submitted these amendments, existing rules not yet approved into the SIP and supporting materials as a SIP revision to EPA. The revision was intended to bring Arizona's SIP into full compliance with PSD major NSR, major NNSR and minor NSR requirements.

On June 29, 2015, the Regional Administrator for EPA Region 9 signed a limited approval/limited disapproval (LA/LD) of the 2012 SIP Revision. EPA determined that the revisions generally strengthened the state's NSR program by clarifying and enhancing requirements for major and minor stationary sources. However, EPA ultimately determined that the submittal did not satisfy all applicable CAA and NSR regulatory requirements. Shortly after signature of the LA/LD, ADEQ began working with EPA and stakeholders on amendments to the NSR rules that would remedy the identified deficiencies and create an approvable program.

The LA/LD was published in the Federal Register on November 2, 2015 with an effective date of December 2, 2015. Supporting materials for the LA/LD, including EPA's March 2015 Technical Support Document (LA/LD TSD) providing a detailed analysis of Arizona's submittal, can be found in the docket for the rulemaking at regulations.gov under docket number EPA-R09-OAR-2015-0187.

CAA Sanctions

Under the CAA and federal regulations, if EPA disapproves any element of a plan submitted under Title I, Part D of the CAA relating to nonattainment areas, and the plan deficiencies are not corrected within 18 months after the effective date of the disapproval,

major sources subject to NNSR will have to offset emissions increases at a ratio of 2 to 1. 42 USC §7509(a)(b)(2); 40 CFR § 52.31(d)(1). If the deficiencies remain uncorrected for an additional six months, the state loses federal highway funds. 42 USC § 7509(a), (b)(1); 40 CFR § 52.31(d)(1). If imposed, the sanctions will apply to nonattainment areas under ADEQ's jurisdiction and the pollutants covered by the plan and will remain in effect until EPA finds that a revised plan corrects the deficiencies. 40 CFR § 52.31(b)(3,(d)(2), (5).

NNSR is a required element of a Part D plan. The LA/LD identified some deficiencies in ADEQ's NNSR program. Thus, ADEQ must submit a revised plan and secure an EPA finding that the submission corrects the NNSR deficiencies by June 2, 2017 (18 months after December 2, 2015) in order to avoid sanctions.

In addition, EPA is required to adopt a federal implementation plan (FIP) within twenty-four months following the disapproval of *any* SIP if the deficiencies are not corrected and approved by the EPA. 42 U.S.C. § 7410(c). ADEQ therefore must correct *all* deficiencies identified in the LA/LD in order to avoid a FIP.

Changes to Address NSR Deficiencies

The primary purpose of this rulemaking is to cure the deficiencies identified in the LA/LD and otherwise ensure Arizona's NSR program conforms to federal requirements and qualifies for full approval by EPA. The following is a description of the most significant changes designed to accomplish those purposes:

New NAAQS and NAAQS Implementation Requirements

This rulemaking makes a number of changes related to the NAAQS and NAAQS implementation to conform to recent federal updates and existing federal requirements.

First, on January 15, 2013, EPA revised the $PM_{2.5}$ NAAQS to reduce the annual primary standard from 15 $\mu g/m^3$ to 12 $\mu g/m^3$. Because this revision occurred after adoption of the 2012 NSR Amendments, it was not included in ADEQ's rules, and EPA identified the failure to incorporate the latest version of the NAAQS as a deficiency. ADEQ is therefore amending R18-2-201(B) to reflect the latest standard.

Second, on October 1, 2015, EPA reduced the 8-hour ozone standard from 75 to 70 parts per billion. Because this change occurred after the LA/LD was signed, the LA/LD did not identify the failure to incorporate the new standard as a deficiency. Nevertheless, in order to avoid the identification of a new deficiency in ADEQ's next NSR submittal, ADEQ is amending R18-2-203 to incorporate the new ozone standard.

Third, at the time of adoption of the 2012 NSR Amendments, EPA's rules did not require regulation of volatile organic compounds (VOCs) or ammonia as precursors of $PM_{2.5}$ in NNSR programs for $PM_{2.5}$ nonattainment areas. Consistent with EPA's regulations, Arizona's current NSR rules do not include VOCs or ammonia in the definition of $PM_{2.5}$ precursors. *See* R18-2-101(121)(b). In 2013, however, the United States Court of Appeals for the D.C. Circuit held that Title I, Part D, Subpart 4, which imposes specific requirements for PM_{10} nonattainment areas, applies to $PM_{2.5}$ as well as PM_{10} nonattainment areas. NRDC v. EPA, 706 F.3d 428 (D.C. Cir. 2013). In particular, the court noted that under section 189(e) of Part D, Subpart 4, control requirements must apply to major sources of *all* identified precursors of $PM_{2.5}$ (sulfur dioxide, nitrogen oxides, volatile organic compounds and ammonia), *unless* EPA has determined that the sources of a precursor do not contribute to levels exceeding the NAAQS in a particular nonattainment area.

In the LA/LD TSD, EPA noted that Arizona's NSR SIP did not include VOCs or ammonia as precursors but failed to demonstrate that those pollutants do not contribute to levels exceeding the NAAQS in $PM_{2.5}$ nonattainment areas, as required by section 189(e). At that time, EPA declined to identify the omission of $PM_{2.5}$ precursors as a deficiency. On June 22, 2016, however, EPA published a final "limited disapproval of the ADEQ NSR SIP submittal for the Nogales and West Central Pinal $PM_{2.5}$ nonattainment areas under section 189(e) of the Act related to $PM_{2.5}$ precursors." 81 FR 40525, 40526. ADEQ is therefore adding VOCs and ammonia to the list of precursors of $PM_{2.5}$ in $PM_{2.5}$ nonattainment areas.

Fourth, as noted in the LA/LD, Arizona's existing minor NSR and PSD programs do not clearly require review for protection of the NAAQS in neighboring areas outside of the state's jurisdiction. ADEQ is adding this requirement to R18-2-302.01, R18-2-334 and R18-2-406.

Amendments Clarifying NSR Definitions and Applicability

EPA's NNSR and PSD rules are in separate sections of the CFR, 40 CFR 51.165 and 51.166, each of which has its own definitions. In some cases, these sections have different definitions for the same term. A particularly important example is the definition of "regulated NSR pollutant," which establishes the list of pollutants potentially subject to major NSR. In the NNSR rule, the term encompasses only criteria pollutants and their precursors, 40 CFR 51.165(a)(1)(xxxvii), while in the PSD rule, the term includes criteria pollutants, precursors, plus any other pollutants, other than hazardous air pollutants, subject to regulation under the CAA. 40 CFR 51.166(b)(49).

Arizona's major NSR requirements, on the other hand, are set forth in a single Article—Article 4 of Title 18, Chapter 2. A single set of definitions in R18-2-101 and R18-2-401 applies to both programs. As a result, the current version of the state NSR rules employs identical definitions in both programs. In the case of "regulated NSR pollutant," for example, the Arizona rules use the PSD definition for both PSD and NNSR.

The LA/LD identified as deficiencies instances where the use of the wrong definition made Arizona's program less stringent than the federal rules. ADEQ has identified a number of other instances where the discrepancies between the federal and state rules made the state rules more stringent. Because state rules can be no more stringent than their federal counterparts, *see* A.R.S. § 49-104(A)(17), ADEQ must eliminate both types of discrepancies.

ADEQ could attempt to do so by following the federal model and dividing the PSD and NNSR rules into separate parts or subparts

with separate definition sections. This approach, however, would involve a substantial reorganization of both Article 4 and the chapter-wide definitions in R18-2-101. Instead, ADEQ where necessary has modified each definition to reflect the differences between the PSD and NNSR programs. Specifically, ADEQ is adopting amendments to the definitions in (after renumbering) R18-2-101(74), (88), (124), and (131) and R18-2-401(13) with corresponding amendments to the substantive provisions where these definitions are employed.

The LA/LD also identified a number instances where ADEQ's NSR rules did not use consistent terminology when referring to key requirements of the NSR program, such as the NAAQS, increments, new source performance standards and national emission standards for hazardous air pollutants. ADEQ is adopting amendments to assure that the rules employ consistent, defined terminology for these requirements.

Finally, the LA/LD identified a few ADEQ definitions that did not match the corresponding federal definitions in 40 CFR 51.165(a)(1) and 51.166(b). ADEQ is amending those definitions to conform. See, for example, R18-2-101(2), (13) and (36).

Missing Federal Exemptions

The LA/LD pointed out that state rules did not include a number of exemptions from the federal PSD program. Although EPA did not identify these omissions as deficiencies, ADEQ is adding the missing exemptions to the state PSD requirements in R18-2-406 in order to comply with A.R.S. § 49-104(A)(17).

Public Participation

Under the existing rules, a source subject to minor NSR is eligible to apply for a minor permit revision, and thus avoid public notice and comment, if one of two conditions are met: (1) all emissions units subject to reasonably available control technology (RACT) qualify for the RACT safe harbor provision in R18-2-334(D)(2) or (2) expected ambient concentrations resulting from the source's emissions as predicted by a screening model are less than 75 percent of the NAAQS. The LA/LD concluded that this exception to the public participation requirements is inconsistent with 40 CFR 51.161(a). ADEQ is therefore removing the exception.

The LA/LD identified a number of other technical deficiencies with the Arizona NSR rules' public participation requirements, and ADEQ is adopting amendments to address these as well.

Registration Contents

EPA expressed concern that the state's source registration program isn't adequate to ensure that construction of a source would not result in a violation of applicable portions of the control strategy. This rulemaking addresses the issue in R18-2-302.01 by specifically requiring enforceable emission limitations and standards that ensure compliance with all applicable SIP requirements at the time of a registration's issuance.

Technical Changes

In addition to the issues identified above, the LA/LD identified a number of technical issues that ADEQ had to address in order to secure full approval of the NSR program. These issues are discussed in detail in EPA's "Technical Support Document for Revisions to Air Plan; Arizona; Stationary Sources; New Source Review" and "Evaluation of Arizona NSR Rules and 40 CFR 51.160-166 – Excel Spreadsheet," both of which are available in the electronic docket for the LA/LD at http://www.regulations.gov/#!documentDetail;D=EPA-R09-OAR-2015-0187-0004.

Emissions Bank Offset Deduction

In a change related to NSR but not raised in the LA/LD, ADEQ is amending R18-2-1205 of the emission banking regulation to remove the requirement that credits deposited in the bank be reduced by 10 percent and permanently retired.

The primary purpose of the emissions bank is to provide a method for making offsets readily available in nonattainment areas in order to allow compliance with NNSR. The 10 percent reduction requirement is inconsistent with this purpose. Depositing credits for emissions reductions in the bank is not required in order to establish valid offsets under state or federal NNSR rules. *See, generally,* R18-2-404. Thus, the reduction requirement creates a significant disincentive to use the bank for its intended purpose. In addition, the reduction requirement is not authorized by the emissions bank statute, R18-2-410, nor is it required by federal NNSR rules.

Revisions to General Permit Rules

Under A.R.S. § 49-426(H), ADEQ is authorized to issue a general permit for "a defined class of facilities if the class contains a large number of facilities that are substantially similar in nature and that have substantially similar emissions." The issuance of a general permit is subject to the same public participation requirements as permits for individual sources. Once a general permit is issued, any source that is a member of the class of facilities covered by the permit may apply for and receive authority to operate without going through a separate public notice and comment process.

ADEQ is adopting two types of NSR-related amendments to Article 5.

First, ADEQ is amending Article 5 to clarify how minor NSR applies to the issuance of general permits. Since before the adoption of R18-2-334, ADEQ's practice has been to establish general permit conditions and application procedures which assure that a covered source's emissions will not endanger the NAAQS. Thus, general permits previously issued by ADEQ assure that the purpose of minor NSR, preventing the construction of sources or modification that could interfere with attainment of the NAAQS. Section R18-2-515 codifies this practice and also allows for the imposition of RACT in general permits.

Second, ADEQ has established web portal known as "MyDEQ," which, among other things, allows certain facilities covered by general permits to conduct all general-permit related transactions, including applying for and obtaining coverage, online. The MyDEQ procedures are consistent with existing Article 5 requirements, but ADEQ is adopting amendments to reflect the availability of the portal. Among other things, the portal allows online processing of applications for facilities subject to, or potentially subject to, minor NSR. As noted above, existing general permits assure compliance with minor NSR requirements, and new R18-

2-515 assures that future general permits will continue to do so.

Revisions to Streamline Permitting

This rulemaking includes three revisions that improve and streamline the permitting process for both new and modified sources subject to NSR and existing sources.

The first streamlining action repeals Appendix 1, which contains the standard permit application form and filing instructions that were developed nearly two decades ago. The form was unnecessarily complex, redundant, and failed to reflect the scope of information ADEQ currently uses in the permitting process. This rulemaking amends R18-2-304(B) (Permit Application Processing Procedures) to require applicants to complete forms provided by the Director when applying for a permit. The rule identifies certain minimum elements that each application form developed by the Director must include to ensure the appropriate information is included and all permits conform to federal requirements. Repealing Appendix 1 and amending the rule is necessary to allow ADEQ to periodically update and revise the permit forms when appropriate without the burden of rulemaking.

The second permit streamlining amendment tailors deviation reporting obligations for permittees to avoid duplicative and unnecessary reporting. Sources subject to those requirements previously encountered issues when interpreting the language of R18-2-306(A)(5)(b) because the key term "prompt" was undefined but dictated when reporting should occur. This action revises the rule to more clearly define the timeframe for satisfying deviation reporting requirements.

The third permit streamlining revision extends the deadline for performance testing when events occur that are beyond a source's control. EPA's new source performance standards and national emissions standards for hazardous air pollutants program both allow sources to request an extension of a performance test under such circumstances. ADEQ has added a similar provision to R18-2-312 to afford similar relief in certain circumstances.

Section by Section Explanation of Amended Rules:

R18-2-101	Add and amend definitions used in major and minor NSR programs, as well as definitions used in related permit rules. Add definitions identifying federal terms and programs referenced in the rules.
R18-2-102	Add information on the publication and location of the Code of Federal Regulations.
R18-2-201	Amend to reflect 2012 $PM_{2.5}$ NAAQS.
R18-2-203	Amend to reflect 2015 Ozone NAAQS.
R18-2-217	Amend the language to conform to federal requirements for designating and classifying attainment areas.
R18-2-218	Amend language to include baseline date and area information to conform to federal requirements. Add $PM_{2.5}$ consideration when determining concentrations of particulate matter for purposes of maximum allowable increases.
R18-2-301	Add and amend definitions to provide greater clarify for terms used in registration and permit rules.
R18-2-302	Amend by removing reference to unenforceable state hazardous air pollutant program, correct cross references, and update language.
R18-2-302.01	Add new notice requirements for minor NSR registration, as well as general update to language and cross references. Amend elective limits to address EPA's concern with enforceability.
R18-2-303	Update applicability to include only new sources or modifications that occur after the effective date of EPA's 2015 limited approval limited disapproval.
R18-2-304	Amend to streamline the permit application process by requiring applicants to complete a standard application form and detailing the minimum information ADEQ must include in those forms. Amend to address EPA objection to the exclusion of insignificant activities from determinations of NSR applicability.
R18-2-306	Amend to streamline permit contents by providing a more definitive timeframe for deviation reporting.
R18-2-306.01	Update cross reference.
R18-2-306.02	Amend language to conform to defined terms and remove unnecessary cross reference.
R18-2-307	Amend to update cross references.
R18-2-311	Amend to allow use of approved alternative methods to determine opacity.
R18-2-312	Amended to allow extension of deadline to conduct performance tests on occurrence of force majeure events.
R18-2-319	Amend to require public notice for all minor NSR modifications by removing the exception that those subject to R18-2-334(G) could comply under the minor permit revision procedures.
R18-2-320	Amend to remove public notice exemption for any significant permit revision as required by the EPA and replace ambiguous language with defined terms.
R18-2-324	Repeal requirement for lessors of portable equipment to obtain a permit.
R18-2-326	Update cross reference and replace cross reference with explanatory language.
R18-2-327	Update cross reference.
R18-2-330	Amend public notice rules to comply with federal requirements and update cross reference.
R18-2-332	Reorganize for better rule formatting and update cross references.
R18-2-334	Update language to comply with federal requirements and removed portion disapproved by the EPA.

R18-2-401	Amend and add definitions to comply with federal requirements
R18-2-402	Amend permit issuing procedures to reflect federal requirements and address EPA objections. Update cross references.
R18-2-403	Amend to comply with federal requirements providing for EPA oversight in permitting activities.
R18-2-404	Amend to comply with federal requirements and allow for the emissions of NOx and VOC to offset Ozone.
R18-2-405	Amend to comply with the federal requirements.
R18-2-406	Amend to comply with federal requirements. Reorganize to better distinguish the differences in NSR requirements for attainment and nonattainment areas.
R18-2-407	Amend to comply with federal requirements.
R18-2-408	Amend to comply with federal requirements and update references.
R18-2-410	Amend to comply with federal requirements. Reorganize where and relocate all visibility requirements previously in other locations to this section.
R18-2-411	Add new section with federal requirements addressing sources located in an attainment area's impact on NAAQS violations in another area.
R18-2-412	Amend to comply with federal requirements.
R18-2-502	Amend to eliminate outdated minor NSR provision.
R18-2-503	Amend to reflect MyDEQ procedures.
R18-2-504	Amend to add minor NSR public participation requirements.
R18-2-507	Repeal to reflect unenforceability of referenced Article 17.
R18-2-508	Repeal outdated permit shield provision.
R18-2-512	Amend to reflect MyDEQ procedures.
R18-2-513	Amend to reflect MyDEQ procedures.
R18-2-514	Added to reflect MyDEQ procedures.
R18-2-515	Added to clarify minor NSR procedures for general permits.
R18-2-1205	Amend to remove deduction of ten percent of emissions reductions deposited in emissions bank.

7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. A summary of the economic, small business, and consumer impact:

The following discussion addresses each of the elements required for an economic, small business and consumer impact statement (ESBCIS) under A.R.S. § 41-1055.

An identification of the rule making.

The rulemaking addressed by this ESBCIS is the adoption of amendments designed to bring ADEQ's new source review (NSR) rules into conformance with federal requirements. This rulemaking will remedy the deficiencies identified by EPA in the LA/LD and generally bring Arizona's NSR program into conformity with federal requirements. The changes are described in greater detail in section 5 of the preamble.

There are two updates to the national ambient air quality standards that EPA has adopted since ADEQ last amended Article 2 that are included in this rulemaking and may need to be addressed in NSR applications and permitting decisions. The first is the $PM_{2.5}$ primary ambient air quality standard, which was amended by EPA in 2012 and appears at R18-2-201. The second is the ozone eight-hour average primary and secondary ambient air quality standard and the removal of the ozone one-hour standard, which was amended by EPA in 2015 and appears at R18-2-203. These changes may result in increased compliance cost for sources and increased administrative costs for ADEQ.

The remainder of the changes are procedural or technical in nature and should have at most a trivial economic impact on the agency, businesses or consumers.

An identification of the persons who will be directly affected by, bear the costs of or directly benefit from the rule making.

The persons that will be directly affected by and bear the costs of the rulemaking will be businesses that construct or modify stationary sources that are subject to major or minor NSR.

The types of Arizona business operations subject to major NSR typically include Portland cement plants, iron and steel mills, primary copper smelters, hard-rock mining operations, petroleum refineries, lime plants, fiberglass production facilities, wood furniture manufacturers, paper mills and fossil-fuel power plants. Major sources tend to be large facilities operated by publicly owned corporations and employing hundreds or thousands of employees.

Major sources may also be subject to minor NSR. Minor NSR may apply to smaller business operations or operations that, although substantial in scale, tend to have emissions below the major source thresholds. These include rock quarrying and crushing operations, concrete batch plants, asphalt plants, semiconductor manufacturers, aircraft engine and parts manufacturers, landfills and petroleum bulk stations and terminals.

The above list is not exhaustive. Any business that engages in pollutant emitting activities is potentially subject to NSR. Typically pollutant-emitting activities include fuel combustion to produce energy or as part of a process, the use of solvents, the application of surface coatings (such as paints and varnishes), the storage of fuels and other organic liquids and the handling of materials likely to give rise to airborne dust. Tailpipe emissions from mobile sources are not considered in determining NSR applicability.

A cost benefit analysis of the following:

(a) The probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the rule making.

ADEQ's cost of implementing the amended NSR requirements will likely be minimal. One component of the major NSR amendments that could potentially impact ADEQ's cost of administering the air quality permit program is the inclusion of the new national ambient air quality standards: the 2012 $PM_{2.5}$ standard and the 2015 eight-hour primary and secondary ozone standard. However, the standards constitute an increase in the stringency of existing standards and likely will not result in any modeling or review time beyond that which is already required.

(b) The probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the rule making.

The costs to political subdivisions subject to permitting under ADEQ's rules from these proposed amendments should be minimal. In general, the types of sources operated by political subdivisions are very unlikely to be subject to major NSR. The costs of the procedural and technical changes to minor NSR and the registration program proposed in this rulemaking are likely to be minimal.

ADEQ considers any impacts to sources in counties with their own pollution control programs to be indirect.

(c) The probable costs and benefits to businesses directly affected by the rule making, including any anticipated effect on the revenues or payroll expenditures of employers who are subject to the rule making.

As discussed in section 5 of the Preamble, the amendments to ADEQ's major NSR rules are necessary to comply with federal requirements for the program. If ADEQ failed to adopt these amendments, they would ultimately apply to sources in Arizona either through the adoption of a federal implementation plan (FIP) or the application of 40 CFR Part 51, Appendix S (in the case of nonattainment NSR). In addition, Title I, Part D of the Clean Air Act imposes a limited time from for ADEQ to adopt the major NSR amendments. Failure to meet the statutory timeframe will result in sanctions by the federal government, as described above.

Thus, failure to adopt these amendments would not in the long run result in the avoidance of any costs of compliance, but would result in a substantial negative impact on the state's economy.

In any case, the only substantial cost to businesses that could result from this rulemaking would be the cost to new or modified major sources of complying with the updated ozone and $PM_{2.5}$ NAAQS. As noted in the 2012 rulemaking, these costs are impossible to quantify but unlikely to be incurred:

> [W]hen modeling demonstrates an ambient impact resulting in non-compliance with an ambient standard (NAAQS or increments), mitigation beyond the level of control technology already required by major NSR is necessary. The cost of mitigation can be substantial but is highly dependent on the nature of the particular project and cannot be reliably estimated for purposes of the ESBCIS. Moreover, because major NSR automatically requires a very stringent level of control (BACT or LAER), mitigation is rarely necessary. Mitigation necessary to address non-compliance with any of the new standards imposed in the major NSR amendments will be an even rarer occurrence. Thus, the major NSR amendments are unlikely to result in additional mitigation costs.

A general description of the probable impact on private and public employment in businesses, agencies and political subdivisions of this state directly affected by the rule making.

ADEQ does not believe that the additional costs to businesses subject to the amended NSR requirements, as described above, will be substantial enough to deter the construction of expansion of business operations. Accordingly, there should be no impact on private employment or on the employment of any political subdivision subject to NSR.

A statement of the probable impact of the rule making on small businesses.

(a) An identification of the small businesses subject to the rule making.

Under A.R.S. § 41-1001(21):

"Small business" means a concern, including its affiliates, which is [1] *independently owned and operated*, which is [2] *not dominant in its field* and which [3] *employs fewer than one hundred full-time employees or which had gross annual receipts of less than four million dollars in its last fiscal year.* (Emphasis added.)

Most registration sources will likely qualify as small businesses, as will many sources subject to minor NSR. It is unlikely that any major sources would qualify.

(b) The administrative and other costs required for compliance with the rule making.

ADEQ anticipates that small businesses will incur little to no additional costs as a result of the procedural and technical changes to minor NSR and the registration program proposed in these amendments.

(c) A description of the methods that the agency may use to reduce the impact on small businesses.

(i) Establishing less costly compliance requirements in the rule making for small businesses.

Not applicable.

(ii) Establishing less costly schedules or less stringent deadlines for compliance in the rule making.

Not applicable.

(iii) Exempting small businesses from any or all requirements of the rule making.

Not applicable.

(d) The probable cost and benefit to private persons and consumers who are directly affected by the rule making.

Some businesses may pass some of the additional costs estimated on to consumers. ADEQ anticipates the impact will be negligible because the amendments will not substantially increase existing air quality compliance costs.

A statement of the probable effect on state revenues.

Since the costs of the amendments will be recoverable through air quality permit fees, there will be no net effect on state revenues.

A description of any less intrusive or less costly alternative methods of achieving the purpose of the rule making.

As discussed above in section 5, ADEQ is adopting amendments that the Department believes to be the minimum necessary to comply with federal NSR requirements. No less intrusive or costly alternatives are available.

10. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

ADEQ is making only minor clarifying changes to the proposal, as described in detail in the responses to comments 1-4, 8, 10, 12 and 17.

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

Comment 1: R18-2-101.131: For purposes of clarification, the reference to "under R18-2-302(B)(2)" (applicability provisions for Class II permits based on "significant" emission rates) might be better placed after "in reference to a significant increase" rather than after "a stationary source's maximum to emit with elective limits." (Arizona Mining Association [AMA])

Response: ADEQ appreciates the suggestion, but "under R18-2-302(B)(2)" does not modify "significant emissions increase." The definition in R18-2-101(131) is intended to specify the four different contexts to which the significance thresholds in the definition apply: (1) determining whether an emissions increase is significant for purposes major NSR, (2) determining whether a net emissions increase is significant for purposes of major NSR, (3) determining whether a stationary source's potential to emit a particular pollutant is significant for purposes of determining major NSR applicability to the pollutant, and (4) determining whether a stationary source's maximum capacity to emit with elective limits is significant for purposes of determining Class II permit applicability. The phrase "under R18-2-302(B)(2)" can only apply to the last item. In an attempt to make this definition clearer, however, ADEQ is substituting "as defined in R18-2-301(13)" for "under R18-2-302(B)(2)."

Comment 2: R18-2-301.13: Because "maximum capacity to emit with elective limits" as it is used in revised applicability provisions could be construed as applicable only to the situation where elective limits were included in a source's registration under R18-2-302.01(F), there could be confusion in evaluating applicability (e.g., a source subject to a Class II permit that never had a registration or a source that previously had a registration, but it did not contained elective limits). Although clarification can be found in the term's definition, perhaps some of the potential confusion could be avoided by replacing "maximum capacity to emit with elective limits" with "maximum capacity to emit with any elective limits." This change would help clarify that applicability is based on maximum capacity to emit, including elective limits if they were established. Of course, such references would then need to be revised throughout the revised rules. (AMA)

Response: ADEQ agrees with this comment and has made this change in the final rule.

Comment 3: R18-2-302.01(A)(6): This provision requires identification of the method used to determine "maximum capacity to emit" specified under R18-2-302(B)(3)(a) or (d) or subsection (G)(1)(a) of this Section, but Subsection (G)(1)(a) refers to "maximum capacity to emit with elective limits." The AMA recommends inserting "maximum capacity to emit with elective limits specified under" before "subsection (G)(1)(a) of this Section." (AMA)

Response: ADEQ agrees with this comment and has made this change together with some additional revisions to improve the clarity of this provision.

Comment 4: R18-2-302.01(B)(4): Because this is a registration provision, it appears that "permit or permit revision" should be replaced with "registration or registration revision." (AMA)

Response: ADEQ agrees with this comment and has made this change in the final rule.

Comment 5: R18-2-302.01(C)(4): As explained in more detail below, the "performance of the screening model pursuant to subsection (C)(3)" should not be the sole basis for the Director's determination resulting in denial of an application. The federal requirements for minor NSR programs at 40 C.F.R. § 51.160 do not expressly require modeling or mandate that it be the sole criteria for determining whether a source would "interfere with attainment or maintenance" of a NAAQS. Furthermore, a conservative screening model does not necessarily demonstrate that a source's emissions will interfere with attainment or maintenance of a NAAQS. The AMA therefore requests removal of "based on performance of the screening model pursuant to subsection (C)(3)." (AMA)

Response: Under R18-2-302.01(C)(4), the screening model run is not used to "demonstrate" that a source will interfere with attainment or maintenance of a NAAQS. Rather, it is used to determine whether a source will be required to obtain a Class II permit rather than a registration. ADEQ believes this is appropriate. If screening model results indicate that a source's emissions will interfere, the source will have two alternatives: First, the source can implement additional control measures to reduce its projected impact, in which case enforceable emission limits reflecting those controls will need to be imposed. See R18-2-334(C)(2)(c). Second, the source can perform a more refined modeling analysis to demonstrate that the interference projected by the screening

model will not in fact occur. See R18-2-334(C)(2)(b).In either case, the process for approving the source's construction will have reached a level of complexity inappropriate for the registration program. See also response to Comment 14.

Comment 6: R18-2-302.01(E): The AMA understands that the proposed revisions to R18-2-302.01(E) are intended to address an EPA comment taking the position that the prior language was not adequate to ensure that construction of a source will not result in violation of applicable portions of a control strategy. Given that the federal minor NSR program provisions at 40 C.F.R. § 51.160 require that ADEQ's program have enforceable procedures that enable ADEQ to determine whether the construction or modification of a source would violate applicable portions of the control strategy (including a means by which ADEQ will prevent such construction or modification), the basis for EPA's comment and ADEQ's proposed response is unclear. That is, requiring a registration to include enforceable emission limitations and restrictions (as ADEQ's proposed revisions would require) does not appear related to the minor NSR program requirement for enforceable procedures that enable ADEQ to identify and prevent the construction or modification of a source that would violate applicable portions of the control strategy.

In any event, the AMA is concerned that the proposed revisions are contrary to intent of the streamlined registration portion of ADEQ's minor NSR program to reduce regulatory burdens on small sources. By requiring registrations to include "[e]nforceable emission limitations and standards, including operational requirements and emission limitations that ensure compliance with all applicable SIP requirements at the time of issuance and any testing, monitoring, recordkeeping and reporting obligations imposed by the applicable requirement or by R18-2-312," a registration would be nearly indistinguishable from a Class II permit. The AMA does not believe that EPA's comment must be addressed in this manner. Under 40 C.F.R. § 51.160(d), minor NSR program "procedures must provide that approval of any construction or modification must not affect the responsibility of the owner or operator to comply with applicable portions of the control strategy." A source's responsibility to comply with any applicable portions of a control strategy is set forth in ADEQ's rules that make up that control strategy. Including those already applicable requirements in a registration (or permit) is not necessary to make those requirements enforceable. The AMA therefore requests that ADEQ replace the proposed revisions with a registration content requirement for identification of applicable requirements (as R18-2-302.01(E)(1) previously provided) and a statement that approval of the source's construction or modification via the registration does not affect the responsibility of the owner or operator to comply with applicable portions of the control strategy. (AMA)

Response: A number of former Class II permitted sources have taken advantage of the rule provisions allowing them to transition to the registration program. The conditions sections of the registrations for these sources have been at least 50 percent shorter than the conditions sections of their former permits and often much shorter than that. For the reasons given below, ADEQ anticipates that this will continue to be the case after the amendment to R18-2-302.01(E) takes effect.

EPA's basis for concluding that R18-2-302.01 is not adequate to assure that sources subject to minor NSR will comply with applicable provisions of the control strategy is provided in the Technical Support Document (TSD) for EPA's proposed LA/LD (available at https://www.regulations.gov/document?D=EPA-R09-OAR-2015-0187-0004) at page 20:

> For sources subject to ADEQ's registration program at R18-2-302.01, ADEQ has not demonstrated that its NSR program meets the requirement to ensure that sources subject to NSR review comply with the applicable portions of the control strategy as required by 40 CFR 51.160(b)(1). This requirement is nearly met by R18-2-302.01(E), except that the provision lacks sufficient language to "ensure compliance" with applicable requirements, *similar to language in R18-2-306(A)(2)*.To obtain full approval ADEQ must ensure that sources subject to R18-2-302.01 will comply with the applicable portions of the control strategy.

(Emphasis added.) Thus, EPA specifically identified language similar to R18-2-306(A)(2), which is applicable to Class I and II permits, as being sufficient to cure this deficiency. Section R18-2-306(A)(2) establishes the requirement that Class I and II permits contain emission limitations reflecting *all applicable requirements* and that those limitations be enforceable. ADEQ has not proposed to adopt identical language for R18-2-306.01 but instead adapted that language in two ways to minimize the imposition on registered sources.

First, the enforceable emission limitation requirement applies solely to "applicable SIP requirements," rather than "all applicable requirements. Since the "control strategy" consists of SIP requirements, the inclusion of the SIP requirements applicable to a particular source is sufficient to insure it will not violate the control strategy. For the most part, applicable SIP requirements consist of existing source performance standard in Article 7 of Title 18, Chapter 2. Enforceable emission limitations reflecting these requirements in Class I and II permits tend to be short and straightforward and impose minimal monitoring and reporting obligations. The more complicated conditions in Class I and II permits tend to be those reflecting NSPS and NESHAPS, which are not "applicable SIP requirements," and therefore will not need to be included in registrations.

Second, R18-2-302.01 is only being amended to include the basic enforceability requirement. The additional requirements in R18-2-306(A)(2)(a)-(d) are not included. Nor are any of the other rules designed to enhance the enforceability of Class I and II permits, such as R18-2-306(A)(3)-(5) and (8) and R18-2-309.

Comment 7: R18-2-302.01(F)(2)(b): Maintaining a log or business records of production rate "through the preceding operating day" and updates "once per operating day" may not be feasible for certain small businesses where production rate may not be reasonably ascertainable on a daily basis (e.g., production based on inventory). The information necessary to demonstrate compliance with the annual production limit contemplated here is the total production for each rolling 12-month period. To determine total production for each rolling 12-month period, a source would need to ascertain and record production levels for each month. Ascertaining and maintaining records of monthly production does not inherently require that values be measured and recorded daily. However, as R18-2-302.01(F)(2) is currently drafted, a registration source may be precluded from obtaining an elective limit unless the source can implement a daily production monitoring and recordkeeping approach. Such an approach may be costly, burdensome, or otherwise infeasible for small businesses and appears unnecessary to provide a reasonable assurance of compliance with a 12-month rolling limit. Accordingly, because ADEQ's registration program was intended to streamline and reduce the regulatory burdens of small sources, the AMA requests that ADEQ remove these prescriptive provisions and allow recordkeeping determinations to be made on a case-by-case basis, considering the circumstances and what provides a reasonable assurance of

compliance with the requested limit.

Response: On the basis of EPA guidance, the LA/LD specified that at least daily recordkeeping was required for enforceable limits designed, as the elective limits are, to allow a source to avoid minor NSR. TSD at 29. Although this guidance is not binding, it represents EPA's interpretation of its own rules and thus would be afforded considerable deference in any court challenge. ADEQ therefore believes the proposed changes are necessary to address this deficiency and secure full approval of the minor NSR program.

Moreover, a number of registrations issued so far have included elective limits on production that included daily recordkeeping requirements, and this has not proved to be a problem for registrants.

It is possible that some small businesses will not be able to adopt elective limits as result of this requirement. Fortunately, because of the role that elective limits play in the registration and permitting programs, the impact on any such sources will be minimal.

There are two categories of sources that would have a reason to adopt elective limits.

First, sources can adopt elective limits in order to keep their "maximum capacity to emit with any elective limits" below the significance threshold in order to avoid Class II permitting requirements. These are sources that would have required a Class II permit before the registration program went into effect. It is unlikely that these sources would have difficulty complying with a daily recordkeeping requirement. Even if they do, and therefore cannot assume elective limits, the only consequence is that they remain subject to the requirement to obtain a Class II permit.

Second, sources can adopt elective limits in order to keep their "maximum capacity to emit with any elective limits" below the permitting exemption thresholds. If they are unable to do so, the only consequences are that registration issuance will require public notice, R18-2-302.01(B)(3), and that they will be subject to mandatory, rather than discretionary, screening for possible interference with the NAAQS, R18-2-302.01(C), (D).

Comment 8: R18-2-302.01(F)(4)(a): The "pounds per month" requirement may be overly stringent for some registration sources and is ambiguous in how compliance is demonstrated. The AMA requests that the limit be expressed as a 12-month rolling period similar to R18-2-302.01(F)(1) and (2). (AMA)

Response: ADEQ agrees and is making this change to the proposed rule language.

Comment 9: R18-2-302.01(F)(4)(b): Similar to the comments above, updating material usage spreadsheet or database "at least once per operating day" may not be feasible for certain small businesses where material usage may not be reasonably ascertainable on a daily basis (e.g., material usage based on inventory). During prior stakeholder meetings, representatives from the Maricopa County Air Quality Department (MCAQD) articulated similar concerns based on their experience. The AMA requests that ADEQ remove this prescriptive provision and allow recordkeeping requirement determinations to be made on a case-by-case basis, considering the circumstances and what provides a reasonable assurance of compliance with the requested limit. (AMA)

Response: See response to Comment 7.

Comment 10: R18-2-304: The AMA supports the revisions to R18-2-304 to help streamline applications. However, the reference to "RIS-2-306.02" in R18-2-304(B)(7) should be "R18-2-306.02."

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule. ADEQ has corrected the typographical error identified in the comment.

Comment 11: R18-2-306(A)(5): The AMA supports the revisions to R18-2-306.A.5 to help streamline reporting requirements. (AMA)

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule.

Comment 12: R18-2-312: The AMA supports the revisions to R18-2-312 to allow the extension of performance testing deadlines due to events beyond a source's control (consistent with federal rules). However, the reference to "subsection (I)" in the first sentence of R18-2-312(A) should be "subsection (J)." (AMA)

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule. ADEQ has corrected the erroneous cross-reference identified in the comment.

Comment 13: R18-2-334(C)(2)(b): The AMA supports the replacement of the "cause or exacerbate" language (that previously was undefined and inconsistent with the federal requirements for a minor NSR program under 40 C.F.R. § 51.160) with the "interfere with attainment or maintenance" language. (AMA)

Response: ADEQ appreciates the expression of support and is adopting these proposed amendments in the final rule.

Comment 14: R18-2-334(C)(2): As drafted, the air quality assessment to determine that a new source or minor NSR modification will not interfere with attainment or maintenance of a NAAQS could be interpreted as allowing only source-specific modeling to make this determination. While source-specific modeling is arguably the preferred and most common approach, the federal requirements for minor NSR programs at 40 C.F.R. § 51.160 do not expressly mandate source-specific modeling. The AMA requests that the provision be revised to clarify that an acceptable alternative could also be used to make this determination (possibly regional scale modeling, risk-based monitoring, etc.). The AMA agrees that source-specific modeling demonstrating either of the items in R18-2-334(C)(2)(b) should be allowed to provide a "bright-line" basis for determining that a new source or minor NSR modification will not interfere with attainment or maintenance of the NAAQS. However, a source-specific modeling analysis that is unable to make either of the R18-2-334(C)(2)(b) demonstrations (e.g., due to high background concentrations and ambient impacts above significance levels), does not necessarily mean that the new source or minor NSR modification will interfere with attainment or maintenance of the NAAQS. This distinction is important because R18-2-334(F) (as currently drafted) requires that the Director deny an application if an assessment conducted pursuant to subsection (C)(2) demonstrates that the source or modification will interfere with the NAAQS. Accordingly, clarification that source-specific modeling is not the only means to determine whether a source or minor NSR modification will not interfere with attainment or maintenance of the NAAQS is necessary to

avoid the untenable situation where applications must be denied solely because source-specific modeling is unable to make either of the R18-2-334(C)(2)(b) demonstrations. (AMA)

Response: In the final LA/LD, EPA made it clear that authority to deny a minor NSR application for modeled interference with the NAAQS is a mandatory component of a minor NSR program. Removing this authority from R18-2-334 would result in full disapproval of the state's minor NSR program.

Comment 15: R18-2-334(F): See comments above regarding the denial of applications based solely on the inability of a source-specific modeling analysis to make either of the R18-2-334(C)(2)(b) demonstrations. While the R18-2-334(C)(2)(b) demonstrations should support the determination that a source or minor NSR modification will not interfere with attainment or maintenance of the NAAQS, the inability to make the R18-2-334(C)(2)(b) demonstrations does not conclusively require a determination that a source or minor NSR modification will interfere with attainment or maintenance of the NAAQS. (AMA)

Response: See response to Comment 14.

Comment 16: R18-2-503(E), R18-2-513(C)(3), R18-2-514(B): While the AMA supports ADEQ's development of web tools such as MyDEQ, the revisions inappropriately mandate the filing of applications and conducting all transactions through a web portal when available and upon notice by the Director. ADEQ should recommend using the web portal as it helps educate the regulated community, but still allow sources (especially small sources typically subject to general permits) to obtain permits and conduct transactions as is traditionally done. (AMA)

Response: In developing MyDEQ, ADEQ has evaluated whether use of the portal will pose a problem for the sources potentially subject to it and has concluded that for all of these sources use of the portal will be substantially easier and faster than the traditional method of processing general permit transactions.

Comment 17: For simplicity, I propose the following as the clarification to the text in R18-2-311 page 106.

> Except as otherwise provided in this subsection (the) opacity of visible emissions shall be determined by EPA Alternative Method 082 or EPA Reference Method 9 of the Arizona Testing Manual. A permit may specify an alternate method, for determining the opacity of emissions from a particular emissions unit, if the method has been approved by the Administrator.

This language would make it clearer that EPA Alternative Method 082 is used in AZ. Further, the county rules reference the AAC, so the request from them is to make the AAC directly reference EPA ALT 082, so they do not have to change their rules. For instance, the Kinder Morgan permit in Pima county says visible emissions are to be measured using the methods specified in AAC 18-2-311 and the AZ Testing Manual. The AZ Testing manual only allows Method 9 or 40CFR60 Appendix A methods. So the decision was facilities in Pima county cannot use EPA Alternative Method 082. As worded in this modification package, one could argue that only via a specifically requested and approved permit change could EPA ALT 082 be used. This permit change is what the counties do not want, e.g. a lot of work they are not staffed to perform. The proposed clarification would make EPA ALT 082 part of AAC 18-2-311, thus all exiting permits in Pima county would not need to be changed as they currently reference AAC 18-2-311 as the governing document. When I commented on Maricopa county permits to include EPA ALT 082 I was told by that group to get AzDEQ to change AAC 18-2-311 to directly include EPA ALT 082 like it does Method 9, because too much work to include specific methods in each permit, too easy to make a mistake and leave it out.

Please accept this as a request for clarification in the final promulgation, objective is to clarifying the use of the EPA Alternative Method 082 is allowed. Do not want to mandate its use, or mandate a change to exiting process, or including a method that is more stringent. EPA ALT 082 is the same as Method 9, stated can be used "in Lieu of Method 9" in the CFR.

I attached the EPA's documents on this topic and you can see why its not as clear on that end as we would like it ether. But I am told by Jason and all of his bosses that the only way 40CFR60 Appendix A is going to be updated is if the courts require the EPA to update it. The methodology is letter approval, (site specific), to CFR publication (broadly applicable), to incorporation into rules (Ferro Alloy NESHAP), is the way OAQPS plans to bring all new technology/methods into use. Jason Dewees, OAQPS, (919) 541-9724.

Response: ADEQ agrees and has made this change.

12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

There are no other matters prescribed by statute applicable specifically to ADEQ or this specific rulemaking.

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rule requires permits as described in section 5 above. A general permit may be used to satisfy minor NSR requirements established by this rule. Federal law does not allow the enforcement of major NSR requirements through the issuance of general permits, because major NSR requires a case-by-case, facility-specific determination.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

The federal Clean Air Act and implementing regulations adopted by EPA apply to the subject of this rule, as described in section 5 above. This rulemaking is no more stringent than required by federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No such analysis was submitted.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

There are no incorporations by reference added to the rules in this action.

14. Whether the rule was previously made, amended, or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

No

15. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 2. DEPARTMENT OF ENVIRONMENTAL QUALITY AIR POLLUTION CONTROL

ARTICLE 1. GENERAL

Section
R18-2-101. Definitions
R18-2-102. Incorporated Materials

ARTICLE 2. AMBIENT AIR QUALITY STANDARDS; AREA DESIGNATIONS; CLASSIFICATIONS

Section
R18-2-201. Particulate Matter: PM_{10} and $PM_{2.5}$
R18-2-203. Ozone~~: One-hour Standard and Eight-hour Average Standard~~
R18-2-217. Designation and Classification of Attainment Areas
R18-2-218. Limitation of Pollutants in Classified Attainment Areas

ARTICLE 3. PERMITS AND PERMIT REVISIONS

Section
R18-2-301. Definitions
R18-2-302. Applicability; Registration; Classes of Permits
R18-2-302.01. Source Registration Requirements
R18-2-303. Transition from Installation and Operating Permit Program to Unitary Permit Program; Registration Transition; Minor NSR Transition
R18-2-304. Permit Application Processing Procedures
R18-2-306. Permit Contents
R18-2-306.01. Permits Containing Voluntarily Accepted Emission Limitations and Standards
R18-2-307. Permit Review by the EPA and Affected States
R18-2-311. Test Methods and Procedures
R18-2-312. Performance Tests
R18-2-319. Minor Permit Revisions
R18-2-320. Significant Permit Revisions
R18-2-324. Portable Sources
R18-2-326. Fees Related to Individual Permits
R18-2-327. Annual Emissions Inventory Questionnaire
R18-2-330. Public Participation
R18-2-332. Stack Height Limitation
R18-2-334. Minor New Source Review

ARTICLE 4. PERMIT REQUIREMENTS FOR NEW MAJOR SOURCES AND MAJOR MODIFICATIONS TO EXISTING MAJOR SOURCES

Section
R18-2-401. Definitions
R18-2-402. General
R18-2-403. Permits for Sources Located in Nonattainment Areas
R18-2-404. Offset Standards
R18-2-405. Special Rule for Major Sources of VOC or Nitrogen Oxides in Ozone Nonattainment Areas Classified as Serious or Severe
R18-2-406. Permit Requirements for Sources Located in Attainment and Unclassifiable Areas
R18-2-407. Air Quality Impact Analysis and Monitoring Requirements
R18-2-408. Innovative Control Technology
R18-2-410. Visibility and Air Quality Related Value Protection
R18-2-411. Permit Requirements for Sources that Locate in Attainment or Unclassifiable Areas and Cause or Contribute to a Violation of Any National Ambient Air Quality Standard.
R18-2-412. PALs

ARTICLE 5. GENERAL PERMITS

Section
R18-2-502. General Permit Development
R18-2-503. Application for Coverage under General Permit
R18-2-504. Public Notice
R18-2-507. ~~General Permit Variances~~ Repealed
R18-2-508. ~~General Permit Shield~~ Repealed
R18-2-512. Changes to Facilities Granted Coverage under General Permits
R18-2-513. Portable Sources Covered under a General Permit
R18-2-514. General Permit Compliance Certification
R18-2-515. Minor NSR in General Permits

ARTICLE 12. EMISSIONS BANK

Section
R18-2-1205. Credit Certification

APPENDIX 1. ~~STANDARD PERMIT APPLICATION FORM AND FILING INSTRUCTIONS~~ REPEALED

ARTICLE 1. GENERAL

R18-2-101. Definitions

The following definitions apply to this Chapter. Where the same term is defined in this Section and in the definitions Section for an Article of this Chapter, the Article-specific definition shall apply.

1. "Act" means the Clean Air Act of 1963 (P.L. 88-206; 42 U.S.C. 7401 through 7671q) as amended through December 31, 2011 (and no future editions).
2. "Actual emissions" means the actual rate of emissions of a regulated NSR pollutant from an emissions unit, as determined in subsections (2)(a) through (e), except that this definition shall not apply for calculating whether a significant emissions increase as defined in R18-2-401 has occurred, or for establishing a plantwide applicability limitation as defined in R18-2-401. Instead, the definitions of projected actual emissions and baseline actual emissions in R18-2-401 shall apply for those purposes.
   a. In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the unit actually emitted the pollutant during a consecutive 24-month period that precedes the particular date and that is representative of normal source operation. The Director may allow the use of a different time period upon a determination that it is more representative of normal source operation. Actual emissions shall be calculated using the unit's actual operating hours, production rates, and types of materials processed, stored or combusted during the selected time period.
   b. The Director may presume that source-specific allowable emissions for the unit are equivalent to the actual emissions of the unit.
   c. For any emissions unit that is or will be located at a source with a Class I permit ~~source that~~ and has not begun normal operations on the particular date, actual emissions shall equal the unit's potential to emit on that date.
   d. For any emissions unit that is or will be located at a source with a Class II permit ~~source that~~ and has not begun normal operations on the particular date, actual emissions shall be based on applicable control equipment requirements and projected conditions of operation.
   e. This definition shall not apply for calculating whether a significant emissions increase has occurred, or for establishing a PAL. Instead, the definitions of projected actual emissions and baseline actual emissions in R18-2-401 shall apply for those purposes.
3. "Administrator" means the Administrator of the United States Environmental Protection Agency.
4. "Affected facility" means, with reference to a stationary source, any apparatus to which a standard is applicable.
5. "Affected source" means a source that includes one or more units which are subject to emission reduction requirements or limitations under Title IV of the Act.
6. "Affected state" means any state whose air quality may be affected by a source applying for a permit, permit revision, or permit renewal and that is contiguous to Arizona or that is within 50 miles of the permitted source.
7. "Afterburner" means an incinerator installed in the secondary combustion chamber or stack for the purpose of incinerating smoke, fumes, gases, unburned carbon, and other combustible material not consumed during primary combustion.
8. "Air contaminants" means smoke, vapors, charred paper, dust, soot, grime, carbon, fumes, gases, sulfuric acid mist aerosols, aerosol droplets, odors, particulate matter, wind-borne matter, radioactive materials, or noxious chemicals, or any other material in the outdoor atmosphere.
9. "Air curtain destructor" means an incineration device designed and used to secure, by means of a fan-generated air curtain, controlled combustion of only wood waste and slash materials in an earthen trench or refractory-lined pit or bin.
10. *"Air pollution" means the presence in the outdoor atmosphere of one or more air contaminants or combinations thereof in sufficient quantities, which either alone or in connection with other substances by reason of their concentration and duration are or tend to be injurious to human, plant or animal life, or cause damage to property, or unreasonably interfere with the comfortable enjoyment of life or property of a substantial part of a community, or obscure visibility, or which in any way degrade the quality of the ambient air below the standards established by the director.* A.R.S. § 49-421(2).
11. "Air pollution control equipment" means equipment used to eliminate, reduce or control the emission of air pollutants into the ambient air.

12. "Air quality control region" (AQCR) means an area so designated by the Administrator pursuant to Section 107 of the Act and includes the following regions in Arizona:
    a. Maricopa Intrastate Air Quality Control Region which is comprised of the County of Maricopa.
    b. Pima Intrastate Air Quality Control Region which is comprised of the County of Pima.
    c. Northern Arizona Intrastate Air Quality Control Region which encompasses the counties of Apache, Coconino, Navajo, and Yavapai.
    d. Mohave-Yuma Intrastate Air Quality Control Region which encompasses the counties of La Paz, Mohave, and Yuma.
    e. Central Arizona Intrastate Air Quality Control Region which encompasses the counties of Gila and Pinal.
    f. Southeast Arizona Intrastate Air Quality Control Region which encompasses the counties of Cochise, Graham, Greenlee, and Santa Cruz.
13. "Allowable emissions" means the emission rate of a stationary source calculated using both the maximum rated capacity of the source, unless the source is subject to federally enforceable limits which restrict the operating rate or hours of operation, and the most stringent of the following:
    a. The applicable standards as set forth in 40 CFR 60, 61 and ~~or~~ 63;
    b. The applicable ~~existing source performance standard, as approved for the SIP and contained in Article 7 of this Chapter~~ emissions limitations approved into the state implementation plan, including those with a future compliance date; or,
    c. The emissions rate specified ~~in any federally promulgated rule or~~ as a federally enforceable permit ~~conditions applicable to the stationary source~~ condition, including those with a future compliance date.
14. "Ambient air" means that portion of the atmosphere, external to buildings, to which the general public has access.
15. "Applicable implementation plan" means those provisions of the state implementation plan approved by the Administrator or a federal implementation plan promulgated for Arizona or any portion of Arizona in accordance with Title I of the Act.
16. "Applicable requirement" means any of the following:
    a. Any federal applicable requirement.
    b. Any other requirement established pursuant to this Chapter or A.R.S. Title 49, Chapter 3.
17. "Arizona Testing Manual" means sections 1 and 7 of the Arizona Testing Manual for Air Pollutant Emissions amended as of March 1992 (and no future editions).
18. "ASTM" means the American Society for Testing and Materials.
19. "Attainment area" means any area ~~in the state~~ that has been identified in regulations promulgated by the Administrator as being in compliance with national ambient air quality standards.
20. *"Begin actual construction" means, initiation of physical on-site construction activities on an emissions unit which are of a permanent nature. With respect to a change in method of operation this term refers to those onsite activities, other than preparatory activities, which mark the initiation of the change.*
    a. *For purposes of title I, parts C and D and section 112 of the clean air act, and for purposes of applicants that require permits containing limits designed to avoid the application of title I, parts C and D and section 112 of the clean air act, these activities include installation of building supports and foundations, laying of underground pipework, and construction of permanent storage structures but do not include any of the following, subject to subsection (20)(c):*
        i. Clearing and grading, including demolition and removal of existing structures and equipment, stripping and stockpiling of topsoil.
        ii. Installation of access roads, driveways and parking lots.
        iii. Installation of ancillary structures, including fences, office buildings and temporary storage structures, that are not a necessary component of an emissions unit or associated air pollution control equipment for which the permit is required.
        iv. Ordering and onsite storage of materials and equipment.
    b. *For purposes other than those identified in subsection (20)(a), these activities do not include any of the following, subject to subsection (20)(c):*
        i. Clearing and grading, including demolition and removal of existing structures and equipment, stripping and stockpiling of topsoil and earthwork cut and fill for foundations.
        ii. Installation of access roads, parking lots, driveways and storage areas.
        iii. Installation of ancillary structures, including fences, warehouses, storerooms and office buildings, provided none of these structures impacts the design of any emissions unit or associated air pollution control equipment.
        iv. Ordering and onsite storage of materials and equipment.
        v. Installation of underground pipework, including water, sewer, electric and telecommunications utilities.
        vi. Installation of building and equipment supports, including concrete forms, footers, pilings, foundations, pads and platforms, provided none of these supports impacts the design of any emissions unit or associated air pollution control equipment.
    c. *An applicant's performance of any activities that are excluded from the definition of "begin actual construction" under subsection (20)(a) or (b) shall be at the applicant's risk and shall not reduce the applicant's obligations under this Chapter. The director shall evaluate an application for a permit or permit revision and make a decision on the same basis as if the activities allowed under subsection (20)(a) or (b) had not occurred.* A.R.S. § 49-401.01(7).
21. "Best available control technology" (BACT) means an emission limitation, including a visible emissions standard, based on the maximum degree of reduction for each ~~air~~ regulated NSR pollutant which would be emitted from any proposed major source or major modification, taking into account energy, environmental, and economic impact and other costs, determined by the Director in accordance with R18-2-406(A)(4) to be achievable for such source or modification.
22. "Btu" means British thermal unit, which is the quantity of heat required to raise the temperature of one pound of water 1°F.
23. "Categorical sources" means the following classes of sources:
    a. Coal cleaning plants with thermal dryers;

b. Kraft pulp mills;
c. Portland cement plants;
d. Primary zinc smelters;
e. Iron and steel mills;
f. Primary aluminum ore reduction plants;
g. Primary copper smelters;
h. Municipal incinerators capable of charging more than 250 tons of refuse per day;
i. Hydrofluoric, sulfuric, or nitric acid plants;
j. Petroleum refineries;
k. Lime plants;
l. Phosphate rock processing plants;
m. Coke oven batteries;
n. Sulfur recovery plants;
o. Carbon black plants using the furnace process;
p. Primary lead smelters;
q. Fuel conversion plants;
r. Sintering plants;
s. Secondary metal production plants;
t. Chemical process plants, which shall not include ethanol production facilities that produce ethanol by natural fermentation included in North American Industry Classification System codes 325193 or 312140;
u. Fossil-fuel boilers, combinations thereof, totaling more than 250 million Btus per hour heat input;
v. Petroleum storage and transfer units with a total storage capacity more than 300,000 barrels;
w. Taconite ore ~~pre~~processing plants;
x. Glass fiber processing plants;
y. Charcoal production plants;
z. Fossil-fuel-fired steam electric plants and combined cycle gas turbines of more than 250 million Btus per hour heat input.

24. "Categorically exempt activities" means any of the following:

a. Any combination of diesel-, natural gas- or gasoline-fired engines with cumulative power equal to or less than 145 horsepower.
b. Natural gas-fired engines with cumulative power equal to or less than 155 horsepower.
c. Gasoline-fired engines with cumulative power equal to or less than 200 horsepower.
d. Any of the following emergency or stand-by engines used for less than 500 hours in each calendar year, provided the permittee keeps records documenting the hours of operation of the engines:
   i. Any combination of diesel-, natural gas- or gasoline-fired emergency engines with cumulative power equal to or less than 2,500 horsepower.
   ii. Natural gas-fired emergency engines with cumulative power equal to or less than 2,700 horsepower.
   iii. Gasoline-fired emergency engines with cumulative power equal to or less than 3,700 horsepower.
e. Any combination of boilers with a cumulative maximum design heat input capacity of less than 10 million Btu/hr.

25. "CFR" means the Code of Federal Regulations, amended as of July 1, 2011, (and no future editions), with standard references in this Chapter by Title and Part, so that "40 CFR 51" means Title 40 of the Code of Federal Regulations, Part 51.
26. "Charge" means the addition of metal bearing materials, scrap, or fluxes to a furnace, converter or refining vessel.
27. "Clean coal technology" means any technology, including technologies applied at the precombustion, combustion, or post-combustion stage, at a new or existing facility that will achieve significant reductions in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity, or process steam, that was not in widespread use as of November 15, 1990.
28. "Clean coal technology demonstration project" means a project using funds appropriated under the heading "Department of Energy - Clean Coal Technology," up to a total amount of $2,500,000,000 for commercial demonstration of clean coal technology or similar projects funded through appropriations for the Environmental Protection Agency. The federal contribution for a qualifying project shall be at least 20% of the total cost of the demonstration project.
29. "Coal" means all solid fossil fuels classified as anthracite, bituminous, subbituminous, or lignite by ASTM D-388-91, (Classification of Coals by Rank).
30. "Combustion" means the burning of matter.
31. "Commence" means, as applied to construction of a source, or a major modification as defined in Article 4 of this Chapter, that the owner or operator has all necessary preconstruction approvals or permits and either has:
   a. Begun, or caused to begin, a continuous program of actual onsite construction of the source, to be completed within a reasonable time; or
   b. Entered into binding agreements or contractual obligations, which cannot be cancelled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.
32. "Construction" means any physical change or change in the method of operation, including fabrication, erection, installation, demolition, or modification of an emissions unit, which would result in a change in ~~actual~~ emissions.
33. "Continuous monitoring system" means a CEMS, CERMS, or CPMS.
34. "Continuous emissions monitoring system" or "CEMS" means the total equipment, required under the emission monitoring provisions in this Chapter, used to sample, condition (if applicable), analyze, and ~~to~~ provide, on a continuous basis, a permanent record of emissions.

35. "Continuous emissions rate monitoring system" or "CERMS" means the total equipment required for the determination and recording of the pollutant mass emissions rate (in terms of mass per unit of time).
36. "Continuous parameter monitoring system" or "CPMS" means the total equipment, required under the emission monitoring provisions in this Chapter, to monitor process or control device operational parameters (for example, control device secondary voltages and electric currents) or other information (for example, gas flow rate, O_2 or CO_2 concentrations) and to provide, on a continuous basis, a permanent record of monitored values.
37. "Controlled atmosphere incinerator" means one or more refractory-lined chambers in which complete combustion is promoted by recirculation of gases by mechanical means.
38. *"Conventional air pollutant" means any pollutant for which the Administrator has promulgated a primary or secondary national ambient air quality standard.* A.R.S. § 49-401.01(12).
39. *"Department" means the Department of Environmental Quality.* A.R.S. § 49-101(2)
40. *"Director" means the director of environmental quality who is also the director of the department.* A.R.S. § 49-101(3)
41. "Discharge" means the release or escape of an effluent from a source into the atmosphere.
42. "Dust" means finely divided solid particulate matter occurring naturally or created by mechanical processing, handling or storage of materials in the solid state.
43. "Dust suppressant" means a chemical compound or mixture of chemical compounds added with or without water to a dust source for purposes of preventing air entrainment.
44. "Effluent" means any air contaminant which is emitted and subsequently escapes into the atmosphere.
45. "Electric utility steam generating unit" means any steam electric generating unit that is constructed for the purpose of supplying more than one-third of its potential electric output capacity and more than 25 MW electrical output to any utility power distribution system for sale. Any steam supplied to a steam distribution system for the purpose of providing steam to a steam-electric generator that would produce electrical energy for sale is also considered in determining the electrical energy output capacity of the affected facility.
46. "Emission" means an air contaminant or gas stream, or the act of discharging an air contaminant or a gas stream, visible or invisible.
47. "Emission standard" or "emission limitation" means a requirement established by the state, a local government, or the Administrator which limits the quantity, rate, or concentration of emissions of air pollutants on a continuous basis, including any requirements which limit the level of opacity, prescribe equipment, set fuel specifications, or prescribe operation or maintenance procedures for a source to assure continuous emission reduction.
48. "Emissions unit" means any part of a stationary source which emits or would have the potential to emit any regulated air pollutant and includes an electric steam generating unit.
49. "Equivalent method" means any method of sampling and analyzing for an air pollutant which has been demonstrated under R18-2-311(D) to have a consistent and quantitatively known relationship to the reference method, under specified conditions.
50. "Excess emissions" means emissions of an air pollutant in excess of an emission standard as measured by the compliance test method applicable to such emission standard.
51. "Federal applicable requirement" means any of the following (including requirements that have been promulgated or approved by EPA through rulemaking at the time of issuance but have future effective compliance dates):
    a. Any standard or other requirement provided for in the applicable implementation plan approved or promulgated by EPA through rulemaking under Title I of the Act that implements the relevant requirements of the Act, including any revisions to that plan promulgated in 40 CFR 52.
    b. Any term or condition of any preconstruction permits issued pursuant to regulations approved or promulgated through rulemaking under Title I, including parts C or D, of the Act.
    c. Any standard or other requirement under section 111 of the Act, including 111(d).
    d. Any standard or other requirement under section 112 of the Act, including any requirement concerning accident prevention under section 112(r)(7) of the Act.
    e. Any standard or other requirement of the acid rain program under Title IV of the Act or the regulations promulgated thereunder and incorporated pursuant to R18-2-333.
    f. Any requirements established pursuant to section 504(b) or section 114(a)(3) of the Act.
    g. Any standard or other requirement governing solid waste incineration, under section 129 of the Act.
    h. Any standard or other requirement for consumer and commercial products, under section 183(e) of the Act.
    i. Any standard or other requirement for tank vessels under section 183(f) of the Act.
    j. Any standard or other requirement of the program to control air pollution from outer continental shelf sources, under section 328 of the Act.
    k. Any standard or other requirement of the regulations promulgated to protect stratospheric ozone under Title VI of the Act, unless the Administrator has determined that such requirements need not be contained in a Title V permit.
    l. Any national ambient air quality standard or ~~increment~~ maximum increase allowed under R18-2-218 or visibility requirement under Part C of Title I of the Act, but only as it would apply to temporary sources permitted pursuant to section 504(e) of the Act.
52. "Federal Land Manager" means, with respect to any lands in the United States, the secretary of the department with authority over such lands.
53. "Federally enforceable" means all limitations and conditions which are enforceable by the Administrator under the Act, including all of the following:
    a. The requirements of the ~~New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants contained in Articles 9 and 11 of this Chapter~~ new source performance standards and national emission standards for hazardous air pollutants.

b. The requirements of such other state or county rules or regulations approved by the Administrator, including the requirements of state and county operating and new source review permit and registration programs that have been approved by the Administrator. Notwithstanding this subsection, the condition of any permit or registration designated as being enforceable only by the state is not federally enforceable.
c. The requirements of any applicable implementation plan.
d. Emissions limitations, controls, and other requirements, and any associated monitoring, recordkeeping, and reporting requirements~~, other than those designated as enforceable only by the state,~~ that are included in a permit pursuant to R18-2-306.01 or R18-2-306.02.

54. "Federally listed hazardous air pollutant" means a pollutant listed pursuant to R18-2-1701(9).
55. "Final permit" means the version of a permit issued by the Department after completion of all review required by this Chapter.
56. "Fixed capital cost" means the capital needed to provide all the depreciable components.
57. "Fuel" means any material which is burned for the purpose of producing energy.
58. "Fuel burning equipment" means any machine, equipment, incinerator, device or other article, except stationary rotating machinery, in which combustion takes place.
59. "Fugitive emissions" means those emissions which could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.
60. "Fume" means solid particulate matter resulting from the condensation and subsequent solidification of vapors of melted solid materials.
61. "Fume incinerator" means a device similar to an afterburner installed for the purpose of incinerating fumes, gases and other finely divided combustible particulate matter not previously burned.
62. "Good engineering practice (GEP) stack height" means a stack height meeting the requirements described in R18-2-332.
63. "Hazardous air pollutant" means any federally listed hazardous air pollutant.
64. "Heat input" means the quantity of heat in terms of Btus generated by fuels fed into the fuel burning equipment under conditions of complete combustion.
65. "Incinerator" means any equipment, machine, device, contrivance or other article, and all appurtenances thereof, used for the combustion of refuse, salvage materials or any other combustible material except fossil fuels, for the purpose of reducing the volume of material.
66. "Indian governing body" means the governing body of any tribe, band, or group of Indians subject to the jurisdiction of the United States and recognized by the United States as possessing power of self-government.
67. "Indian reservation" means any federally recognized reservation established by Treaty, Agreement, Executive Order, or Act of Congress.
68. "Insignificant activity" means any of the following activities:
    a. Liquid Storage and Piping
        i. Petroleum product storage tanks containing the following substances, provided the applicant lists and identifies the contents of each tank with a volume of 350 gallons or more and provides threshold values for throughput or capacity or both for each such tank: diesel fuels and fuel oil in storage tanks with capacity of 40,000 gallons or less, lubricating oil, transformer oil, and used oil.
        ii. Gasoline storage tanks with capacity of 10,000 gallons or less.
        iii. Storage and piping of natural gas, butane, propane, or liquified petroleum gas, provided the applicant lists and identifies the contents of each stationary storage vessel with a volume of 350 gallons or more and provides threshold values for throughput or capacity or both for each such vessel.
        iv. Piping of fuel oils, used oil and transformer oil, provided the applicant includes a system description.
        v. Storage and handling of drums or other transportable containers where the containers are sealed during storage, and covered during loading and unloading, including containers of waste and used oil regulated under the federal Resource Conservation and Recovery Act, 42 U.S.C. 6901-6992(k). Permit applicants must provide a description of material in the containers and the approximate amount stored.
        vi. Storage tanks of any size containing exclusively soaps, detergents, waxes, greases, aqueous salt solutions, aqueous solutions of acids that are not regulated air pollutants, or aqueous caustic solutions, provided the permit applicant specifies the contents of each storage tank with a volume of 350 gallons or more.
        vii. Electrical transformer oil pumping, cleaning, filtering, drying and the re-installation of oil back into transformers.
    b. Internal combustion engine-driven compressors, internal combustion engine-driven electrical generator sets, and internal combustion engine-driven water pumps used for less than 500 hours per calendar year for emergency replacement or standby service, provided the permittee keeps records documenting the hours of operation of this equipment.
    c. Low Emitting Processes
        i. Batch mixers with rated capacity of 5 cubic feet or less.
        ii. Wet sand and gravel production facilities that obtain material from subterranean and subaqueous beds, whose production rate is 200 tons/hour or less, and whose permanent in-plant roads are paved and cleaned to control dust. This does not include activities in emissions units which are used to crush or grind any non-metallic minerals.
        iii. Powder coating operations.
        iv. Equipment using water, water and soap or detergent, or a suspension of abrasives in water for purposes of cleaning or finishing.
        v. Blast-cleaning equipment using a suspension of abrasive in water and any exhaust system or collector serving them exclusively.
        vi. Plastic pipe welding.
    d. Site Maintenance

i. Housekeeping activities and associated products used for cleaning purposes, including collecting spilled and accumulated materials at the source, including operation of fixed vacuum cleaning systems specifically for such purposes.
ii. Sanding of streets and roads to abate traffic hazards caused by ice and snow.
iii. Street and parking lot striping.
iv. Architectural painting and associated surface preparation for maintenance purposes at industrial or commercial facilities.

e. Sampling and Testing
i. Noncommercial (in-house) experimental, analytical laboratory equipment which is bench scale in nature, including quality control/quality assurance laboratories supporting a stationary source and research and development laboratories.
ii. Individual sampling points, analyzers, and process instrumentation, whose operation may result in emissions but that are not regulated as emission units.

f. Ancillary Non-Industrial Activities
i. General office activities, such as paper shredding, copying, photographic activities, and blueprinting, but not to include incineration.
ii. Use of consumer products, including hazardous substances as that term is defined in the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) where the product is used at a source in the same manner as normal consumer use.
iii. Activities directly used in the diagnosis and treatment of disease, injury or other medical condition.

g. Miscellaneous Activities
i. Installation and operation of potable, process and waste water observation wells, including drilling, pumping, filtering apparatus.
ii. Transformer vents.

69. "Kraft pulp mill" means any stationary source which produces pulp from wood by cooking or digesting wood chips in a water solution of sodium hydroxide and sodium sulfide at high temperature and pressure. Regeneration of the cooking chemicals through a recovery process is also considered part of the kraft pulp mill.
70. "Lead" means elemental lead or alloys in which the predominant component is lead.
71. "Lime hydrator" means a unit used to produce hydrated lime product.
72. "Lime plant" includes any plant which produces a lime product from limestone by calcination. Hydration of the lime product is also considered to be part of the source.
73. "Lime product" means any product produced by the calcination of limestone.
74. "Major modification" is defined as follows:
a. A major modification is any physical change in or change in the method of operation of a major source that would result in both a significant emissions increase of any regulated NSR pollutant and a significant net emissions increase of that pollutant from the stationary source.
b. Any emissions increase or net emissions increase that is significant for nitrogen oxides or volatile organic compounds is significant for ozone.
c. For the purposes of this definition, none of the following is a physical change or change in the method of operation:
i. Routine maintenance, repair, and replacement;
ii. Use of an alternative fuel or raw material by reason of an order under sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, or by reason of a natural gas curtailment plan under the Federal Power Act, 16 U.S.C. 792 - 825r;
iii. Use of an alternative fuel by reason of an order or rule under section 125 of the Act;
iv. Use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste;
~~v. Use of an alternative fuel or raw material by a stationary source that either:~~
~~(1) The source was capable of accommodating before December 12, 1976, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter; or~~
~~(2) The source is approved to use under any permit issued under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.~~
~~vi. An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.~~
v. For purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, any of the following:
(1) Use of an alternative fuel or raw material by a stationary source that the source was capable of accommodating before December 21, 1976, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976 under 40 CFR 52.21 or under Articles 3 or 4 of this Chapter; or
(2) Use of an alternative fuel or raw material by a stationary source that the source is approved to use under any permit issued under R18-2-403;
(3) An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after December 21, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
vi. For purposes of determining the applicability of R18-2-406 through R18-2-408 or R18-2-410, any of the following:
(1) Use of an alternative fuel or raw material by a stationary source that the source was capable of accommodating before January 6, 1975, unless the change would be prohibited under any federally enforceable permit condition established after January 6, 1975 under 40 CFR 52.21 or under Articles 3 or 4 of this Chapter;
(2) Use of an alternative fuel or raw material by a stationary source that the source is approved to use under any per-

mit issued under 40 CFR 52.21, or under R18-2-406; or

(3) An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after January 6, 1975, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.

vii. Any change in ownership at a stationary source;

viii. [Reserved.]

ix. The installation, operation, cessation, or removal of a temporary clean coal technology demonstration project, if the project complies with:

(1) The SIP, and

(2) Other requirements necessary to attain and maintain the national ambient air quality standards during the project and after it is terminated;

x. For electric utility steam generating units located in attainment and unclassifiable areas only, the installation or operation of a permanent clean coal technology demonstration project that constitutes repowering, if the project does not result in an increase in the potential to emit any regulated pollutant emitted by the unit. This exemption applies on a pollutant-by-pollutant basis; and

xi. For electric utility steam generating units located in attainment and unclassifiable areas only, the reactivation of a very clean coal-fired electric utility steam generating unit.

d. This definition shall not apply with respect to a particular regulated NSR pollutant when the major source is complying with the requirements of R18-2-412 for a PAL for that regulated NSR pollutant. Instead, the definition of PAL major modification in ~~R18-2-401(17)~~ R18-2-401(20) shall apply.

75. "Major source" means:

a. A major source as defined in R18-2-401.

b. A major source under section 112 of the Act:

i. For pollutants other than radionuclides, any stationary source that emits or has the potential to emit, in the aggregate, including fugitive emission 10 tons per year (tpy) or more of any hazardous air pollutant which has been listed pursuant to section 112(b) of the Act, 25 tpy or more of any combination of such hazardous air pollutants, or such lesser quantity as described in Article 11 of this Chapter. Notwithstanding the preceding sentence, emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units or stations are major sources; or

ii. For radionuclides, "major source" shall have the meaning specified by the Administrator by rule.

c. A major stationary source, as defined in section 302 of the Act, that directly emits or has the potential to emit, 100 tpy or more of any air pollutant including any major source of fugitive emissions of any such pollutant. The fugitive emissions of a stationary source shall not be considered in determining whether it is a major stationary source for the purposes of section 302(j) of the Act, unless the source belongs to a section 302(j) category.

76. "Malfunction" means any sudden and unavoidable failure of air pollution control equipment, process equipment or a process to operate in a normal and usual manner, but does not include failures that are caused by poor maintenance, careless operation or any other upset condition or equipment breakdown which could have been prevented by the exercise of reasonable care.

77. "Minor source" means a source of air pollution which is not a major source for the purposes of Article 4 of this Chapter and over which the Director, acting pursuant to A.R.S. § 49-402(B), has asserted jurisdiction.

78. "Minor source baseline area" means the air quality control region in which the source is located.

79. *"Mobile source" means any combustion engine, device, machine or equipment that operates during transport and that emits or generates air contaminants whether in motion or at rest.* A.R.S. § 49-401.01(23).

80. *"Modification" or "modify" means a physical change in or change in the method of operation of a source that increases the emissions of any regulated air pollutant emitted by such source by more than any relevant de minimis amount or that results in the emission of any regulated air pollutant not previously emitted by more than such de minimis amount. An increase in emissions at a minor source shall be determined by comparing the source's potential to emit before and after the modification. The following exemptions apply:*

a. A physical or operational change does not include routine maintenance, repair or replacement.

b. An increase in the hours of operation or if the production rate is not considered an operational change unless such increase is prohibited under any permit condition that is legally and practically enforceable by the department.

c. A change in ownership at a source is not considered a modification. A.R.S. § 49-401.01(24).

81. "Monitoring device" means the total equipment, required under the applicable provisions of this Chapter, used to measure and record, if applicable, process parameters.

82. "Motor vehicle" means any self-propelled vehicle designed for transporting persons or property on public highways.

83. "Multiple chamber incinerator" means three or more refractory-lined combustion chambers in series, physically separated by refractory walls and interconnected by gas passage ports or ducts.

84. "Natural conditions" includes naturally occurring phenomena that reduce visibility as measured in terms of light extinction, visual range, contrast, or coloration.

85. *"National ambient air quality standard" means the ambient air pollutant concentration limits established by the Administrator pursuant to section 109 of the Act.* A.R.S. § 49-401.01(25).

86. "National emission standards for hazardous air pollutants" or "NESHAP" means standards adopted by the Administrator under section 112 of the Act.

~~86~~87."Necessary preconstruction approvals or permits" means those permits or approvals required under the Act and those air quality control laws and rules which are part of the SIP.

~~87~~88."Net emissions increase" means:

a. The amount by which the sum of subsections ~~(87)(a)(i)~~ (88)(a)(i) and (ii) exceeds zero:
   i. The increase in emissions of a regulated NSR pollutant from a particular physical change or change in the method of operation at a stationary source as calculated pursuant to R18-2-402(D); and
   ii. Any other increases and decreases in actual emissions of the regulated NSR pollutant at the source that are contemporaneous with the particular change and are otherwise creditable.
   iii. For purposes of calculating increases and decreases in actual emissions under subsection ~~(87)(a)(ii)~~ (88)(a)(ii), baseline actual emissions shall be determined as provided in the definition of baseline actual emissions in R18-2-401(2), except that ~~subsections R18-2-401(a)(iii)~~ R18-2-401(2)(a)(iii) and (b)(iv) shall not apply.

b. An increase or decrease in actual emissions is contemporaneous with the increase from the particular change only if it occurs between:

i. The date five years before a complete application for a permit or permit revision authorizing the particular change is submitted or actual construction ~~on~~ of the particular change ~~commences~~ begins, whichever occurs earlier, and

ii. The date that the increase from the particular change occurs.

c. For purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, an ~~An~~ increase or decrease in actual emissions is creditable only if the Director has not relied on it in issuing a permit or permit revision under R18-2-403, which permit is in effect when the increase in actual emissions from the particular change occurs. For purposes of determining the applicability of R18-2-406 through R18-2-408 or R18-2-410, an increase or decrease in actual emissions is creditable only if the Director has not relied on it in issuing a permit under R18-2-406, which permit is in effect when the increase in actual emissions from the particular change occurs.

d. An increase or decrease in actual emissions of sulfur dioxide, nitrogen oxides, ~~or~~ PM_{10}, or $PM_{2.5}$ which occurs before the applicable minor source baseline date, as ~~described~~ defined in R18-2-218, is creditable only if it is required to be considered in calculating the amount of maximum allowable increases remaining available.

e. An increase in actual emissions is creditable only to the extent that the new level of actual emissions exceeds the old level.

f. A decrease in actual emissions is creditable only to the extent that it satisfies all of the following conditions:
   i. The old level of actual emissions or the old level of allowable emissions, whichever is lower, exceeds the new level of actual emissions.
   ii. It is enforceable as a practical matter at and after the time that actual construction on the particular change begins.
   iii. It has approximately the same qualitative significance for public health and welfare as that attributed to the increase from the particular change.
   iv. The emissions unit was actually operated and emitted the specific pollutant.
   v. For ~~a source located in an area designated as nonattainment for the regulated NSR pollutant~~ purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, the Director has not relied on it in issuing any permit, permit revision, or registration under Article 4, R18-2-302.01, or R18-2-334, and the state has not relied on it in demonstrating attainment or reasonable further progress.

g. An increase that results from a physical change at a source occurs when the emissions unit on which construction occurred becomes operational and begins to emit a particular pollutant. Any ~~emissions~~ replacement unit, as defined in R18-2-401(24), ~~that replaces an existing emissions unit and~~ that requires shakedown becomes operational only after a reasonable shakedown period, not to exceed 180 days.

h. Subsection (2)(a) shall not apply for determining creditable increases and decreases.

~~88~~89."New source" means any stationary source of air pollution which is subject to ~~an applicable~~ a new source performance standard ~~under Article 9 of this Chapter~~.

90. "New source performance standards" or "NSPS" means standards adopted by the Administrator under section 111(b) of the Act.

~~89~~91."Nitric acid plant" means any facility producing nitric acid 30% to 70% in strength by either the pressure or atmospheric pressure process.

~~90~~92."Nitrogen oxides" means all oxides of nitrogen except nitrous oxide, as measured by test methods set forth in the Appendices to 40 CFR 60.

~~91~~93."Nonattainment area" means an area so designated by the Administrator acting pursuant to section 107 of the Act as exceeding national primary or secondary ambient air standards for a particular pollutant or pollutants.

~~92~~94."Nonpoint source" means a source of air contaminants which lacks an identifiable plume or emission point.

~~93~~95."Opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background.

~~94~~96."Operation" means any physical or chemical action resulting in the change in location, form, physical properties, or chemical character of a material.

~~95~~97."Owner or operator" means any person who owns, leases, operates, controls, or supervises an affected facility or a stationary source.

~~96~~98."Particulate matter" means any airborne finely divided solid or liquid material with an aerodynamic diameter smaller than 100 micrometers.

~~97~~99."Particulate matter emissions" means all finely divided solid or liquid materials other than uncombined water, emitted to the ambient air as measured by applicable test methods and procedures described in R18-2-311.

~~98~~100. *"Permitting authority" means the department or a county department, agency or air pollution control district that is charged with enforcing a permit program adopted pursuant to A.R.S. § 49-480(A).* A.R.S. § 49-401.01(28).

~~99~~101."Permitting exemption thresholds" for a regulated minor NSR pollutant means the following:

Regulated Air Pollutant	Emission Rate in tons per year (TPY)

$PM_{2.5}$ (primary emissions only; levels for precursors are set below)	5
PM_{10}	7.5
SO_2	20
NO_x	20
VOC	20
CO	50
Pb	0.3

~~100~~102."Person" means any public or private corporation, company, partnership, firm, association or society of persons, the federal government and any of its departments or agencies, the state and any of its agencies, departments or political subdivisions, as well as a natural person.

~~101~~103. *"Planning agency" means an organization designated by the governor pursuant to 42 U.S.C. 7504.* A.R.S. § 49-401.01(29).

~~102. "Predictive Emissions Monitoring System" or "PEMS" means the total equipment, required under the emission monitoring provisions in this Chapter, to monitor process and control device operational parameters and other information, and calculate and record the mass emissions rate on a continuous basis.~~

~~103~~104."$PM_{2.5}$" means particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers as measured by a reference method based on 40 CFR 50 Appendix L, or by an equivalent method designated according to 40 CFR 53.

~~104~~105."PM_{10}" means particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by a reference method contained within 40 CFR 50 Appendix J or by an equivalent method designated in accordance with 40 CFR 53.

~~105~~106."PM_{10} emissions" means finely divided solid or liquid material, with an aerodynamic diameter less than or equal to a nominal 10 micrometers emitted to the ambient air as measured by applicable test methods and procedures described in R18-2-311.

~~106~~107."Plume" means visible effluent.

~~107~~108."Pollutant" means an air contaminant the emission or ambient concentration of which is regulated pursuant to this Chapter.

~~108~~109."Portable source" means any ~~building, structure, facility, or installation subject to regulation pursuant to A.R.S. § 49-426 which emits or may emit any air pollutant and~~ stationary source that is capable of being operated at more than one location.

~~109~~110."Potential to emit" or "potential emission rate" means the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is legally and practically enforceable by the Department or a county under A.R.S. Title 49, Chapter 3; any rule, ordinance, order or permit adopted or issued under A.R.S. Title 49, Chapter 3 or the state implementation plan.

111. "Predictive Emissions Monitoring System" or "PEMS" means the total equipment, required under the emission monitoring provisions in this Chapter, to monitor process and control device operational parameters (for example, control device secondary voltages and electric currents) and other information (for example, gas flow rate, O2 or CO2 concentrations), and calculate and record the mass emissions rate (for example, lb/hr) on a continuous basis.

~~110~~112."Primary ambient air quality standards" means the ambient air quality standards which define levels of air quality necessary, with an adequate margin of safety, to protect the public health, as specified in Article 2 of this Chapter.

~~111~~113."Process" means one or more operations, including equipment and technology, used in the production of goods or services or the control of by-products or waste.

~~112~~114."Project" means a physical change in, or change in the method of operation of, an existing major source.

115. "Proposed final permit" means the version of a Class I permit or Class I permit revision that the Department proposes to issue and forwards to the Administrator for review in compliance with R18-2-307(A). A proposed final permit constitutes a final and enforceable authorization to begin actual construction of, but not to operate, a new Class I source or a modification to a Class I source.

~~113~~116."Proposed permit" means the version of a permit for which the Director offers public participation under R18-2-330 or affected state review under R18-2-307(D).

~~114. "Proposed final permit" means the version of a Class I permit or Class I permit revision that the Department proposes to issue and forwards to the Administrator for review in compliance with R18-2-307(A).~~

~~115~~117."Reactivation of a very clean coal-fired electric utility steam generating unit" means any physical change or change in the method of operation associated with commencing commercial operations by a coal-fired utility unit after a period of discontinued operation if the unit:

a. Has not been in operation for the two-year period before enactment of the Clean Air Act Amendments of 1990, and the emissions from the unit continue to be carried in the Director's emissions inventory at the time of enactment;
b. Was equipped before shutdown with a continuous system of emissions control that achieves a removal efficiency for sulfur dioxide of no less than 85% and a removal efficiency for particulates of no less than 98%;
c. Is equipped with low-NO_x burners before commencement of operations following reactivation; and
d. Is otherwise in compliance with the Act.

~~116~~118."Reasonable further progress" means the schedule of emission reductions defined within a nonattainment area plan as being necessary to come into compliance with a national ambient air quality standard by the primary standard attainment date.

~~117~~119."Reasonably available control technology" (RACT) means devices, systems, process modifications, work practices or other apparatus or techniques that are determined by the Director to be reasonably available taking into account:
a. The necessity of imposing the controls in order to attain and maintain a national ambient air quality standard;
b. The social, environmental, energy and economic impact of the controls;
c. Control technology in use by similar sources; and
d. The capital and operating costs and technical feasibility of the controls.

~~118~~120."Reclaiming machinery" means any machine, equipment device or other article used for picking up stored granular material and either depositing this material on a conveyor or reintroducing this material into the process.

~~119~~121."Reference method" means the methods of sampling and analyzing for an air pollutant as described in the Arizona Testing Manual; 40 CFR 50, Appendices A through K; 40 CFR 51, Appendix M; 40 CFR 52, Appendices D and E; 40 CFR 60, Appendices A through F; and 40 CFR 61, Appendices B and C, as incorporated by reference in 18 A.A.C. 2, Appendix 2.

~~120~~122."Regulated air pollutant" means any of the following:
a. Any conventional air pollutant.
b. Nitrogen oxides and volatile organic compounds.
c. Any ~~air contaminant that is subject to a standard contained in Article 9 of this Chapter~~ pollutant that is subject to a new source performance standard.
d. Any ~~hazardous air pollutant as defined in Article 17 of this Chapter~~ pollutant that is subject to a national emission standard for hazardous air pollutants or other requirements established under section 112 of the Act, including sections 112(g), (j), and (r), including the following:
i. Any pollutant subject to requirements under section 112(j) of the act. If the administrator fails to promulgate a standard by the date established pursuant to section 112(e) of the act, any pollutant for which a subject source would be major shall be considered to be regulated on the date 18 months after the applicable date established pursuant to section 112(e) of the Act; and
ii. Any pollutant for which the requirements of section 112(g)(2) of the Act have been met, but only with respect to the individual source subject to the section 112(g)(2) requirement.
e. Any Class I or II substance ~~listed in section 602~~ subject to a standard promulgated under title VI of the Act.

~~121~~123."Regulated minor NSR pollutant" means any pollutant for which a national ambient air quality standard has been promulgated and the following precursors for such pollutants:
a. VOC and nitrogen oxides as precursors to ozone.
b. Nitrogen oxides and sulfur dioxide as precursors to $PM_{2.5}$.

~~122~~124."Regulated NSR pollutant" ~~means any of the following~~ is defined as follows:
a. ~~Any~~ For purposes of determining the applicability of R18-2-403 through R18-2-405 and R18-2-411, regulated NSR pollutant means any pollutant for which a national ambient air quality standard has been promulgated and any pollutant identified under this subsection as a constituent of or precursor to such pollutant, provided that such constituent or precursor pollutant may only be regulated under NSR as part of the regulation of the general pollutant. Precursors for purposes of NSR are the following:
i. Volatile organic compounds and nitrogen oxides are precursors to ozone in all areas.
ii. Sulfur dioxide is a precursor to $PM_{2.5}$ in all areas.
iii. Nitrogen oxides are precursors to $PM_{2.5}$ in all areas.
iv. VOC and ammonia are precursors to $PM_{2.5}$ in $PM_{2.5}$ nonattainment areas.
b. For all other purposes, regulated NSR pollutant means the pollutants identified in subsection (a) and the following:
i. Any pollutant that is subject to any ~~standard promulgated under Article 9 of this Chapter~~ new source performance standard except greenhouse gases as defined in 40 CFR 86.1818-12(a).
~~e~~ii. Any Class I or II substance subject to a standard promulgated under or established by Title VI of the Act as of July 1, 2011.
~~d~~iii. ~~[Reserved.]~~ Any pollutant that is otherwise subject to regulation under the Act, except greenhouse gases as defined in 40 CFR 86.1818-12(a).
~~e~~c. Notwithstanding subsections ~~(122)(a)~~ (124)(a) ~~through (d)~~ and (b), the term regulated NSR pollutant shall not include any or all hazardous air pollutants either listed ~~under R18-2-1101~~ in section 112 of the Act, or added to the list pursuant to section 112(b)(2) of the Act, unless the listed hazardous air pollutant is also regulated as a constituent or precursor of a general pollutant listed under section 108 of the Act ~~as of July 1, 2010~~.
~~f~~d. ~~Particulate matter emissions,~~ $PM_{2.5}$ emissions~~,~~ and PM_{10} emissions shall include gaseous emissions from a source or activity which condense to form particulate matter at ambient temperatures. On and after January 1, 2011, condensable particulate matter shall be accounted for in applicability determinations and in establishing emissions limitations for ~~particulate matter,~~ $PM_{2.5}$ and PM_{10} in permits issued under Article 4.

~~123~~125."Repowering" means:
a. Replacing an existing coal-fired boiler with one of the following clean coal technologies:
i. Atmospheric or pressurized fluidized bed combustion;
ii. Integrated gasification combined cycle;
iii. Magnetohydrodynamics;
iv. Direct and indirect coal-fired turbines;
v. Integrated gasification fuel cells; or
vi. As determined by the Administrator, in consultation with the United States Secretary of Energy, a derivative of one or more of the above technologies; and

vii. Any other technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of November 15, 1990.

b. Repowering also includes any oil, gas, or oil and gas-fired unit that has been awarded clean coal technology demonstration funding as of January 1, 1991, by the United States Department of Energy.

c. The Director shall give expedited consideration to permit applications for any source that satisfies the requirements of this subsection (and) is granted an extension under section 409 of the Act.

~~124~~126."Run" means the net period of time during which an emission sample is collected, which may be, unless otherwise specified, either intermittent or continuous within the limits of good engineering practice.

~~125. "SCREEN model" means the AERSCREEN air dispersion model published by the Administrator in April 2011 and available on the Support Center for Regulatory Atmospheric Modeling web site: http://www.epa.gov/ttn/scram.~~

~~126~~127."Secondary ambient air quality standards" means the ambient air quality standards which define levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant, as specified in Article 2 of this Chapter.

~~127~~128."Secondary emissions" means emissions which are specific, well defined, quantifiable, occur as a result of the construction or operation of a major source or major modification, but do not come from the major source or major modification itself, and impact the same general area as the stationary source or modification which causes the secondary emissions. Secondary emissions include emissions from any offsite support facility which would not otherwise be constructed or increase its emissions except as a result of the construction or operation of the major source or major modification. Secondary emissions do not include any emissions which come directly from a mobile source, such as emissions from the tailpipe of a motor vehicle, from a train, or from a vessel.

~~128~~129."Section 302(j) category" means:

a. Any of the classes of sources listed in the definition of categorical source in subsection (23); or

b. Any category of affected facility which, as of August 7, 1980, is being regulated under section 111 or 112 of the Act.

~~129~~130."Shutdown" means the cessation of operation of any air pollution control equipment or process equipment for any purpose, except routine phasing out of process equipment.

~~130~~131."Significant" means, in reference to a significant emissions increase, a net emissions increase, ~~or~~ a stationary source's potential to emit or a stationary source's maximum capacity to emit with any elective limits as defined in R18-2-301(13):

a. A rate of emissions of conventional pollutants that would equal or exceed any of the following ~~rates~~:

Pollutant	**Emissions Rate**
Carbon monoxide	100 tons per year (tpy)
Nitrogen oxides	40 tpy
Sulfur dioxide	40 tpy
~~Particulate matter~~	~~25 tpy~~
PM_{10}	15 tpy
$PM_{2.5}$	10 tpy of direct $PM_{2.5}$ emissions; 40 tpy of sulfur dioxide emissions; 40 tpy of nitrogen oxide emissions.
~~VOC~~ Ozone	40 tpy of VOC or nitrogen oxides
Lead	0.6 tpy

b. For purposes of determining the applicability of R18-2-302(B)(2) or R18-2-406, in addition to the rates specified in subsection (131)(a), a rate of emissions of non-conventional pollutants that would equal or exceed any of the following:

Pollutant	Emissions Rate
Particulate matter	25 tpy
Fluorides	3 tpy
Sulfuric acid mist	7 tpy
Hydrogen sulfide (H_2S)	10 tpy
Total reduced sulfur (including H_2S)	10 tpy
Reduced sulfur compounds (including H_2S)	10 tpy

Municipal waste combustor organics (measured as total tetra-through octa-chlorinated dibenzo-p-dioxins and dibenzofurans)	3.5×10^{-6} tpy
Municipal waste combustor metals (measured as particulate matter)	15 tpy
Municipal waste combustor acid gases (measured as sulfur dioxide and hydrogen chloride)	40 tpy
Municipal solid waste landfill emissions (measured as nonmethane organic compounds)	50 tpy
Any regulated NSR pollutant not specifically listed in this subsection (or) subsection (131)(a).	Any emission rate

~~b~~c. In ozone nonattainment areas classified as serious or severe, ~~significant emissions of~~ the emission rate for nitrogen oxides ~~and~~ or VOC ~~shall be~~ determined under R18-2-405.

~~c~~d. In a carbon monoxide nonattainment area classified as serious, a rate of emissions that would equal or exceed 50 tons per year, if the Administrator has determined that stationary sources contribute significantly to carbon monoxide levels in that area.

e. In $PM_{2.5}$ nonattainment areas, 40 tons per year of VOC as a precursor of $PM_{2.5}$.

~~d. For a regulated NSR pollutant that is not listed in subsection (130)(a), any emission rate.~~

~~e~~f. Notwithstanding the emission rates listed in subsection ~~(130)(a),~~ (131)(a) or (b), for purposes of determining the applicability of R18-2-406, any emissions rate or any net emissions increase associated with a major source or major modification, which would be constructed within 10 kilometers of a Class I area and have an impact on the ambient air quality of such area equal to or greater than 1 ~~mg/m3~~ µg/m3 (24-hour average).

~~131~~132."Significant emissions increase" means, for a regulated NSR pollutant, an increase in emissions that is significant as defined in this Section for that pollutant.

~~132~~133."Smoke" means particulate matter resulting from incomplete combustion.

~~133~~134. *"Source" means any building, structure, facility or installation that may cause or contribute to air pollution or the use of which may eliminate, reduce or control the emission of air pollution.* A.R.S. § 49-401.01(23).

~~134~~135."Stack" means any point in a source designed to emit solids, liquids, or gases into the air, including a pipe or duct but not including flares.

~~135~~136."Stack in existence" means that the owner or operator had either:

a. Begun, or caused to begin, a continuous program of physical onsite construction of the stack;

b. Entered into binding agreements or contractual obligations, which could not be cancelled or modified without substantial loss to the owner or operator, to undertake a program of construction of the stack to be completed in a reasonable time.

~~136~~137."Start-up" means the setting into operation of any air pollution control equipment or process equipment for any purpose except routine phasing in of process equipment.

~~137~~138."State implementation plan" or "SIP" means the accumulated record of enforceable air pollution control measures, programs and plans adopted by the Director and submitted to and approved by the Administrator pursuant to 42 U.S.C. 7410.

~~138~~139."Stationary rotating machinery" means any gas engine, diesel engine, gas turbine, or oil fired turbine operated from a stationary mounting and used for the production of electric power or for the direct drive of other equipment.

~~139~~140."Stationary source" means any building, structure, facility or installation ~~subject to regulation pursuant to A.R.S. § 49-426(A)~~ which emits or may emit any regulated NSR pollutant, any regulated air pollutant or any pollutant listed under section 112(b) of the act. "Building," "structure," "facility," or "installation" means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person or persons under common control. Pollutant-emitting activities shall be considered as part of the same industrial grouping if they belong to the same "Major Group" as described in the "Standard Industrial Classification Manual, 1987."

141. "Subject to regulation" means, for any air pollutant, that the pollutant is subject to either a provision in the Act, or a nationally-applicable regulation codified by the administrator in 40 CFR chapter I, subchapter C, that requires actual control of the quantity of emissions of that pollutant, and that such a control requirement has taken effect and is operative to control, limit or restrict the quantity of emissions of that pollutant released from the regulated activity.

~~140~~142."Sulfuric acid plant" means any facility producing sulfuric acid by the contact process by burning elemental sulfur, alkylation acid, hydrogen sulfide, or acid sludge, but does not include facilities where conversion to sulfuric acid is utilized as a means of preventing emissions of sulfur dioxide or other sulfur compounds to the atmosphere.

~~141~~143."Temporary clean coal technology demonstration project" means a clean coal technology demonstration project operated for five years or less, and that complies with the applicable implementation plan and other requirements necessary to attain and maintain the national ambient air quality standards during the project and after the project is terminated.

~~142~~144."Temporary source" means a source which is portable, as defined in A.R.S. § 49-401.01(23) and which is not an affected source.

~~143~~145."Total reduced sulfur" (TRS) means the sum of the sulfur compounds, primarily hydrogen sulfide, methyl mercaptan, dimethyl sulfide, and dimethyl disulfide, that are released during kraft pulping and other operations and measured by Method 16 in 40 CFR 60, Appendix A.

~~144~~146."Trivial activities" means activities and emissions units, such as the following, that may be omitted from a permit or registration application. Certain of the following listed activities include qualifying statements intended to exclude similar activities:

a. Low-Emitting Combustion
   i. Combustion emissions from propulsion of mobile sources;
   ii. Emergency or backup electrical generators at residential locations;
   iii. Portable electrical generators that can be moved by hand from one location to another. "Moved by hand" means capable of being moved without the assistance of any motorized or non-motorized vehicle, conveyance, or device;

b. Low- Or Non-Emitting Industrial Activities
   i. Blacksmith forges;
   ii. Hand-held or manually operated equipment used for buffing, polishing, carving, cutting, drilling, sawing, grinding, turning, routing or machining of ceramic art work, precision parts, leather, metals, plastics, fiberboard, masonry, carbon, glass, or wood;
   iii. Brazing, soldering, and welding equipment, and cutting torches related to manufacturing and construction activities that do not result in emission of HAP metals. Brazing, soldering, and welding equipment, and cutting torches related to manufacturing and construction activities that emit HAP metals are insignificant activities based on size or production level thresholds. Brazing, soldering, and welding equipment, and cutting torches directly related to plant maintenance and upkeep and repair or maintenance shop activities that emit HAP metals are treated as trivial and listed separately in this definition;
   iv. Drop hammers or hydraulic presses for forging or metalworking;
   v. Air compressors and pneumatically operated equipment, including hand tools;
   vi. Batteries and battery charging stations, except at battery manufacturing plants;
   vii. Drop hammers or hydraulic presses for forging or metalworking;
   viii. Equipment used exclusively to slaughter animals, not including other equipment at slaughterhouses, such as rendering cookers, boilers, heating plants, incinerators, and electrical power generating equipment;
   ix. Hand-held applicator equipment for hot melt adhesives with no VOC in the adhesive formulation;
   x. Equipment used for surface coating, painting, dipping, or spraying operations, except those that will emit VOC or HAP;
   xi. CO2 lasers used only on metals and other materials that do not emit HAP in the process;
   xii. Electric or steam-heated drying ovens and autoclaves, but not the emissions from the articles or substances being processed in the ovens or autoclaves or the boilers delivering the steam;
   xiii. Salt baths using nonvolatile salts that do not result in emissions of any regulated air pollutants;
   xiv. Laser trimmers using dust collection to prevent fugitive emissions;
   xv. Process water filtration systems and demineralizers;
   xvi. Demineralized water tanks and demineralizer vents;
   xvii. Oxygen scavenging or de-aeration of water;
   xviii. Ozone generators;
   xix. Steam vents and safety relief valves;
   xx. Steam leaks; and
   xxi. Steam cleaning operations and steam sterilizers;
   xxii. Use of vacuum trucks and high pressure washer/cleaning equipment within the stationary source boundaries for cleanup and in-source transfer of liquids and slurried solids to waste water treatment units or conveyances;
   xxiii. Equipment using water, water and soap or detergent, or a suspension of abrasives in water for purposes of cleaning or finishing.
   xxiv. Electric motors.

c. Building and Site Maintenance Activities
   i. Plant and building maintenance and upkeep activities, including grounds-keeping, general repairs, cleaning, painting, welding, plumbing, re-tarring roofs, installing insulation, and paving parking lots, if these activities are not conducted as part of a manufacturing process, are not related to the source's primary business activity, and do not otherwise trigger a permit revision. Cleaning and painting activities qualify as trivial activities if they are not subject to VOC or hazardous air pollutant control requirements;
   ii. Repair or maintenance shop activities not related to the source's primary business activity, not including emissions from surface coating, de-greasing, or solvent metal cleaning activities, and not otherwise triggering a permit revision;
   iii. Janitorial services and consumer use of janitorial products;
   iv. Landscaping activities;
   v. Routine calibration and maintenance of laboratory equipment or other analytical instruments;

vi. Sanding of streets and roads to abate traffic hazards caused by ice and snow;
vii. Street and parking lot striping;
viii. Caulking operations which are not part of a production process.

d. Incidental, Non-Industrial Activities
i. Air-conditioning units used for human comfort that do not have applicable requirements under Title VI of the Act;
ii. Ventilating units used for human comfort that do not exhaust air pollutants into the ambient air from any manufacturing, industrial or commercial process;
iii. Tobacco smoking rooms and areas;
iv. Non-commercial food preparation;
v. General office activities, such as paper shredding, copying, photographic activities, pencil sharpening and blueprinting, but not including incineration;
vi. Laundry activities, except for dry-cleaning and steam boilers;
vii. Bathroom and toilet vent emissions;
viii. Fugitive emissions related to movement of passenger vehicles, if the emissions are not counted for applicability purposes under subsection ~~(144)(c)~~ (146)(c) of the definition of major source in this Section and any required fugitive dust control plan or its equivalent is submitted with the application;
ix. Use of consumer products, including hazardous substances as that term is defined in the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) where the product is used at a source in the same manner as normal consumer use;
x. Activities directly used in the diagnosis and treatment of disease, injury or other medical condition;
xi. Circuit breakers;
xii. Adhesive use which is not related to production.

e. Storage, Piping and Packaging
i. Storage tanks, vessels, and containers holding or storing liquid substances that will not emit any VOC or HAP;
ii. Storage tanks, reservoirs, and pumping and handling equipment of any size containing soaps, vegetable oil, grease, animal fat, and nonvolatile aqueous salt solutions, if appropriate lids and covers are used;
iii. Chemical storage associated with water and wastewater treatment where the water is treated for consumption and/or use within the permitted facility;
iv. Chemical storage associated with water and wastewater treatment where the water is treated for consumption and/or use within the permitted facility;
v. Storage cabinets for flammable products;
vi. Natural gas pressure regulator vents, excluding venting at oil and gas production facilities;
vii. Equipment used to mix and package soaps, vegetable oil, grease, animal fat, and nonvolatile aqueous salt solutions, if appropriate lids and covers are used;

f. Sampling and Testing
i. Vents from continuous emissions monitors and other analyzers;
ii. Bench-scale laboratory equipment used for physical or chemical analysis, but not laboratory fume hoods or vents;
iii. Equipment used for quality control, quality assurance, or inspection purposes, including sampling equipment used to withdraw materials for analysis;
iv. Hydraulic and hydrostatic testing equipment;
v. Environmental chambers not using HAP gases;
vi. Soil gas sampling;
vii. Individual sampling points, analyzers, and process instrumentation, whose operation may result in emissions but that are not regulated as emission units;

g. Safety Activities
i. Fire suppression systems;
ii. Emergency road flares;

h. Miscellaneous Activities
i. Shock chambers;
ii. Humidity chambers;
iii. Solar simulators;
iv. Cathodic protection systems;
v. High voltage induced corona; and
vi. Filter draining.

~~145~~147."Unclassified area" means an area which the Administrator, because of a lack of adequate data, is unable to classify as an attainment or nonattainment area for a specific pollutant, and which, for purposes of this Chapter, is treated as an attainment area.

~~146~~148."Uncombined water" means condensed water containing analytical trace amounts of other chemical elements or compounds.

~~147~~149."Urban or suburban open area" means an unsubdivided tract of land surrounding a substantial urban development of a residential, industrial, or commercial nature and which, though near or within the limits of a city or town, may be uncultivated, used for agriculture, or lie fallow.

~~148~~150."Vacant lot" means a subdivided residential or commercial lot which contains no buildings or structures of a temporary or permanent nature.

~~149~~151."Vapor" means the gaseous form of a substance normally occurring in a liquid or solid state.

~~150~~152."Visibility impairment" means any humanly perceptible change in visibility (light extinction, visual range, contrast, coloration) from that which would have existed under natural conditions.

~~151~~153."Visible emissions" means any emissions which are visually detectable without the aid of instruments and which contain particulate matter.

~~152~~154."Volatile organic compounds" or "VOC" means any compound of carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate, that participates in atmospheric photochemical reactions. This includes any such organic compound other than the following:

a. Methane;
b. Ethane;
c. Methylene chloride (dichloromethane);
d. 1,1,1-trichloroethane (methyl chloroform);
e. 1,1,2-trichloro-1,2,2-trifluoroethane (CFC-113);
f. Trichlorofluoromethane (CFC-11);
g. Dichlorodifluoromethane (CFC-12);
h. Chlorodifluoromethane (HCFC-22);
i. Trifluoromethane (HFC-23);
j. 1,2-dichloro 1,1,2,2-tetrafluoroethane (CFC-114);
k. Chloropentafluoroethane (CFC-115);
l. 1,1,1-trifluoro 2,2-dichloroethane (HCFC-123);
m. 1,1,1,2-tetrafluoroethane (HFC-134(a));
n. 1,1-dichloro 1-fluoroethane (HCFC-141(b));
o. 1-chloro 1,1-difluoroethane (HCFC-142(b));
p. 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124);
q. Pentafluoroethane (HFC-125);
r. 1,1,2,2-tetrafluoroethane (HFC-134);
s. 1,1,1-trifluoroethane (HFC-143(a));
t. 1,1-difluoroethane (HFC-152(a));
u. Parachlorobenzotrifluoride (PCBTF);
v. Cyclic, branched, or linear completely methylated siloxanes;
w. Acetone;
x. Perchloroethylene (tetrachloroethylene);
y. 3,3-dichloro-1,1,1,2,2-pentafluoropropane (HCFC-225(ca));
z. 1,3-dichloro-1,1,2,2,3-pentafluoropropane (HCFC-225(cb));
aa. 1,1,1,2,3,4,4,5,5,5-decafluoropentane (HFC 43-10mee);
bb. Difluoromethane (HFC-32);
cc. Ethylfluoride (HFC-161);
dd. 1,1,1,3,3,3-hexafluoropropane (HFC-236(fa));
ee. 1,1,2,2,3-pentafluoropropane (HFC-245(ca));
ff. 1,1,2,3,3-pentafluoropropane (HFC-245(ea));
gg. 1,1,1,2,3-pentafluoropropane (HFC-245(eb));
hh. 1,1,1,3,3-pentafluoropropane (HFC-245(fa));
ii. 1,1,1,2,3,3-hexafluoropropane (HFC-236(ea));
jj. 1,1,1,3,3-pentafluorobutane (HFC-365(mfc));
kk. Chlorofluoromethane (HCFC-31);
ll. 1 chloro-1-fluoroethane (HCFC-151(a));
mm. 1,2-dichloro-1,1,2-trifluoroethane (HCFC-123(a));
nn. 1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane ($C_4F_9OCH_3$);
oo. 2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane ($(CF_3)_2CFCF_2OCH_3$);
pp. 1-ethoxy-1,1,2,2,3,3,4,4,4-nonafluorobutane ($C_4F_9OC_2H_5$);
qq. 2-(ethoxydifluoromethyl)-1,1,1,2,3,3,3-heptafluoropropane ($(CF_3)_2CFCF_2OC_2H_5$;
rr. Methyl acetate; and
ss. 1,1,1,2,2,3,3-heptafluoro-3-methoxypropane (n-C_3F7OCH_3, HFE—7000);
tt. 3-ethoxy-1,1,1,2,3,4,4,5,5,6,6,6-dodecafluoro-2-(trifluoromethyl) hexane (HFE – 7500);
uu. 1,1,1,2,3,3,3-hentafluoropropane (HFC 227ea);
vv. Methyl formate (HCOOCH3): and
ww. (1) 1,1,1,2,2,3,4,5,5,5-decafluoro-3-methoxy-4-trifluoromethyl-pentane (HFE–7300);
xx. Propylene carbonate;
yy. Dimethyl carbonate; and
zz. Trans -1,3,3,3-tetrafluoropropene;
aaa. HCF2OCF2H (HFE-134);
bbb. HCF2OCF2OCF2H (HFE-236(cal2));
ccc. HCF2OCF2CF2OCF2H (HFE-338(pcc13));
ddd. HCF2OCF2OCF2CF2OCF2H (H-Galden 1040x or H-Galden ZT 130 (or 150 or 180));
eee. Trans 1-chloro-3,3,3- trifluoroprop-1-ene;
fff. 2,3,3,3-tetrafluoropropene;
ggg. 2-amino-2-methyl-1-propanol; and
hhh. Perfluorocarbon compounds that fall into these classes:
    i. Cyclic, branched, or linear, completely fluorinated alkanes.

ii. Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations.
iii. Cycle, branched, or linear, completely fluorinated tertiary amines with no unsaturations; or
iv. Sulfur containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.

~~aaa~~iii. The following compound is VOC for purposes of all recordkeeping, emissions reporting, photochemical dispersion modeling and inventory requirements which apply to VOC and shall be uniquely identified in emission reports, but ~~are~~ is not VOC for purposes of VOC emissions limitations or VOC content requirements: t-butyl acetate.

~~153~~155. "Wood waste burner" means an incinerator designed and used exclusively for the burning of wood wastes consisting of wood slabs, scraps, shavings, barks, sawdust or other wood material, including those that generate steam as a by-product.

R18-2-102. Incorporated Materials

A. The following documents are incorporated by reference and are on file with the Office of the Secretary of State (1700 W. Washington St., Suite 103, Phoenix, AZ 85007) and the Department (1110 W. Washington St., Phoenix, AZ 85007):

1. Sections 1 and 7 of the Department's "Arizona Testing Manual for Air Pollutant Emissions," amended as of March 1992 (and no future editions).
2. All ASTM test methods referenced in this Chapter as of the year specified in the reference (and no future amendments). They are available from the American Society for Testing and Materials, 1916 Race St., Philadelphia, PA 19103-1187.
3. The U.S. Government Printing Office's "Standard Industrial Classification Manual, 1987" (and no future editions).

B. The Code of Federal Regulations is published by the United States Government Printing Office, 732 North Capital Street, NW, Washington, DC 20401-0001, is on file with the Department of Environmental Quality, 1110 West Washington Street, Phoenix, Arizona 85007, and is available at the Arizona State Library, Archives & Public Records, 1700 West Washington Street, Phoenix, Arizona 85007 and at other Federal depositary libraries in the state (see http://catalog.gpo.gov/fdlpdir/FDLPdir.jsp?st_12=AZ&flag=searchp). It is also available online at http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR.

ARTICLE 2. AMBIENT AIR QUALITY STANDARDS; AREA DESIGNATIONS; CLASSIFICATIONS

R18-2-201. Particulate Matter: PM_{10} and $PM_{2.5}$

A. PM_{10} Standards

1. The level of the primary and secondary ambient air quality standards for PM_{10} is 150 micrograms per cubic meter of PM_{10} – 24-hour average concentration.
2. To determine attainment of the primary and secondary standards, a person shall measure PM_{10} in the ambient air by:
   a. A reference method based on 40 CFR 50, Appendix J, and designated according to 40 CFR 53; or
   b. An equivalent method designated according to 40 CFR 53.
3. The primary and secondary 24-hour ambient air quality standards for PM_{10} are attained when the expected number of days per calendar year with a 24-hour average concentration above 150 micrograms per cubic meter, determined according to 40 CFR 50, Appendix K, is less than or equal to one.

B. $PM_{2.5}$ Standards

1. The primary ambient air quality standards for $PM_{2.5}$ are:
   a. ~~15~~ 12 micrograms per cubic meter of $PM_{2.5}$ – annual arithmetic mean concentration.
   b. 35 micrograms per cubic meter of $PM_{2.5}$ – 24-hour average concentration.
2. The secondary ambient air quality standards for $PM_{2.5}$ are:
   a. 15 micrograms per cubic meter of $PM_{2.5}$ – annual arithmetic mean concentration.
   b. 35 micrograms per cubic meter of $PM_{2.5}$ – 24-hour average concentration.
3. To determine attainment of the primary and secondary standards, a person shall measure $PM_{2.5}$ in the ambient air by:
   a. A reference method based on 40 CFR 50, Appendix L, and designated according to 40 CFR 53; or
   b. An equivalent method designated according to 40 CFR 53.
4. The primary ~~and secondary~~ annual ambient air quality ~~standards~~ standard for $PM_{2.5}$ ~~are~~ is met when the annual arithmetic mean concentration, determined according to 40 CFR 50, Appendix N, is less than or equal to ~~15~~ 12 micrograms per cubic meter.
5. The secondary annual ambient air quality standard for $PM_{2.5}$ is met when the annual arithmetic mean concentration, determined according to 40 CFR 50, Appendix N, is less than or equal to 15 micrograms per cubic meter.

~~5~~6. The primary and secondary 24-hour ambient air quality standards for $PM_{2.5}$ are met when the 98th percentile 24-hour concentration, determined according to 40 CFR 50, Appendix N, is less than or equal to 35 micrograms per cubic meter.

R18-2-203. Ozone~~: One-hour Standard and Eight-hour Average Standard~~

~~**A.** One-hour standard. Until June 15, 2005:~~

~~1. The one-hour ambient air quality standard for ozone is 0.12 ppm (235 micrograms per cubic meter).~~

~~2. The one-hour secondary ambient air quality standard for ozone is 0.12 ppm (235 micrograms per cubic meter).~~

~~3. The one-hour standards are attained when the expected number of days per calendar year with maximum hourly average concentrations above 0.12 ppm (235 micrograms per cubic meter) is less than or equal to 1, determined by 40 CFR 50, Appendix H.~~

~~**B.** Eight-hour averaged standard.~~

~~1~~**A.** The eight-hour average primary ambient air quality standard for ozone is ~~0.075~~ 0.070 ppm.

~~2~~**B.** The eight-hour average secondary ambient air quality standard for ozone is ~~0.075~~ 0.070 ppm.

~~3~~**C.** To determine attainment of the primary and secondary standards, a person shall measure ozone in the ambient air by:

~~a~~1. A reference method based on 40 CFR 50, Appendix D, and designated according to 40 CFR 53; or

~~b~~2. An equivalent method designated according to 40 CFR 53.

~~4~~**D.** ~~Eight-hour~~ The eight-hour average primary ~~and secondary~~ ambient air quality ~~standards~~ standard for ozone ~~are~~ is met at an ambient air quality monitoring site when the three-year average of the annual fourth highest daily maximum eight-hour average ozone concentration is less than or equal to ~~0.075~~ 0.070 ppm, determined according to 40 CFR 50, Appendix ~~P~~ U.

R18-2-217. Designation and Classification of Attainment Areas

A. All ~~attainment and unclassified~~ areas ~~or parts thereof~~ shall be classified as either Class I, Class II or Class III.

B. All of the following areas which were in existence on August 7, 1977~~, including any boundary changes to those areas which occurred subsequent to the date of enactment of the Clean Air Act Amendments of 1977 and before March 12, 1993,~~ shall be Class I areas irrespective of attainment status and shall not be redesignated:

1. International parks;
2. National wilderness areas which exceed 5,000 acres in size;
3. National memorial parks which exceed 5,000 acres in size; and
4. National parks which exceed 6,000 acres in size.

C. Areas which were redesignated as Class I under regulations promulgated before August 7, 1977, shall remain Class I, but may be redesignated as provided in this section.

D. Any other area, unless otherwise specified in the legislation creating such an area, is initially designated Class II, but may be redesignated as provided in this Section.

~~**C**~~**E.** The following areas shall be designated only as Class I or II:

1. An area which as of August 7, 1977, exceeds 10,000 acres in size and is one of the following:
   a. A national monument,
   b. A national primitive area,
   c. A national preserve,
   d. A national recreational area,
   e. A national wild and scenic river,
   f. A national wildlife refuge,
   g. A national lakeshore or seashore.
2. A national park or national wilderness area established after August 7, 1977, which exceeds 10,000 acres in size.

~~**D.** All other areas shall be Class II areas unless redesignated under subsections (E) or (F).~~

~~**E**~~**F.** Except as otherwise provided in subsections (B) to (E), the ~~The~~ Governor ~~or the Governor's designee~~ may redesignate areas of the state as Class I or Class II, provided that the following requirements are fulfilled:

1. At least one public hearing is held in or near the area affected in accordance with 40 CFR 51.102;
2. Other states, Indian governing bodies and Federal Land Managers, whose land may be affected by the proposed redesignation are notified at least 30 days prior to the public hearing.
3. A discussion document of the reasons for the proposed redesignation including a description and analysis of health, environmental, economic, social and energy effects of the proposed redesignation is prepared by the Governor or the Governor's designee. The discussion document shall be made available for public inspection at least 30 days prior to the hearing and the notice announcing the hearing shall contain appropriate notification of the availability of such discussion document.
4. Prior to the issuance of notice respecting the redesignation of an area which includes any federal lands, the Governor or the Governor's designee has provided written notice to the appropriate Federal Land Manager and afforded the Federal Land Manager adequate opportunity, not in excess of 60 days, to confer with the state respecting the redesignation and to submit written comments and recommendations. The Governor or the Governor's designee shall publish a list of any inconsistency between such redesignation and such recommendations, together with the reasons for making such redesignation against the recommendation of the Federal Land Manager, if any Federal Land Manager has submitted written comments and recommendations.
5. The redesignation is proposed after consultation with the elected leadership of local governments in the area covered by the proposed redesignation.
6. The redesignation is submitted to the Administrator as a revision to the SIP.

~~**F**~~**G.** Except as otherwise provided in subsections (B) to (E), the~~The~~ Governor ~~or the Governor's designee~~ may redesignate areas of the state as Class III if all of the following criteria are met:

1. Such redesignation meets the requirements of subsection ~~(E)~~(F);
2. Such redesignation has been approved after consultation with the appropriate committee of the legislature if it is in session or with the leadership of the legislature if it is not in session.
3. The general purpose units of local government representing a majority of the residents of the area to be redesignated concur in the redesignation;
4. Such redesignation shall not cause, or contribute to, a concentration of any air pollutant which exceeds any national ambient air quality standard or any maximum ~~allowable~~ increase ~~or maximum allowable concentration permitted under the classification of any area~~ allowed under R18-2-218;
5. For any new major source as defined in R18-2-401 or a major modification of such source which may be permitted to be constructed and operated only if the area in question is redesignated as Class III, any permit application ~~or related~~ and materials submitted as part of the application shall be ~~made~~ available for public inspection prior to ~~a~~ any public hearing on the redesignation of the area as Class III.
6. The redesignation is submitted to the Administrator as a revision to the SIP.

~~**G**~~**H.** A redesignation shall not be effective until approved by the Administrator as part of an applicable implementation plan. If the Administrator disapproves the redesignation, the classification of the area shall be that which was in effect before the disapproved redesignation.

~~**H**~~**I.** Lands within the exterior boundaries of Indian reservations may be redesignated only by the appropriate Indian governing body.

R18-2-218. Limitation of Pollutants in Classified Attainment Areas

A. Areas designated as Class I, II, or III shall be limited to the following increases in air pollutant concentrations occurring over the baseline concentration; provided that for any period other than an annual period, the applicable maximum allowable increase may be exceeded once per year at any one location:

CLASS I	
Maximum Allowable Increase (Micrograms per cubic meter)	
Particulate matter: $PM_{2.5}$	
Annual arithmetic mean	1
24-hr maximum	2
Particulate matter: PM_{10}	
Annual arithmetic mean	4
24-hour maximum	8
Sulfur dioxide:	
Annual arithmetic mean	2
24-hour maximum	5
3-hour maximum	25
Nitrogen dioxide:	
Annual arithmetic mean	2.5

CLASS II	
Particulate matter: $PM_{2.5}$	
Annual arithmetic mean	4
24-hr maximum	9
Particulate matter: PM_{10}	
Annual arithmetic mean	17
24-hour maximum	30
Sulfur dioxide:	
Annual arithmetic mean	20
24-hour maximum	91
3-hour maximum	512
Nitrogen dioxide:	
Annual arithmetic mean	25

CLASS III	
Particulate matter: $PM_{2.5}$	
Annual arithmetic mean	8
24-hr maximum	18
Particulate matter: PM_{10}	
Annual arithmetic mean	34
24-hour maximum	60
Sulfur dioxide:	
Annual arithmetic mean	40
24-hour maximum	182
3-hour maximum	700
Nitrogen dioxide:	
Annual arithmetic mean	50

B. The baseline concentration ~~shall be~~ is that ambient concentration level which exists in the baseline area at the time of the applicable minor source baseline data.

1. The major source baseline date is:
   a. January 6, 1975, for sulfur dioxide and PM_{10}.
   b. February 8, 1988, for nitrogen dioxide.

c. October 20, 2010, for $PM_{2.5}$.

2. The minor source baseline date shall be the earliest date after the trigger date on which a major source as defined in R18-2-401 or major modification subject to 40 CFR 52.21 or R18-2-406 submits a complete application under the relevant regulations.
   a. The trigger date is:
      ~~a~~i. August 7, 1977, for PM_{10} and sulfur dioxide.
      ~~b~~ii. February 8, 1988, for nitrogen dioxide.
      ~~c~~iii. October 20, 2011, for $PM_{2.5}$.
   b. Any minor source baseline date established originally for total suspended particulates shall remain in effect and shall apply for purposes of determining the amount of available PM-10 increments, except that the Department may rescind any such minor source baseline date where it can be shown, to the satisfaction of the Department, that the emissions increase from the major source, or the net emissions increase from the major modification, responsible for triggering that date did not result in a significant amount of PM-10 emissions.
3. A baseline concentration shall be determined for each pollutant for which there is a minor source baseline date and shall include both:
   a. The actual emissions representative of sources in existence on the minor source baseline date, except as provided in subsection (B)(4); and
   b. The allowable emissions of major sources as defined in R18-2-401 which commenced construction before the major source baseline date but were not in operation by the applicable minor source baseline date.
4. The following shall not be included in the baseline concentration and shall affect the applicable maximum allowable increase:
   a. Actual emissions from any major source as defined in R18-2-401 on which construction commenced after the major source baseline date; and
   b. Actual emissions increases and decreases at any stationary source occurring after the minor source baseline date.

C. The baseline date shall be established for each pollutant for which maximum allowable increases or other equivalent measures have been established if both:
1. The area in which the proposed source or modification would construct is designated as attainment or unclassifiable under section 107(d)(1)(A)(ii) or (iii) of the Act for the pollutant on the date of its complete application under 40 CFR 52.21 or R18-2-406; and
2. In the case of a major source as defined in R18-2-401, the pollutant would be emitted in significant amounts, or in the case of a major modification, there would be a significant net emissions increase of the pollutant.

D. The baseline area shall be the AQCR that contains the area, designated as attainment or unclassifiable under section 107(d)(1)(A)(ii) or (iii) of the Act, in which the major source as defined in R18-2-401 or major modification establishing the minor source baseline date would construct or would have an air quality impact for the pollutant for which the minor source baseline date is established, as follows: greater than or equal to 1 microgram per cubic meter (annual average) for sulfur dioxide, nitrogen dioxide or PM_{10}; or greater than or equal to 0.3 microgram per cubic meter (annual average) for $PM_{2.5}$.
1. Area redesignations under ~~R18-2-217~~ section 107(d)(1)(A)(ii) or (iii) of the Act that would redesignate a baseline area may not intersect or be smaller than the area of impact of any new major source as defined in R18-2-401 or a major modification which either:
   ~~1~~a. Establishes a minor source baseline date, or
   ~~2~~b. Is subject to either 40 CFR 52.21 or R18-2-406 and would be constructed in Arizona.
2. Any baseline area established originally for total suspended particulates shall remain in effect and shall apply for purposes of determining the amount of available PM–10 increments, except that such baseline area shall not remain in effect if the Department rescinds the corresponding minor source baseline date in accordance with subsection (B)(2)(b).

E. The maximum allowable concentration of any air pollutant in any area to which subsection (A) applies shall not exceed a concentration for each pollutant equal to the concentration permitted under the national ambient air quality standards ~~contained in this Article~~.

F. For purposes of determining compliance with the maximum allowable increases in ambient concentrations of an air pollutant, the following concentrations of such pollutant shall not be taken into account:
1. Concentration of such pollutant attributable to the increase in emissions from major and stationary sources which have converted from the use of petroleum products, or natural gas, or both, by reason of a natural gas curtailment order which is in effect under the provisions of sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, over the emissions from such sources before the effective date of such order;
2. The concentration of such pollutant attributable to the increase in emissions from major and stationary sources which have converted from using gas by reason of a natural gas curtailment plan in effect pursuant to the Federal Power Act, 16 U.S.C. 792 - 825r, over the emissions from such sources before the effective date of the natural gas curtailment plan;
3. Concentrations of PM_{10} or $PM_{2.5}$ attributable to the increase in emissions from construction or other temporary emission related activities of a new or modified source;
4. The increase in concentrations attributable to new sources outside the United States over the concentrations attributable to existing sources which are included in the baseline concentration; and
5. Concentrations attributable to the temporary increase in emissions of sulfur dioxide, nitrogen oxides, $PM_{2.5}$, or PM_{10} from major sources as defined in R18-2-401 when the following conditions are met:
   a. The ~~operating permit~~ permits issued to such sources ~~specifies~~ specify the time period during which the temporary emissions increase of sulfur dioxide, nitrogen oxides, $PM_{2.5}$ or PM_{10} would occur. Such time period shall not be renewable and shall not exceed two years ~~unless a longer period is specifically approved by the Director~~.
   b. ~~No emissions increase shall be approved which would either~~ The temporary emissions increase will not:
      i. Impact any ~~portion of any~~ Class I area or any ~~portion of any other~~ area where ~~an applicable incremental ambient standard~~ a maximum increase allowed by subsection (A) is known to be violated ~~in that portion~~; or
      ii. Cause or contribute to the violation of a ~~state~~ national ambient air quality standard.

c. The operating permit issued to such sources specifies that, at the end of the time period described in subsection (F)(5)(a), the emissions levels from the sources would not exceed the levels occurring before the temporary emissions increase was approved.

6. The exception granted by subsections (F)(1) and (2) with respect to ~~increment consumption under subsections (F)(1) and (2)~~ maximum increases allowed under subsection (A) shall not apply more than five years after the effective date of the order or natural gas curtailment plan on which the exception is based.

G. If the Director or the Administrator determines that the SIP is substantially inadequate to prevent significant deterioration or that an applicable maximum allowable increase as specified in subsection (A) is being violated, the SIP shall be revised to correct the inadequacy or the violation. The SIP shall be revised within 60 days of such a finding by the Director or within 60 days following notification by the Administrator, or by such later date as prescribed by the Administrator after consultation with the Director.

H. The Director shall review the adequacy of the SIP on a periodic basis and within 60 days of such time as information becomes available that an applicable maximum allowable increase is being violated.

ARTICLE 3. PERMITS AND PERMIT REVISIONS

R18-2-301. Definitions

The following definitions apply to this Article:

1. "Alternative method" means any method of sampling and analyzing for an air pollutant which is not a reference or equivalent method but which has been demonstrated to produce results adequate for the Director's determination of compliance in accordance with R18-2-311(D).
2. "Billable permit action" means the issuance or denial of a new permit, significant permit revision, or minor permit revision, or the renewal of an existing permit.
3. "Capacity factor" means the ratio of the average load on a machine or equipment for the period of time considered to the capacity rating of the machine or equipment.
4. "CEM" means a continuous emission monitoring system as defined in R18-2-101.
5. "Complete" means, in reference to an application for a permit, permit revision or registration, that the application contains all the information necessary for processing the application. Designating an application complete for purposes of a permit, permit revisions or registration processing does not preclude the Director from requesting or accepting any additional information.
6. "Dispersion technique" means any technique which attempts to affect the concentration of a pollutant in the ambient air by any of the following:
   a. Using that portion of a stack which exceeds good engineering practice stack height;
   b. Varying the rate of emission of a pollutant according to atmospheric conditions or ambient concentrations of that pollutant; or
   c. Increasing final exhaust gas plume rise by manipulating source process parameters, exhaust gas parameters, stack parameters, or combining exhaust gases from several existing stacks into one stack; or other selective handling of exhaust gas streams so as to increase the exhaust gas plume rise. This shall not include any of the following:
      i. The reheating of a gas stream, following use of a pollution control system, for the purpose of returning the gas to the temperature at which it was originally discharged from the facility generating the gas stream.
      ii. The merging of exhaust gas streams under any of the following conditions:
         (1) The source owner or operator demonstrates that the facility was originally designed and constructed with such merged gas streams;
         (2) After July 8, 1985, such merging is part of a change in operation at the facility that includes the installation of pollution controls and is accompanied by a net reduction in the allowable emissions of a pollutant, applying only to the emission limitation for that pollutant; or
         (3) Before July 8, 1985, such merging was part of a change in operation at the facility that included the installation of emissions control equipment or was carried out for sound economic or engineering reasons. Where there was an increase in the emission limitation or, in the event that no emission limitation was in existence prior to the merging, an increase in the quantity of pollutants actually emitted prior to the merging, the reviewing agency shall presume that merging was significantly motivated by an intent to gain emissions credit for greater dispersion. Absent a demonstration by the source owner or operator that merging was not significantly motivated by such intent, the reviewing agency shall deny credit for the effects of such merging in calculating the allowable emissions for the source.
      iii. Smoke management in agricultural or silvicultural prescribed burning programs.
      iv. Episodic restrictions on residential woodburning and open burning.
      v. Techniques which increase final exhaust gas plume rise where the resulting allowable emissions of sulfur dioxide from the facility do not exceed 5,000 tons per year.
7. "Emissions allowable under the permit" means a permit term or condition determined at issuance to be required by an applicable requirement that establishes an emissions limit (including a work practice standard) or an emissions cap that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject.
8. "Fossil fuel-fired steam generator" means a furnace or boiler used in the process of burning fossil fuel for the primary purpose of producing steam by heat transfer.
9. "Fuel oil" means Number 2 through Number 6 fuel oils as specified in ASTM D-396-90a (Specification for Fuel Oils), gas turbine fuel oils Numbers 2-GT through 4-GT as specified in ASTM D-2880-90a (Specification for Gas Turbine Fuel Oils), or diesel fuel oils Numbers 2-D and 4-D as specified in ASTM D-975-90a (Specification for Diesel Fuel Oils).
10. "Itemized bill" means a breakdown of the permit processing time into the categories of pre-application activities, completeness review, substantive review, and public involvement activities, and within each category, a further breakdown by employee name.
11. "Major source threshold" means the lowest applicable emissions rate for a pollutant that would cause the source to be a major source at the particular time and location, under the definition of major source in R18-2-101.

12. "Maximum capacity to emit" means the maximum amount a source is capable of emitting under its physical and operational design without taking any limitations on operations or air pollution controls into account.
13. "Maximum capacity to emit with any elective limits" means the maximum amount a source is capable of emitting under its physical and operational design taking into account the effect on emissions of any elective limits included in the source's registration under R18-2-302.01(F).

~~12~~14."Minor NSR Modification" means any of the following changes that do not qualify as a major source or major modification:

a. Any physical change in or change in the method of operation of an emission unit or a stationary source that either:
   i. Increases the potential to emit of a regulated minor NSR pollutant by an amount greater than or equal to the permitting exemption thresholds, or
   ii. Results in emissions of a regulated minor NSR pollutant not previously emitted by such emission unit or stationary source in an amount greater than or equal to the permitting exemption thresholds.
b. Construction of one or more new emissions units that have the potential to emit regulated minor NSR pollutants at an amount greater than or equal to the permitting exemption threshold.
c. A change covered by subsection (12)(a) or (b) of this Section constitutes a minor NSR modification regardless of whether there will be a net decrease in total source emissions or a net increase in total source emissions that is less than the permitting exemption threshold as a result of decreases in the potential to emit of other emission units at the same stationary source.
d. For the purposes of this subsection (the) following do not constitute a physical change or change in the method of operation:
   i. A change consisting solely of the construction of, or changes to, a combination of emissions units qualifying as a categorically exempt activity.
   ii. For a stationary source that is required to obtain a Class II permit under R18-2-302 and that is subject to source-wide emissions caps under R18-2-306.01 or R18-2-306.02, a change that will not result in the violation of the existing emissions cap for that regulated minor NSR pollutant.
   iii. Replacement of an emission unit by a unit with a potential to emit regulated minor NSR pollutants that is less than or equal to the potential to emit of the existing unit, provided the replacement does not cause an increase in emissions at other emission units at the stationary source. A unit installed under this provision is subject to any limits applicable to the unit it replaced.
   iv. Routine maintenance, repair, and replacement.
   v. Use of an alternative fuel or raw material by reason of an order under Sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, or by reason of a natural gas curtailment plan under the Federal Power Act, 16 U.S.C. 792 to 825r.
   vi. Use of an alternative fuel by reason of an order or rule under Section 125 of the Act.
   vii. Use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste.
   viii. Use of an alternative fuel or raw material by a stationary source that either:
      (1) The source was capable of accommodating before December 12, 1976, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter; or
      (2) The source is approved to use under any permit issued under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
   ix. An increase in the hours of operation or in the production rate, unless the change would be prohibited under any federally enforceable permit condition established after December 12, 1976, under 40 CFR 52.21, or under Articles 3 or 4 of this Chapter.
   x. Any change in ownership at a stationary source
   xi. The installation, operation, cessation, or removal of a temporary clean coal technology demonstration project, if the project complies with:
      (1) The SIP, and
      (2) Other requirements necessary to attain and maintain the national ambient air quality standards during the project and after it is terminated.
   xii. For electric utility steam generating units located in attainment and unclassifiable areas only, the installation or operation of a permanent clean coal technology demonstration project that constitutes repowering, if the project does not result in an increase in the potential to emit any regulated pollutant emitted by the unit. This exemption applies on a pollutant-by-pollutant basis.
   xiii. For electric utility steam generating units located in attainment and unclassifiable areas only, the reactivation of a very clean coal-fired electric utility steam generating unit.
e. For purposes of this subsection:
   i. "Potential to emit" means the lower of a source's or emission unit's potential to emit or its allowable emissions.
   ii. In determining potential to emit, the fugitive emissions of a stationary source shall not be considered unless the source belongs to a section 302(j) category.
   iii. All of the roadways located at a stationary source constitute a single emissions unit.

~~13~~15."NAICS" means the five- or six-digit North American Industry Classification System-United States, 1997, number for industries used by the U.S. Department of Commerce.

~~14~~16."Permit processing time" means all time spent by Air Quality Division staff or consultants on tasks specifically related to the processing of an application for the issuance or renewal of a particular permit or permit revision, including time spent processing an application that is denied.

~~15~~17."Quantifiable" means, with respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and assessed in terms of character. Quantification may be based on emission factors, stack tests, monitored values, operating rates and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices.

~~16~~18."Registration" means a registration under R18-2-302.01.

~~17~~19."Replicable" means, with respect to methods or procedures, sufficiently unambiguous that the same or equivalent results would be obtained by the application of the method or procedure by different users.

~~18~~20."Responsible official" means one of the following:

a. For a corporation: a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either:
   i. The facilities employ more than 250 persons or have gross annual sales or expenditures exceeding $25 million (in second quarter 1980 dollars); or
   ii. The delegation of authority to such representatives is approved in advance by the permitting authority;
b. For a partnership or sole proprietorship: a general partner or the proprietor, respectively;
c. For a municipality, state, federal, or other public agency: Either a principal executive officer or ranking elected official. For the purposes of this Article, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a Regional Administrator of EPA); or
d. For affected sources:
   i. The designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the Act or the regulations promulgated thereunder are concerned; and
   ii. The designated representative for any other purposes under 40 CFR 70.

21. "Screening model" means air dispersion modeling performed with screening techniques in accordance with 40 CFR 51 Appendix W.

~~19~~22."Small source" means a source with a potential to emit, without controls, less than the rate defined as permitting exemption thresholds in R18-2-101, but required to obtain a permit solely because it is subject to a standard under 40 CFR 63.

~~20~~23."Startup" means the setting in operation of a source for any purpose.

~~21~~24."Synthetic minor" means a source with a permit that contains voluntarily accepted emissions limitations, controls, or other requirements (for example, a cap on production rates or hours of operation, or limits on the type of fuel) under R18-2-306.01 to reduce the potential to emit to a level below the major source threshold.

~~22. "Uncontrolled potential to emit" means the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design only if the limitation or the effect it would have on emissions is subject to an elective limit under R18-2-302.01(F).~~

R18-2-302. Applicability; Registration; Classes of Permits

A. Except as otherwise provided in this Article, no person shall begin actual construction of, operate, or make a modification to any stationary source subject to regulation under this Article, without obtaining a registration, permit or permit revision from the Director.

B. Class I and II permits and registrations shall be required as follows:

1. A Class I permit shall be required for a person to begin actual construction of or operate any of the following:
   a. Any major source,
   b. Any solid waste incineration unit required to obtain a permit pursuant to Section 129(e) of the Act,
   c. Any affected source, or
   d. Any stationary source in a source category designated by the Administrator pursuant to 40 CFR 70.3 and adopted by the Director by rule.
2. Unless a Class I permit is required, a Class II permit shall be required for:
   a. A person to begin actual construction of or operate any stationary source that emits, or has the ~~uncontrolled potential to emit, significant quantities of regulated NSR pollutants;~~ maximum capacity to emit with any elective limits, any regulated NSR pollutant in an amount greater than or equal to the significant level.
   b. A person to make a physical or operational change to a stationary source that would cause the source to emit, or have the ~~uncontrolled potential to emit significant quantities of regulated NSR pollutants~~ maximum capacity to emit with any elective limits, any regulated NSR pollutant in an amount greater than or equal to the significant level.
   ~~c. A person to begin actual construction of a source subject to Article 17 of this Chapter.~~
   ~~d. A person to make a modification subject to Article 17 of this Chapter to a source for which a permit has not been issued under this Article.~~
   ~~e~~c. A person to begin actual construction of or modify a stationary source that otherwise would be subject to registration but that the Director has determined requires a permit under ~~R18-2-302.01(B)(3)(b)~~ R18-2-302.01(C)(4) or (D).
3. ~~Until the effective date of the Administrator's approval of the registration program in R18-2-302.01 into the state implementation plan, unless a Class I permit is required, a Class II permit shall be required for any of the activities that would require a registration under subsections (B)(4)(b) and (c).~~

~~4~~3. ~~After the effective date of the Administrator's approval of R18-2-302.01 into the state implementation plan, unless~~ Unless a Class I or II permit is required, registration shall be required for:

a. A person to begin actual construction of or operate any stationary source that emits or has the maximum capacity to emit ~~under its physical and operational design, without taking any limitations on operations or air pollution controls into account,~~ any regulated minor NSR pollutant in an amount greater than or equal to a permitting exemption threshold.
b. A person to begin actual construction of or operate any stationary source subject to a standard under section 111 of the Act, except that a stationary source is not required to register solely because it is subject to any of the following standards:
   i. 40 CFR 60, Subpart AAA (Residential Wood Heaters).
   ii. 40 CFR 60, Subpart IIII (Stationary Compression Ignition Internal Combustion Engines).
   iii. 40 CFR 60, Subpart JJJJ (Stationary Spark Ignition Internal Combustion Engines).
   iv. 40 CFR 60, Subpart QQQQ (Residential Hydronic Heaters and Forced-Air Furnaces).
c. A person to begin actual construction of or operate any stationary source, including an area source, subject to a standard under section 112 of the Act, except that a stationary source is not required to register solely because it is subject to any of the following standards:
   i. 40 CFR 61.145.
   ii. 40 CFR 63, Subpart ZZZZ (Reciprocating Internal Combustion Engines).
   iii. 40 CFR 63, Subpart WWWWW (Ethylene Oxide Sterilizers).
   iv. 40 CFR 63, Subpart CCCCCC (Gasoline Distribution).
   v. 40 CFR 63, Subpart HHHHHH (Paint Stripping and Miscellaneous Surface Coating Operations).
   vi. 40 CFR 63, Subpart JJJJJJ (Industrial, Commercial, and Institutional Boilers Area Sources), published at 76 FR 15554 (March 21, 2011).
   vii. A regulation or requirement under section 112(r) of the Act.
d. A physical or operational change to a source that would cause the source to emit or have the maximum capacity to emit ~~under its physical and operational design, without taking any limitations on operations or air pollution control into account,~~ any regulated minor NSR pollutant ~~in excess of a~~ in an amount greater than or equal to the permitting exemption threshold.

C. Notwithstanding subsections (A) and (B), the following stationary sources do not require a permit or registration unless the source is a major source, or unless operation without a permit would result in a violation of the Act:
1. A stationary source that consists solely of a single categorically exempt activity plus any combination of trivial activities.
2. Agricultural equipment used in normal farm operations. "Agricultural equipment used in normal farm operations" does not include equipment classified as a source that requires a permit under Title V of the Act, or that is subject to a standard under 40 CFR 60, 61 or 63.

D. No person may construct or reconstruct any major source of hazardous air pollutants, unless the Director determines that maximum achievable control technology emission limitation (MACT) for new sources under Section 112 of the Act will be met. If MACT has not been established by the Administrator, such determination shall be made on a case-by-case basis pursuant to 40 CFR 63.40 through 63.44, as incorporated by reference in R18-2-1101(B). For purposes of this subsection, constructing and reconstructing a major source shall have the meaning prescribed in 40 CFR 63.41.

E. Elective limits or controls adopted under R18-2-302.01(F) shall not be considered in determining whether a source requires registration or a Class I permit but shall be considered in determining any of the following:
1. Whether the registration is subject to the public participation requirements of R18-2-330, as provided in ~~R18-2-302.01(B)(3)(a)~~ R18-2-302.01(B)(3).
2. Whether review for possible interference with attainment or maintenance of ambient standards is required under R18-2-302.01(C).
3. Whether the source requires a Class II permit, as provided in subsection (B)(2)(a) or (b).

F. The fugitive emissions of a stationary source shall not be considered in determining whether the source requires a Class II permit under subsection (B)(2)(a) or (b) or a registration under subsection ~~(B)(4)(a) or (c)~~ (B)(3)(a) or (d), unless the source belongs to a section 302(j) category. If a permit is required for a stationary source, the fugitive emissions of the source shall be subject to all of the requirements of this Article.

G. Notwithstanding subsections (A) and (B) of this Section, a person may begin actual construction, but not operation, of a source requiring a Class I permit or Class I permit revision upon the Director's issuance of the proposed final permit or proposed final permit revision.

R18-2-302.01. Source Registration Requirements

A. Application. An application for registration shall be submitted on the form specified by the Director and shall include the following information:
1. The name of the applicant.
2. The physical location of the source, including the street address, city, county, zip code and latitude and longitude coordinates.
3. The source's ~~uncontrolled potential to emit~~ maximum capacity to emit with any elective limits each regulated minor NSR pollutant ~~calculated in accordance with R18-2-327(C)~~.
4. Identification of any elective limits or controls adopted under subsection (F).
5. In the case of a modification, each increase in the source's ~~potential to emit~~ maximum capacity to emit with any elective limits that exceeds the applicable threshold in subsection (G)(1)(a).
6. Identification of the method used to determine the ~~potential to emit or change in potential to emit specified under R18-2-302(B)(4)(a) or (d) or~~ maximum capacity to emit under R18-2-302(B)(3)(a), a change in the maximum capacity to emit under R18-2-302(B)(3)(d), or the maximum capacity to emit with any elective limits under subsection (G)(1)(a) of this Section.
7. Process information for the source, including a list of emission units, design capacity, operations schedule, and identification of emissions control devices.

B. Registration Processing Procedures.
1. The Department shall complete a review of a registration application for administrative completeness within 30 calendar days, calculated in accordance with A.A.C. R18-1-503, after its receipt.

2. The Department shall complete a substantive review and take final action on a registration application within 60 calendar days if no hearing is requested, and 90 calendar days if a hearing is requested, calculated in accordance with A.A.C. R18-1-504, after the application is administratively complete.
3. ~~Public Participation.~~
   ~~a.~~ Except as provided in subsection ~~(B)(3)(b)~~ (B)(5), a registration for construction of a source shall be subject to the public notice and participation requirements of R18-2-330. The materials relevant to the registration decision made available to the public under ~~R18-2-330(D)(11)~~ R18-2-330(D) shall include any determination made or modeling conducted by the Director under subsection (C).
4. The Department shall also send a copy of the notice required by subsection (B)(3) to the administrator through the appropriate regional office, and to all other state and local air pollution control agencies having jurisdiction in the region in which the source subject to the registration will be located. The notice shall also be sent to any other agency in the region having responsibility for implementing the procedures required under 40 CFR 51, I.

~~b~~5. A registration for construction of a source shall not be subject to ~~the public notice and participation requirements of R18-2-330~~ subsection (B)(3) or (4), if the source's ~~uncontrolled potential to emit~~ maximum capacity to emit with any elective limits each regulated minor NSR pollutant is less than the applicable permitting exemption threshold.

C. Review for ~~NAAQS~~ National Ambient Air Quality Standards Compliance; Requirement to Obtain a Permit.

1. The Director shall review each application for registration of a source with the ~~uncontrolled potential to emit~~ maximum capacity to emit with any elective limits any regulated minor NSR pollutant in an amount equal to or greater than the permitting exemption threshold. The purpose of the review shall be to determine whether the new or modified source may interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard in Arizona or any affected state or Indian reservation. In making the determination required by this subsection, the Director shall take into account the following factors:
   a. The source's emission rates, including fugitive emission rates, taking into account any elective limits or controls adopted under subsection (F).
   b. The location of emission units within the facility and their proximity to the ambient air.
   c. The terrain in which the source is or will be located.
   d. The source type.
   e. The location and emissions of nearby sources.
   f. Background concentrations of regulated minor NSR pollutants.
2. The Director may undertake the review specified in subsection (C)(1) for a source with the ~~uncontrolled potential to emit~~ maximum capacity to emit with any elective limits regulated minor NSR pollutants in an amount less than the permitting exemption threshold.
3. If the Director determines under subsection (C)(1) or (C)(2) that a source's emissions may interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard, the Director shall perform a ~~SCREEN~~ screening model run for each regulated minor NSR pollutant for which that determination has been made.
4. If the Director determines, based on performance of the ~~SCREEN~~ screening model pursuant to subsection (C)(3), that a source's emissions, taking into account any elective limits or controls adopted under subsection (F), will interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard, the Director shall deny the application for registration. Notwithstanding ~~R18-2-302(B)(4)~~ R18-2-302(B)(3), the owner or operator of the source shall be required to obtain a permit under R18-2-302 and shall comply with R18-2-334 before beginning actual construction of the source or modification.

D. Requirement to Obtain a Permit. Notwithstanding ~~R18-2-302(B)(4)(b)~~ R18-2-302(B)(3)(b) and (c), the Director shall deny an application for registration for a source subject to a standard under section 111 or 112 of the Act and require the owner or operator to obtain a permit under R18-2-302, if the Director determines based on the following factors that the requirement to obtain a permit is warranted:

1. The size and complexity of the source.
2. The complexity of the section 111 or 112 standard applicable to the source.
3. The public health or environmental risks posed by the pollutants subject to regulation under the section 111 or 112 standard.

E. Registration Contents. A registration shall contain the following elements:

1. ~~Identification of each emission unit subject to an applicable requirement and all applicable requirements that apply to the unit, including~~ Enforceable emission limitations and standards, including operational requirements and limitations, that ensure compliance with all applicable SIP requirements at the time of issuance and any testing, monitoring, recordkeeping and reporting obligations imposed by the applicable requirement or by R18-2-312.
2. Any elective limits or controls and associated operating, maintenance, monitoring and recordkeeping requirements adopted pursuant to subsection (F).
3. A requirement to retain any records required by the registration at the source for at least three years in a form that is suitable for expeditious inspection and review.
4. For any source that has adopted elective limits or controls under subsection (F), a requirement to submit an annual compliance report on the form provided by the Director in the registration.

F. Elective Limits or Controls. The owner or operator of a source requiring registration may elect to include any of the following emission limitations in the registration, provided the Department approves the limitation and the registration also includes the operating, maintenance, monitoring, and recordkeeping requirements specified below for the limitation.

1. A limitation on the hours of operation of any process or combination of processes.
   a. The registration shall express the limitation in terms of hours per rolling 12-month period and shall specify the process or combination of processes subject to the limitation.

b. The owner or operator shall maintain a log or readily available business records showing actual operating hours through the preceding operating day for the process or processes subject to the limitation.

2. A limitation on the production rate for any process or combination of processes.
   a. The registration shall express the limitation in terms of an appropriate unit of mass or production per rolling 12-month period and shall specify the process or combination of processes subject to the limitation.
   b. The owner or operator shall maintain a log or readily available business records showing the actual production rate through the preceding operating day for the process or processes subject to the limitation. The owner or operator shall update the log or business records at least once per operating day.
3. A requirement to operate a fabric filter for the control of particulate matter emissions.
   a. The owner or operator shall operate the fabric filter at all times that the emission unit controlled by the fabric filter is operated.
   b. The owner or operator shall inspect the fabric filter at least once per month for tears and leaks and shall promptly repair any tears or leaks identified. If the fabric filter is subject to a limit on the opacity of emissions, the inspection shall include an opacity observation in accordance with the applicable reference method.
   c. The owner or operator shall operate and maintain the fabric filter in substantial compliance with the manufacturer's operation and maintenance recommendations.
   d. The owner or operator shall keep a log or readily available business records of the inspections required by subsection (F)(3)(b) and the maintenance activities required by subsection (F)(3)(c). The owner or operator shall update the log or business records within 24 hours after an inspection or maintenance activity is performed.
   e. The registration shall identify the fabric filters and processes subject to this requirement.
4. Limitations on the ~~concentration~~ total amount of VOC or hazardous air pollutants in solvents, coatings or other process materials used at the registered source.
   a. The registration shall identify the pollutants and processes covered by the limitations and shall express the limitations in terms of pounds per rolling 12-month period.
   b. The owner or operator shall maintain a log or readily available business records showing the concentration of each covered VOC or hazardous air pollutant ~~concentration~~ in each VOC or hazardous air pollutant containing material used at the source ~~subject to such a limitation and the amounts of each material used during the current calendar year~~. The owner or operator shall update the records whenever the concentration in any material changes or a new material is used. The presence at the source of a current material safety data sheet for a material used without dilution or other alteration satisfies this requirement.
   c. The owner or operator shall maintain a spreadsheet or database to record the amount of each material containing a covered VOC or hazardous air pollutant used. The spreadsheet or database shall calculate the total pounds of the VOC or hazardous air pollutant used by multiplying the concentration of VOC or hazardous air pollutant in a material by the amount of material used and shall employ appropriate units of measurement and conversion factors. The owner or operator shall update the spreadsheet or database at least once per operating day.

G. Revised Registrations.
1. Unless a Class II permit is required under R18-2-302(B)(2)(b), the owner or operator of a registered source shall file a revised registration on the occurrence of any of the following:
   a. A modification to the source that would result in an increase in the source's ~~uncontrolled potential to emit~~ maximum capacity to emit with any elective limits exceeding any of the following amounts:
      i. 2.5 tons per year for NO_x, SO_2, PM_{10}, $PM_{2.5}$, VOC or CO.
      ii. 0.3 tons per year for lead.
   b. Relocation of a portable source.
   c. The transfer of the source to a new owner.
2. The requirements of subsection (B) shall not apply to a revised registration. The owner or operator may begin actual construction and operation of the modified, relocated or transferred source on filing the revised registration.

H. Registration Term.
1. A source's registration shall expire five years after the date of issuance of the last registration for the source or any modification to the source.
2. A source shall submit an application for renewal of a registration not later than six months before expiration of the registration's term.
3. If a source submits a timely and complete application for renewal of a registration, the source's authorization to operate under its existing registration shall continue until the Director takes final action on the application.
4. The Director may terminate a registration under R18-2-321(C). If the Director terminates a registration under R18-2-321(C)(3), the owner or operator shall be required to apply for a permit for the source under R18-2-302.

I. ~~Delayed Effective Date. This Section shall take effect on the effective date of the Administrator's action approving it as part of the state implementation plan.~~ Issuance of a registration shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

R18-2-303. Transition from Installation and Operating Permit Program to Unitary Permit Program; Registration Transition; Minor NSR Transition

A. An installation or operating permit issued before September 1, 1993, and the authority to operate, as provided in Laws 1992, Ch. 299, § 65, continues in effect until the installation or operating permit is terminated, or until the Director issues or denies a Class I or Class II permit to the source, whichever is earlier.

B. The terms and conditions of installation permits issued before September 1, 1993, or in permits or permit revisions issued under R18-2-302 and authorizing the construction or modification of a stationary source, remain federal applicable requirements unless modified or revoked by the Director.

C. All sources in existence on September 1, 2012, requiring a registration shall provide notice to the Director by no later than December 1, 2012, on a form provided by the Director.

D. All sources requiring a registration that are in existence on the date R18-2-302.01 becomes effective under R18-2-302.01(I) may submit applications for registration at any time after R18-2-302.01 is effective and shall submit an application no later than 180 days after receipt of written notice from the Director that an application is required. ~~Applications to register the construction or modification of a source must be submitted, and the registration must be issued, before the applicant begins actual construction of the source or modification.~~

E. Sources in existence on ~~the date R18-2-334 becomes effective under R18-2-334(I)~~ December 2, 2015 are not subject to R18-2-334, unless the source undertakes a minor NSR modification after that date. Notwithstanding any other provision of this Chapter, R18-2-334 shall apply only to applications for permits or permit revisions filed after ~~the date R18-2-334 takes effect under R18-2-334(I)~~ December 2, 2015.

R18-2-304. Permit Application Processing Procedures

A. Unless otherwise noted, this Section applies to each source requiring a Class I or II permit or permit revision.

B. Standard Application Form and Required Information. To apply for ~~any~~ a permit ~~in~~ required by this Chapter, applicants shall complete the applicable ~~"Standard Permit Application Form"~~ standard application form provided by the Director and supply all information required by the ~~"Filing Instructions" as shown in Appendix 1.~~ form's filing instructions. The application forms and filing instructions for Class I Permits shall at a minimum require submission of the following elements:

1. Identifying information, including company name and address (or plant name and address if different from the company name), owner's name and agent, and telephone number and names of plant site manager/contact.
2. A description of the source's processes and products (by Standard Industrial Classification (SIC) Code), including those associated with any proposed alternative operating scenarios (AOS) identified by the source.
3. The following emission-related information:
   a. All emissions of pollutants for which the source is major, and all emissions of regulated air pollutants. A permit application shall describe all emissions of regulated air pollutants emitted from any emissions unit, except as otherwise provided in R18-2-304(F)(8). The Director shall require additional information related to the emissions of air pollutants sufficient to verify which requirements are applicable to the source, and other information necessary to collect any permit fees owed under R18-2-326.
   b. Identification and description of all points of emissions described in subsection (B)(3)(a) of this section in sufficient detail to establish the basis for fees and applicability of requirements.
   c. Emissions rate in tons per year (tpy) and in such terms as are necessary to establish compliance consistent with the applicable standard reference test method. For emissions units subject to an annual emissions cap, tpy can be reported as part of the aggregate emissions associated with the cap, except where more specific information is needed, including where necessary to determine and/or assure compliance with an applicable requirement.
   d. The following information to the extent it is needed to determine or regulate emissions: fuels, fuel use, raw materials, production rates, and operating schedules.
   e. Identification and description of air pollution control equipment and compliance monitoring devices or activities.
   f. Limitations on source operation affecting emissions or any work practice standards, where applicable, for all regulated pollutants at the Class I source.
   g. Other information required by any applicable requirement (including information related to stack height limitations in R18-2-332).
   h. Calculations on which the information in subsections (B)(3)(a) through (g) of this section is based.
4. The following air pollution control requirements:
   a. Citation and description of all applicable requirements, and
   b. Description of or reference to any applicable test method for determining compliance with each applicable requirement.
5. Other specific information that may be necessary to implement and enforce other applicable requirements or to determine the applicability of such requirements.
6. An explanation of any proposed exemptions from otherwise applicable requirements.
7. Additional information as determined to be necessary by the Director to define proposed AOS identified by the source pursuant to R18-2-306(A)(11) or to define permit terms and conditions implementing any AOS under R18-2-306(A)(11) or implementing R18-2-317, R18-2-306(A)(12), R18-2-306(A)(14), or R18-2-306.02. The permit application shall include documentation demonstrating that the source has obtained all authorizations required under the applicable requirements relevant to any proposed AOS, or a certification that the source has submitted all relevant materials to the Director for obtaining such authorizations.
8. A compliance plan for all Class I sources that contains all of the following:
   a. A description of the compliance status of the source with respect to all applicable requirements.
   b. A description as follows:
      i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.
      ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis.
      iii. For requirements for which the source is not in compliance at the time of permit issuance, a narrative description of how the source will achieve compliance with such requirements.
      iv. For applicable requirements associated with a proposed AOS, a statement that the source will meet such requirements upon implementation of the AOS. If a proposed AOS would implicate an applicable requirement that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis.
   c. A compliance schedule as follows:

i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.

ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet, in a timely manner, applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.

iii. A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it is based.

iv. For applicable requirements associated with a proposed AOS, a statement that the source will meet such requirements upon implementation of the AOS. If a proposed AOS would implicate an applicable requirement that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet, in a timely manner, applicable requirements that become effective during the permit term will satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.

d. A schedule for submission of certified progress reports no less frequently than every 6 months for sources required to have a schedule of compliance to remedy a violation.

e. The compliance plan content requirements specified in subsection (B)(8) shall apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under title IV of the Act with regard to the schedule and methods the source will use to achieve compliance with the acid rain emissions limitations.

9. Requirements for compliance certification, including the following:

a. A certification of compliance with all applicable requirements by a responsible official, which shall include:

i. Identification of the applicable requirement that is the basis of the certification;

ii. The method used for determining the compliance status of the source, including a description of monitoring, recordkeeping, and reporting requirements and test methods;

iii. The compliance status; and

iv. Such other facts as the Director may require;

b. A schedule for submission of compliance certifications during the permit term, to be submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority;

c. A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements of the Act; and

d. A certification of truth, accuracy, and completeness pursuant to R18-2-304(I).

10. The use of nationally-standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under title IV of the act.

C. The Director, either upon the Director's own initiative or on the request of a permit applicant, may waive a requirement that specific information or data be submitted in the application for a Class II permit for a particular source or category of sources if the Director determines that the information or data would be unnecessary to determine all of the following:

1. The applicable requirements to which the source may be subject;
2. That the source is so designed, controlled, or equipped with such air pollution control equipment that it may be expected to operate without emitting or without causing to be emitted air contaminants in violation of the provisions of A.R.S. Title 49, Chapter 3, Article 2 and this Chapter;
3. The fees to which the source may be subject; and
4. A proposed emission limitation, control, or other requirement that meets the requirements of R18-2-306.01 or R18-2-306.02.

~~C~~**D.** A timely application is:

1. For a source, that becomes subject to the permit program as a result of a change in regulation and not as a result of construction or a physical or operational change, one that is submitted within 12 months after the source becomes subject to the permit program.
2. For purposes of permit renewal, a timely application is one that is submitted at least six months, but not more than 18 months, prior to the date of permit expiration.
3. Any source under R18-2-326(A)(3) which becomes subject to a standard promulgated by the Administrator pursuant to section 112(d) of the Act shall, within 12 months of the date on which the standard is promulgated, submit an application for a permit revision demonstrating how the source will comply with the standard.

~~D~~**E.** If an applicable implementation plan allows the determination of an alternative emission limit, a source may, in its application, propose an emission limit that is equivalent to the emission limit otherwise applicable to the source under the applicable implementation plan. The source shall also demonstrate that the equivalent limit is quantifiable, accountable, enforceable, and subject to replicable compliance determination procedures.

~~E~~**F.** A complete application shall comply with all of the following:

1. To be complete, an application shall provide all information required by subsection (B) (standard application form section). An application for permit revision only need supply information related to the proposed change, unless the source's proposed permit revision will change the permit from a Class II permit to a Class I permit. A responsible official shall certify the submitted information consistent with subsection (H) (Certification of Truth, Accuracy, and Completeness).

2. An application for a new permit or permit revision shall contain an assessment of the applicability of the requirements of Article 4 of this Chapter. If the applicant determines that the proposed new source is a major source as defined in R18-2-401, or the proposed permit revision constitutes a major modification as defined in R18-2-101, then the application shall comply with all applicable requirements of Article 4.
3. An application for a new permit or permit revision shall contain an assessment of the applicability of Minor New Source Review requirements in R18-2-334. If the applicant determines that the proposed new source is subject to R18-2-334, or the proposed permit revision constitutes a Minor NSR Modification, then the application shall comply with all applicable requirements of R18-2-334.

~~4. An application for a new permit or a permit revision shall contain an assessment of the applicability of the requirements established under Article 17 of this Chapter. If the applicant determines that the proposed new source permit or permit revision is subject to the requirements of Article 17 of this Chapter, the application shall comply with all applicable requirements of that Article.~~

~~5~~4. Except for proposed new major sources or major modifications subject to the requirements of Article 4 of this Chapter, an application for a new permit, a permit revision, or a permit renewal shall be deemed to be complete unless, within 60 days of receipt of the application, the Director notifies the applicant by certified mail that the application is not complete.

~~6~~5. If a source wishes to voluntarily enter into an emissions limitation, control, or other requirement pursuant to R18-2-306.01, the source shall describe that emissions limitation, control, or other requirement in its application, along with proposed associated monitoring, recordkeeping, and reporting requirements necessary to demonstrate that the emissions limitation, control, or other requirement is permanent, quantifiable, and otherwise enforceable as a practical matter.

~~7~~6. If, while processing an application that has been determined or deemed to be complete, the Director determines that additional information is necessary to evaluate or take final action on that application, the Director may request such information in writing and set a reasonable deadline for a response. Except for minor permit revisions as set forth in R18-2-319, a source's ability to continue operating without a permit, as set forth in subsection (J), shall be in effect from the date the application is determined to be complete until the final permit is issued, provided that the applicant submits any requested additional information by the deadline specified by the Director.

7. The completeness determination shall not apply to revisions processed through the minor permit revision process.

~~9~~8. Activities which are insignificant pursuant to the definition of insignificant activities in R18-2-101 shall be listed in the application. Except as necessary to complete the assessment required by subsection (E)(2) or (3), the ~~The~~ application need not provide emissions data regarding insignificant activities. If the Director determines that an activity listed as insignificant does not meet the requirements of the definition of insignificant activities in R18-2-101 or that emissions data for the activity is required to complete the assessment required by subsection (E)(2) or (3), the Director shall notify the applicant in writing and specify additional information required.

~~10~~9. If a permit applicant requests terms and conditions allowing for the trading of emission increases and decreases in the permitted facility solely for the purpose of complying with a federally enforceable emission cap that is established in the permit independent of otherwise applicable requirements, the permit applicant shall include in its application proposed replicable procedures and permit terms that ensure the emissions trades are quantifiable and enforceable.

~~11~~10. The Director is not in disagreement with a notice of confidentiality submitted with the application pursuant to A.R.S. § 49-432.

~~F~~G. A source applying for a Class I permit that has submitted information with an application under a claim of confidentiality pursuant to A.R.S. § 49-432 and R18-2-305 shall submit a copy of such information directly to the Administrator.

~~G~~H. Duty to Supplement or Correct Application. Any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information. In addition, an applicant shall provide additional information as necessary to address any requirements that become applicable to the source after the date it filed a complete application but prior to release of a proposed permit.

~~H~~I. Certification of Truth, Accuracy, and Completeness. Any application form, report, or compliance certification submitted pursuant to this Chapter shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this Article shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

~~I~~J. Action on Application.

1. The Director shall issue or deny each permit according to the provisions of A.R.S. § 49-427. The Director may issue a permit with a compliance schedule for a source that is not in compliance with all applicable requirements at the time of permit issuance.
2. In addition, a permit may be issued, revised, or renewed only if all of the following conditions have been met:
   a. The application received by the Director for a permit, permit revision, or permit renewal shall be complete according to subsection (E).
   b. Except for revisions qualifying as administrative or minor under R18-2-318 and R18-2-319, all of the requirements for public notice and participation under R18-2-330 shall have been met.
   c. For Class I permits, the Director shall have complied with the requirements of R18-2-307 for notifying and responding to affected states, and if applicable, other notification requirements of R18-2-402(D)(2) and R18-2-410(C)(2).
   d. For Class I and II permits, the conditions of the permit shall require compliance with all applicable requirements.
   e. For permits for which an application is required to be submitted to the Administrator under R18-2-307(A), and to which the Administrator has properly objected to its issuance in writing within 45 days of receipt of the proposed final permit and all necessary supporting information from the Department, the Director has revised and submitted a proposed final permit in response to the objection and EPA has not objected to this proposed final permit within 45 days of receipt.
   f. For permits to which the Administrator has objected to issuance pursuant to a petition filed under 40 CFR 70.8(d), the Administrator's objection has been resolved.

g. For a Class II permit that contains voluntary emission limitations, controls, or other requirements established pursuant to R18-2-306.01, the Director shall have complied with the requirement of R18-2-306.01(C) to provide the Administrator with a copy of the proposed permit.

3. If the Director denies a permit under this Section, a notice shall be served on the applicant by certified mail, return receipt requested. The notice shall include a statement detailing the grounds for the denial and a statement that the permit applicant is entitled to a hearing.
4. The Director shall provide a statement that sets forth the legal and factual basis for the proposed permit conditions including references to the applicable statutory or regulatory provisions. The Director shall send this statement to any person who requests it and, for Class I permits, to the Administrator.
5. Priority shall be given by the Director to taking action on applications for construction or modification submitted pursuant to Title I, Parts C (Prevention of Significant Deterioration) and D (New Source Review) of the Act.

~~J~~**K.** Requirement for a Permit. Except as noted under the provisions in R18-2-317 and R18-2-319, no source may operate after the time that it is required to submit a timely and complete application, except in compliance with a permit issued pursuant to this Chapter. However, if a source under R18-2-326(A)(3) submits a timely and complete application for continued operation under a permit revision or renewal, the source's failure to have a permit is not a violation of this Article until the Director takes final action on the application. This protection shall cease to apply if, subsequent to the completeness determination, the applicant fails to submit, by the deadline specified in writing by the Director, any additional information identified as being needed to process the application. This subsection does not affect a source's obligation to obtain a permit revision before making a modification to the source.

R18-2-306. Permit Contents

A. Each permit issued by the Director shall include the following elements:

1. The date of issuance and the permit term.
2. Enforceable emission limitations and standards, including operational requirements and limitations that ensure compliance with all applicable requirements at the time of issuance and operational requirements and limitations that have been voluntarily accepted under R18-2-306.01.
   a. The permit shall specify and reference the origin of and authority for each term or condition and identify any difference in form as compared to the applicable requirement upon which the term or condition is based.
   b. The permit shall state that, if an applicable requirement of the Act is more stringent than an applicable requirement of regulations promulgated under Title IV of the Act, both provisions shall be incorporated into the permit and shall be enforceable by the Administrator.
   c. Any permit containing an equivalency demonstration for an alternative emission limit submitted under ~~R18-2-304(D)~~ R18-2-304(E) shall contain provisions to ensure that any resulting emissions limit has been demonstrated to be quantifiable, accountable, enforceable, and based on replicable procedures.
   d. The permit shall specify applicable requirements for fugitive emission limitations, regardless of whether the source category in question is included in the list of sources contained in the definition of major source in R18-2-101.
3. Each permit shall contain the following requirements with respect to monitoring:
   a. All monitoring and analysis procedures or test methods required under applicable monitoring and testing requirements, including:
      i. Monitoring and analysis procedures or test methods under 40 CFR 64;
      ii. Other procedures and methods promulgated under sections 114(a)(3) or 504(b) of the Act; and
      iii. Monitoring and analysis procedures or test methods required under R18-2-306.01.
   b. 40 CFR 64 as adopted July 1, 1998, is incorporated by reference and on file with the Department and the Office of the Secretary of State. This incorporation by reference contains no future editions or amendments. If more than one monitoring or testing requirement applies, the permit may specify a streamlined set of monitoring or testing provisions if the specified monitoring or testing is adequate to assure compliance at least to the same extent as the monitoring or testing applicable requirements not included in the permit as a result of such streamlining;
   c. If the applicable requirement does not require periodic testing or instrumental or noninstrumental monitoring (which may consist of recordkeeping designed to serve as monitoring), periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the permit as reported under subsection (A)(4). The monitoring requirements shall ensure use of terms, test methods, units, averaging periods, and other statistical conventions consistent with the applicable requirement, and as otherwise required under R18-2-306.01. Recordkeeping provisions may be sufficient to meet the requirements of this subsection; and
   d. As necessary, requirements concerning the use, maintenance, and, if appropriate, installation of monitoring equipment or methods.
4. The permit shall incorporate all applicable recordkeeping requirements including recordkeeping requirements established under R18-2-306.01, for the following:
   a. Records of required monitoring information that include the following:
      i. The date, place as defined in the permit, and time of sampling or measurement;
      ii. The date any analyses was performed;
      iii. The name of the company or entity that performed the analysis;
      iv. A description of the analytical technique or method used;
      v. The results of any analysis; and
      vi. The operating conditions existing at the time of sampling or measurement;
   b. Retention of records of all required monitoring data and support information for a period of at least five years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation and copies of all reports required by the permit.

5. The permit shall incorporate all applicable reporting requirements including reporting requirements established under R18-2-306.01 and require the following:
   a. Submittal of reports of any required monitoring ~~at least every six months~~. All instances of deviations from permit requirements shall be clearly identified in the reports. All required reports shall be certified by a responsible official consistent with ~~R18-2-304(H)~~ R18-2-304(I) and R18-2-309(A)(5)~~.~~ and shall be submitted with the following frequency:
      i. For a Class I permit, at least once every six months;
      ii. For a Class II permit, at least once per year.
   b. Prompt reporting of deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of the deviations, and any corrective actions or preventive measures taken. ~~Notice that complies with subsection (E)(3)(d) shall be considered prompt for the purposes of this subsection (A)(5)(b).~~ Where the applicable requirement contains a definition of prompt or otherwise specifies a timeframe for reporting deviations, that definition or timeframe shall govern. Where the applicable requirement does not address the timeframe for reporting deviations, the permittee shall submit reports of deviations in compliance with the following schedule:
      i. Notice that complies with timeframe in R18-2-310.01(A) is prompt for deviations that constitute excess emissions;
      ii. Except as otherwise provided in the permit, notice that complies with subsection (A)(5)(a) is prompt for all other types of deviation.
6. A permit condition prohibiting emissions exceeding any allowances the source lawfully holds under Title IV of the Act or the regulations promulgated thereunder.
   a. A permit revision is not required for increases in emissions that are authorized by allowances acquired under the acid rain program, if the increases do not require a permit revision under any other applicable requirement.
   b. A limit shall not be placed on the number of allowances held by the source. The source shall not, however, use allowances as a defense to noncompliance with any other applicable requirement.
   c. Any allowance shall be accounted for according to the procedures established in regulations promulgated under Title IV of the Act.
   d. Any permit issued under the requirements of this Chapter and Title V of the Act to a unit subject to the provisions of Title IV of the Act shall include conditions prohibiting all of the following:
      i. Annual emissions of sulfur dioxide in excess of the number of allowances to emit sulfur dioxide held by the owner or operator of the unit or the designated representative of the owner or operator,
      ii. Exceedances of applicable emission rates,
      iii. Use of any allowance before the year for which it is allocated, and
      iv. Contravention of any other provision of the permit.
7. A severability clause to ensure the continued validity of the various permit requirements in the event of a challenge to any portion of the permit.
8. Provisions stating the following:
   a. The permittee shall comply with all conditions of the permit including all applicable requirements of Arizona air quality statutes A.R.S. Title 49, Chapter 3, and the air quality rules, 18 A.A.C. 2. Any permit noncompliance is grounds for enforcement action; for a permit termination, revocation and reissuance, or revision; or for denial of a permit renewal application. Noncompliance with any federally enforceable requirement in a permit is a violation of the Act.
   b. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.
   c. The permit may be revised, reopened, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit revision, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.
   d. The permit does not convey any property rights of any sort, or any exclusive privilege to the permit holder.
   e. The permittee shall furnish to the Director, within a reasonable time, any information that the Director may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. Upon the Director's request, the permittee shall also furnish to the Director copies of records required to be kept by the permit. For information claimed to be confidential, the permittee shall furnish a copy of the records directly to the Administrator along with a claim of confidentiality.
   f. For any major source operating in a nonattainment area for all pollutants for which the source is classified as a major source, the source shall comply with reasonably available control technology.
9. A provision to ensure that the source pays fees to the Director under A.R.S. § 49-426(E), R18-2-326, and R18-2-511.
10. A provision stating that a permit revision shall not be required under any approved economic incentives, marketable permits, emissions trading, and other similar programs or processes for changes provided for in the permit.
11. Terms and conditions for reasonably anticipated operating scenarios identified by the source in its application as approved by the Director. The terms and conditions shall:
    a. Require the source, contemporaneously with making a change from one operating scenario to another, to record in a log at the permitted facility a record of the scenario under which it is operating;
    b. Extend the permit shield described in R18-2-325 to all terms and conditions under each such operating scenario; and
    c. Ensure that the terms and conditions of each such alternative scenario meet all applicable requirements and the requirements of this Chapter.
12. Terms and conditions, if the permit applicant requests them, and as approved by the Director, for the trading of emissions increases and decreases in the permitted facility, to the extent that the applicable requirements provide for trading the increases and decreases without a case-by-case approval of each emissions trade. The terms and conditions:
    a. Shall include all terms required under subsections (A) and (C) to determine compliance;

b. Shall not extend the permit shield in subsection (D) to all terms and conditions that allow the increases and decreases in emissions;
c. Shall not include trading that involves emission units for which emissions are not quantifiable or for which there are no replicable procedures to enforce the emissions trades; and
d. Shall meet all applicable requirements and requirements of this Chapter.

13. Terms and conditions, if the permit applicant requests them and they are approved by the Director, setting forth intermittent operating scenarios including potential periods of downtime. If the terms and conditions are included, the state's emissions inventory shall not reflect the zero emissions associated with the periods of downtime.
14. Upon request of a permit applicant, the Director shall issue a permit that contains terms and conditions allowing for the trading of emission increases and decreases in the permitted facility solely for the purpose of complying with a federally enforceable emission cap established in the permit independent of otherwise applicable requirements. The permit applicant shall include in its application proposed replicable procedures and permit terms that ensure the emissions trades are quantifiable and enforceable. The Director shall not include in the emissions trading provisions any emissions units for which emissions are not quantifiable or for which there are no replicable procedures to enforce the emissions trades. The permit shall also require compliance with all applicable requirements. Changes made under this subsection (shall) not include modifications under any provision of Title I of the Act and shall not exceed emissions allowable under the permit. The terms and conditions shall provide, for Class I sources, for notice that conforms to R18-2-317(D) and (E), and for Class II sources, for logging that conforms to R18-2-317.02(B)(5). In addition, the notices for Class I and Class II sources shall describe how the increases and decreases in emissions will comply with the terms and conditions of the permit.
15. Other terms and conditions as are required by the Act, A.R.S. Title 49, Chapter 3, Articles 1 and 2, and the rules adopted in 18 A.A.C. 2.

B. Federally-enforceable Requirements.
1. The following permit conditions shall be enforceable by the Administrator and citizens under the Act:
   a. Except as provided in subsection (B)(2), all terms and conditions in a Class I permit, including any provision designed to limit a source's potential to emit;
   b. Terms or conditions in a Class II permit setting forth federal applicable requirements; and
   c. Terms and conditions in any permit entered into voluntarily under R18-2-306.01, as follows:
      i. Emissions limitations, controls, or other requirements; and
      ii. Monitoring, recordkeeping, and reporting requirements associated with the emissions limitations, controls, or other requirements in subsection (B)(1)(c)(i).
2. Notwithstanding subsection (B)(1)(a), the Director shall specifically designate as not being federally enforceable under the Act any terms and conditions included in a Class I permit that are not required under the Act or under any of its applicable requirements.

C. Each permit shall contain a compliance plan as specified in R18-2-309.
D. Each permit shall include the applicable permit shield provisions under R18-2-325.
E. Emergency provision.
1. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, that requires immediate corrective action to restore normal operation and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.
2. An emergency constitutes an affirmative defense to an action brought for noncompliance with technology-based emission limitations if the conditions of subsection (E)(3) are met.
3. The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:
   a. An emergency occurred and the permittee can identify the cause or causes of the emergency;
   b. At the time of the emergency the permitted facility was being properly operated;
   c. During the period of the emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
   d. The permittee submitted notice of the emergency to the Director by certified mail, facsimile, or hand delivery within two working days of the time when emission limitations were exceeded due to the emergency. This notice shall contain a description of the emergency, any steps taken to mitigate emissions, and corrective action taken.
4. In any enforcement proceeding, the permittee seeking to establish the occurrence of an emergency has the burden of proof.
5. This provision is in addition to any emergency or upset provision contained in any applicable requirement.

F. A Class I permit issued to a major source shall require that revisions be made under R18-2-321 to incorporate additional applicable requirements adopted by the Administrator under the Act that become applicable to a source with a permit with a remaining permit term of three or more years. A revision shall not be required if the effective date of the applicable requirement is after the expiration of the permit. The revisions shall be made as expeditiously as practicable, but not later than 18 months after the promulgation of the standards and regulations. Any permit revision required under this subsection (shall) comply with R18-2-322 for permit renewal and shall reset the five-year permit term.

R18-2-306.01. Permits Containing Voluntarily Accepted Emission Limitations and Standards

A. A source may voluntarily propose in its application, and accept in its permit, emissions limitations, controls, or other requirements that are permanent, quantifiable, and otherwise enforceable as a practical matter in order to avoid classification as a source that requires a Class I permit or to avoid one or more other applicable requirements. For the purposes of this Section, "enforceable as a practical matter" means that specific means to assess compliance with an emissions limitation, control, or other requirement are provided for in the permit in a manner that allows compliance to be readily determined by an inspection of records and reports.

B. In order for a source to obtain a permit containing voluntarily accepted emissions limitations, controls, or other requirements, the source shall demonstrate all of the following in its permit application:
1. The emissions limitations, controls, or other requirements to be imposed for the purpose of avoiding an applicable requirement are at least as stringent as the emissions limitations, controls, or other requirements that would otherwise be applicable to that source, including those that originate in an applicable implementation plan; and the permit does not waive, or make less stringent, any limitations or requirements contained in or issued pursuant to an applicable implementation plan, or that are otherwise federally enforceable.
2. All voluntarily accepted emissions limitations, controls, or other requirements will be permanent, quantifiable, and otherwise enforceable as a practical matter.

C. At the same time as notice of proposed issuance is first published pursuant to A.R.S. § 49-426(D), the Director shall send a copy of any Class II permit proposed to be issued pursuant to this Section to the Administrator for review during the comment period described in the notice pursuant to ~~R18-2-330(D)~~ R18-2-330(C)(3).

D. The Director shall send a copy of each final permit issued pursuant to this Section to the Administrator.

R18-2-307. Permit Review by the EPA and Affected States

A. Except as provided in ~~R18-2-304(F)~~ R18-2-304(G) and as waived by the Administrator, for each Class I permit, a copy of each of the following shall be provided to the Administrator as follows:
1. The applicant shall provide a complete copy of the application including any attachments, compliance plans, and other information required by ~~R18-2-304(E)~~ R18-2-304(F) at the time of submittal of the application to the Director.
2. The Director shall provide the proposed final permit after public and affected state review.
3. The Director shall provide the final permit at the time of issuance.

B. The Director shall keep all records associated with all permits for a minimum of five years from issuance.

C. No permit for which an application is required to be submitted to the Administrator under subsection (A) shall be issued if the Administrator properly objects to its issuance in writing within 45 days of receipt of the proposed final permit from the Department and all necessary supporting information.

D. Review by Affected States.
1. For each Class I permit, the Director shall provide notice of each proposed permit to any affected state on or before the time that the Director provides this notice to the public as required under R18-2-330 except to the extent R18-2-319 requires the timing of the notice to be different.
2. If the Director refuses to accept a recommendation of any affected state submitted during the public or affected state review period, the Director shall notify the Administrator and the affected state in writing. The notification shall include the Director's reasons for not accepting any such recommendation and shall be provided to the Administrator as part of the submittal of the proposed final permit. The Director shall not be required to accept recommendations that are not based on federal applicable requirements or requirements of state law.

E. Any person who petitions the Administrator pursuant to 40 CFR 70.8(d) shall notify the Department by certified mail of such petition as soon as possible, but in no case more than 10 days following such petition. Such notice shall include the grounds for objection and whether such objections were raised during the public comment period. If the Administrator objects to the permit as a result of a petition filed under this subsection, the Director shall not issue the permit until EPA's objection has been resolved, except that a petition for review does not stay the effectiveness of a permit or its requirements if the permit was issued after the end of the 45-day administrative review period and prior to the Administrator's objection.

F. If the Director has issued a permit prior to receipt of the Administrator's objection under subsection (E), and the Administrator indicates that it should be revised, terminated, or revoked and reissued, the Director shall reopen the permit in accordance with R18-2-321 and may thereafter issue only a revised permit that satisfies the Administrator's objection. In any case, the source shall not be in violation of the requirement to have submitted a timely and complete application.

G. Prohibition on Default Issuance.
1. No Class I permit including a permit renewal or revision shall be issued until affected states and the Administrator have had an opportunity to review the proposed permit.
2. No permit or renewal shall be issued unless the Director has acted on the application.

R18-2-311. Test Methods and Procedures

A. Except as otherwise specified in this Chapter, the applicable procedures and testing methods contained in the Arizona Testing Manual; 40 CFR 52, Appendices D and E; 40 CFR 60, Appendices A through F; and 40 CFR 61, Appendices B and C shall be used to determine compliance with the requirements established in this Chapter or contained in permits issued pursuant to this Chapter.

B. Except as otherwise provided in this subsection the opacity of visible emissions shall be determined by Reference Method 9 of the Arizona Testing Manual or by alternative method ALT-082 approved by the Administrator on May 15, 2012. A permit may specify a method, other than Method 9 or ALT-082, for determining the opacity of emissions from a particular emissions unit, if the method has been promulgated by the Administrator in 40 CFR 60, Appendix A or approved by the Administrator as an alternative method.

C. Except as otherwise specified in this Chapter, the heat content of solid fuel shall be determined according to ASTM method D-3176-89, (Practice for Ultimate Analysis of Coal and Coke) and ASTM method D-2015-91, (Test Method for Gross Calorific Value of Coal and Coke by the Adiabatic Bomb Calorimeter).

D. Except for ambient air monitoring and emissions testing required under Articles 9 and 11 of this Chapter, alternative and equivalent test methods in any test plan submitted to the Director may be approved by the Director for the duration of that plan provided that the following three criteria are met:
1. The alternative or equivalent test method measures the same chemical and physical characteristics as the test method it is intended to replace.
2. The alternative or equivalent test method has substantially the same or better reliability, accuracy, and precision as the test method it is intended to replace.

3. Applicable quality assurance procedures are followed in accordance with the Arizona Testing Manual, 40 CFR 60 or other quality assurance methods which are consistent with principles contained in the Arizona Testing Manual or 40 CFR 60 as approved by the Director.

R18-2-312. Performance Tests

A. ~~Within~~ Except as provided in subsection (J), within 60 days after a source subject to the permit requirements of this Article has achieved the capability to operate at its maximum production rate on a sustained basis but no later than 180 days after initial start-up of such source and at such other times as may be required by the Director, the owner or operator of such source shall conduct performance tests and furnish the Director a written report of the results of the tests.

B. Performance tests shall be conducted and data reduced in accordance with the test method and procedures contained in the Arizona Testing Manual unless the Director:
1. Specifies or approves, in specific cases, the use of a reference method with minor changes in methodology;
2. Approves the use of an equivalent method;
3. Approves the use of an alternative method the results of which he has determined to be adequate for indicating whether a specific source is in compliance; or
4. Waives the requirement for performance tests because the owner or operator of a source has demonstrated by other means to the Director's satisfaction that the source is in compliance with the standard.
5. Nothing in this Section shall be construed to abrogate the Director's authority to require testing.

C. Performance tests shall be conducted under such conditions as the Director shall specify to the plant operator based on representative performance of the source. The owner or operator shall make available to the Director such records as may be necessary to determine the conditions of the performance tests. Operations during periods of start-up, shutdown, and malfunction shall not constitute representative conditions of performance tests unless otherwise specified in the applicable standard.

D. The owner or operator of a permitted source shall provide the Director two weeks prior notice of the performance test to afford the Director the opportunity to have an observer present.

E. The owner or operator of a permitted source shall provide, or cause to be provided, performance testing facilities as follows:
1. Sampling ports adequate for test methods applicable to such facility.
2. Safe sampling platform(s).
3. Safe access to sampling platform(s).
4. Utilities for sampling and testing equipment.

F. Each performance test shall consist of three separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable standard. For the purpose of determining compliance with an applicable standard, the arithmetic means of results of the three runs shall apply. In the event that a sample is accidentally lost or conditions occur in which one of the three runs is required to be discontinued because of forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the owner or operator's control, compliance may, upon the Director's approval, be determined using the arithmetic means of the results of the two other runs. If the Director, or the Director's designee is present, tests may only be stopped with the Director's or such designee's approval. If the Director, or the Director's designee is not present, tests may only be stopped for good cause, which includes forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the operator's control. Termination of testing without good cause after the first run is commenced shall constitute a failure of the test.

G. Except as provided in subsection (H) compliance with the emission limits established in this Chapter or as prescribed in permits issued pursuant to this Chapter shall be determined by the performance tests specified in this Section or in the permit.

H. In addition to performance tests specified in this Section, compliance with specific emission limits may be determined by:
1. Opacity tests.
2. Emission limit compliance tests specifically designated as such in the regulation establishing the emission limit to be complied with.
3. Continuous emission monitoring, where applicable quality assurance procedures are followed and where it is designated in the permit or in an applicable requirement to show compliance.

I. Nothing in this Section shall be so construed as to prevent the utilization of measurements from emissions monitoring devices or techniques not designated as performance tests as evidence of compliance with applicable good maintenance and operating requirements.

J. The owner or operator of a source subject to this Section may request an extension to the performance test deadline due to a force majeure event as follows:
1. If a force majeure event is about to occur, occurs, or has occurred for which the owner or operator intends to assert a claim of force majeure, the owner or operator shall notify the Director in writing as soon as practicable following the date the owner or operator first knew, or through due diligence should have known that the event may cause or caused a delay in testing beyond the regulatory deadline. The notification must occur before the performance test deadline unless the initial force majeure or a subsequent force majeure event delays the notice, and in such cases, the notification shall be given as soon as practicable.
2. The owner or operator shall provide to the Director a written description of the force majeure event and a rationale for attributing the delay in testing beyond the regulatory deadline to the force majeure; describe the measures taken or to be taken to minimize the delay; and identify a date by which the owner or operator proposes to conduct the performance test. The performance test shall be conducted as soon as practicable after the force majeure event occurs.
3. The decision as to whether or not to grant an extension to the performance test deadline is solely within the discretion of the Director. The Director shall notify the owner or operator in writing of approval or disapproval of the request for an extension as soon as practicable.
4. Until an extension of the performance test deadline has been approved by the Director under paragraphs (1), (2), and (3) of this subsection, the owner or operator remains subject to the requirements of this Section.

5. For purposes of this subsection, a "force majeure event" means an event that will be or has been caused by circumstances beyond the control of the source, its contractors, or any entity controlled by the source that prevents the owner or operator from complying with the regulatory requirement to conduct performance tests within the specified timeframe despite the source's best efforts to fulfill the obligation. Examples of such events are acts of nature, acts of war or terrorism, or equipment failure or safety hazard beyond the control of the source.

R18-2-319. Minor Permit Revisions

A. Minor permit revision procedures may be used only for those changes at a Class I source that satisfy all of the following:
1. Do not violate any applicable requirement;
2. Do not involve substantive changes to existing monitoring, reporting, or recordkeeping requirements in the permit;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination of ambient impacts, or ~~a visibility or increment~~ an analysis of impacts on visibility or maximum increases allowed under R18-2-218;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed in order to avoid an applicable requirement to which the source would otherwise be subject. The terms and conditions include:
   a. A federally enforceable emissions cap that the source would assume to avoid classification as a modification under any provision of Title I of the Act; and
   b. An alternative emissions limit approved under regulations promulgated under the section 112(i)(5) of the Act.
5. Are not modifications under any provision of Title I of the Act;
6. Are not changes in fuels not represented in the permit application or provided for in the permit;
7. Are not minor NSR modifications subject to R18-2-334~~, except that minor NSR modifications subject to R18-2-334(G) may be processed as minor permit revisions~~; and
8. Are not required to be processed as a significant permit revision under R18-2-320.

B. Minor permit revision procedures shall be used for the following changes at a Class II source:
1. A change that triggers a new applicable requirement if all of the following apply:
   a. The change is not a minor NSR modification subject to R18-2-334~~, except that minor NSR modifications subject to R18-2-334(G) may be processed as minor permit revisions~~;
   b. A case-by-case determination of an emission limitation or other standard is not required; and
   c. The change does not require the source to obtain a Class I permit~~;~~.
2. A change that increases emissions above the permitted level unless the increase otherwise creates a condition that requires a significant permit revision;
3. A change in fuel from fuel oil or coal, to natural gas or propane, if not authorized in the permit;
4. A change that results in emissions subject to monitoring, recordkeeping, or reporting under R18-2-306(A)(3),(4), or (5) and that cannot be measured or otherwise adequately quantified by monitoring, recordkeeping, or reporting requirements already in the permit;
5. A decrease in the emissions permitted under an emissions cap unless the decrease requires a change in the conditions required to enforce the cap or to ensure that emissions trades conducted under the cap are quantifiable and enforceable; and
6. Replacement of an item of air pollution control equipment listed in the permit with one that does not have the same or better efficiency.

C. As approved by the Director, minor permit revision procedures may be used for permit revisions involving the use of economic incentives, marketable permits, emissions trading, and other similar approaches, to the extent that the minor permit revision procedures are explicitly provided for in an applicable implementation plan or in applicable requirements promulgated by the Administrator.

D. An application for minor permit revision shall be on the standard application form ~~contained in Appendix 1~~ provided under R18-2-304(B) and include the following:
1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
2. For Class I sources, and any source that is making the change immediately after it files the application, the source's suggested draft permit;
3. Certification by a responsible official, consistent with standard permit application requirements, that the proposed revision meets the criteria for use of minor permit revision procedures and a request that the procedures be used;

E. EPA and affected state notification. For Class I permits, within five working days of receipt of an application for a minor permit revision, the Director shall notify the Administrator and affected states of the requested permit revision in accordance with R18-2-307.

F. For Class I permits, the Director shall not issue a final permit revision until after the Administrator's 45-day review period or until the Administrator has notified the Director that the Administrator will not object to issuance of the permit revision, whichever is first, although the Director may approve the permit revision before that time. Within 90 days of the Director's receipt of an application under minor permit revision procedures, or 15 days after the end of the Administrator's 45-day review period, whichever is later, the Director shall do one or more of the following:
1. Issue the permit revision as proposed,
2. Deny the permit revision application,
3. Determine that the proposed permit revision does not meet the minor permit revision criteria and should be reviewed under the significant revision procedures, or
4. Revise the proposed permit revision and transmit to the Administrator the new proposed permit revision as required in R18-2-307.

G. The source may make the change proposed in its minor permit revision application immediately after it files the application. After a Class I source makes a change allowed by the preceding sentence, and until the Director takes any of the actions specified in subsection (F), the source shall comply with both the applicable requirements governing the change and the proposed revised permit terms

and conditions. During this time period, the Class I source need not comply with the existing permit terms and conditions it seeks to modify. However, if the Class I source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to revise may be enforced against it.

H. The permit shield under R18-2-325 shall not extend to minor permit revisions.

I. Notwithstanding any other part of this Section, the Director may require a permit to be revised under R18-2-320 for any change that, when considered together with any other changes submitted by the same source under this Section or R18-2-317.02 over the life of the permit, do not satisfy subsection (A) for Class I sources or subsection (B) for Class II sources.

J. The Director shall make available to the public monthly summaries of all applications for minor permit revisions.

R18-2-320. Significant Permit Revisions

A. For Class I sources, a significant revision shall be used for an application requesting a permit revision that does not qualify as a minor permit revision or as an administrative amendment. A significant revision that is only required because of a change described in R18-2-319(A)(6) or (7) shall not be considered a significant permit revision under part 70 for the purposes of 40 CFR 64.5(a)(2). Every significant change in existing monitoring permit terms or conditions and every relaxation of reporting or recordkeeping permit terms or conditions shall follow significant revision procedures.

B. A source with a Class II permit shall make the following changes only after the permit is revised following the public participation requirements of R18-2-330:

1. Establishing or revising a voluntarily accepted emission limitation or standard as described by R18-2-306.01 or R18-2-306.02, except a decrease in the limitation authorized by R18-2-319(B)(5);
2. Making any change in fuel not authorized by the permit and that is not fuel oil or coal, to natural gas or propane;
3. A change that is a minor NSR modification subject to R18-2-334~~, except for a minor modification subject to R18-2-334(G)~~;
4. A change that relaxes monitoring, recordkeeping, or reporting requirements, except when the change results from:
   a. Removing equipment that results in a permanent decrease in actual emissions, if the source keeps onsite records of the change in a log that satisfies Appendix 3 of this Chapter and if the requirements that are relaxed are present in the permit solely for the equipment that was removed; or
   b. A change in an applicable requirement.
5. A change that will cause the source to violate an existing applicable requirement including the conditions establishing an emissions cap;
6. A change that will require any of the following:
   a. A case-by-case determination of an emission limitation or other standard;
   b. A source-specific determination of ambient impacts, or ~~a visibility or increment~~ an analysis of impacts on visibility or maximum allowable increases allowed under R18-2-218; or
   c. A case-by-case determination of a monitoring, recordkeeping, and reporting requirement.
7. A change that requires the source to obtain a Class I permit.

C. Any modification to a major source of federally listed hazardous air pollutants, and any reconstruction of a source, or a process or production unit, under section 112(g) of the Act and regulations promulgated thereunder, shall follow significant permit revision procedures and any rules adopted under A.R.S. § 49-426.03.

D. Significant permit revisions shall meet all requirements of this Article for applications, public participation, review by affected states, and review by the Administrator that apply to permit issuance and renewal. Notwithstanding R18-2-330(C), the Director may provide notice for changes requiring a significant permit revision solely under subsection (B)(2), (4) or (6)(c) by posting a notice on the Department's web site, sending e-mails to persons who have requested electronic notification of the Department's proposed air quality permit actions and by mailing a copy of the notice as provided in R18-2-330(C)(1).

E. When an existing source applies for a significant permit revision to revise its permit from a Class II permit to a Class I permit, it shall submit a Class I permit application in accordance with R18-2-304. The Director shall issue the entire permit, and not just the portion being revised, in accordance with Class I permit content and issuance requirements, including requirements for public, affected state, and EPA review, contained in R18-2-307 and R18-2-330.

R18-2-324. Portable Sources

A. A portable source that will operate for the duration of its permit solely in one county that has established a local air pollution control program pursuant to A.R.S. § 49-479 shall obtain a permit from that county. A portable source with a county permit shall not operate in any other county. A portable source that has a permit issued by the Director and obtains a county permit shall request that the Director terminate the permit. Upon issuance of the county permit, the permit issued by the Director is no longer valid.

B. A portable source which has a county permit but proposes to operate outside that county shall obtain a permit from the Director. A portable source that has a permit issued by a county and obtains a permit issued by the Director shall request that the county terminate the permit. Upon issuance of a permit by the Director, the county permit is no longer valid. Before commencing operation in the new county, the source shall notify the Director and the control officer who has jurisdiction in the county that includes the new location according to subsection ~~(D)~~(C).

~~**C.** An owner of portable source equipment which requires a permit under this Chapter shall obtain the permit prior to renting or leasing said equipment. This permit shall be provided by the owner to the renter or lessee, and the renter or lessee shall be bound by the permit provisions. In the event a copy of the permit is not provided to the renter or lessee, both the owner and the lessee or renter shall be responsible for the operation of this equipment in compliance with the permit conditions and any violations thereof.~~

~~**D**~~**C.** A portable source may be transferred from one location to another provided that the owner or operator of such equipment notifies the Director and any control officer who has jurisdiction over the geographic area that includes the new location of the transfer ~~by certified mail at least 10 working days before~~ prior to the transfer. The notification required under this subsection shall include:

1. A description of the equipment to be transferred including the permit number for such equipment;
2. A description of the present location;

3. A description of the new location ~~to which the equipment is to be transferred, including the availability of all utilities, such as water and electricity, necessary for the proper operation of all control equipment~~;
4. The date on which the equipment is to be moved; and
5. The date on which operation of the equipment will begin at the new location.

~~E~~**D.** Any permit for a portable source shall contain conditions that will assure compliance with all applicable requirements at all authorized locations.

R18-2-326. Fees Related to Individual Permits

A. Source Categories. The owner or operator of a source required to have an air quality permit from the Director shall pay the fees described in this Section unless authorized to operate under a general permit issued under Article 5. The fees are based on a source being classified in one of the following three categories:
1. Class I Title V sources are those required or that elect to have a permit under R18-2-302(B)(1).
2. Class II Title V sources are those required to have a permit under R18-2-302(B)(2) and ~~for which either R18-2-302(B)(2)(a)(i) or (ii) applies~~ that are subject to new source performance standards or national emission standards for hazardous air pollutants.
3. Class II Non-Title V sources are those required to have a permit under R18-2-302(B)(2) and ~~for which neither R18-2-302(B)(2)(a)(i) nor (ii) applies~~ that are not subject to new source performance standards or national emission standards for hazardous air pollutants.

B. Fees for Permit Actions.
1. The owner or operator of a Class I Title V source, Class II Title V source, or Class II Non-Title V source shall pay to the Director the following:
   a. $133.50 per hour, adjusted annually under subsection (H), for all permit processing time required for a billable permit action; and
   b. The actual costs of public notice conducted according to R18-2-330.
2. The Director may require periodic payment of permit processing fees based on the most recent accounting of time spent processing the permit including any fees for contractors.
3. Upon completion of permit processing activities other than issuance or denial of the permit or permit revision, the Director shall send notice of the decision to the applicant along with a final itemized bill. The maximum fee for any billable permit action for a non-Title V source is $25,000. Except as provided in subsection (G), the Director shall not issue a permit or permit revision until the final bill is paid in full.

C. Class I Title V Fees. The owner or operator of a Class I Title V source that has undergone initial startup by January 1 shall annually pay to the Director an administrative fee plus an emissions-based fee as follows:
1. The applicable administrative fee from the table below, as adjusted annually under subsection (H). The fee is due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.

Class I Title V Source Category	Administrative Fee
Aerospace	$20,800
Air Curtain Destructors	$750
Cement Plants	$63,690
Combustion/Boilers	$15,480
Compressor Stations	$12,730
Electronics	$20,490
Expandable Foam	$14,680
Foundries	$19,520
Landfills	$15,960
Lime Plants	$60,160
Copper & Nickel Mines	$15,000
Gold Mines	$15,000
Mobile Home Manufacturing	$14,830
Paper Mills	$20,480
Paper Coaters	$15,480
Petroleum Products Terminal Facilities	$22,730
Polymeric Fabric Coaters	$20,480
Reinforced Plastics	$15,480
Semiconductor Fabrication	$26,930
Copper Smelters	$63,690
Utilities - Fossil Fuel Fired Except Coal	$16,440
Utilities - Coal Fired	$32,570
Vitamin/Pharmaceutical Manufacturing	$15,800

Wood Furniture	$15,480
Others	$20,490
Others with Continuous Emissions Monitoring	$20,490

2. An emissions-based fee of $38.25 per ton of actual emissions of all regulated pollutants emitted during the previous calendar year ending 12 months earlier. The fee is adjusted annually under subsection (C)(2)(d) and due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.(
   a. For purposes of this Section, "actual emissions" means the quantity of all regulated pollutants emitted during the calendar year, as determined by the annual emissions inventory under R18-2-327.
   b. For purposes of this Section, regulated pollutants consist of the following:
      i. Nitrogen oxides and any volatile organic compounds;
      ii. Conventional air pollutants, except carbon monoxide and ozone;
      iii. Any pollutant that is subject to any standard promulgated under Section 111 of the Act, including fluorides, sulfuric acid mist, hydrogen sulfide, total reduced sulfur, and reduced sulfur compounds; and
      iv. Any federally listed hazardous air pollutant.
   c. For purposes of this Section, the following emissions of regulated pollutants are excluded from a source's actual emissions:
      i. Emissions of any regulated pollutant from the source in excess of 4,000 tons per year;
      ii. Emissions of any regulated pollutant already included in the actual emissions for the source, such as a federally listed hazardous air pollutant that is already accounted for as a VOC or as PM_{10};
      iii. Emissions from insignificant activities listed in the permit application for the source under ~~R18-2-304(E)(8)~~ R18-2-304(F)(8);
      iv. Fugitive emissions of PM_{10} from activities other than crushing, belt transfers, screening, or stacking; and
      v. Fugitive emissions of VOC from solution-extraction units.
   d. The Director shall adjust the rate for emission-based fees every November 1, after December 4, 2007, by multiplying $38.25 by the Consumer Price Index (CPI) for the most recent year, and then dividing by the CPI for the year 2007. The Consumer Price Index for any year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of that year.

D. Class II Title V Fees. The owner or operator of a Class II Title V source that has undergone initial startup by January 1 shall pay the applicable administrative fee from the table below, adjusted under subsection (H), for that calendar year, and annually thereafter. The fee is due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.

Class II Title V Source Category	Administrative Fee
Synthetic minor sources, except portable sources	Administrative fee from Class I Title V table for category
Stationary	$8,070
Portables	$8,070
Small Source	$750

E. Class II Non-Title V Fees. The owner or operator of a Class II Non-Title V source that has undergone initial startup by January 1 shall pay the applicable inspection fee from the table below, adjusted under subsection (H), for that calendar year, and annually thereafter. The fee is due by February 1 or 60 days after the Director mails the invoice under subsection (F), whichever is later.

Class II Non-Title V Source Category	Inspection Fee
Stationary	$5,230
Portables	$5,230
Gasoline Service Stations	$750

F. The Director shall mail the owner or operator of each source an invoice for all fees due under subsections (C), (D), or (E) by December 1.

G. Any person who receives a final itemized bill from the Director under this Section for a billable permit action may request an informal review of the hours billed and may pay the bill under protest as provided below:
1. The request shall be made in writing, and received by the Director within 30 days of the date of the final bill. Unless the Director and person agree otherwise, the informal review shall take place within 30 days after the Director's receipt of the request. The Director shall arrange the date and location of the informal review with the person at least 10 business days before the informal review. The Director shall review whether the amounts of time billed are correct and reasonable for the tasks involved. The Director shall mail his or her decision on the informal review to the person within 10 business days after the informal review date.
2. The Director's decision after informal review shall become final unless, within 30 days after person's receipt of the informal review decision, the person requests a hearing under R18-1-202.
3. If the final itemized bill is paid under protest, the Director shall take final action on the permit or permit revision.

H. The Director shall adjust the hourly rate every November 1, to the nearest 10 cents per hour, after December 4, 2007, by multiplying $133.50 by the Consumer Price Index (CPI) for the most recent year, and then dividing by the CPI for the year 2007. The Director shall adjust the administrative or inspection fees listed in subsections (C), (D), and (E) every November 1, to the nearest $10, beginning December 4, 2007, by multiplying the administrative or inspection fee by the Consumer Price Index (CPI) for the most recent year, and then dividing by the CPI for the year 2007. The Consumer Price Index for any year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of that year.

I. An applicant for a Class I or Class II permit or permit revision may request that the Director provide accelerated processing of the application by providing the Director written notice 60 days before filing the application. The request shall be accompanied by an initial fee of $15,000. The fee is non-refundable to the extent of the Director's costs for accelerating the processing if the Director undertakes the accelerated processing described below:

1. If an applicant requests accelerated permit processing, the Director may, to the extent practicable, undertake to process the permit or permit revision according to the following schedule:
   a. For applications for initial Class I and II permits under R18-2-302 or significant permit revisions under R18-2-320, the Director shall issue or deny the proposed permit or permit revision within 120 days after the Director determines that the application is complete.
   b. For minor permit revisions under R18-2-319, the Director shall issue or deny the permit revision within 60 days after receiving a complete application.
2. At any time after an applicant requests accelerated permit processing, the Director may require additional advance payments based on the most recent estimate of additional costs.
3. Upon completion of permit processing activities but before issuance or denial of the permit or permit revision, the Director shall send notice of the decision to the applicant along with a final bill. The maximum fee for any billable permit action for a non-Title V source is $25,000. The final bill shall include all regular permit processing and other fees due, and, in addition, the difference between the cost of accelerating the permit application, including any costs incurred by the Director in contracting for, hiring, or supervising the work of outside consultants, and all advance payments submitted for accelerated processing. In the event all payments made exceed actual accelerated permit costs, the Director shall refund the excess advance payments. Nothing in this subsection affects the public participation requirements of R18-2-330, or EPA and affected state review as required under R18-2-307 or R18-2-319.

J. Inactive Sources. The owner or operator of a permitted source that has undergone initial startup but was shut down for the entire preceding year shall pay 50 percent of the administrative or inspection fee required under subsection (C), (D), or (E). The owner or operator of a source claiming inactive status under this subsection shall submit a letter to the Director by December 15 of the calendar year for which the source was inactive. Termination of a permit does not relieve a source of any past fees due.

K. If an applicant uses the Tier 4 method for conducting a risk management analysis (RMA) according to R18-2-1708(B), the applicant shall pay any costs incurred by the Director in contracting for, hiring or supervising work of outside consultants.

~~M~~L. Transition.

1. Subsections (A) through (J) of this Section are effective December 4, 2007. The first administrative or inspection fees are due on February 1, 2008.
2. Except as provided in subsection (b), all fees incurred after December 4, 2007, are payable in accordance with the rates contained in this Section.
   a. Emission-based fees for calendar year 2006 shall be billed at $38.25 per ton and be due February 1, 2008.
   b. The hourly rates and maximum fees for a new permit or permit revision are those in effect when the application for the permit or revision is determined to be complete.
   c. Fees accrued but not yet paid before the effective date of this Section remain as obligations to be paid to the Department.

R18-2-327. Annual Emissions Inventory Questionnaire

A. Every source subject to permit requirements under this Chapter shall complete and submit to the Director an annual emissions inventory questionnaire. The questionnaire is due by March 31 or 90 days after the Director makes the inventory form available, whichever occurs later, and shall include emission information for the previous calendar year. These requirements apply whether or not a permit has been issued and whether or not a permit application has been filed.

B. The questionnaire shall be on a form provided by the Director and shall include the following information:

1. The source's name, description, mailing address, contact person and contact person phone number, and physical address and location, if different than the mailing address.
2. Process information for the source, including design capacity, operations schedule, and emissions control devices, their description and efficiencies.
3. The actual quantity of emissions from permitted emission points and fugitive emissions as provided in the permit, including documentation of the method of measurement, calculation, or estimation, determined pursuant to subsection (C), of the following regulated air pollutants:
   a. Any single regulated air pollutant in a quantity greater than 1 ton or the amount listed for the pollutant in the definition of "significant" in ~~R18-2-101(130)(a)~~ R18-2-101(131)(a) or (b), whichever is less.
   b. Any combination of regulated air pollutants in a quantity greater than 2 1/2 tons.

C. Actual quantities of emissions shall be determined using the following emission factors or data:

1. Whenever available, emissions estimates shall either be calculated from continuous emissions monitors certified pursuant to 40 CFR 75, Subpart C and referenced appendices, or data quality assured pursuant to Appendix F of 40 CFR 60.
2. When sufficient data pursuant to subsection (C)(1) is not available, emissions estimates shall be calculated from data from source performance tests conducted pursuant to R18-2-312 in the calendar year being reported or, when not available, conducted in the most recent calendar year representing the operating conditions of the year being reported.

3. When sufficient data pursuant to subsection (C)(1) or (2) is not available, emissions estimates shall be calculated using emissions factors from EPA Publication No. AP-42 "Compilation of Air Pollutant Emission Factors," Volume I: Stationary Point and Area Sources, Fifth Edition, 1995, U.S. Environmental Protection Agency, Research Triangle Park, NC, including Supplements A through F and all updates published through July 1, 2011 (and no future editions). AP-42 is incorporated by reference and is on file with the Department of Environmental Quality and can be obtained from the Government Printing Office, 732 North Capitol Street, NW, Washington, D.C. 20401, telephone (202) 512-1800, or by downloading the document from the web site for the EPA Clearinghouse for Emission Inventories and Emission Factors.
4. When sufficient data pursuant to subsections (C)(1) through (C)(3) is not available, emissions estimates shall be calculated from material balance using engineering knowledge of process.
5. When sufficient data pursuant to subsections (C)(1) through (4) is not available, emissions estimates shall be calculated by equivalent methods approved by the Director. The Director shall only approve methods that are demonstrated as accurate and reliable as one of the methods in subsections (C)(1) through (4).

D. Actual quantities of emissions calculated under subsection (C) shall be determined on the basis of actual operating hours, production rates, in-place process control equipment, operational process control data, and types of materials processed, stored, or combusted.

E. An amendment to an annual emission inventory questionnaire, containing the documentation required by subsection (B)(3), shall be submitted to the Director by any source whenever it discovers or receives notice, within two years of the original submittal, that incorrect or insufficient information was submitted to the Director by a previous questionnaire. If the incorrect or insufficient information resulted in an incorrect annual emissions fee, the Director shall require that additional payment be made or shall apply an amount as a credit to a future annual emissions fee. The submittal of an amendment under this subsection (shall) not subject the owner or operator to an enforcement action or a civil or criminal penalty if the original submittal of incorrect or insufficient information was due to reasonable cause and not willful neglect.

F. The Director may require submittal of supplemental emissions inventory questionnaires for air contaminants pursuant to A.R.S. §§ 49-422, 49-424, and 49-426.03 through 49-426.08.

R18-2-330. Public Participation

A. The Director shall provide public notice, an opportunity for public comment, and an opportunity for a hearing before taking any of the following actions:
1. ~~A permit issuance or renewal of a permit~~ The issuance or denial of a permit or permit renewal,
2. The issuance or denial of a ~~A~~ significant permit revision,
3. ~~Revocation~~ The revocation and reissuance or reopening of a permit,
4. The grant of any ~~Any~~ conditional orders pursuant to R18-2-328,
5. ~~Granting a variance from a general permit under R18-2-507 and R18-2-1705.~~ The issuance or denial of a registration for the construction of a source, except as provided in R18-2-302.01(B)(5).

B. The Director shall provide public notice of receipt of complete applications for permits or permit revisions subject to Article 4 of this Chapter by publishing a notice in a newspaper of general circulation in the county where the source is or will be located.

C. The Director shall provide the notice required pursuant to subsection (A) as follows:
1. The Director shall publish the notice once each week for two consecutive weeks in two newspapers of general circulation in the county where the source is or will be located.
2. The Director shall mail a copy of the notice to persons on a mailing list developed by the Director consisting of those persons who have requested in writing to be placed on such a mailing list.

~~**D**~~3. The notice ~~required by subsection (C)~~ shall include the following:
~~1~~a. Identification of the affected facility;
~~2~~b. Name and address of the permittee or applicant;
~~3~~c. Name and address of the permitting authority processing the permit action;
~~4~~d. The activity or activities involved in the permit action;
~~5~~e. The emissions change involved in any permit revisions;
~~6~~f. The air contaminants to be emitted;
~~7~~g. If applicable, that a notice of confidentiality has been filed under R18-2-305;
~~8~~h. If applicable, that the source has submitted a risk management analysis under R18-2-1708;
~~9~~i. A statement that any person may submit written comments, or a written request for a public hearing, or both, on the proposed permit action, along with the deadline for such requests or comments;
~~10~~j. The name, address, and telephone number of a person from the Department from whom additional information may be obtained;
~~11~~k. Locations where ~~copies of the permit or permit revision application, the proposed permit, and all other materials available to the Director that are relevant to the permit decision~~ the materials identified in subsection (D) may be reviewed~~, including the closest Department office,~~ and the times at which they shall be available for public inspection.
~~12~~l. The Director shall include a statement in the public notice if the permit or permit revision would result in the generation of emission reduction credits under R18-2-1204, or the utilization of emission reduction credits under R18-2-1206.

D. By no later than the date notice is first published under subsection (A), the Department shall make copies of the following materials available at a public location in the same county as the stationary source that is the subject of the application and at the closest Department office:
1. The application;
2. The proposed permit or permit revision, if applicable;
3. The Department's analysis in support of the grant or denial of the permit or permit revision; and
4. All other materials available to the Director that are relevant to the permit decision.

E. The Director shall hold a public hearing to receive comments on petitions for conditional orders which would vary from requirements of the applicable implementation plan. For all other actions involving a proposed permit, the Director shall hold a public hearing only

upon written request. If a public hearing is requested, the Director shall schedule the hearing and publish notice as described in A.R.S. § 49-444 and subsection (D). The Director shall give notice of any public hearing at least 30 days in advance of the hearing.

F. At the time the Director publishes the first notice under subsection (C)(1), the applicant shall post a notice containing the information required in subsection ~~(D)~~ (C)(3) at the site where the source is or may be located. Consistent with federal, state, and local law, the posting shall be prominently placed at a location under the applicant's legal control, adjacent to the nearest public roadway, and visible to the public using the public roadway. If a public hearing is to be held, the applicant shall place an additional posting providing notice of the hearing. Any posting shall be maintained until the public comment period is closed.

G. The Director shall provide at least 30 days from the date of its first notice for public comment to receive comments and requests for a hearing. The Director shall keep a record of the commenters and of the issues raised during the public participation process and shall prepare written responses to all comments received. At the time a final proposed permit is submitted to EPA, in the case of a Class I permit, or a final decision is made, in the case of a Class II permit, the record and copies of the Director's responses shall be made available to the applicant and all commenters.

R18-2-332. Stack Height Limitation

A. The degree of emission limitation required of any source for control of any pollutant shall not be affected by so much of the source's stack height that exceeds good engineering practice or by any other dispersion technique, except as provided in subsection (B). This section does not require the plan to restrict, in any manner, the actual stack height of any source.

~~A~~B. ~~The limitations set forth herein~~ Subsection (A) shall not apply to: ~~stacks or dispersion techniques used by the owner or operator prior to December 31, 1970, for which the owner or operator had~~:

1. ~~Begun, or caused to begin, a continuous program of physical on-site construction of the stack;~~
2. ~~Entered into building agreements or contractual obligations, which could not be cancelled or modified without substantial loss to the owner or operator, to undertake a program of construction of the stack to be completed in a reasonable time~~ Stacks in existence, or dispersion techniques implemented, on or before December 31, 1970, unless the stationary source or emission unit emitting pollutants through the stack, or employing the dispersion technique, was constructed, reconstructed or underwent a major modification after December 31, 1970; or

~~3~~2. Coal-fired steam electric generating units, subject to the provisions of Section 118 of the Act which commenced operation before July 1, ~~1975~~ 1957, with stacks constructed under a construction contract awarded before February 8, 1974.

~~B~~C. ~~GEP~~ Good engineering practice stack height is ~~calculated as~~ the greater of the following ~~four numbers in subsections (1) through (4)~~ heights:

1. 213.25 feet (65 meters) measured from the ground-level elevation at the base of the stack;
2. The result of one of the following equations, where "Hg" = good engineering practice stack height measured from the ground-level elevation at the base of the stack; "H" = height of nearby structures measured from the ground-level elevation at the base of the stack; and "L" = lesser dimension (height or projected width) of nearby structures:
   a. For stacks in existence on January 12, 1979, and for which the owner or operator had obtained all applicable preconstruction permits or approvals required under 40 CFR ~~Parts~~ 51 and 52 ~~and R18-2-403~~, Hg = 2.5H, provided the owner or operator produces evidence that this equation was actually relied on in establishing an emission limitation; or

   ~~3~~b. For all other stacks, Hg = H + 1.5L, ~~where~~
   ~~Hg = good engineering practice stack height, measured from the ground-level elevation at the base of the stack;~~
   ~~H = height of nearby structure measured from the ground-level elevation at the base of the stack;~~
   ~~L = lesser dimension (height or projected width) of nearby structure;~~
   provided that ~~the~~ EPA, the Director, or local control agency may require the use of a field study or fluid model to verify ~~GEP~~ good engineering practice stack height for the source; ~~or~~

~~4~~3. The height demonstrated by a fluid model or a field study approved by the reviewing agency, which ensures that the emissions from a stack do not result in excessive concentrations of any air pollutant as a result of atmospheric downwash, wakes, or eddy effects created by the source itself, nearby structures, or nearby terrain ~~obstacles~~ features.~~;~~

D. As used in this Section:

~~5~~1. For a specific structure or terrain feature, "nearby" ~~shall be~~ means:
   a. For purposes of applying the formulae in ~~subsections (B)(2) and (3)~~ subsection (C)(2), that distance up to five times the lesser of the height or the width dimension of a structure but not greater than 0.8 km (1/2 mile).
   b. For conducting demonstrations under subsection ~~(B)(4)~~ (C)(3), ~~means~~ not greater than 0.8 km (1/2 mile). An exception is that the portion of a terrain feature may be considered to be nearby which falls within a distance of up to 10 times the maximum height ~~(H+)~~ (Ht) of the feature, not to exceed 2 miles if such feature achieved a height ~~(H+)~~ (Ht) 0.8 km from the stack~~. The height shall be~~ that is at least 40% of the ~~GEP~~ good engineering practice stack height determined by the formula provided in subsection ~~(B)(3)~~ (C)(2)(b), or 85 feet (26 meters), whichever is greater, as measured from the ground-level elevation at the base of the stack.

~~6~~2. "Excessive concentrations" means~~, for the purpose of determining good engineering practice stack height under subsection (B)(4)~~:
   a. For sources seeking credit for stack height exceeding that established under ~~subsections (B)(2) and (3)~~ subsection (C)(2), a maximum ground-level concentration due to emissions from a stack due in whole or in part to downwash, wakes, and eddy effects produced by nearby structures or nearby terrain features which individually is at least 40% in excess of the maximum concentration experienced in the absence of such downwash, wakes, or eddy effects and which contributes to a total concentration due to emissions from all sources that is greater than ~~an ambient air quality standard~~ a national ambient air quality standard. For sources subject to ~~the requirements for permits or permit revisions under Article 4 of this Chapter~~ R18-2-406, an excessive concentration alternatively means a maximum ground-level concentration due to emissions from a stack due in whole or part to downwash, wakes or eddy effects produced by nearby structures or nearby terrain features which individually is at least 40% in excess of the maximum concentration experienced in the absence of such downwash, wakes, or eddy effects and greater than the applicable maximum allowable increase contained in R18-2-218. The allowable

emission rate to be used in making demonstrations under subsection ~~(B)(4)~~ (C)(3) shall be prescribed by the new source performance standard which is applicable to the source category unless the owner or operator demonstrates that this emission rate is infeasible. Where such demonstrations are approved by the Director, an alternative emission rate shall be established in consultation with the source owner or operator;

b. For sources seeking credit after October 11, 1983, for increases in existing stack heights up to the heights established under ~~subsections (B)(2) and (3)~~ subsection (C)(2), either:

i. A maximum ground-level concentration due in whole or in part to downwash, wakes, or eddy effects as provided in subsection ~~(B)(6)(a)~~ (D)(2)(a), except that emission rate specified by any applicable SIP (or, in the absence of such a limit, the actual emission rate) shall be used; or

ii. The actual presence of a local nuisance caused by the existing stack, as determined by the Director; and

c. For sources seeking credit after January 12, 1979, for a stack height determined under ~~subsections (B)(2) and (3)~~ subsection (C)(2), where the Director requires the use of a field study or fluid model to verify ~~GEP~~ good engineering practice stack height, for sources seeking stack height credit after November 9, 1984, based on the aerodynamic influence of cooling towers, and for sources seeking stack height credit after December 31, 1970, based on the aerodynamic influence of structures not adequately represented by the equations in ~~subsections (B)(2) and (3)~~ subsection (C)(2), a maximum ground-level concentration due in whole or in part to downwash, wakes, or eddy effects that is at least 40% in excess of the maximum concentration experienced in the absence of such downwash, wakes, or eddy effects.

~~**C.** The degree of emission limitation required of any source after the respective date given in subsection (A) above for control of any pollutant shall not be affected by so much of any source's stack height that exceeds good engineering practice or by any other dispersion technique.~~

~~**D.** The good engineering practice (GEP) stack height for any source seeking credit because of plume impaction which results in concentrations in violation of national ambient air quality standards or applicable maximum allowable increases under R18-2-218 can be adjusted by determining the stack height necessary to predict the same maximum air pollutant concentration on any elevated terrain feature as the maximum concentration associated with the emission limit which results from modelling the source using the GEP stack height as determined herein and assuming the elevated terrain features to be equal in elevation to the GEP stack height. If this adjusted GEP stack height is greater than stack height the source proposes to use, the source's emission limitation and air quality impact shall be determined using the proposed stack height and the actual terrain heights.~~

E. Before the Director issues a permit or permit revision under ~~this Article~~ R18-2-334 or Article 4 to a source based on a good engineering practice stack height that exceeds the height allowed by subsection ~~(B)~~ (B)(1) or (2), the Director shall notify the public of the availability of the demonstration study and provide opportunity for a public hearing in accordance with the requirements of ~~R18-1-402~~ R18-2-330.

R18-2-334. Minor New Source Review

A. Applicability.

1. Except as provided in subsection (A)(4), this Section shall apply to the following activities:
   a. Construction of any new Class I or Class II source, including the construction of any source requiring a Class II permit under R18-2-302.01(C)(4); or
   b. Any minor NSR modification to a Class I or Class II source.
2. This Section shall apply to a regulated minor NSR pollutant emitted by a new stationary source subject to this Section, if the source will have the potential to emit that pollutant at an amount equal to or greater than the permitting exemption threshold.
3. This Section shall apply to an increase in emissions of a regulated minor NSR pollutant from a minor NSR modification, if the modification would increase the source's potential to emit that pollutant by an amount equal to or greater than the permitting exemption threshold.
4. This Section shall not apply to the emissions of a pollutant from any of the activities identified in this subsection, if the emissions of that pollutant are subject to Article 4 of this Chapter.

B. No person shall begin actual construction of a new stationary source, or minor NSR modification, subject to this Section without first obtaining a permit, a permit revision, a proposed final permit, or a proposed final permit revision from the Director in accordance with R18-2-304.

C. The Director shall not issue a proposed final Class I permit or permit revision or a Class II permit or permit revision subject to this Section to a person proposing to construct a new source or make a minor NSR modification unless the source or modification meets one of the following conditions for each regulated minor NSR pollutant subject to this section:

1. The owner or operator elects to implement RACT.
   a. In the case of a new source, the owner or operator shall implement RACT for each emissions unit that has the potential to emit a regulated minor NSR pollutant in an amount equal to or greater than 20% of the permitting exemption threshold.
   b. In the case of a minor NSR modification, the owner or operator shall implement RACT for each emissions unit that will experience an increase in the potential to emit a regulated minor NSR pollutant equal to or greater than 20% of the permitting exemption threshold.
   c. When it is technically feasible and otherwise consistent with the definition of RACT to apply the same devices, systems, process modifications, work practices or other apparatus or techniques to a group of emissions units, that group of emissions units shall be treated as a single emissions unit for purposes of subsections (C)(1)(a) and (b). The following are examples of situations to which this subsection (may) apply:
      i. Emissions from a group of emissions units can be vented to a single control device.
      ii. A low-VOC coating can be used in several spray-painting booths.
2. An ambient air quality assessment demonstrates that emissions from the source or minor NSR modification will not interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard in Arizona or any affected state.

a. An owner or operator may elect to have the Director perform a ~~SCREEN~~ screening model of its emissions. If the results of the ~~SCREEN~~ screening model indicate that the source or minor NSR modification will interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard, the owner or operator may perform a more refined model to make the demonstration required by this subsection.

b. The requirements of this subsection shall be satisfied, if the results of the ~~SCREEN~~ screening or more refined ~~modeling~~ model conducted pursuant to subsection (B)(2)(a) demonstrate either of the following:

i. Ambient concentrations resulting from emissions from the source or modification combined with existing concentrations of regulated minor NSR pollutants will not ~~cause or exacerbate the violation of a standard imposed in Article 2 of this Chapter~~ interfere with attainment or maintenance of a national ambient air quality standard.

ii. Emissions from the source or minor modification will have an ambient impact below the significance levels as defined in R18-2-401.

c. The assessment required by this subsection shall take into account any limitations, controls or emissions decreases that are or will be enforceable in the permit or permit revision for the source.

D. RACT Determinations.

1. Except as otherwise provided in this subsection, the Director shall determine RACT on the basis of a case-by-case analysis performed by the permit applicant of the emission reduction methods available for each emission unit subject to the RACT requirement under subsection (C)(1).
2. The Director shall accept a requirement proposed by a permit applicant as RACT under subsection (C)(1) if it complies with the most recently adopted of the following guidelines or standards in effect at the time of the application:
   a. A control technique guideline issued by the Administrator under section 108(f)(1) of the Act.
   b. An emissions standard established or revised by the Administrator for the same type of source under section 111 or 112 of the Act after November 15, 1990.
   c. An applicable requirement of this Chapter or of air quality control regulations adopted by a County under A.R.S. § 49-479 that has been specifically identified as constituting RACT.
   d. A RACT standard imposed on the same type of source by a general permit.
   e. A RACT standard imposed on the same type of source under this Section no more than 10 years before submission of the application by the permit applicant. To facilitate identification of previously imposed RACT standards, the Director shall establish an online database of RACT determinations made under this Section.

E. Notwithstanding an election to adopt RACT under subsection (C)(1), a permit applicant subject to this Section shall conduct an ambient air quality impact assessment under subsection (C)(2) upon the Director's request. The Director shall make such a request, if there is reason to believe that a source or minor NSR modification could interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standards. In making that determination, the Director shall take into consideration:

1. The source's emission rates.
2. The location of emission units within the facility and their proximity to the ambient air.
3. The terrain in which the source is or will be located.
4. The source type.
5. The location and emissions of nearby sources.
6. Background concentrations of regulated minor NSR pollutants.

F. The Director shall deny an application for a Class I permit or permit revision or a Class II permit or permit revision subject to this Section, if an assessment conducted pursuant to subsection (C)(2) demonstrates that the source or modification will interfere with attainment or maintenance of a ~~standard imposed in Article 2 of this Chapter~~ national ambient air quality standard.

~~**G.** An application for a permit or permit revision subject to this Section may be processed as a minor permit revision if one of the following conditions is satisfied for each pollutant subject to subsection (C):~~

~~1. A RACT standard is imposed under subsection (D)(2) on each emissions unit that requires such a standard under subsection (C)(1).~~

~~2. The results of the SCREEN model for a regulated minor NSR pollutant show expected concentrations, including background concentrations, that are less than 75% of the applicable standard imposed in Article 2 of this Chapter.~~

~~**H.**~~ **G.** A copy of the notice required by R18-2-330 for permits or significant permit revisions subject to this Section must also be sent to the Administrator through the appropriate regional office, and to all other state and local air pollution control agencies having jurisdiction in the region in which the source subject to the permit or permit revision will be located. The notice also must be sent to any other agency in the region having responsibility for implementing the procedures required under ~~this subpart~~ 40 CFR 51, I.

~~**I.**~~ **H.** All modeling required pursuant to this Section shall be conducted in accordance with 40 CFR 51, Appendix W.

~~**J.**~~ **I.** The Director shall specify those conditions in the permit that are implemented pursuant to this Section. The specified conditions shall be included in subsequent permit renewals unless modified pursuant to this Section or Article 4 of this Chapter.

~~**K.**~~ **J.** The issuance of a permit or permit revision under this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

~~**L.** Delayed Effective Date. This Section shall take effect on the effective date of the Administrator's action approving it as part of the state implementation plan.~~

ARTICLE 4. PERMIT REQUIREMENTS FOR NEW MAJOR SOURCES AND MAJOR MODIFICATIONS TO EXISTING MAJOR SOURCES

R18-2-401. Definitions

The following definitions apply to this Article:

1. "Adverse impact on visibility" means visibility impairment that interferes with the management, protection, preservation, or enjoyment of the visitor's visual experience of a federal Class I area, as determined according to R18-2-410. This determination

must be made on a case-by-case basis taking into account the geographic extent, intensity, duration, frequency and time of visibility impairments, and how these factors correlate with times of visitor use of the federal Class I area and the frequency and timing of natural conditions that reduce visibility. This term does not include effects on integral vistas.

2. "Baseline actual emissions" means the rate of emissions, in tons per year, of a regulated NSR pollutant, as determined in accordance with subsections (2)(a) through ~~(c)~~ (d).
   a. For any existing electric utility steam generating unit, baseline actual emissions means the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner or operator within the five-year period immediately preceding when the owner or operator begins actual construction of the project. The Director shall allow the use of a different time period upon a determination that it is more representative of normal source operation.
      i. The average rate shall include fugitive emissions to the extent quantifiable, and emissions associated with startups, shutdowns, and malfunctions.
      ii. The average rate shall be adjusted downward to exclude any non-compliant emissions that occurred while the source was operating above any emission limitation that was legally enforceable during the consecutive 24-month period.
      iii. For a regulated NSR pollutant, when a project involves multiple emissions units, only one consecutive 24-month period must be used to determine the baseline actual emissions for the emissions units being changed. A different consecutive 24-month period can be used for each regulated NSR pollutant.
      iv. The average rate shall not be based on any consecutive 24-month period for which there is inadequate information for determining annual emissions, in tons per year, and for adjusting this amount if required by subsection (2)(a)(ii).
   b. For any existing emissions unit (other than an electric utility steam generating unit), baseline actual emissions means the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner or operator within the 10-year period immediately preceding either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by the Administrator for a permit required under 40 CFR 52.21 or by the Director for a permit required under the state implementation plan, whichever is earlier, except that the 10-year period shall not include any period earlier than November 15, 1990.
      i. The average rate shall include fugitive emissions to the extent quantifiable, and emissions associated with startups, shutdowns, and malfunctions.
      ii. The average rate shall be adjusted downward to exclude any non-compliant emissions that occurred while the source was operating above any emission limitation that was legally enforceable during the consecutive 24-month period. This provision applies to excess emissions associated with a malfunction.
      iii. The average rate shall be adjusted downward to exclude any emissions that would have exceeded an emission limitation with which the major source must currently comply, had such major source been required to comply with such limitations during the consecutive 24-month period. However, if an emission limitation is part of a maximum achievable control technology standard that the Administrator proposed or promulgated under 40 CFR 63, the baseline actual emissions need only be adjusted if the state of Arizona has taken credit for such emissions reductions in an attainment demonstration or maintenance plan consistent with the requirements of 40 CFR 51.165(a)(3)(ii)(G) ~~submitted to the Administrator pursuant to section 110(a)(1) of the Act~~.
      iv. For a regulated NSR pollutant, when a project involves multiple emissions units, only one consecutive 24-month period must be used to determine the baseline actual emissions for all existing emissions units affected by the project. A different consecutive 24-month period may be used for each regulated NSR pollutant.
      v. The average rate shall not be based on any consecutive 24-month period for which there is inadequate information for determining annual emissions, in tons per year, and for adjusting this amount if required by subsection (2)(b)(ii) or (iii).
   c. For a new emissions unit, the baseline actual emissions for purposes of determining the emissions increase that will result from the initial construction and operation of such unit shall equal zero; and thereafter, for all other purposes, shall equal the unit's potential to emit.
   d. For a PAL for a stationary source, the baseline actual emissions shall be calculated for existing electric utility steam generating units in accordance with the procedures in subsection (2)(a), for other existing emissions units in accordance with the procedures contained in subsection (2)(b), and for new emissions units in accordance with the procedures contained in subsection (2)(c).
3. "Basic design parameter" means:
   a. Except as provided in subsection (3)(c), for a process unit at a steam electric generating facility, the owner or operator may select as its basic design parameters either maximum hourly heat input and maximum hourly fuel consumption rate or maximum hourly electric output rate and maximum steam flow rate. When establishing fuel consumption specifications in terms of weight or volume, the minimum fuel quality based on Btu content shall be used for determining the basic design parameters for a coal-fired electric utility steam generating unit.
   b. Except as provided in subsection (3)(c), the basic design parameters for any process unit that is not at a steam electric generating facility are maximum rate of fuel or heat input, maximum rate of material input, or maximum rate of product output. Combustion process units will typically use maximum rate of fuel input. For sources having multiple end products and raw materials, the owner or operator should consider the primary product or primary raw material when selecting a basic design parameter.
   c. If the owner or operator believes the basic design parameters in subsections (3)(a) and (b) are not appropriate for a specific industry or type of process unit, the owner or operator may propose to the Director an alternative basic design parameters for the source's process unit. If the Director approves of the use of an alternative basic design parameters, the Director shall issue a permit that is legally enforceable that records such basic design parameters and requires the owner or operator to comply with such parameters.

d. The owner or operator shall use credible information, such as results of historic maximum capability tests, design information from the manufacturer, or engineering calculations, in establishing the magnitude of the basic design parameters specified in subsections (3)(a) and (b).
e. If design information is not available for a process unit, then the owner or operator shall determine the process unit's basic design parameters using the maximum value achieved by the process unit in the five-year period immediately preceding the planned activity.
f. Efficiency of a process unit is not a basic design parameter.
g. The replacement activity shall not cause the process unit to exceed any emission limitation, or operational limitation that has the effect of constraining emissions, that applies to the process unit and that is legally enforceable.

4. "Complete" means, in reference to an application for a permit or permit revision, that the application contains all the information necessary for processing the application. Designating an application complete for purposes of permit processing does not preclude the Department from requesting or accepting any additional information.
5. "Dispersion technique" means any technique that attempts to affect the concentration of a pollutant in the ambient air by any of the following:
   a. Using that portion of a stack that exceeds good engineering practice stack height;
   b. Varying the rate of emission of a pollutant according to atmospheric conditions or ambient concentrations of that pollutant; or
   c. Increasing final exhaust gas plume rise by manipulating source process parameters, exhaust gas parameters, stack parameters, or combining exhaust gases from several existing stacks into one stack; or other selective handling of exhaust gas streams that increases the exhaust gas plume rise. This shall not include any of the following:
      i. The reheating of a gas stream, following use of a pollution control system, for the purpose of returning the gas to the temperature at which it was originally discharged from the facility generating the gas stream.
      ii. The merging of exhaust gas streams under any of the following conditions:
         (1) The source owner or operator demonstrates that the facility was originally designed and constructed with the merged gas streams;
         (2) After July ~~18~~ 8, 1985, the merging is part of a change in operation at the facility that includes the installation of pollution controls and is accompanied by a net reduction in the allowable emissions of a pollutant, applying only to the emission limitation for that pollutant; or
         (3) Before July 8, 1985, the merging was part of a change in operation at the facility that included the installation of emissions control equipment or was carried out for sound economic or engineering reasons. Where there was an increase in the emission limitation or, in the event that no emission limitation was in existence prior to the merging, an increase in the quantity of pollutants actually emitted prior to the merging, the Department shall presume that merging was significantly motivated by an intent to gain emissions credit for greater dispersion. Absent a demonstration by the source owner or operator that merging was not significantly motivated by such intent, the Department shall deny credit for the effects of the merging in calculating the allowable emissions for the source.
      iii. Smoke management in agricultural or silvicultural prescribed burning programs.
      iv. Episodic restrictions on residential woodburning and open burning.
      v. Techniques that increase final exhaust gas plume rise if the resulting allowable emissions of sulfur dioxide from the facility do not exceed 5,000 tons per year.
6. "Existing emissions unit" is any emissions unit that is currently in existence and that is not a new emissions unit. A replacement unit is an existing emissions unit.
7. "Federal Class I area" means an area designated as Class I under R18-2-217.
~~7~~8. "High terrain" means any area having an elevation of 900 feet or more above the base of the stack of a source.
~~8~~9. "Innovative control technology" means any system of air pollution control that has not been adequately demonstrated in practice but would have a substantial likelihood of achieving greater continuous emissions reduction than any control system in current practice, or of achieving at least comparable reductions at lower cost in terms of energy, economics, or nonair quality environmental impacts.
~~9~~10. "Low terrain" means any area other than high terrain.
~~10~~11."Lowest achievable emission rate" (LAER) means, for any source, the more stringent rate of emissions based on one of the following:
   a. The most stringent emissions limitation that is contained in any implementation plan approved or promulgated under sections 110 or 172 of the Act for the class or category of stationary source, unless the owner or operator of the proposed stationary source demonstrates that the limitation is not achievable; or
   b. The most stringent emissions limitation that is achieved in practice by the class or category of stationary source. This limitation, when applied to a modification, means the lowest achievable emissions rate for the new or modified emissions units within the stationary source. The application of this term shall not permit a proposed new or modified stationary source to emit any pollutant in excess of the amount allowable under the applicable ~~standards of performance in Articles 9 and 11 of this Chapter~~ new source performance standards.
12. "Major emissions unit" means:
   a. Any emissions unit that emits or has the potential to emit 100 tons per year or more of the PAL pollutant in an attainment area; or
   b. Any emissions unit that emits or has the potential to emit the PAL pollutant in an amount that is equal to or greater than the major source threshold for the PAL pollutant for nonattainment areas. For example, in accordance with the definition of major stationary source in section 182(c) of the Act, an emissions unit would be a major emissions unit for VOC if the emissions unit is located in a serious ozone nonattainment area and it emits or has the potential to emit 50 or more tons of VOC per year.

~~11~~13."Major source" ~~means~~ is defined as follows:

a. For purposes of determining the applicability of R18-2-403 through R18-2-405 or R18-2-411, major source means any ~~Any~~ stationary source ~~located in a nonattainment area~~ that emits, or has the potential to emit, 100 tons per year or more of any regulated NSR pollutant, except that the following thresholds shall apply in areas subject to subpart 2, subpart 3 or subpart 4 of part D, Title I of the Act:

Pollutant Emitted	Nonattainment Pollutant and Classification	Quantity Threshold tons/year or more
Carbon Monoxide (CO)	CO, Serious, if stationary sources contribute significantly to CO levels in the area as determined under rules issued by the Administrator	50
VOC	Ozone, Serious	50
VOC	Ozone, Severe	25
PM_{10}	PM_{10}, Serious	70
$PM_{2.5}$	$PM_{2.5}$ Serious	70
$PM_{2.5}$ precursors identified in R18-2-101(124)(a)	$PM_{2.5}$ Serious	70
NO_x	Ozone, Serious	50
NO_x	Ozone, Severe	25

b. For purposes of determining the applicability of R18-2-406 through R18-2-408 or R18-2-410, major source means any ~~Any~~ stationary source ~~located in an attainment or unclassifiable area~~ that emits, or has the potential to emit, 100 tons per year or more of any regulated NSR pollutant if the source is classified as a ~~Categorical Source~~ categorical source, or 250 tons per year or more of any regulated NSR pollutant if the source is not classified as a ~~Categorical Source~~ categorical source;

~~c. Any stationary source that emits, or has the potential to emit, five or more tons of lead per year;~~

c. A major source includes a physical change that would occur at a stationary source, not otherwise qualifying under subsection (13)(a) or (b) as a major source, if the change would constitute a major source by itself.

d. A major source that is major for VOC or nitrogen oxides shall be considered major for ozone~~; or~~.

e. The fugitive emissions of a stationary source shall not be included in determining for any of the purposes of this ~~Section~~ Article whether it is a major ~~stationary~~ source, unless the source belongs to a section 302(j) category.

14. "Mandatory federal Class I area" means an area identified in R18-2-217(B).

~~12~~15."New emissions unit" means any emissions unit which is (or will be) newly constructed and which has existed for less than two years from the date such emissions unit first operated.

~~13~~16."Plantwide applicability limitation" or "PAL" means an emission limitation that is based on the baseline actual emissions of all emissions units at the stationary source that emit or have the potential to emit the PAL pollutant, expressed in tons per year, for a pollutant at a major source, that is enforceable as a practical matter and established source-wide in accordance with this Section.

~~14~~17."PAL allowable emissions" means "allowable emissions" as defined in R18-2-101, except that the allowable emissions for any emissions unit shall be calculated considering any emission limitations that are enforceable as a practical matter on the emissions unit's potential to emit.

~~15~~18.PAL effective date generally means the date of issuance of the PAL permit. However, the PAL effective date for an increased PAL is the date any emissions unit that is part of the PAL major modification becomes operational and begins to emit the PAL pollutant.

~~16~~19.“PAL effective period” means the period beginning with the PAL effective date and ending 10 years later.

~~17~~20.“PAL major modification” means any physical change in or change in the method of operation of the PAL source that causes it to emit the PAL pollutant at a level equal to or greater than the PAL.

~~18~~21.“PAL permit” means the permit issued by the Director that establishes a PAL for a major source under Article 3 or 4 of this Chapter.

~~19~~22.“PAL pollutant” means the pollutant for which a PAL is established at a major source.

~~20~~23.“Projected actual emissions” means:

a. The maximum annual rate, in tons per year, at which an existing emissions unit is projected to emit a regulated NSR pollutant during any 12-month period in the 60 calendar months following the date the unit resumes regular operation after the project, or in any 12-month period in the 120 calendar months following that date if the project involves increasing the design capacity or potential to emit of any emissions unit for that regulated NSR pollutant and full utilization of the unit would result in a significant emissions increase or a significant net emissions increase at the major source.

b. In determining the projected actual emissions before beginning actual construction, the owner or operator of the major source:

i. Shall consider all relevant information, including but not limited to, historical operational data, the company’s own representations, the company’s expected business activity and the company’s highest projections of business activity, the company’s filings with the county, state or federal regulatory authorities, and compliance plans under these regulations; and

ii. Shall include fugitive emissions to the extent quantifiable;

iii. Shall include emissions associated with startups~~, and~~ shutdowns, and malfunctions ~~except emissions from a shutdown associated with a malfunction~~; and

iv. Shall exclude, only for calculating any increase in emissions that results from the particular project, that portion of the unit’s emissions following the project that an existing unit could have accommodated during the consecutive 24-month period used to establish the baseline actual emissions and that are also unrelated to the particular project, including any increased utilization due to product demand growth; or

c. In lieu of using the method set out subsections ~~(20)(b)(i)~~ 23(b)(i) through (iv), the owner or operator may elect to use the emissions unit’s potential to emit, in tons per year.

~~21. “Reconstruction” of sources located in nonattainment areas shall be presumed to have taken place if the fixed capital cost of the new components exceeds 50% of the fixed capital cost of a comparable entirely new stationary source, as determined in accordance with the provisions of 40 CFR 60.15(f)(1) through (3).~~

~~22~~24.“Replacement unit” means an emissions unit for which all the criteria listed in subsections ~~(22)(a)~~ (24)(a) through (d) are met. No creditable emission reductions shall be generated from shutting down the existing emissions unit that is replaced.

a. The emissions unit is a reconstructed unit within the meaning of 40 CFR 60.15(b)(1), or the emissions unit completely takes the place of an existing emissions unit.

b. The emissions unit is identical to or functionally equivalent to the replaced emissions unit.

c. The replacement does not alter the basic design parameters of the process unit.

d. The replaced emissions unit is permanently removed from the major source, otherwise permanently disabled, or permanently barred from operation by a permit that is enforceable as a practical matter. If the replaced emissions unit is brought back into operation, it shall constitute a new emissions unit.

~~23~~25.“Resource recovery project” means any facility at which solid waste is processed for the purpose of extracting, converting to energy, or otherwise separating and preparing solid waste for reuse. Only energy conversion facilities that utilize solid waste that provides more than 50% of the heat input shall be considered a resource recovery project under this Article.

~~24~~26.“Significant emissions unit” means an emissions unit that emits or has the potential to emit a PAL pollutant in an amount that is equal to or greater than the significant level for that PAL pollutant, but less than the amount that would qualify the unit as a major emissions unit.

~~25~~27.“Significance levels” means the following ambient concentrations for the enumerated pollutants:

Averaging Time					
Pollutant	**Annual**	**24-Hour**	**8-Hour**	**3-Hour**	**1-Hour**
SO_2	1 µg/m^3	5 µg/m^3		25 µg/m^3	
NO_2	1 µg/m^3				
CO			0.5 mg/m^3		2 mg/m^3
PM_{10}	1 µg/m^3	5 µg/m^3			
$PM_{2.5}$ federal Class I area	0.06 µg/m^3	0.07 µg/m^3			
$PM_{2.5}$ federal Class II area	0.3 µg/m^3	1.2 µg/m^3			
$PM_{2.5}$ federal Class III area	0.3 µg/m^3	1.2 µg/m^3			

Except for the annual pollutant concentrations, the Department shall deem that exceedance of significance levels has occurred when the ambient concentration of the above pollutant is exceeded more than once per year at any one location. If the concentration occurs at a specific location and at a time when ~~Arizona ambient air quality standards~~ the national ambient air quality standards for the pollutant are not violated, the significance level does not apply.

~~26~~28."Small emissions unit" means an emissions unit that emits or has the potential to emit the PAL pollutant in an amount less than the significant level for that PAL pollutant.

R18-2-402. General

A. The preconstruction review requirements of this Article shall apply to the construction of any new major source or any project at an existing major source.

B. The requirements of R18-2-403 through R18-2-410 apply to the construction of ~~a~~ any new major source or ~~a~~ any major modification of any existing ~~stationary~~ major source, except as this Article otherwise provides.

C. No person shall begin actual construction of a new major source or a major modification subject to the requirements of R18-2-403 through R18-2-410 without first obtaining a proposed final permit from the Director, pursuant to R18-2-307(A)(2), stating that the major source or major modification shall meet those requirements.

D. The requirements of this Article apply to projects at major sources in accordance with the following principles.

1. Except as otherwise provided in subsection (E), a project is a major modification for a regulated NSR pollutant if it causes both a significant emissions increase and a significant net emissions increase. The project is not a major modification if it does not cause a significant emissions increase. If the project causes a significant emissions increase, then the project is a major modification only if it also results in a significant net emissions increase.
2. The procedure for calculating before beginning actual construction whether a significant emissions increase will occur depends upon the types of emissions units being modified as set forth in subsections (D)(3) through (6). The procedure for calculating before beginning actual construction whether a significant net emissions increase will occur at the major source is set forth in the definition of net emissions increase in R18-2-101. Regardless of any such preconstruction projections, a major modification results if the project causes a significant emissions increase and a significant net emissions increase.
3. Actual-to-projected-actual applicability test for projects that only involve existing emissions units. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the projected actual emissions and the baseline actual emissions, for each existing emissions unit, equals or exceeds the significant amount for that pollutant.
4. Actual-to-potential applicability test for projects that only involve new emissions units. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the potential to emit from each new emissions unit following completion of the project and the baseline actual emissions of these units before the project equals or exceeds the significant amount for that pollutant.
5. [Reserved.]
6. Hybrid applicability test for projects that involve both new emissions units and existing emissions units. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the emissions increases for each emissions unit, using the method specified in ~~subsection~~ subsections (D)(3) through (D)(4), as applicable with respect to each emissions unit, equals or exceeds the significant amount for that pollutant.

E. Any major source with a PAL for a regulated NSR pollutant shall comply with R18-2-412.

F. This subsection applies with respect to any regulated NSR pollutant emitted from projects at existing emissions units at a major stationary source (other than projects at a source with a PAL) in circumstances where there is a reasonable possibility, within the meaning of subsection (F)(6) ~~of this Section~~, that a project that is not a part of a major modification may result in a significant emissions increase of such pollutant and the owner or operator elects to use the method specified in ~~R18-2-401(20)(b)(i)~~ R18-2-401(23)(b)(i) through (iv) of the definition of projected actual emissions for calculating projected actual emissions.

1. Before beginning actual construction of the project, the owner or operator shall document and maintain a record of the following information:
   a. A description of the project;
   b. Identification of the emissions unit(s) with emissions of a regulated NSR pollutant that could be affected by the project;
   c. A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including the baseline actual emissions, the projected actual emissions~~,~~ the amount of emissions excluded under ~~R18-2-401(20)(b)(iii)~~ R18-2-401(23)(b)(iv) of the definition of projected actual emissions, and an explanation for why such amount was excluded; and
   d. Any netting calculations, if applicable.
2. If the emissions unit is an existing electric utility steam generating unit, before beginning actual construction, the owner or operator shall provide a copy of the information set out in subsection (F)(1) to the Director. Nothing in this subsection shall be construed to require the owner or operator of such a unit to obtain any determination from the Director before beginning actual construction.
3. The owner or operator shall monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that is emitted by any emissions unit identified in subsection (F)(1)(b); and calculate and maintain a record of the annual emissions, in tons per year on a calendar year basis, for a period of five years following resumption of regular operations after the change, or for a period of 10 years following resumption of regular operations after the change if the project increases the design capacity or potential to emit of that regulated NSR pollutant at such emissions unit. For purposes of this subsection, fugi-

tive emissions (to the extent quantifiable) shall be monitored if the emissions unit is part of a section 302(j) category or if the emissions unit is located at a major stationary source that belongs to a section 302(j) category.

4. The owner or operator shall submit a report to the Director if for a calendar year the annual emissions, in tons per year, from the project identified in subsection ~~(F)(1)(a)~~ (F)(1) exceed the sum of the baseline actual emissions, as documented and maintained under subsection (F)(1)(c), by a significant amount for that regulated NSR pollutant, and if the emissions differ from the preconstruction projection as documented and maintained under subsection (F)(1)(c). The owner or operator shall submit the report to the Director within 60 days after the end of the calendar year. The report shall contain the following:
   a. The name, address and telephone number of the major source;
   b. The annual emissions as calculated pursuant to subsection (F)(3); and
   c. Any other information that the owner or operator wishes to include in the report, such as an explanation as to why the emissions differ from the preconstruction projection.
5. Notwithstanding subsection (F)(4), if any existing emissions unit identified in subsection (F)(1)(b) is an electric utility steam generating unit, the owner or operator shall submit a report to the Director within 60 days after the end of each calendar year during which the owner or operator must generate records under subsection (F)(3). The report shall document the unit's post-project annual emissions during the calendar year that preceded submission of the report.
6. A "reasonable possibility" under subsection (F) occurs when the owner or operator calculates the project to result in one of the following:
   a. A projected actual emissions increase of at least 50% of the amount that is a significant emissions increase (without reference to the amount that is a significant net emissions increase) for the regulated NSR pollutant.
   b. A projected actual emissions increase that, added to the amount of emissions excluded under subsection (~~R18-2-401(20)(b)(iv)~~ R18-2-401(23)(b)(iv) of the definition of projected actual emissions, sums to at least 50% of the amount that is a significant emissions increase (without reference to the amount that is a significant net emissions increase) for the regulated NSR pollutant. For a project for which a reasonable possibility occurs only within the meaning of subsection (F)(6)(b), and not also within the meaning of subsection (F)(6)(a), subsections (F)(2) through (5) do not apply to the project.
7. The owner or operator of the source shall make the information required to be documented and maintained under subsection (F) available for review upon request for inspection by the Department or the general public.

G. An application for a permit or permit revision under this Article, other than a PAL permit pursuant to R18-2-412, shall not be considered complete unless the application demonstrates that:
1. The requirements in subsection (H) are met;
2. The more stringent of the applicable new source performance standards ~~in Article 9 of this Chapter~~ or the existing source performance standards in Article 7 of this Chapter are applied to the proposed new major source or major modification of a major source;
3. The visibility requirements contained in R18-2-410 are satisfied;
4. All applicable provisions of Article 3 of this Chapter are met;
5. The new major source or major modification will be in compliance with whatever emission limitation, design, equipment, work practice or operational standard, or combination thereof is applicable to the source or modification. The degree of emission limitation required for control of any pollutant under this Article shall not be affected in any manner by:
   a. Stack height in excess of GEP stack height except as provided in R18-2-332; or
   b. Any other dispersion technique, unless implemented prior to December 31, 1970;
6. The new major source or major modification will not exceed the applicable standards for hazardous air pollutants contained in this Chapter;
7. The new major source or major modification will not exceed the limitations, if applicable, on emission from nonpoint sources contained in Article 6 of this Chapter;
8. ~~A stationary source that will emit five or more tons of lead per year will not violate the ambient air quality standards for lead contained in R18-2-206;~~
9. ~~9~~8. The new major source or major modification will not have an adverse impact on visibility, as determined according to R18-2-410.

H. Except for assessing air quality impacts within federal Class I areas, the air impact analysis required to be conducted as part of a permit application shall initially consider only the geographical area located within a 50 kilometer radius from the point of greatest emissions for the new major source or major modification. The Director, on his own initiative or upon receipt of written notice from any person shall have the right at any time to request an enlargement of the geographical area for which an air quality impact analysis is to be performed by giving the person applying for the permit or permit revision written notice thereof, specifying the enlarged radius to be so considered. In performing an air impact analysis for any geographical area with a radius of more than 50 kilometers, the person applying for the permit or permit revision may use monitoring or modeling data obtained from major sources having comparable emissions or having emissions which are capable of being accurately used in such demonstration, and which are subjected to terrain and atmospheric stability conditions which are comparable or which may be extrapolated with reasonable accuracy for use in such demonstration.

I. ~~Unless the requirement has been satisfied pursuant to Article 3 of this Chapter, the~~ The Director shall comply with following requirements with respect to an application for a permit or permit revision subject to this Article:
1. Within 60 days after receipt of ~~an~~ the application ~~for a permit or permit revision subject to this Article~~, or any addition to ~~such~~ the application, the Director shall advise the applicant of any deficiency. The date of receipt of ~~the~~ a complete application shall be, for the purpose of this Section, the date on which the Director ~~received~~ receives all required information. The permit application shall not be deemed complete if the Director fails to meet the requirements of this subsection.
2. Within one year after receipt of a complete application, the Director shall do all of the following:
   a. Make a preliminary determination as to whether the permit or permit revision should be granted or denied.

b. Make the application, all materials the applicant submitted, the preliminary determination, and materials relating to the application available under R18-2-330(D).
c. Notify the public of the application, the preliminary determination and the opportunity for a public hearing and to submit written comments in accordance with R18-2-330(C). In the case of an application subject to R18-2-406, the notice shall include the degree of consumption of the maximum allowable increases allowed under R18-2-218 that is expected to occur as a result of emissions from the proposed source or modification.
d. Take final action on the application by denying the permit or permit revision or issuing a proposed final permit or permit revision.
e. Notify the applicant in writing of the approval or denial and make the notification, comments on the proposed action, and materials supporting the final action available for public inspection at the location where materials relating to the proposed action were placed under R18-2-330(D).

~~2~~3. A copy of any notice required by R18-2-330 and subsection (I)(2)(c) shall be sent to the permit applicant, to the Administrator, and to the following officials and agencies having cognizance over the location where the proposed major source or major modification would occur:
a. The air pollution control officer, if one exists, for the county wherein the proposed or existing source that is the subject of the permit or permit revision application is located;
b. The county manager for the county wherein the proposed or existing source that is the subject of the permit or permit revision application is located;
c. The city or town managers of the city or town which contains, and any city or town the boundaries of which are within 5 miles of, the location of the proposed or existing source that is the subject of the permit or permit revision application;
d. Any regional land use planning agency with authority for land use planning in the area where the proposed or existing source that is the subject of the permit or permit revision application is located; and
e. Any state, Federal Land Manager, or Indian governing body whose lands may be affected by emissions from the proposed source or modification.

~~3. The Director shall take final action on the application within one year of the proper filing of the completed application. The Director shall notify the applicant in writing of his approval or denial.~~

4.**J.** The authority to construct and operate a new major source or major modification under a permit or permit revision issued under this Article shall terminate if the owner or operator does not commence the proposed construction or major modification within 18 months of issuance or if, during the construction or major modification, the owner or operator suspends work for more than 18 months. The Director may extend the 18-month period upon a satisfactory showing that an extension is justified. This provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence construction within 18 months of the projected and approved commencement date.

R18-2-403. Permits for Sources Located in Nonattainment Areas

A. Except as provided in subsections (C) through (G) below, no permit or permit revision shall be issued under this Article to a person proposing to construct a new major source or make a major modification that is major for the pollutant for which the area is designated nonattainment unless:
1. The person demonstrates that the new major source or the major modification will meet an emission limitation which is the lowest achievable emission rate (LAER) for that source for that regulated NSR pollutant.
2. The person demonstrates that all existing major sources owned or operated by that person (or any entity controlling, controlled by, or under common control with that person) in the state are in compliance with, or on a schedule of compliance for, all conditions contained in permits of each of the sources and all other applicable emission limitations and standards under the Act and this Chapter.
3. The person demonstrates that emission reductions for the specific pollutant(s) from source(s) in existence in the allowable offset area of the new major source or major modification (whether or not under the same ownership) meet the offset requirements of R18-2-404.
4. The Administrator has not determined that the applicable implementation plan is not being adequately implemented for the nonattainment area in which the proposed source is to be constructed or modified in accordance with the requirements in this Section.

B. No permit or permit revision under this Article shall be issued to a person proposing to construct a new major source or make a major modification to a major source located in a nonattainment area unless:
1. The person performs an analysis of alternative sites, sizes, production processes, and environmental control techniques for such new major source or major modification; and
2. The Director determines that the analysis demonstrates that the benefits of the new major source or major modification significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.

C. At such time that a particular source or modification becomes a major source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as restriction on hours of operation, then the requirements of this Section shall apply to the source or modification as though construction had not yet commenced on the source or modification.

D. Secondary emissions shall not be considered in determining the potential to emit of a new source or modification and therefore whether the new source or modification is major. However, if a new source or modification is subject to this Section on the basis of its direct emissions, a permit or permit revision under this Article to construct the new source or modification shall be denied unless the requirements of R18-2-403(A)(3) and R18-2-404 are met for reasonably quantifiable secondary emissions caused by the new source or modification.

E. A permit to construct a new major source or major modification shall be denied unless the conditions specified in subsections (A)(1), (2), and (3) are met for fugitive emissions caused by the new source or modification. However, these conditions shall not apply to a new major source or major modification that would be a major source or major modification only if fugitive emissions, to the extent

quantifiable, are considered in calculating the potential emissions of the source or modification, and the source does not belong to a section 302(j) category.

F. The requirements of subsection (A)(3) shall not apply to temporary emissions units, such as pilot plants, portable facilities that will be relocated outside of the nonattainment area and the construction phase of a new source, if those units will operate for no more than 24 months in the nonattainment area, are otherwise in compliance with the requirement to obtain a permit under this Chapter and are in compliance with the conditions of that permit.

G. A decrease in actual emissions shall be considered in determining the potential of a new source or modification to emit only to the extent that the Director has not relied on it in issuing any permit or permit revision under this Article or the state has not relied on it in demonstrating attainment or reasonable further progress.

H. The Director shall transmit to the Administrator a copy of each permit application relating to a major stationary source or major modification under this Section. Within 30 days of the issuance of any permit under this Section, the Director shall also submit control technology information from the permit to the Administrator for the purposes listed in Section 173(d) of the Act.

I. The issuance of a permit or permit revision under this Article in accordance with this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

R18-2-404. Offset Standards

A. Increased emissions by a major source or major modification subject to R18-2-403 of each pollutant for which the area has been designated as nonattainment and for which the source or modification is classified as major shall be offset by real reductions in the actual emissions of ~~each~~ the pollutant ~~for which the area has been designated as nonattainment and for which the source or modification is classified as major~~. Offsets shall be for the same regulated NSR Pollutant, except that emissions of the ozone precursors NOx and VOC may be offset by reductions in emissions of either of those pollutants, provided that all other applicable requirements of this Section and R18-2-405 are satisfied. Except as provided in R18-2-405~~, emissions increases shall be offset by decreases at a ratio of~~ and subsection (J), the ratio of the total actual reductions to the emissions increase shall be at least 1 to 1.

B. Except as provided in subsection (B)(1) or (2), for sources and modifications subject to this Section, the baseline for determining credit for emissions reductions is the emissions limit for the source generating the offset credit under the applicable implementation plan in effect at the time the application for a permit or permit revision is filed.

1. The offset baseline shall be the actual emissions of the source from which offset credit is obtained where either of the following conditions is satisfied:
   a. 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.
   b. The applicable implementation plan does not contain an emissions limitation for that source or source category.
2. Where the emissions limit under the applicable implementation plan allows greater emissions than the potential to emit of the source, emissions offset credit will be allowed only for control below this potential.

C. For an existing fuel combustion source, emissions offset credit shall be based on the allowable emissions under the applicable implementation plan for the type of fuel being burned at the time the application to construct is filed. If the existing source commits to switch to a cleaner fuel at some future date, emissions offset credit based on the allowable or actual emissions for the fuels involved is not acceptable, unless the permit for the existing source is conditioned to require the use of a specified alternative control measure which would achieve the same degree of emissions reduction should the source switch back to a fuel generating higher emissions. The owner or operator of the existing source must demonstrate that adequate long-term supplies of the new fuel are available before granting emissions offset credit for fuel switches.

D. Offset Credit for Shutdowns.

1. Emissions reductions achieved by shutting down an existing emission unit or curtailing production or operating hours may be credited for offsets if they meet both of the following conditions.
   a. The reductions are surplus, permanent, quantifiable, and federally enforceable.
   b. The shutdown or curtailment occurred after the last day of the base year for the SIP planning process. For purposes of this subsection, 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 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.
2. Emissions reductions achieved by shutting down an existing emissions unit or curtailing production or operating hours and that do not meet the requirements in subsection (D)(1)(b) may be credited only if one of the following conditions is satisfied:
   a. The shutdown or curtailment occurred on or after the date the construction permit application is filed.
   b. The applicant can establish that the proposed new emissions unit is a replacement for the shutdown or curtailed emissions unit, and the emissions reductions achieved by the shutdown or curtailment met the requirements of subsection (D)(1)(a).

E. No emissions credit may be allowed for replacing one hydrocarbon compound with another of lesser reactivity, except for those compounds listed in Table 1 of EPA's "Recommended Policy on Control of Volatile Organic Compounds," 42 FR 35314 (July 8, 1977).

F. All emission reductions claimed as offset credits shall be federally enforceable by the time a proposed final permit is issued to the owner or operator of the major source subject to this Section and shall be in effect by the time the new or modified source subject to the permit commences operation.

G. The owner or operator of a major source or major modification subject to this Section must obtain offset credits from the same source or from other sources in the same nonattainment area, except that the Director may allow the owner or operator to obtain offset credits from another nonattainment area if both of the following conditions are satisfied:

1. The other area has an equal or higher nonattainment classification than the area in which the source is located.
2. Emissions from such other area contribute to a violation of the national ambient air quality standard in the nonattainment area in which the source is located.

H. Credit for an emissions reduction can be claimed to the extent that the Director has not relied on it in issuing any permit under this Article, R18-2-334, or the state has not relied on it in a demonstration of attainment or reasonable further progress.

I. The total tonnage of increased emissions, in tons per year, resulting from a major modification that must be offset under this Section shall be determined by summing the difference between the allowable emissions after the modification and the actual emissions before the modification for each emissions unit.

J. In ozone nonattainment areas classified as marginal, total emissions of VOC and oxides of nitrogen from other sources shall offset those proposed or permitted from the major source or major modification by a ratio of at least 1.10 to 1. In ozone nonattainment areas classified as moderate, total emissions of VOC and oxides of nitrogen from other sources shall offset those proposed or permitted from the major source or major modification by a ratio of at least 1.15 to 1. New major sources and major modifications in serious and severe ozone nonattainment areas shall comply with this Section and R18-2-405.

R18-2-405. Special Rule for Major Sources of VOC or Nitrogen Oxides in Ozone Nonattainment Areas Classified as Serious or Severe

A. Applicability. The provisions of this Section only apply to stationary sources of VOC or nitrogen oxides in ozone nonattainment areas classified as serious or severe. Unless otherwise provided in this Section, all requirements of Articles 3 and 4 of this Chapter apply.

B. "Significant" means, ~~for the purposes of a major modification of any major stationary source of VOC or nitrogen oxides, or for determining whether an otherwise minor source is major under the definition of major source in R18-2-401, any physical change or change in the method of operations that results in net increases in emissions of either pollutant by more than 25 tons when aggregated with all other creditable increases and decreases in emissions from the source over the previous five consecutive calendar years, including the calendar year in which the increase is proposed~~ in reference to an emissions increase or a net emissions increase, any increase in actual emissions of volatile organic compounds or nitrogen oxides that would result from any physical change in, or change in the method of operation of, a major source, if the emissions increase of volatile organic compounds or nitrogen oxides exceeds 25 tons per year.

C. For any major source that emits or has the potential to emit less than 100 tons of VOC or oxides of nitrogen per year, a physical or operational change that results in a significant increase in VOC or oxides of nitrogen, respectively, from any discrete operation, unit, or other pollutant emitting activity at the source shall constitute a major modification, except that the increase shall not constitute a major modification, if the owner or operator of the source elects to offset the increase by a greater reduction in emissions of VOC or oxides of nitrogen, as applicable, from other operations, units or activities at the source at an internal offset ratio of at least 1.3 to 1. If the owner or operator does not make such an election, the change shall constitute a major modification but BACT shall be substituted for LAER when applying R18-2-403(A)(1) to the major modification.

D. For any stationary source that emits or has the potential to emit 100 tons or more of VOC or oxides of nitrogen per year, a physical or operational change that results in any significant increase in VOC from any discrete operation, unit or other pollutant emitting activity at the source or oxides of nitrogen, respectively, shall constitute a major modification except that if the owner or operator of the source elects to offset the increase by a greater reduction in emissions of VOC or oxides of nitrogen, as applicable, from other operations, units or activities within the source at an internal offset ratio of at least 1.3 to 1, R18-2-403(A)(1) shall not apply to the change.

E. For any new major source or major modification that is classified as major because of emissions or potential to emit VOC or nitrogen oxides in an ozone nonattainment area classified as serious, the increase in emissions of these pollutants from the source or modification shall be offset at a ratio of 1.2 to 1. The offset shall be made in accordance with the provisions of R18-2-404.

F. For any new major source or major modification that is classified as such because of emissions or potential to emit VOC or nitrogen oxides in an ozone nonattainment area classified as severe, the increase in emissions of these pollutants from the source or modification shall be offset at a ratio of 1.3 to 1. These offsets shall be made in accordance with the provisions of R18-2-404.

R18-2-406. Permit Requirements for Sources Located in Attainment and Unclassifiable Areas

A. Except as provided in subsections (B) through ~~(G)~~(J) below and R18-2-408 (Innovative control technology), no permit or permit revision under this Article shall be issued to a person proposing to construct a new major source or make a major modification to a major source that would be constructed in an area designated as attainment or unclassifiable for any regulated NSR pollutant unless the source or modification meets the following conditions:

1. A new major source shall apply best available control technology (BACT) for each regulated NSR pollutant for which the potential to emit is significant.
2. A major modification shall apply BACT for each regulated NSR pollutant for which the project would result in a significant net emissions increase at the source. This requirement applies to each proposed emissions unit at which a net emissions increase in the pollutant would occur as a result of a physical change or change in the method of operation in the unit.
3. For phased construction projects, the determination of BACT shall be reviewed and modified as appropriate at the latest reasonable time which occurs no later than 18 months prior to commencement of construction of each independent phase of the project. At such time the owner or operator of the applicable stationary source may be required to demonstrate the adequacy of any previous determination of BACT for the source.
4. BACT shall be determined on a case-by-case basis and may constitute application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment, clean fuels, or innovative fuel combustion techniques, for control of such pollutant. In no event shall such application of BACT result in emissions of any pollutant, which would exceed the emissions allowed by any applicable new source performance standard or national emission standard for hazardous air pollutants ~~under Articles 9 and 11 of this Chapter~~ or by the applicable implementation plan. If the Director determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard infeasible, a design, equipment, work practice, operational standard, or combination thereof may be prescribed instead to satisfy the requirement for the application of BACT. Such standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of such design, equipment, work practice, or operation and shall provide for compliance by means which achieve equivalent results.

5. The person applying for the permit or permit revision under this Article performs an air impact analysis and monitoring as specified in R18-2-407, and ~~such~~ the analysis demonstrates that allowable emission increases from the proposed new major source or major modification, in conjunction with all other applicable emission increases or reductions, including secondary emissions, ~~for all pollutants listed in R18-2-218(A), and including minor and mobile source emissions of nitrogen oxides and PM_{10}:~~
   ~~a. Would~~ would not cause or contribute to concentrations of conventional air pollutants in violation of:
   a. ~~any~~ Any national ambient air quality standard ~~in Article 2 of this Chapter~~ in any air quality control region; or
   b. ~~any~~ Any applicable maximum ~~allowable~~ increase allowed under R18-2-218 over the baseline concentration ~~for~~ in any ~~attainment or unclassified~~ area~~; or~~.
   ~~b. Would not contribute to an increase in ambient concentrations for a pollutant by an amount in excess of the significance level for such pollutant in any adjacent area in which Arizona primary or secondary ambient air quality standards for that pollutant are being violated. A new major source of volatile organic compounds or nitrogen oxides, or a major modification to a major source of volatile organic compounds or nitrogen oxides shall be presumed to contribute to violations of the Arizona ambient air quality standards for ozone if it will be located within 50 kilometers of a nonattainment area for ozone. The presumption may be rebutted for a new major source or major modification if it can be satisfactorily demonstrated to the Director that emissions of volatile organic compounds or nitrogen oxides from the new major source or major modification will not contribute to violations of the Arizona ambient air quality standards for ozone in adjacent nonattainment areas for ozone. Such a demonstration shall include a showing that topographical, meteorological, or other physical factors in the vicinity of the new major source or major modification are such that transport of volatile organic compounds emitted from the source are not expected to contribute to violations of the ozone standards in the adjacent nonattainment areas.~~
6. Air quality models:
   a. All estimates of ambient concentrations required under this Section shall be based on the applicable air quality models, ~~data basis~~ databases, and other requirements specified in 40 CFR 51, Appendix W, "Guideline On Air Quality Models," as of ~~July 1, 2011~~ July 1, 2015 (and no future amendments or editions), which shall be referred to hereinafter as "Guideline" and is adopted by reference and is on file with the Department.
   b. Where an air quality impact model specified in the "Guideline" is not applicable, the model may be modified or another model substituted. Such a change shall be subject to notice and opportunity for public comment under R18-2-330. Written approval of the EPA Administrator shall be obtained for any modification or substitution.

B. ~~The requirements of this~~ This Section and R18-2-407 shall not apply to a new major source or major modification to a source with respect to a particular pollutant if the person applying for the permit or permit revision under this Article demonstrates that, as to that pollutant, the source or modification is located in an area designated as nonattainment for the pollutant. This exemption shall not apply to an area designated nonattainment for a revoked national ambient air quality standard in 40 CFR 81.

C. ~~The requirements of this~~ This Section, R18-2-407, and R18-2-410(B), (F), and (G) shall not apply to a new major source or a major modification if ~~such~~ the source or modification would be a major source or major modification only if fugitive emissions, to the extent quantifiable, are considered in calculating the potential emissions of the source or modification, and the source ~~1980~~ does not belong to a section 302(j) category.

D. ~~The requirements of this~~ This Section, R18-2-407, and R18-2-410(B), (F), and (G) shall not apply to a new major source or major modification to a source when the owner or operator of ~~such~~ the source is a nonprofit health or educational institution.

E. ~~The requirements of this~~ This Section, R18-2-407, and R18-2-410(B), (F) and (G) shall not apply to a portable source which would otherwise be a new major source or major modification to an existing source if all of the following conditions are satisfied:
   1. ~~such~~ The portable source proposes to relocate and will operate for no more than 24 months at its new location~~,~~.
   2. The source is ~~under~~ subject to a permit or permit revision issued under this ~~Article,~~ Section or 40 CFR 52.21.
   3. The source is in compliance with the conditions of that permit or permit revision ~~under this Article,~~.
   4. ~~the emissions~~ Emissions from the source will not impact a federal Class I area ~~nor~~ or an area where an applicable ~~increment~~ maximum increase allowed under R18-2-218 is known to be violated~~, and~~.
   5. ~~reasonable~~ Reasonable notice is given to the Director prior to the relocation identifying the proposed new location and the probable duration of operation at the new location~~. Such notice shall be given to the Director not less than~~ at least 10 calendar days in advance of the proposed relocation, unless a different time duration is previously approved by the Director.

F. Subsection (A)(5), R18-2-407, and R18-2-410(B) shall not apply to a proposed major source or major modification with respect to a particular pollutant, if the allowable emissions of that pollutant from the source, or the net emissions increase of that pollutant from the modification, would be temporary and impact no federal Class I area and no area where a maximum increase allowed under R18-2-218 is known to be violated.

G. Subsection (A)(5), R18-2-407, and R18-2-410(B) as they relate to any maximum allowable increase for a Class II area shall not apply to a modification of a major stationary source that was in existence on March 1, 1978, if the net increase in allowable emissions of each regulated NSR pollutant from the modification after the application of best available control technology would be less than 50 tons per year.

H. Subsection (A)(5)(b) shall not apply to a stationary source or modification with respect to any maximum increase allowed for nitrogen oxides under R18-2-218 if the owner or operator of the source or modification submitted an application for a permit under the applicable permit program approved or promulgated under the Act before the provisions embodying the maximum allowable increase took effect as part of the state implementation plan and the Director subsequently determined that the application as submitted before that date was complete.

I. Subsection (A)(5)(b) shall not apply to a stationary source or modification with respect to any maximum increase allowed for PM_{10} under R18-2-218 if the owner or operator of the source or modification submitted an application for a permit under the applicable permit program approved under the Act before the provisions embodying the maximum allowable increases for PM_{10} took effect as part of the state implementation plan and the Director subsequently determined that the application as submitted before that date was complete. Instead, subsection (A)(5)(b) shall apply with respect to the maximum allowable increases for total suspended particulate as in effect on the date the application was submitted.

J. Subsection (A)(5)(a) shall not apply to a stationary source or modification with respect to the national ambient air quality standards for $PM_{2.5}$ in effect on March 18, 2013 if either of the following is true:

1. The Director determined a permit application subject to this Section was complete on or before December 14, 2012. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for $PM_{2.5}$ in effect at the time the Director determined the permit application to be complete.
2. The Director first published before March 18, 2013 a public notice of a proposed permit subject to this Section. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for $PM_{2.5}$ in effect at the time of first publication of the public notice.

K. Subsection (A)(5)(a) of this section shall not apply to a stationary source or modification with respect to the revised national ambient air quality standards for ozone published on October 26, 2015 if:

1. The Director has determined the permit application subject to this section to be complete on or before October 1, 2015. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for ozone in effect at the time the Director determined the permit application to be complete.
2. The Director has first published, before December 25, 2015, a public notice of a preliminary determination or draft permit for the permit application subject to this section. Instead, subsection (A)(5)(a) shall apply with respect to the national ambient air quality standards for ozone in effect at the time the Director determined the permit application to be complete.

L. The owner or operator of a proposed source or modification shall submit all information necessary to perform any analysis or make a determination required under this Section. The owner or operator shall also provide information regarding:

1. The air quality impact of the source or modification, including meteorological and topographical data necessary to estimate such impact, and
2. The air quality impacts and the nature and extent of any or all general commercial, residential, industrial, and other growth which has occurred since August 7, 1977, in the area the source or modification would affect.

~~**F.** Special rules applicable to Federal Land Managers:~~

~~1. Notwithstanding any other provision of this Section, a Federal Land Manager may present to the Director a demonstration that the emissions attributed to such new major source or major modification to a source would have an adverse impact on visibility or other specifically defined air quality related values of any Federal Mandatory Class I area designated in R18-2-217(B) regardless of the fact that the change in air quality resulting from emissions attributable to such new major source or major modification to a source in existence will not cause or contribute to concentrations which exceed the maximum allowable increases for the area in R18-2-218. If the Director concurs with such demonstrations, the permit or permit revision under this Article shall be denied.~~

~~2. If the owner or operator of a proposed new major source or a source for which major modification is proposed demonstrates to the Federal Land Manager that the emissions attributable to such major source or major modification will have no significant adverse impact on the visibility or other specifically defined air quality related values of such areas and the Federal Land Manager so certifies to the Director, the Director may issue a permit or permit revision under this Article, notwithstanding the fact that the change in air quality resulting from emissions attributable to such new major source or major modification will cause or contribute to concentrations which exceed the maximum allowable increases for a Class I area. Such a permit or permit revision under this Article shall require that such new major source or major modification comply with such emission limitations as may be necessary to assure that emissions will not cause increases in ambient concentrations greater than the following maximum allowable increases over baseline concentrations for such pollutants:~~

~~Pollutant~~	~~Maximum allowable increase (micrograms per cubic meter)~~
~~$PM_{2.5}$:~~	
~~Annual arithmetic mean~~	~~4~~
~~24-hr maximum~~	~~9~~
~~PM_{10}:~~	
~~Annual arithmetic mean~~	~~17~~
~~24-hr maximum~~	~~30~~
~~Sulfur dioxide:~~	
~~Annual arithmetic mean~~	~~20~~
~~24-hr maximum~~	~~91~~
~~3-hr maximum~~	~~325~~
~~Nitrogen dioxide~~	
~~Annual arithmetic mean~~	~~25~~

~~**G**~~**M.** The issuance of a permit or permit revision under this Article in accordance with this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

~~**H**~~**N.** At such time that a particular source or modification becomes a major source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to

emit a pollutant, such as a restriction on hours of operation, then the requirements of this Section shall apply to the source or modification as though construction had not yet commenced on the source or modification.

R18-2-407. Air Quality Impact Analysis and Monitoring Requirements

A. Any application for a permit or permit revision under ~~this Article~~ R18-2-406 to construct a new major source or major modification to a major source shall contain an analysis of ambient air quality in the area that the new major source or major modification would affect for each of the following pollutants:
1. For the new source, each pollutant that it would have the potential to emit in a significant amount;
2. For the modification, each pollutant for which it would result in a significant net emissions increase.

B. With respect to any such pollutant for which no ~~Arizona~~ national ambient air quality standard exists, the analysis shall contain all air quality monitoring data as the Director determines is necessary to assess ambient air quality for that pollutant in any area that the emissions of the pollutant would affect.

C. With respect to any such pollutant (other than nonmethane hydrocarbons) for which such a standard does exist, the analysis shall contain continuous air quality monitoring data gathered for purposes of determining whether emissions of that pollutant would cause or contribute to a violation of the standard or any maximum allowable increase.

D. In general, the continuous air quality monitoring data that is required shall have been gathered over a period of at least one year and shall represent at least the year preceding receipt of the application, except that, if the Director determines that a complete and adequate analysis can be accomplished with monitoring data gathered over a period shorter than one year (but not to be less than four months), the data that is required shall have been gathered over at least that shorter period.

E. The owner or operator of a proposed stationary source or modification to a source of volatile organic compounds who satisfies all conditions of 40 CFR 51, Appendix S, Section IV, may provide post-approval monitoring data for ozone in lieu of providing preconstruction data as required under subsections (B), (C), and (D) above.

F. Post-construction monitoring. The owner or operator of a new major source or major modification shall, after construction of the source or modification, conduct such ambient monitoring as the Director determines is necessary to determine the effect emissions from the new source or modification may have, or are having, on air quality in any area.

G. Operations of monitoring stations. The owner or operator of a new major source or major modification shall meet the requirements of 40 CFR 58, Appendix B, during the operation of monitoring stations for purposes of satisfying subsections (B) through (F) above.

H. The requirements of subsections (B) through (G) above shall not apply to a new major source or major modification to an existing source with respect to monitoring for a particular pollutant if:
1. The emissions increase of the pollutant from the new source or the net emissions increase of the pollutant from the modification would cause, in any area, air quality impacts less than the following amounts:
   a. Carbon Monoxide - 575 $\mu g/m^3$, eight-hour average;
   b. Nitrogen dioxide - 14 $\mu g/m^3$, annual average;
   c. $PM_{2.5}$ – 0~~4~~ $\mu g/m^3$, 24-hour average;
   d. PM_{10} - 10 $\mu g/m^3$, 24-hour average;
   e. Sulfur dioxide - 13 $\mu g/m^3$, 24-hour average;
   f. Lead - 0.1 $\mu g/m^3$, ~~24-hour average~~ 3-month average;
   g. Fluorides - 0.25 $\mu g/m^3$, 24-hour average;
   h. Total reduced sulfur - 10 $\mu g/m^3$, one-hour average;
   i. Hydrogen sulfide - 0.04 $\mu g/m^3$, one-hour average;
   j. Reduced sulfur compounds - 10 $\mu g/m^3$, one-hour average;
   k. Ozone - ~~increased emissions~~ net emissions increases of less than 100 tons per year of volatile organic compounds or oxides of nitrogen; ~~or~~
2. The concentrations of the pollutant in the area that the new source or modification would affect are less than the concentrations listed in subsection (H)(1) ~~above.~~; or
3. The pollutant is not listed in subsection (H)(1).

~~**I.** Any application for permit or permit revision under this Article to construct a new major source or major modification to a source shall contain:~~
~~1. An analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the new source or modification and general commercial, residential, industrial, and other growth associated with the new source or modification. The applicant need not provide an analysis of the impact on vegetation having no significant commercial or recreational value.~~
~~2. An analysis of the air quality impact projected for the area as a result of general commercial, residential, industrial, and other growth associated with the new source or modification.~~

R18-2-408. Innovative Control Technology

A. Notwithstanding the provisions of R18-2-406(A)(1) through (3), the owner or operator of a proposed new major source or major modification may request that the Director approve a system of innovative control technology rather than the best available control technology requirements otherwise applicable to the new source or modification.

B. The Director shall approve the installation of a system of innovative control technology if the following conditions are met:
1. The owner or operator of the proposed source or modification satisfactorily demonstrates that the proposed control system would not cause or contribute to an unreasonable risk to public health, welfare, or safety in its operation or function;
2. The owner or operator agrees to achieve a level of continuous emissions reduction equivalent to that which would have been required under ~~R18-2-406(A)(2)~~ R18-2-406(A)(1) or (2) by a date specified in the permit or permit revision under this Article for the source. Such date shall not be later than four years from the time of start-up or seven years from the issuance of a permit or permit revision under this Article;

3. The source or modification would meet requirements equivalent to those in R18-2-406(A) based on the emissions rate that the stationary source employing the system of innovative control technology would be required to meet on the date specified in the permit or permit revision under this Article.
4. Before the date specified in the permit or permit revision under this Article, the source or modification would not:
   a. Cause or contribute to any violation of an applicable ~~state~~ national ambient air quality standard; or
   b. Impact any area where an applicable ~~increment~~ maximum increase allowed under R18-2-208 is known to be violated.
5. All other applicable requirements including those for public participation have been met.
6. The Director receives the consent of the governors of other affected states.
7. The ~~limits on pollutants contained in R18-2-218~~ requirements of R18-2-410 for federal Class I areas will be met for all periods during the life of the source or modification.

C. The Director shall withdraw any approval to employ a system of innovative control technology made under this Section if:
1. The proposed system fails by the specified date to achieve the required continuous emissions reduction rate; or
2. The proposed system fails before the specified date so as to contribute to an unreasonable risk to public health, welfare, or safety; or
3. The Director decides at any time that the proposed system is unlikely to achieve the required level of control or to protect the public health, welfare, or safety.

D. If the new source or major modification fails to meet the required level of continuous emissions reduction within the specified time period, or if the approval is withdrawn in accordance with subsection (C) above, the Director may allow the owner or operator of the source or modification up to an additional three years to meet the requirement for the application of best available control technology through use of a demonstrated system of control.

R18-2-410. Visibility and Air Quality Related Value Protection

~~**A.** For any new major source or major modification subject to the provisions of this Chapter, no permit or permit revision under this Article shall be issued to a person proposing to construct or modify the source unless the applicant has provided:~~
~~1. An analysis of the anticipated impacts of the proposed source on visibility in any Class I areas which may be affected by the emissions from that source; and~~
~~2. Results of monitoring of visibility in any area near the proposed source for such purposes and by such means as the Director determines is necessary and appropriate.~~

~~**B.** A determination of an adverse impact on visibility shall be made based on consideration of all of the following factors:~~
~~1. The times of visitor use of the area;~~
~~2. The frequency and timing of natural conditions in the area that reduce visibility;~~
~~3. All of the following visibility impairment characteristics:~~
   ~~a. Geographic extent,~~
   ~~b. Intensity,~~
   ~~c. Duration,~~
   ~~d. Frequency,~~
   ~~e. Time of day;~~
~~4. The correlation between the characteristics listed in subsection (B)(3) and the factors described in subsections (B)(1) and (2).~~

~~**C.** The Director shall not issue a permit or permit revision pursuant to this Article or Article 3 of this Chapter for any new major source or major modification subject to this Chapter unless the following requirements have been met:~~
~~1. The Director shall notify the individuals identified in subsection (C)(2) within 30 days of receipt of any advance notification of any such permit or permit revision under this Article.~~
~~2. Within 30 days of receipt of an application for a permit or permit revision under this Article for a source whose emissions may affect a Class I area, the Director shall provide written notification of the application to the Federal Land Manager and the federal official charged with direct responsibility for management of any lands within any such area. The notice shall:~~
   ~~a. Include a copy of all information relevant to the permit or permit revision under this Article,~~
   ~~b. Include an analysis of the anticipated impacts of the proposed source on visibility in any area which may be affected by emissions from the source, and~~
   ~~c. Provide for no less than a 30-day period within which written comments may be submitted.~~
~~3. The Director shall consider any analysis provided by the Federal Land Manager that is received within the comment period provided in subsection (C)(2).~~
   ~~a. Where the Director finds that the analysis provided by the Federal Land Manager does not demonstrate to the satisfaction of the Director that an adverse impact on visibility will result in the area, the Director shall, within the public notice required under R18-2-330, either explain the decision or specify where the explanation can be obtained.~~
   ~~b. When the Director finds that the analysis provided by the Federal Land Manager demonstrates to the satisfaction of the Director that an adverse impact on visibility will result in the area, the Director shall not issue a permit or permit revision under this Article for the proposed major new source or major modification.~~
~~4. When the proposed permit decision is made, pursuant to R18-2-304(J), and available for public review, the Director shall provide the individuals identified in subsection (C)(2) with a copy of the proposed permit decision and shall make available to them any materials used in making that determination.~~

A. Applicability.
1. All of the requirements of this Section apply to a new major source or major modification that would be constructed in an area that is designated attainment or unclassifiable.
2. Subsections (B) to (D) apply to the following:
   a. A new major source or major modification that may have an impact on any integral vista of a mandatory federal Class I area, if it is identified in accordance with 40 CFR 51.304 by the Federal Land Manager at least twelve months before submission of a complete permit application for the source or modification, except where the Federal Land Manager has pro-

vided notice and opportunity for public comment on the integral vista, in which case the review must include impacts on any integral vista identified at least six months before submission of a complete permit application. This subsection shall not apply if the Director determines under 40 CFR 51.304(d) that the identification was not in accordance with the identification criteria.

b. A new major source or major modification that proposes to locate in an area designated as nonattainment and that may have an impact on visibility in any mandatory federal Class I area.

B. Application Requirements. Any application for a permit or permit revision to construct a major source or major modification subject to this section shall contain:

1. An analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the new source or modification and general commercial, residential, industrial, and other growth associated with the new source or modification. The applicant need not provide an analysis of the impact on vegetation having no significant commercial or recreational value.
2. An analysis of the air quality impact projected for the area as a result of general commercial, residential, industrial, and other growth associated with the new source or modification.

C. Notification Requirements.

1. The Director shall provide written notice of the application for a permit or permit revision subject to this section to the Administrator, the Federal Land Manager and the federal official charged with direct responsibility for management of any lands within any Class I area that may be affected by the source or modification. The notice shall be provided within 30 days of receipt of the application and at least 60 days before any public hearing on the application. The notice shall:
   a. Include a copy of the application and all information relevant to the permit or permit revision under this Article;
   b. Include an analysis of the anticipated impacts of the proposed source on visibility in any federal Class I area; and
   c. Provide for no less than a 30-day period within which written comments may be submitted.
2. The Director shall notify the individuals identified in subsection (C)(1) within 30 days of receipt of any advance notification of any such permit or permit revision.
3. The Director shall notify the individuals identified in subsection (C)(1) of the preliminary determination for the application under R18-2-402(I)(2)(c) and shall make available any materials used in making that determination.
4. The Director shall provide notice to the administrator of every action related to the consideration of such permit or permit revision.

D. Consideration of Federal Land Manager Analysis.

1. The Federal Land Manager and the federal official charged with direct responsibility for management of federal Class I areas have an affirmative responsibility to protect the air quality related values, including visibility, of any such areas and to consider, in consultation with the Administrator, whether a proposed source or modification would have an adverse impact on such values.
2. The Director shall consider any analysis performed by the Federal Land Manager and provided within 30 days of the notification required by subsection (C)(1) that shows that a proposed new major stationary source or major modification may have an adverse impact on visibility in a federal Class I area or integral vista.
3. In considering the analysis, the Director shall ensure that the source's emissions will be consistent with making reasonable progress toward the national visibility goal referred to in 40 CFR 51.300(a), taking into account the costs of compliance, the time necessary for compliance, the energy and nonair quality environmental impacts of compliance, and the useful life of the source.
4. If the Director concurs with the analysis, the Director shall deny the permit or permit revision.
5. If the Director finds that the analysis does not demonstrate to the satisfaction of the Director that an adverse impact on visibility will result in the federal Class I area or integral vista, the Director shall, in the notice required by R18-2-402(I)(2)(c), either explain that decision or give notice as to where the explanation can be obtained.

E. Federal Land Manager Analysis Showing Adverse Impact Despite Compliance with Maximum Allowable Increases for Class I Area.

1. Within 30 days after the notification required by subsection (C)(3), the Federal Land Manager may present to the Director a demonstration that the emissions attributed to a new major source or major modification would have an adverse impact on visibility or other specifically defined air quality related values of any mandatory federal Class I area, even though the change in air quality resulting from emissions attributable to the source or modification will not cause or contribute to concentrations that exceed the maximum increases allowed for the area in R18-2-218.
2. If the Director concurs with the demonstration, the Director shall not issue a permit or permit revision for the major source or major modification.

F. Class I Variance with Federal Land Manager Concurrence.

1. The owner or operator of a proposed source or modification may demonstrate to the Federal Land Manager that emissions from the source will have no adverse impact on the air quality related values (including visibility) of federal Class I areas, even though the change in air quality resulting from emissions from the source or modification are projected to cause or contribute to concentrations that exceed the maximum increases allowed for a Class I area under R18-2-218.
2. If the Federal land manager concurs with the demonstration and so certifies to the Director, the Director may issue the permit, provided that:
   a. Applicable requirements are otherwise met; and
   b. The permit contains emission limits necessary to assure that emissions of sulfur dioxide, $PM_{2.5}$, PM_{10}, and nitrogen oxides will not cause increases in ambient concentrations of those pollutants exceeding the following maximum allowable increases over minor source baseline concentrations:

Pollutant	Maximum allowable increase (micrograms per cubic meter)
$PM_{2.5}$:	

Annual arithmetic mean	4
24-hr maximum	9
PM_{10}:	
Annual arithmetic mean	17
24-hr maximum	30
Sulfur dioxide:	
Annual arithmetic mean	20
24-hr maximum	91
3-hr maximum	325
Nitrogen dioxide	
Annual arithmetic mean	25

G. Class I Sulfur Dioxide Variance by Governor with Concurrence by Federal Land Manager or President.

1. The owner or operator of a proposed source or modification that cannot be approved under subsection (F) may demonstrate to the Governor that the source cannot be constructed by reason of any maximum allowable increase for sulfur dioxide for a period of twenty-four hours or less applicable to any Class I area and, in the case of mandatory federal Class I areas, that a variance under this clause would not adversely affect the air quality related values of the area (including visibility). The Governor, after consideration of the Federal Land Manager's recommendation (if any) and subject to his concurrence, may, after notice and public hearing, grant a variance from the maximum allowable increase. If the variance is granted, the Director shall issue a permit or permit to the source or modification pursuant to the requirements of subsection (G)(3), provided that the applicable requirements of R18-2-406 are otherwise met.
2. In any case where the Governor recommends a variance in which the Federal Land Manager does not concur, the recommendations of the Governor and the Federal Land Manager shall be transmitted to the President. The President may approve the Governor's recommendation if the President finds that the variance is in the national interest. If the variance is approved, the Director shall issue a permit pursuant to subsection (G)(3), provided that the applicable requirements of R18-2-406 are otherwise met.
3. In the case of a permit issued pursuant to subsection (G)(1) or (G)(2) the source or modification shall comply with emission limitations necessary to assure that emissions of sulfur dioxide from the source or modification will not (during any day on which the otherwise applicable maximum allowable increases are exceeded) cause or contribute to concentrations that would exceed the following maximum allowable increases over the baseline concentration and to assure that the emissions will not cause or contribute to concentrations that exceed the otherwise applicable maximum allowable increases for periods of exposure of 24 hours or less for more than 18 days, not necessarily consecutive, during any annual period:

Maximum Allowable Increase [Micrograms per cubic meter]		
Period of exposure	Terrain areas	
	Low	High
24-hr maximum	36	62
3-hr maximum	130	221

H. Visibility Monitoring. The Director may require monitoring of visibility in any federal Class I area near a proposed major source or major modification for such purposes and by such means as the Director deems necessary and appropriate.

R18-2-411. Permit Requirements for Sources that Locate in Attainment or Unclassifiable Areas and Cause or Contribute to a Violation of Any National Ambient Air Quality Standard.

A. Except as provided in subsection (C) or (D), the Director shall deny a permit or permit revision to any major source or major modification that would locate in any attainment or unclassified area, if the source or modification would cause or contribute to a violation of any national ambient air quality standard.

B. A major source or major modification will be considered to cause or contribute to a violation of a national ambient air quality standard when the source or modification would, at a minimum, cause an increase in the concentrations of a regulated NSR pollutant that exceeds the significance level at any locality that does not, or as a result of the increase would not, meet the standard.

C. A proposed major source or major modification subject to subsection (A) may reduce the impact of its emissions upon air quality by obtaining sufficient emission reductions to, at a minimum, compensate for its adverse ambient impact where the major source or major modification would otherwise cause or contribute to a violation of any national ambient air quality standard.

D. Subsection (A) shall not apply to a major stationary source or major modification with respect to a particular pollutant if the owner or operator demonstrates that, as to that pollutant, the source or modification is located in an area designated as nonattainment pursuant to section 107 of the Act.

R18-2-412. PALs

A. Applicability.
1. The Director may approve the use of a PAL for any existing major source if the PAL meets the requirements of this Section.
2. Any physical change in or change in the method of operation of a major stationary source that maintains its total source-wide emissions below the PAL level, meets the requirements of this Section, and complies with the PAL permit:
   a. Is not a major modification for the PAL pollutant,
   b. Does not have to be approved ~~through the PSD program~~ under R18-2-403 or R18-2-406, and
   c. Is not subject to the provisions in R18-2-403(C) or ~~R18-2-406(H)~~ R18-2-406(M).
3. Except as provided under subsection (A)(2)(c), a major stationary source shall continue to comply with all applicable federal or state requirements, emission limitations, and work practice requirements that were established prior to the effective date of the PAL.

B. Permit application requirements. As part of a permit application requesting a PAL, the owner or operator of a major source shall submit the following information to the Director for approval:
1. A list of all emissions units at the source designated as small, significant or major based on their potential to emit. In addition, the owner or operator of the source shall indicate which, if any, federal or state applicable requirements, emission limitations, or work practices apply to each unit.
2. Calculations of the baseline actual emissions (with supporting documentation). Baseline actual emissions shall include emissions associated not only with operation of the unit, but also emissions associated with the startup, shutdown and malfunction.
3. The calculation procedures that the major source owner or operator proposes to use to convert the monitoring system data to monthly emissions and annual emissions based on a 12-month rolling total for each month as required by subsection (L)(1).

C. General requirements for establishing PALs.
1. The Director is allowed to establish a PAL at a major source, provided that at a minimum, the following requirements are met:
   a. The PAL shall impose an annual emission limitation in tons per year, that is enforceable as a practical matter, for the entire major source. For each month during the PAL effective period after the first 12 months of establishing a PAL, the major source owner or operator shall show that the sum of the monthly emissions from each emissions unit under the PAL for the previous 12 consecutive months is less than the PAL (a 12-month sum, rolled monthly). For each month during the first 11 months from the PAL effective date, the major source owner or operator shall show that the sum of the preceding monthly emissions from the PAL effective date for each emissions unit under the PAL is less than the PAL.
   b. The PAL shall be established in a PAL permit that meets the requirements in subsection (D).
   c. The PAL permit shall contain all the requirements of subsection (F).
   d. The PAL shall include fugitive emissions, to the extent quantifiable, from all emissions units that emit or have the potential to emit the PAL pollutant at the major source.
   e. Each PAL shall regulate emissions of only one pollutant.
   f. Each PAL shall have a PAL effective period of 10 years.
   g. The owner or operator of the major source with a PAL shall comply with the monitoring, recordkeeping, and reporting requirements provided in subsections (K) through (M) for each emissions unit under the PAL through the PAL effective period.
2. At no time (during or after the PAL effective period) are emissions reductions of a PAL pollutant that occur during the PAL effective period creditable as decreases for purposes of offsets under R18-2-404 unless the level of the PAL is reduced by the amount of such emissions reductions and such reductions would be creditable in the absence of the PAL.

D. Action on PAL permit application. A PAL permit application shall be processed in accordance with one of the following:
1. As an initial Class I permit pursuant to R18-2-304.
2. As a renewal of a Class I permit pursuant to R18-2-322.
3. As a significant revision to a Class I permit pursuant to R18-2-320.

E. Setting the 10-year actuals PAL level.
1. Except as provided in subsection (E)(2), the PAL level for a major source shall be established as the sum of the baseline actual emissions of the PAL pollutant for each emissions unit at the source; plus an amount equal to the applicable significant level for the PAL pollutant. When establishing the PAL level, only one consecutive 24-month period must be used to determine the baseline actual emissions for all existing emissions units. However, a different consecutive 24-month period may be used for each different PAL pollutant. Emissions associated with units that were permanently shut down after this 24-month period must be subtracted from the PAL level. The Director shall specify a reduced PAL level(s) (in tons/yr) in the PAL permit to become effective on the future compliance date(s) of any applicable federal or state regulatory requirement(s) that the Director is aware of prior to issuance of the PAL permit. For instance, if the source owner or operator will be required to reduce emissions from industrial boilers in half from baseline emissions of 60 ppm NO_X to a new rule limit of 30 ppm, then the permit shall contain a future effective PAL level that is equal to the current PAL level reduced by half of the original baseline emissions of such unit(s).
2. For newly constructed units (which do not include modifications to existing units) on which actual construction began after the 24-month period, in lieu of adding the baseline actual emissions as specified in subsection (E)(1), the emissions must be added to the PAL level in an amount equal to the potential to emit of the units.

F. Contents of the PAL permit. The PAL permit must contain, at a minimum, the following information:
1. The PAL pollutant and the applicable source-wide emission limitation in tons per year.
2. The PAL permit effective date and the expiration date of the PAL (PAL effective period).

3. Specification in the PAL permit that if a major source owner or operator applies to renew a PAL in accordance with subsection (I) before the end of the PAL effective period, then the PAL shall not expire at the end of the PAL effective period. It shall remain in effect until a revised PAL permit is issued by the Director.
4. A requirement that emission calculations for compliance purposes must include emissions from startups, shutdowns, and malfunctions.
5. A requirement that, once the PAL expires, the major source is subject to the requirements of subsection (H).
6. The calculation procedures that the major source owner or operator shall use to convert the monitoring system data to monthly emissions and annual emissions based on a 12-month rolling total as required by subsection (L)(1).
7. A requirement that the major source owner or operator monitor all emissions units in accordance with the provisions under subsection (K).
8. A requirement to retain the records required under subsection (L) onsite. Such records may be retained in an electronic format.
9. A requirement to submit the reports required under subsection (M) by the required deadlines.
10. Any other requirements that the Director deems necessary to implement and enforce the PAL.

G. PAL effective period and reopening of the PAL permit.

1. PAL effective period. The Director shall specify a PAL effective period of 10 years.
2. Reopening of the PAL permit.
   a. During the PAL effective period, the Director must reopen the PAL permit to:
      i. Correct typographical/calculation errors made in setting the PAL or reflect a more accurate determination of emissions used to establish the PAL,
      ii. Reduce the PAL if the owner or operator of the major source creates creditable emissions reductions for use as offsets under R18-2-404, and
      iii. Revise the PAL to reflect an increase in the PAL as provided under subsection (J).
   b. The Director shall have discretion to reopen the PAL permit for the following:
      i. Reduce the PAL to reflect new federal applicable requirements with compliance dates after the PAL effective date;
      ii. Reduce the PAL consistent with any other requirement, that is enforceable as a practical matter, and that the state may impose on the major source under the State Implementation Plan; and
      iii. Reduce the PAL if the Director determines that a reduction is necessary to avoid causing or contributing to a ~~NAAQS or PSD increment~~ violation of a national ambient air quality standard or a maximum increase allowed under R18-2-208, or to an adverse impact on an air quality related value that has been identified for a ~~Federal~~ federal Class I area by a Federal Land Manager and for which information is available to the general public.
   c. Except for the permit reopening in subsection (G)(2)(a)(i) for the correction of typographical/calculation errors that do not increase the PAL level, all other reopenings shall be carried out in accordance with the public participation requirements of subsection (D).

H. Expiration of a PAL. Any PAL that is not renewed in accordance with the procedures in subsection (I) shall expire at the end of the PAL effective period, and the following requirements shall apply.

1. Each emissions unit (or each group of emissions units) that existed under the PAL shall comply with an allowable emission limitation under a revised permit established according to the following procedures.
   a. Within the time-frame specified for PAL renewals in subsection (I)(2), the major source shall submit a proposed allowable emission limitation for each emissions unit (or each group of emissions units, if such a distribution is more appropriate) by distributing the PAL allowable emissions for the major source among each of the emissions units that existed under the PAL. If the PAL had not yet been adjusted for an applicable requirement that became effective during the PAL effective period, as would be required under subsection (I)(5), such distribution shall be made as if the PAL had been adjusted.
   b. The Director shall decide how the PAL allowable emissions will be distributed and issue a revised permit incorporating allowable limits for each emissions unit, or each group of emissions units, as the Director determines is appropriate.
2. Each emissions unit(s) shall comply with the allowable emission limitation on a 12-month rolling basis. The Director may approve the use of monitoring systems (source testing, emission factors, etc.) other than CEMS, CERMS, PEMS, or CPMS to demonstrate compliance with the allowable emission limitation.
3. Until the Director issues the revised permit incorporating allowable limits for each emissions unit, or each group of emissions units, as required under subsection (H)(1)(b), the source shall continue to comply with a source-wide, multi-unit emissions cap equivalent to the level of the PAL emission limitation.
4. Any physical change or change in the method of operation at the major source will be subject to ~~the applicability criteria set forth at subsection (C)~~ the nonattainment major NSR requirements if such change meets the definition of major modification.
5. The major source owner or operator shall continue to comply with any applicable requirements that may have applied either during the PAL effective period or before the PAL effective period except for those emission limitations that had been established pursuant to R18-2-403(C) or R18-2-406(H), but were eliminated by the PAL in accordance with subsection (A)(2)(c). ~~Emission limitations that were eliminated by the PAL in accordance with subsection (A)(2)(c) shall not be reinstated.~~

I. Renewal of a PAL.

1. The Director shall follow the procedures specified in subsection ~~(F)~~ (D) in approving any request to renew a PAL for a major source, and shall provide both the proposed PAL level and a written rationale for the proposed PAL level to the public for review and comment. During such public review, any person may propose a PAL level for the source for consideration by the Director.
2. Application deadline. A major source owner or operator shall submit a timely application to the Director to request renewal of a PAL. A timely application is one that is submitted at least six months prior to, but not earlier than 18 months from, the date of permit expiration. This deadline for application submittal is to ensure that the permit will not expire before the permit is renewed. If the owner or operator of a major source submits a complete application to renew the PAL within this time period, then the PAL shall continue to be effective until the revised permit with the renewed PAL is issued.
3. Application requirements. The application to renew a PAL permit shall contain the following information.

a. The information required in subsections (B)(1) through (3).
b. A proposed PAL level.
c. The sum of the potential to emit of all emissions units under the PAL (with supporting documentation).
d. Any other information the owner or operator wishes the Director to consider in determining the appropriate level for renewing the PAL.

4. PAL adjustment. In determining whether and how to adjust the PAL, the Director shall consider the options outlined in subsections (I)(4)(a) and (b). However, in no case may any such adjustment fail to comply with subsection (I)(4)(c).
   a. If the emissions level calculated in accordance with subsection ~~(F)~~(E) is equal to or greater than 80% of the PAL level, the Director may renew the PAL at the same level without considering the factors set forth in subsection (I)(4)(b); or
   b. The Director may set the PAL at a level that the Director determines to be more representative of the source's baseline actual emissions, or that the Director determines to be more appropriate considering air quality needs, advances in control technology, anticipated economic growth in the area, desire to reward or encourage the source's voluntary emissions reductions, or other factors as specifically identified by the Director in the Director's written rationale.
   c. Notwithstanding subsections (I)(4)(a) and (b):
      i. If the potential to emit of the major source is less than the PAL, the Director shall adjust the PAL to a level no greater than the potential to emit of the source; and
      ii. The Director shall not approve a renewed PAL level higher than the current PAL, unless the PAL has been increased in accordance with subsection (J).
5. If the compliance date for an applicable requirement that applies to the PAL source occurs during the PAL effective period, and if the Director has not already adjusted for such requirement, the PAL shall be adjusted at the time of PAL permit renewal or renewal of the source's Class I permit, whichever occurs first.

J. Increasing a PAL during the PAL effective period.

1. The Director may increase a PAL emission limitation only if the following requirements are met:
   a. The owner or operator of the major source shall submit a complete application to request an increase in the PAL limit for a PAL major modification. Such application shall identify the emissions unit(s) contributing to the increase in emissions so as to cause the major source's emissions to equal or exceed its PAL.
   b. As part of this application, the major source owner or operator shall demonstrate that the sum of the baseline actual emissions of the small emissions units, plus the sum of the baseline actual emissions of the significant and major emissions units assuming application of BACT or LAER equivalent controls, plus the sum of the PAL allowable emissions of the new or modified emissions unit(s) exceeds the PAL. The level of control that would result from BACT or LAER equivalent controls on each significant or major emissions unit shall be determined by conducting a new BACT or LAER analysis at the time the application is submitted, as applicable for the particular PAL pollutant, unless the emissions unit is currently required to comply with a BACT or LAER requirement that was established within the preceding 10 years. In such a case, the assumed control level for that emissions unit shall be equal to the level of BACT or LAER with which that emissions unit must currently comply.
   c. The owner or operator obtains a major NSR permit for all emissions unit(s) identified in subsection (J)(1)(a), regardless of the magnitude of the emissions increase resulting from them (that is, no significant levels apply). These emissions unit(s) shall comply with any emissions requirements resulting from the major NSR process (for example, BACT), even though they have also become subject to the PAL or continue to be subject to the PAL.
   d. The PAL permit shall require that the increased PAL level shall be effective on the day any emissions unit that is part of the PAL major modification becomes operational and begins to emit the PAL pollutant.
2. The Director shall calculate the new PAL level as the sum of the PAL allowable emissions for each modified or new emissions unit, plus the sum of the baseline actual emissions of the significant and major emissions units (assuming application of BACT or LAER equivalent controls as determined in accordance with subsection (J)(1)(b), plus the sum of the baseline actual emissions of the small emissions units.
3. The PAL permit shall be revised to reflect the increased PAL level pursuant to the public notice requirements of subsection (D).

K. Monitoring requirements for PALs.

1. General requirements.
   a. Each PAL permit must contain enforceable requirements for the monitoring system that accurately determines plantwide emissions of the PAL pollutant in terms of mass per unit of time. Any monitoring system authorized for use in the PAL permit must be based on sound science and meet generally acceptable scientific procedures for data quality and manipulation. Additionally, the information generated by such system must meet minimum legal requirements for admissibility in a judicial proceeding to enforce the PAL permit.
   b. The PAL monitoring system must employ one or more of the four general monitoring approaches meeting the minimum requirements set forth in subsections (K)(2)(a) through (d) and must be approved by the Director.
   c. Notwithstanding subsection (K)(1)(b), the owner or operator may also employ an alternative monitoring approach if approved by the Director as meeting the requirements of subsection (K)(1)(a).
   d. Failure to use a monitoring system that meets the requirements of this Section renders the PAL invalid.
2. Minimum performance requirements for approved monitoring approaches. The following are acceptable general monitoring approaches when conducted in accordance with the minimum requirements in subsections (K)(3) through (9):
   a. Mass balance calculations for activities using coatings or solvents,
   b. CEMS,
   c. CPMS or PEMS, and
   d. Emission factors.
3. Mass balance calculations. An owner or operator using mass balance calculations to monitor PAL pollutant emissions from activities using coating or solvents shall meet the following requirements:

a. Provide a demonstrated means of validating the published content of the PAL pollutant that is contained in or created by all materials used in or at the emissions unit;
b. Assume that the emissions unit emits all of the PAL pollutant that is contained in or created by any raw material or fuel used in or at the emissions unit, if it cannot otherwise be accounted for in the process; and
c. Where the vendor of a material or fuel, which is used in or at the emissions unit, publishes a range of pollutant content from such material, the owner or operator must use the highest value of the range to calculate the PAL pollutant emissions unless the Director determines there is site-specific data or a site-specific monitoring program to support another content within the range.

4. CEMS. An owner or operator using CEMS to monitor PAL pollutant emissions shall meet the following requirements:
a. CEMS must comply with applicable Performance Specifications found in 40 CFR 60, Appendix B; and
b. CEMS must sample, analyze and record data at least every 15 minutes while the emissions unit is operating.

5. CPMS or PEMS. An owner or operator using CPMS or PEMS to monitor PAL pollutant emissions shall meet the following requirements:
a. The CPMS or the PEMS must be based on current site-specific data demonstrating a correlation between the monitored parameter(s) and the PAL pollutant emissions across the range of operation of the emissions unit; and
b. Each CPMS or PEMS must sample, analyze, and record data at least every 15 minutes, or at another less frequent interval approved by the Director, while the emissions unit is operating.

6. Emission factors. An owner or operator using emission factors to monitor PAL pollutant emissions shall meet the following requirements:
a. All emission factors shall be adjusted, if appropriate, to account for the degree of uncertainty or limitations in the factors' development;
b. The emissions unit shall operate within the designated range of use for the emission factor, if applicable; and
c. If technically practicable, the owner or operator of a significant emissions unit that relies on an emission factor to calculate PAL pollutant emissions shall conduct validation testing to determine a site-specific emission factor within six months of PAL permit issuance, unless the Director determines that testing is not required.

7. A source owner or operator must record and report maximum potential emissions without considering enforceable emission limitations or operational restrictions for an emissions unit during any period of time that there is no monitoring data, unless another method for determining emissions during such periods is specified in the PAL permit.

8. Notwithstanding the requirements in subsections (K)(3) through (7), where an owner or operator of an emissions unit cannot demonstrate a correlation between the monitored parameter(s) and the PAL pollutant emissions rate at all operating points of the emissions unit, the Director shall, at the time of permit issuance:
a. Establish default value(s) for determining compliance with the PAL based on the highest potential emissions reasonably estimated at such operating point(s), or
b. Determine that operation of the emissions unit during operating conditions when there is no correlation between monitored parameter(s) and the PAL pollutant emissions is a violation of the PAL.

9. Re-validation. All data used to establish the PAL pollutant must be re-validated through performance testing or other scientifically valid means approved by the Director. Such testing must occur at least once every five years after issuance of the PAL.

L. Recordkeeping requirements.
1. The PAL permit shall require an owner or operator to retain a copy of all records necessary to determine compliance with any requirement of this Section and with the PAL, including a determination of each emissions unit's 12-month rolling total emissions, for five years from the date of such record.
2. The PAL permit shall require an owner or operator to retain a copy of the following records for the duration of the PAL effective period plus five years:
a. A copy of the PAL permit application and any applications for revisions to the PAL, and
b. Each annual certification of compliance pursuant to R18-2-309(2) and the data relied on in certifying compliance.

M. Reporting and notification requirements. The owner or operator shall submit semi-annual monitoring reports and prompt deviation reports to the Director in accordance with R18-2-306(A)(5). The reports shall meet the following requirements:
1. Semi-annual report. The semi-annual report shall be submitted to the Director within 30 days of the end of each reporting period. This report shall contain the following information:
a. The identification of owner and operator and the permit number.
b. Total annual emissions (tons/year) based on a 12-month rolling total for each month in the reporting period recorded pursuant to subsection (L)(1).
c. All data relied upon, including, but not limited to, any Quality Assurance or Quality Control data, in calculating the monthly and annual PAL pollutant emissions.
d. A list of any emissions units modified or added to the major source during the preceding six-month period.
e. The number, duration, and cause of any deviations or monitoring malfunctions (other than the time associated with zero and span calibration checks), and any corrective action taken.
f. A notification of a shutdown of any monitoring system, whether the shutdown was permanent or temporary, the reason for the shutdown, the anticipated date that the monitoring system will be fully operational or replaced with another monitoring system, and whether the emissions unit monitored by the monitoring system continued to operate, and the calculation of the emissions of the pollutant or the number determined by method included in the permit, as provided by subsection (K)(7).
g. A certification by the responsible official consistent with ~~R18-2-304(H)~~ R18-2-304(I).

2. Deviation report. The major source owner or operator shall promptly submit reports of any deviations or exceedance of the PAL permit requirements, including periods where no monitoring is available, in accordance with R18-2-306(A)(5). The reports shall contain the following information:
a. The identification of owner and operator and the permit number,

b. The PAL permit requirement that experienced the deviation or that was exceeded,
c. Emissions resulting from the deviation or the exceedance, and
d. A certification by the responsible official consistent with ~~R18-2-304(H)~~ R18-2-304(I).

3. Re-validation results. The owner or operator shall submit to the Director the results of any re-validation test or method within three months after completion of such test or method.

ARTICLE 5. GENERAL PERMITS

R18-2-502. General Permit Development

A. The Director may issue a general permit on the Director's own initiative or in response to a petition.

B. Any person may submit a petition to the Director requesting the issuance of a general permit for a defined class of facilities. The petition shall propose a particular class of facilities, and list the approximate number of facilities in the proposed class along with their size, processes, and operating conditions, and demonstrate how the class meets the criteria for a general permit as specified in R18-2-501 and A.R.S. § 49-426(H). The Director shall provide a written response to the petition within 120 days of receipt.

C. General permits shall be issued for classes of facilities using the same engineering principles that applies to permits for individual sources and following the public notice requirements of R18-2-504.

D. General permits shall include all of the following:

1. All elements ~~contained in~~ required by R18-2-306(A) except R18-2-306(A)(2)(b) and (6).
2. The process for individual sources to apply for coverage under the general permit.

E. General permits may include conditions imposed under R18-2-515~~developed by the Director shall require sources that are covered under the general permit to install and operate reasonably available control technology for any regulated Minor NSR pollutants allowed under the general permit at an amount equal to or greater than the permitting exemption threshold. This requirement shall not apply to any pollutants subject to an emissions standard established or revised by the Administrator under section 111 or 112 of the Act after November 15, 1990~~.

R18-2-503. Application for Coverage under General Permit

A. Once the Director has issued a general permit, any source which is a member of the class of facilities covered by the general permit may apply to the Director for authority to operate under the general permit. At the time the Director issues a general permit, the Director may also establish a specific application form with filing instructions for sources in the category covered by the general permit. Applicants shall complete the specific application form or, if ~~none has~~ a specific form has not been adopted, the standard application form ~~contained in Appendix 1 to this Chapter~~ provided under R18-2-304(B). The specific application form shall, at a minimum, require the applicant to submit the following information:

1. Information identifying and describing the source, its processes, and operating conditions in sufficient detail to allow the Director to determine qualification for, and to assure compliance with, the general permit.
2. A compliance plan that meets the requirements of ~~R18-2-309~~ R18-2-514.

B. For sources required to obtain a permit under Title V of the Act, the Director shall provide the Administrator with a permit application summary form and any relevant portion of the permit application and compliance plan. To the extent possible, this information shall be provided in computer-readable format compatible with the Administrator's national database management system.

C. The Director shall act on the application for coverage under a general permit as expeditiously as possible. The source may operate under the terms of the applicable general permit during that time. The Director may defer acting on an application under this subsection (if) the Director has provided notice of intent to renew or not renew the permit.

D. The Director shall deny an application for coverage from any Class I source that is subject to case-by-case standards or requirements.

E. Upon notification from the Director of the availability of a web portal to apply for and obtain a general permit, an applicant shall file all applications and conduct all transactions related to the general permit through the portal.

R18-2-504. Public Notice

A. This Section applies to issuance, revision, or renewal of a general permit.

B. The Director shall provide public notice for any proposed new general permit, for any revision of an existing general permit, and for renewal of an existing general permit.

C. The Director shall publish notice of the proposed general permit once each week for two consecutive weeks in a newspaper of general circulation in each county and shall provide at least 30 days from the date of the first notice for public comment. The notice shall describe the following:

1. The proposed permit;
2. The category of sources that would be affected;
3. The air contaminants which the Director expects to be emitted by a typical facility in the class and the class as a whole;
4. The Director's proposed actions and effective date for the actions;
5. Locations where documents relevant to the proposed permit will be available during normal business hours;
6. The name, address, and telephone number of a person within the Department who may be contacted for further information;
7. The address where any person may submit comments or request a public hearing and the date and time by which comments or a public hearing request are required to be received;
8. The process by which sources may obtain authorization to operate under the general permit.

D. ~~For general permits under which operation may be authorized in lieu of Class I permits, the Director shall give notice of the proposed general permit to each affected state at the same time that the proposed general permit goes out for public notice.~~ A copy of the notice required by subsection (C), shall be sent to the Administrator through the appropriate regional office, and to all other state and local air pollution control agencies in the state. The notice shall also be sent to any other agency in the state having responsibility for implementing the procedures required under 40 CFR 51. I. For general permits under which operation may be authorized in lieu of Class I permits, the ~~The~~ Director shall provide the proposed final permit to the Administrator after public and affected state review. No Class

I permit shall be issued if the Administrator properly objects to its issuance in writing within 45 days from receipt of the proposed final permit and any necessary supporting information from the Director.

E. By no later than the date notice is first published under subsection (A), the Department shall make copies of the following materials available at a public location in each county and at each Department office:
1. The proposed general permit;
2. The Department's analysis in support of the grant of the general permit;
3. All other materials available to the Director that are relevant to the permit decision.

~~E~~F. Written comments to the Director shall include the name of the person and the person's agent or attorney and shall clearly set forth reasons why the general permit should or should not be issued pursuant to the criteria for issuance in A.R.S. §§ 49-426 and 49-427 and this Chapter.

~~F~~G. At the time a general permit is issued, the Director shall make available a response to all relevant comments on the proposed permit raised during the public comment period and during any requested public hearing. The response shall specify which provisions, if any, of the proposed permit have been changed and the reason for the changes. The Director shall also notify in writing any petitioner and each person who has submitted written comments on the proposed general permit or requested notice of the final permit decision.

R18-2-507. ~~General Permit Variances~~ Repealed

~~**A.** Where MACT (maximum achievable control technology) or HAPRACT (hazardous air pollutant reasonably available control technology) has been established in a general permit for a source category designated under R18-2-1702, the owner or operator of a source within that source category may apply for a variance from the standard by demonstrating compliance with R18-2-1708 at the time the source applies for coverage under the general permit.~~

~~**B.** If the owner or operator makes the showing required by R18-2-1708 and otherwise qualifies for the general permit, the Director shall, in accordance with the procedures established pursuant to this Article, approve the application and authorize operation under a variance from the standard of the general permit.~~

~~**C.** Except as modified by the variance, the source shall comply with all conditions of the general permit.~~

~~**D.** A proposed variance to a standard in a general permit shall be subject to the public notice requirements of R18-2-330.~~

R18-2-508. ~~General Permit Shield~~ Repealed

~~Each general permit issued under this Article shall specifically identify all federal, state, and local air pollution control requirements applicable to the source at the time the permit is issued. The permit shall state that, as of the date authority to operate for a source is granted, compliance with the conditions of the permit shall be deemed compliance with any applicable requirement in effect on the date of permit issuance. Any permit under this Article that does not expressly state that a permit shield exists shall be presumed not to provide such a shield. Notwithstanding the above provisions, the source shall be subject to enforcement action for operation without a permit if the source is later determined not to qualify for the conditions and terms of the general permit. A permit shield provided for a general permit shall meet all the requirements of R18-2-325.~~

R18-2-512. Changes to Facilities Granted Coverage under General Permits

A. This Section applies to changes made at a facility that has been granted coverage under a general permit.

B. Facility Changes that Require New Authorization to Operate. The following changes at a source that has been granted coverage under a general permit shall be made only after the source requests new authorization to operate from the Director:
1. Adding new emissions units that require new authorization to operate,
2. Installing replacement emissions units that require authorization to operate.

C. Facility Changes that Do Not Require Authorization to Operate. The following changes at a source that has been granted coverage under a general permit shall be made only after the source provides ~~written~~ notification to the Department:
1. Adding new emissions units that do not require authorization to operate,
2. Installing a replacement emissions unit with a higher capacity that does not require authorization to operate,
3. Adding or replacing air pollution control equipment.

D. A source that has been granted coverage under a general permit shall keep a record of any physical change or change in the method of operation that could affect emissions. The record shall include a description of the change and the date the change occurred.

E. For sources that submit a request or notification under subsection (B) or (C), the applicant shall provide information identifying and describing the source, its processes, and operating conditions in sufficient detail to allow the Director to determine continued qualification for, and to assure compliance with, the general permit. The Director shall act on a request for new authority to operate under a general permit as expeditiously as possible. The source may operate under the terms of the applicable general permit during that time.

R18-2-513. Portable Sources Covered under a General Permit

A. This Section applies to sources that have been granted coverage under a general permit that allows for the operation of a source at more than one location.

B. General permits developed by the Director for portable sources shall contain conditions that ~~will~~ assure compliance with all applicable requirements at all authorized locations.

C. Owners and operators that hold multiple coverages under the same general permit: ~~may interchange equipment between sources without obtaining new authorization to operate. At no time shall an owner or operator interchange equipment that would cause the combined facility to exceed emission limitations in the general permit. Equipment covered under different general permits shall not be interchanged except that a new authorization to operate is obtained in accordance with this Article.~~
1. Shall have separate coverage under the general permit for each location at which each portable source operates.
2. Until the Director notifies permittees of the availability of a web portal under R18-2-503(E), may move equipment between portable sources without obtaining a new authorization to operate. At no time shall an owner or operator move equipment to a portable source if the move would cause emissions from the portable source to exceed emission limitations in the general permit. Equipment from a portable source covered by one general permit shall not be moved to a portable source covered by a different

general permit, unless the owner or operator obtains a new authorization to operate under the general permit covering the new location.

3. After the Director notifies permittees of the availability of a web portal under R18-2-503(E), must use the portal to obtain authorizations to operate for each location at which the equipment will operate.

~~D. Owners and operators that operate multiple portable sources under a general permit shall have an equivalent number of coverages under a general permit as the number of locations at which each portable source operates.~~

~~E~~D. A portable source that will operate for the duration of its permit solely in one county that has established a local air pollution control program pursuant to A.R.S. § 49-479 shall obtain a permit from that county. A portable source with a county permit shall not operate in any other county. A portable source that has been granted coverage under a general permit that subsequently obtains a county permit shall request that the Director terminate the coverage under the general permit. Upon issuance of the county permit, the coverage under the general permit issued by the Director is no longer valid.

~~F~~E. A portable source which has a county permit but proposes to operate outside that county may obtain coverage under a general permit from the Director. A portable source that has a permit issued by a county and obtains coverage under a general permit issued by the Director shall request that the county terminate the permit. Upon issuance of coverage under a general permit by the Director, the county permit is no longer valid. Before commencing operation in the new county, the source shall notify the Director and the control officer who has jurisdiction in the county that includes the new location according to subsection (~~G~~F).

~~G~~F. A portable source granted coverage under a general permit may be transferred from one location to another provided that the owner or operator of ~~such equipment~~ the portable source notifies the Director and any control officer who has jurisdiction over the geographic area that includes the new location of the transfer prior to the transfer. The notification required under this subsection (shall) include:

1. A description of the equipment to be transferred including the permit number and as appropriate the Authorization-to-Operate number for each piece of equipment;
2. A description of the present location;
3. A description of the new location ~~to which the equipment is to be transferred, including the availability of all utilities, such as water and electricity, necessary for the proper operation of all control equipment~~;
4. The date on which the equipment is to be moved;
5. The date on which operation of the equipment will begin at the new location;
6. A complete ~~equipment~~ list of all equipment requiring authorization to operate that ~~will~~ may be located at the new location; and
7. Revised emissions calculations demonstrating that the equipment at the new location continues to qualify for the general permit under which the portable source has coverage.

R18-2-514. General Permit Compliance Certification

A. A compliance certification submitted by the owner or operator of a stationary source covered by a general permit shall be on a form provided by the Director and shall include the following information:

1. The source's name, mailing address, contact person and contact person phone number, permit number, compliance reporting period, and physical address and location, if different than the mailing address.
2. A certification of truth, accuracy, and completeness signed by the facility's responsible officer.
3. Process information for the source, including design capacity, operations schedule, hours of operation, and total production.
4. Method of documenting compliance and the status of compliance with all recordkeeping, reporting, monitoring, and testing requirements and all emission limitations and standards imposed in the permit.

B. Upon notification from the Director of the availability of a web portal to complete and submit a compliance certification, the owner or operator shall complete and submit all compliance certifications through the portal.

R18-2-515. Minor NSR in General Permits

A. A general permit may include emission standards designed to assure that a stationary source covered by the permit will comply with minor new source review under R18-2-334(C). The emission standards may consist of any combination of the following:

1. Limits designed to assure that emissions from a stationary source that is a member of the class of facilities covered by the permit will not interfere with attainment or maintenance of a NAAQS.
2. Limits imposing reasonably available control technology.

B. Except as provided in subsection (C), if a general permit includes emission standards under subsection (A), then any stationary source that is a member of the class of facilities covered by the permit or any minor NSR modification to such a source may comply with R18-2-334 by obtaining coverage under the permit.

C. An owner or operator seeking coverage under a general permit in order to obtain authorization to construct or make a minor NSR modification to a stationary source shall instead apply for an individual permit, if the Department determines there is reason to believe the source or modification could interfere with attainment or maintenance of any national ambient air quality standard. In making this determination, the Department:

1. Shall consider the factors in R18-2-334(E)(1) to (6).
2. Shall consider whether the dispersion characteristics of the source are likely to result in higher ambient concentrations of a conventional pollutant than the modeling assumptions used to establish an emission standard under subsection (A)(1).
3. May apply a screening model to the source's emissions.

ARTICLE 12. EMISSIONS BANK

R18-2-1205. Credit Certification

A. A permitting authority may certify an emission credit if the permitting authority verifies the credit is based on:

1. A reduction in actual emissions that occurred after August 17, 1999;
2. A quantifiable reduction in actual emissions;
3. A permanent reduction in actual emissions;
4. An enforceable reduction in actual emissions; and

5. A surplus reduction in actual emissions occurring in addition to any other required emission reduction.

B. The source must notify the permitting authority when the reduction occurs.

C. In order for an emission reduction to be quantifiable under this Section:

1. The emission reduction must be quantifiable under R18-2-301~~(14)~~(17); and
2. The reducing source shall submit documentation of any testing or monitoring that demonstrates an emission reduction.

D. The permitting authority shall certify one emission reduction credit for each ton per year of particulate matter, sulfur dioxide, carbon monoxide, nitrogen dioxide, or volatile organic compound actually reduced.

~~**E.** At the time of deposit in the emissions bank, the Director shall discount by 10 percent the certified credit total. The 10 percent of certified credit total shall be permanently retired to the bank.~~

~~**F**~~**E.** A banked credit does not expire.

~~**G**~~**F.** The permitting authority shall notify the source and the Director that a credit is certified. Upon receipt of the notice, the Director shall issue a certificate for each certified credit to the applicant identified in R18-2-1204, and list the certified credit in the registry.

APPENDIX 1. ~~STANDARD PERMIT APPLICATION FORM AND FILING INSTRUCTIONS~~ REPEALED

~~FILING INSTRUCTIONS~~

~~No application shall be considered complete until the Director has determined that all information required by this application form and the applicable statutes and regulations has been submitted. The Director may waive certain application requirements for specific source types, pursuant to R18-2-304(B). For permit revisions, the applicant need only supply information which directly pertains to the revision. The Director shall develop special guidance documents and forms to assist certain sources requiring Class 2 permits in completing the application form and filing instructions. Guidance documents can be requested by contacting the Office of Air Quality at the address and phone number given on the "Standard Permit Application Form."~~

~~In addition to the information required on the application form, the applicant shall supply the following:~~

~~1. Description of the process to be carried out in each unit (include Source Classification Code, if known).~~
~~2. Description of product.~~
~~3. Description of alternate operating scenario, if desired by applicant (include Source Classification Code).~~
~~4. Description of alternate operating scenario product, if applicable.~~
~~5. A flow diagram for all processes.~~
~~6. A material balance for all processes (optional, only if emission calculations are based on a material balance).~~
~~7. Emissions Related Information:~~
~~a. The source shall submit the potential emissions of regulated air pollutants as defined in R18-2-101 for all emission sources. Emissions shall be expressed in pounds per hour, tons per year, and such other terms as may be requested. Emissions shall be submitted using the standard "Emission Sources" portion of the "Standard Permit Application Form." Emissions information shall include fugitive emissions in the same manner as stack emissions, regardless of whether the source category in question is included in the list of sources contained in the definition of major source in R18-2-101.~~
~~b. The source shall identify and describe all points of emissions and to submit additional information related to the emissions of regulated air pollutants sufficient to verify which requirements are applicable to the source and sufficient to determine any fees under this Chapter.~~
~~8. Citation and description of all applicable requirements as defined in R18-2-101 including voluntarily accepted limits pursuant to R18-2-306.01.~~
~~9. An explanation of any proposed exemptions from otherwise applicable requirements.~~
~~10. The following information to the extent it is needed to determine or regulate emissions or to comply with the requirements of R18-2-306.01:~~
~~a. Maximum annual process rate for each piece of equipment which generates air emissions.~~
~~b. Maximum annual process rate for the whole plant.~~
~~c. Maximum rated hourly process rate for each piece of equipment which generates air emissions.~~
~~d. Maximum rated hourly process rate for the whole plant.~~
~~e. For all fuel burning equipment including generators, a description of fuel use, including the type used, the quantity used per year, the maximum and average quantity used per hour, the percent used for process heat, and higher heating value of the fuel. For solid fuels and fuel oils, state the potential sulfur and ash content.~~
~~f. A description of all raw materials used and the maximum annual and hourly, monthly, or quarterly quantities of each material used.~~
~~g. Anticipated Operating Schedules~~
~~i. Percent of annual production by season.~~
~~ii. Days of the week normally in operation.~~
~~iii. Shifts or hours of the day normally in operation.~~
~~iv. Number of days per year in operation.~~
~~h. Limitations on source operations and any work practice standards affecting emissions.~~
~~11. A description of all process and control equipment for which permits are required including:~~
~~a. Name.~~
~~b. Make (if available).~~
~~c. Model (if available).~~
~~d. Serial number (if available).~~
~~e. Date of manufacture (if available).~~
~~f. Size/production capacity.~~
~~g. Type.~~
~~12. Stack Information:~~
~~a. Identification.~~

~~b. Description.~~
~~c. Building Dimensions.~~
~~d. Exit Gas Temperature.~~
~~e. Exit Gas Velocity.~~
~~f. Height.~~
~~g. Inside Dimensions.~~

~~13. Site diagram which includes:~~
~~a. Property boundaries.~~
~~b. Adjacent streets or roads.~~
~~c. Directional arrow.~~
~~d. Elevation.~~
~~e. Closest distance between equipment and property boundary.~~
~~f. Equipment layout.~~
~~g. Relative location of emission sources or points.~~
~~h. Location of emission points and non-point emission areas.~~
~~i. Location of air pollution control equipment.~~

~~14. Air Pollution Control Information:~~
~~a. Description of or reference to any applicable test method for determining compliance with each applicable requirement.~~
~~b. Identification, description and location of air pollution control equipment, including spray nozzles and hoods, and compliance monitoring devices or activities.~~
~~c. The rated and operating efficiency of air pollution control equipment.~~
~~d. Data necessary to establish required efficiency for air pollution control equipment (e.g. air to cloth ratio for baghouses, pressure drop for scrubbers, and warranty information).~~
~~e. Evidence that operation of the new or modified pollution control equipment will not violate any ambient air quality standards, or maximum allowable increases under R18-2-218.~~

~~15. Equipment manufacturer's bulletins or shop drawings are acceptable for the purposes of supplying the information required by any item in numbers 11, 12, or 14 of this Appendix.~~

~~16. Compliance Plan:~~
~~a. A description of the compliance status of the source with respect to all applicable requirements including, but not limited to:~~
~~i. A demonstration that the source or modification will comply with the applicable requirements contained in Article 6.~~
~~ii. A demonstration that the source or modification will comply with the applicable requirements contained in Article 7.~~
~~iii. A demonstration that the source or modification will comply with the applicable requirements contained in Article 8.~~
~~iv. A demonstration that the source or modification will comply with the applicable requirements contained in Article 9.~~
~~v. A demonstration that the source or modification will comply with the applicable requirements contained in Article 11 and in rules promulgated pursuant to A.R.S. § 49-426.03.~~
~~vi. A demonstration that the source or modification will comply with the applicable requirements contained in Article 17.~~
~~vii. A demonstration that the source or modification will comply with any voluntarily accepted limitations pursuant to R18-2-306.01.~~
~~b. A compliance schedule as follows:~~
~~i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements~~
~~ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet in a timely manner applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.~~
~~iii. A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it is based.~~
~~c. A schedule for submission of certified progress reports no less frequently than every six months for sources required to have a schedule of compliance to remedy a violation.~~
~~d. The compliance plan content requirements specified in this subsection (shall) apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under Title IV of the Act and incorporated pursuant to R18-2-333 with regard to the schedule and method the source will use to achieve compliance with the acid rain emissions limitations.~~

~~17. Compliance Certification: A certification of compliance with all applicable requirements including voluntarily accepted limitations pursuant to R18-2-306.01 by a responsible official consistent with R18-2-309(A)(5). The certification shall include:~~
~~a. Identification of the applicable requirements which are the basis of the certification;~~
~~b. A statement of methods used for determining compliance, including a description of monitoring, recordkeeping, and reporting requirements and test methods;~~
~~c. A schedule for submission of compliance certifications during the permit term to be submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority; and~~

~~d. A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements.~~

~~e. A certification of truth, accuracy, and completeness pursuant to R18-2-304(H).~~

~~18. Acid Rain Program Compliance Plan: Sources subject to the Federal acid rain regulations shall use nationally-standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under Title IV of the Act and incorporated pursuant to R18-2-333.~~

~~19. A new major source as defined in R18-2-401 or a major modification shall submit all information required in this Appendix and information necessary to show compliance with Article 4 including, but not limited to:~~

~~a. For sources located in a Non-Attainment Area:~~

~~i. In the case of a new major source as defined in R18-2-401 or a major modification subject to an emission limitation which is LAER (Lowest Achievable Emission Rate) for that source or facility, the application shall contain a determination of LAER that is consistent with the requirements of the definition of LAER contained in R18-2-401. The demonstration shall contain the data and information relied upon by the applicant in determining the emission limitation that is LAER for the source or facility for which a permit is sought.~~

~~ii. In the case of a new major source as defined in R18-2-401 or a major modification subject to the demonstration requirement of R18-2-403(A)(2), the applicant shall submit such demonstration in a form that lists and describes all existing major sources owned or operated by the applicant and a statement of compliance with all conditions contained in the permits or conditional orders of each of the sources.~~

~~iii. In the case of a new major source as defined in R18-2-401 or a major modification subject to the offset requirements described in R18-2-403(A)(3), the applicant shall demonstrate the manner in which the new major source or major modification meets the requirements of R18-2-404.~~

~~iv. An applicant for a new major source as defined in R18-2-401 or a major modification for volatile organic compounds or carbon monoxide (or both) which will be located in a nonattainment area for photochemical oxidants or carbon monoxide (or both) shall submit the analysis described in R18-2-403(B).~~

~~b. For sources located in an Attainment Area:~~

~~i. A demonstration of the manner in which a new major source or major modification which will be located in an attainment area for a pollutant for which the source is classified as a major source as defined in R18-2-401 or the modification is classified as a major modification will meet the requirements of R18-2-406.~~

~~ii. In the case of a new major source as defined in R18-2-401 or major modification subject to an emission limitation which is BACT (Best Available Control Technology) for that source or facility, the application shall contain a determination of BACT that is consistent with the requirements of the definition of BACT contained in R18-2-101. The demonstration shall contain the data and information relied upon by the applicant in determining the emission limitation that is BACT for the source or facility for which a permit is sought.~~

~~iii. In the case of a new major source as defined in R18-2-401 or major modification required to perform and submit an air impact analysis in the form prescribed in R18-2-407, such an analysis shall meet the requirements of R18-2-406. Unless otherwise exempted in writing by the Director, the air impact analysis shall include all of the information and data specified in R18-2-407.~~

~~iv. If an applicant seeks an exemption from any or all of the requirements of R18-2-406, the applicant shall provide sufficient information and data in the application to demonstrate compliance with the requirements of the subsection(s) under which an exemption is sought.~~

~~20. Calculations on which all information requested in this Appendix is based.~~

~~STANDARD PERMIT APPLICATION FORM~~

~~(As required by A.R.S. § 49-426, and A.A.C. Title 18, Chapter 2, Article 3)~~

~~ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY~~
~~OFFICE OF AIR QUALITY~~
~~P.O. Box 600 · Phoenix, AZ 85001-0600 · Phone: (602) 207-2338~~

~~1. Permit to be issued to: (Business license name of organization that is to receive permit)~~

~~2. Mailing Address:~~

~~City: State: ZIP:~~

~~3. Plant Name (if different item #1 above):~~

~~4. Name (or names) of Owner or Operator: Phone:~~

~~5. Name of Owner's Agent: Phone:~~

~~6. Plant/Site Manager or Contact Person: Phone:~~

~~7. Proposed Equipment/Plant Location Address:~~

~~City: County: ZIP:~~

~~Indian Reservation (if applicable):~~

~~Section/Township/Range, Latitude/Longitude, Elevation:~~

~~8. General Nature of Business:~~

~~Standard Industrial Classification Code:~~

~~9. Type of Organization:~~

~~☐ Corporation ☐ Individual Owner~~

~~☐ Partnership ☐ Government Entity (Government Facility Code:)~~

~~☐ Other~~

~~10. Permit Application Basis: ☐ New Source ☐ Revision ☐ Renewal of Existing Permit~~

~~☐ Portable Source ☐ General Permit (Check all that apply.)~~

~~For renewal or modification, include existing permit number:~~

~~Date of Commencement of Construction or Modification:~~

~~Is any of the equipment to be leased to another individual or entity? ☐ Yes ☐ No~~

~~11. Signature of Responsible Official of Organization:~~

~~Official Title of Signer:~~

~~12. Typed or Printed Name of Signer:~~

~~Date: Telephone Number:~~

~~**PAGE 1 OF 2**~~

~~ADEQ/OAQ/100B~~

APPENDIX A

COMPANY NAME _____

EMISSION SOURCES

PAGE _____ OF _____
DATE _____

Estimated Potential to Emit as per R18-2-101(84).
Review of applications for issuance of permits will be expedited by supplying all necessary information on this Table.

REGULATED AIR POLLUTANT DATA					EMISSION POINT DISCHARGE PARAMETERS									
EMISSION POINT (1)		CHEMICAL COMPOSITION OF TOTAL STREAM	R.AIR POLLUTANT EMISSION RATE		UTM COORDINATES OF EMISSION PT. (5)			STACK SOURCES (6)					NONPOINT SOURCES (7)	
										EXIT DATA				
NUMBER	NAME	REGULATED AIR POLLUTANT NAME (2)	#/ HR. (3)	TONS/ YEAR (4)	ZONE	EAST (Mtrs)	NORTH (Mtrs)	HEIGHT ABOVE GROUND /feet	HEIGHT ABOVE STRUC. /feet	DIA. (ft.)	VEL. (fps.)	TEMP. (°F)	LENGTH (ft.)	WIDTH (ft.)

GROUND ELEVATION OF FACILITY ABOVE MEAN SEA LEVEL _____ feet
ADEQ STANDARD CONDITIONS ARE 293K AND 101.3 KILOPASCALS (A.A.C. R18-2-101)

General Instructions:

1. Identify each emission point with a unique number for this plant site, consistent with emission point identification used on plot plan, previous permits, and Emissions Inventory Questionnaire. Include fugitive emissions. Limit emission point number to eight (8) character spaces. For each emission point use as many lines as necessary to list regulated air pollutant data. Typical emission point names are: heater, vent, boiler, tank, reactor, separator, baghouse, fugitive, etc. Abbreviations are O.K.
2. Components to be listed include regulated air pollutants as defined in R18-2-101. Examples of typical component names are: Carbon Monoxide (CO), Nitrogen Oxides (NO_X), Sulfur Dioxide (SO_2), Volatile Organic Compounds (VOC), particulate matter (PM), particulate less than 10 microns (PM_{10}), etc. Abbreviations are O.K.
3. Pounds per hour (#/HR) is maximum potential emission rate expected by applicant.
4. Tons per year is annual maximum potential emission expected by applicant, which takes into account process operating schedule.
5. As a minimum applicant shall furnish a facility plot plan as described in the filing instructions. UTM coordinates are required only if the source is a major source or is required to perform refined modeling for the purposes of demonstrating compliance with ambient air quality guidelines.
6. Supply additional information as follows if appropriate:
   (a) Stack exit configuration other than a round vertical stack. Show length and width for a rectangular stack. Indicate if horizontal discharge with a note.
   (b) Stack height above supporting or adjacent structures if structure is within 3 *stack height above the ground** of stack.
7. Dimensions of nonpoint sources as defined in R18-2-101.

PAGE 2 OF 2

R18-2-317. Facility Changes Allowed Without Permit Revisions - Class I

A. A facility with a Class I permit may make changes that contravene an express permit term without a permit revision if all of the following apply:
1. The changes are not modifications under any provision of Title I of the Act or under A.R.S. § 49-401.01(24);
2. The changes do not exceed the emissions allowable under the permit whether expressed therein as a rate of emissions or in terms of total emissions;
3. The changes do not violate any applicable requirements or trigger any additional applicable requirements;
4. The changes satisfy all requirements for a minor permit revision under R18-2-319(A);
5. The changes do not contravene federally enforceable permit terms and conditions that are monitoring (including test methods), recordkeeping, reporting, or compliance certification requirements; and
6. The changes do not constitute a minor NSR modification.

B. The substitution of an item of process or pollution control equipment for an identical or substantially similar item of process or pollution control equipment shall qualify as a change that does not require a permit revision, if the substitution meets all of the requirements of subsections (A), (D), and (E).

C. Except for sources with authority to operate under general permits, permitted sources may trade increases and decreases in emissions within the permitted facility, as established in the permit under R18-2-306(A)(12), if an applicable implementation plan provides for the emissions trades without applying for a permit revision and based on the seven working days notice prescribed in subsection (D). This provision is available if the permit does not provide for the emissions trading as a minor permit revision.

D. For each change under subsections (A) through (C), a written notice by certified mail or hand delivery shall be received by the Director and the Administrator a minimum of seven working days in advance of the change. Notifications of changes associated with emergency conditions, such as malfunctions necessitating the replacement of equipment, may be provided less than seven working days in advance of the change but must be provided as far in advance of the change or, if advance notification is not practicable, as soon after the change as possible.

E. Each notification shall include:
1. When the proposed change will occur;
2. A description of the change;
3. Any change in emissions of regulated air pollutants;
4. The pollutants emitted subject to the emissions trade, if any;
5. The provisions in the implementation plan that provide for the emissions trade with which the source will comply and any other information as may be required by the provisions in the implementation plan authorizing the trade;
6. If the emissions trading provisions of the implementation plan are invoked, then the permit requirements with which the source will comply; and
7. Any permit term or condition that is no longer applicable as a result of the change.

F. The permit shield described in R18-2-325 shall not apply to any change made under subsections (A) through (C). Compliance with the permit requirements that the source will meet using the emissions trade shall be determined according to requirements of the implementation plan authorizing the emissions trade.

G. Except as otherwise provided for in the permit, making a change from one alternative operating scenario to another as provided under R18-2-306(A)(11) shall not require any prior notice under this Section.

H. The Director shall make available to the public monthly summaries of all notices received under this Section.

Historical Note

Adopted effective May 14, 1979 (Supp. 79-1). Former Section R9-3-317 renumbered without change as R18-2-317 (Supp. 87-3). Section repealed, new Section adopted effective November 15, 1993 (Supp. 93-4). Amended by final rulemaking at 5 A.A.R. 4074, effective September 22, 1999 (Supp. 99-3). Amended by final rulemaking at 12 A.A.R. 1953, effective January 1, 2007 (Supp. 06-2). Amended by final rulemaking at 18 A.A.R. 1542, effective August 7, 2012 (Supp. 12-2).

R18-2-317.01. Facility Changes that Require a Permit Revision - Class II

A. The following changes at a source with a Class II permit shall require a permit revision:
1. A change that would trigger a new applicable requirement or violate an existing applicable requirement.
2. Establishment of, or change in, an emissions cap under R18-2-306.02;
3. A change that will require a case-by-case determination of an emission limitation or other standard, or a source-specific determination of ambient impacts, or a visibility or increment analysis;
4. A change that results in emissions that are subject to monitoring, recordkeeping or reporting under R18-2-306(A)(3), (4), or (5) if the emissions cannot be measured or otherwise adequately quantified by monitoring, recordkeeping, or reporting requirements already in the permit;
5. A change that will authorize the burning of used oil, used oil fuel, hazardous waste, or hazardous waste fuel, or any other fuel not currently authorized by the permit;
6. A change that requires the source to obtain a Class I permit;
7. Replacement of an item of air pollution control equipment listed in the permit with one that does not have the same or better pollutant removal efficiency;
8. Establishment or revision of a limit under R18-2-306.01;
9. Increasing operating hours or rates of production above the permitted level;

Please note that the Chapter you are about to replace may have rules still in effect after the publication date of this supplement. Therefore, all superseded material should be retained in a separate binder and archived for future reference.

10. A change that relaxes monitoring, recordkeeping, or reporting requirements, except when the change results:
    a. From removing equipment that results in a permanent decrease in actual emissions, if the source keeps onsite records of the change in a log that satisfies Appendix 3 of this Chapter and if the requirements that are relaxed are present in the permit solely for the equipment that was removed; or
    b. From a change in an applicable requirement; and
11. A minor NSR modification.

B. A source with a Class II permit may make any physical change or change in the method of operation without revising the source's permit unless the change is specifically prohibited in the source's permit or is a change described in subsection (A). A change that does not require a permit revision may still be subject to requirements in R18-2-317.02.

Historical Note

New Section adopted by final rulemaking at 5 A.A.R. 4074, effective September 22, 1999 (Supp. 99-3). Amended by final rulemaking at 18 A.A.R. 1542, effective August 7, 2012 (Supp. 12-2).

R18-2-317.02. Procedures for Certain Changes that Do Not Require a Permit Revision - Class II

A. Except for a physical change or change in the method of operation at a Class II source requiring a permit revision under R18-2-317.01, or a change subject to logging or notice requirements in subsection (B) or (C), a change at a Class II source shall not be subject to revision, notice, or logging requirements under this Chapter.

B. Except as otherwise provided in the conditions applicable to an emissions cap created under R18-2-306.02, the following changes may be made if the source keeps onsite records of the changes according to Appendix 3:
1. Implementing an alternative operating scenario, including raw material changes;
2. Changing process equipment, operating procedures, or making any other physical change if the permit requires the change to be logged;
3. Engaging in any new insignificant activity listed in the definition of insignificant activities in R18-2-101 but not listed in the permit;
4. Replacing an item of air pollution control equipment listed in the permit with an identical (same model, different serial number) item. The Director may require verification of efficiency of the new equipment by performance tests; and
5. A change that results in a decrease in actual emissions if the source wants to claim credit for the decrease in determining whether the source has a net emissions increase for any purpose. The logged information shall include a description of the change that will produce the decrease in actual emissions. A decrease that has not been logged is creditable only if the decrease is quantifiable, enforceable, and otherwise qualifies as a creditable decrease.

C. Except as provided in the conditions applicable to an emissions cap created under R18-2-306.02, the following changes may be made if the source provides written notice to the Department in advance of the change as provided below:
1. Replacing an item of air pollution control equipment listed in the permit with one that is not identical but that is substantially similar and has the same or better pollutant removal efficiency: seven days. The Director may require verification of efficiency of the new equipment by performance tests;
2. A physical change or change in the method of operation that increases actual emissions more than 10% of the major source threshold for any conventional pollutant but does not require a permit revision: seven days;
3. Replacing an item of air pollution control equipment listed in the permit with one that is not substantially similar but that has the same or better efficiency: 30 days. The Director may require verification of efficiency of the new equipment by performance tests;
4. A change that would trigger an applicable requirement that already exists in the permit: 30 days unless otherwise required by the applicable requirement;
5. A change that amounts to reconstruction of the source or an affected facility: seven days. For purposes of this subsection, reconstruction of a source or an affected facility shall be presumed if the fixed capital cost of the new components exceeds 50% of the fixed capital cost of a comparable entirely new source or affected facility and the changes to the components have occurred over the 12 consecutive months beginning with commencement of construction; and
6. A change that will result in the emissions of a new regulated air pollutant above an applicable regulatory threshold but that does not trigger a new applicable requirement for that source category: 30 days. For purposes of this requirement, an applicable regulatory threshold for a conventional air pollutant shall be 10% of the applicable major source threshold for that pollutant.

D. For each change under subsection (C), the written notice shall be by certified mail or hand delivery and shall be received by the Director the minimum amount of time in advance of the change. Notifications of changes associated with emergency conditions, such as malfunctions necessitating the replacement of equipment, may be provided with less than required notice, but must be provided as far in advance of the change, or if advance notification is not practicable, as soon after the change as possible. The written notice shall include:
1. When the proposed change will occur,
2. A description of the change,
3. Any change in emissions of regulated air pollutants, and
4. Any permit term or condition that is no longer applicable as a result of the change.

E. A source may implement any change in subsection (C) without the required notice by applying for a minor permit revision under R18-2-319 and complying with R18-2-319(D)(2) and (G).

F. The permit shield described in R18-2-325 shall not apply to any change made under this Section, other than implementation of an alternate operating scenario under subsection (B)(1).

G. Notwithstanding any other part of this Section, the Director may require a permit to be revised for any change that, when considered together with any other changes submitted by the same source under this Section over the term of the permit, constitutes a change under R18-317.01(A).

H. If a source change is described under both subsections (B) and (C), the source shall comply with subsection (C). If a source change is described under both subsection (C) and R18-2-317.01(B), the source shall comply with R18-2-317.01(B).

I. A copy of all logs required under subsection (B) shall be filed with the Director within 30 days after each anniversary of the permit issue date. If no changes were made at the source requiring logging, a statement to that effect shall be filed instead.

Historical Note

New Section adopted by final rulemaking at 5 A.A.R. 4074, effective September 22, 1999 (Supp. 99-3). Amended by final rulemaking at 18 A.A.R. 1542, effective August 7, 2012 (Supp. 12-2).

49-104. Powers and duties of the department and director

A. The department shall:

1. Formulate policies, plans and programs to implement this title to protect the environment.

2. Stimulate and encourage all local, state, regional and federal governmental agencies and all private persons and enterprises that have similar and related objectives and purposes, cooperate with those agencies, persons and enterprises and correlate department plans, programs and operations with those of the agencies, persons and enterprises.

3. Conduct research on its own initiative or at the request of the governor, the legislature or state or local agencies pertaining to any department objectives.

4. Provide information and advice on request of any local, state or federal agencies and private persons and business enterprises on matters within the scope of the department.

5. Consult with and make recommendations to the governor and the legislature on all matters concerning department objectives.

6. Promote and coordinate the management of air resources to ensure their protection, enhancement and balanced utilization consistent with the environmental policy of this state.

7. Promote and coordinate the protection and enhancement of the quality of water resources consistent with the environmental policy of this state.

8. Encourage industrial, commercial, residential and community development that maximizes environmental benefits and minimizes the effects of less desirable environmental conditions.

9. Ensure the preservation and enhancement of natural beauty and man-made scenic qualities.

10. Provide for the prevention and abatement of all water and air pollution including that related to particulates, gases, dust, vapors, noise, radiation, odor, nutrients and heated liquids in accordance with article 3 of this chapter and chapters 2 and 3 of this title.

11. Promote and recommend methods for the recovery, recycling and reuse or, if recycling is not possible, the disposal of solid wastes consistent with sound health, scenic and environmental quality policies. Beginning in 2014, the department shall report annually on its revenues and expenditures relating to the solid and hazardous waste programs overseen or administered by the department.

12. Prevent pollution through the regulation of the storage, handling and transportation of solids, liquids and gases that may cause or contribute to pollution.

13. Promote the restoration and reclamation of degraded or despoiled areas and natural resources.

14. Assist the department of health services in recruiting and training state, local and district health department personnel.

15. Participate in the state civil defense program and develop the necessary organization and facilities to meet wartime or other disasters.

16. Cooperate with the Arizona-Mexico commission in the governor's office and with researchers at universities in this state to collect data and conduct projects in the United States and Mexico on issues that are within the scope of the department's duties and that relate to quality of life, trade and economic development in this state in

a manner that will help the Arizona-Mexico commission to assess and enhance the economic competitiveness of this state and of the Arizona-Mexico region.

17. Unless specifically authorized by the legislature, ensure that state laws, rules, standards, permits, variances and orders are adopted and construed to be consistent with and no more stringent than the corresponding federal law that addresses the same subject matter. This paragraph shall not be construed to adversely affect standards adopted by an Indian tribe under federal law.

18. Provide administrative and staff support for the oil and gas conservation commission.

B. The department, through the director, shall:

1. Contract for the services of outside advisers, consultants and aides reasonably necessary or desirable to enable the department to adequately perform its duties.

2. Contract and incur obligations reasonably necessary or desirable within the general scope of department activities and operations to enable the department to adequately perform its duties.

3. Utilize any medium of communication, publication and exhibition when disseminating information, advertising and publicity in any field of its purposes, objectives or duties.

4. Adopt procedural rules that are necessary to implement the authority granted under this title, but that are not inconsistent with other provisions of this title.

5. Contract with other agencies, including laboratories, in furthering any department program.

6. Use monies, facilities or services to provide matching contributions under federal or other programs that further the objectives and programs of the department.

7. Accept gifts, grants, matching monies or direct payments from public or private agencies or private persons and enterprises for department services and publications and to conduct programs that are consistent with the general purposes and objectives of this chapter. Monies received pursuant to this paragraph shall be deposited in the department fund corresponding to the service, publication or program provided.

8. Provide for the examination of any premises if the director has reasonable cause to believe that a violation of any environmental law or rule exists or is being committed on the premises. The director shall give the owner or operator the opportunity for its representative to accompany the director on an examination of those premises. Within forty-five days after the date of the examination, the department shall provide to the owner or operator a copy of any report produced as a result of any examination of the premises.

9. Supervise sanitary engineering facilities and projects in this state, authority for which is vested in the department, and own or lease land on which sanitary engineering facilities are located, and operate the facilities, if the director determines that owning, leasing or operating is necessary for the public health, safety or welfare.

10. Adopt and enforce rules relating to approving design documents for constructing, improving and operating sanitary engineering and other facilities for disposing of solid, liquid or gaseous deleterious matter.

11. Define and prescribe reasonably necessary rules regarding the water supply, sewage disposal and garbage collection and disposal for subdivisions. The rules shall:

(a) Provide for minimum sanitary facilities to be installed in the subdivision and may require that water systems plan for future needs and be of adequate size and capacity to deliver specified minimum quantities of drinking water and to treat all sewage.

(b) Provide that the design documents showing or describing the water supply, sewage disposal and garbage collection facilities be submitted with a fee to the department for review and that no lots in any subdivision be

offered for sale before compliance with the standards and rules has been demonstrated by approval of the design documents by the department.

12. Prescribe reasonably necessary measures to prevent pollution of water used in public or semipublic swimming pools and bathing places and to prevent deleterious conditions at such places. The rules shall prescribe minimum standards for the design of and for sanitary conditions at any public or semipublic swimming pool or bathing place and provide for abatement as public nuisances of premises and facilities that do not comply with the minimum standards. The rules shall be developed in cooperation with the director of the department of health services and shall be consistent with the rules adopted by the director of the department of health services pursuant to section 36-136, subsection H, paragraph 10.

13. Prescribe reasonable rules regarding sewage collection, treatment, disposal and reclamation systems to prevent the transmission of sewage borne or insect borne diseases. The rules shall:

(a) Prescribe minimum standards for the design of sewage collection systems and treatment, disposal and reclamation systems and for operating the systems.

(b) Provide for inspecting the premises, systems and installations and for abating as a public nuisance any collection system, process, treatment plant, disposal system or reclamation system that does not comply with the minimum standards.

(c) Require that design documents for all sewage collection systems, sewage collection system extensions, treatment plants, processes, devices, equipment, disposal systems, on-site wastewater treatment facilities and reclamation systems be submitted with a fee for review to the department and may require that the design documents anticipate and provide for future sewage treatment needs.

(d) Require that construction, reconstruction, installation or initiation of any sewage collection system, sewage collection system extension, treatment plant, process, device, equipment, disposal system, on-site wastewater treatment facility or reclamation system conform with applicable requirements.

14. Prescribe reasonably necessary rules regarding excreta storage, handling, treatment, transportation and disposal. The rules shall:

(a) Prescribe minimum standards for human excreta storage, handling, treatment, transportation and disposal and shall provide for inspection of premises, processes and vehicles and for abating as public nuisances any premises, processes or vehicles that do not comply with the minimum standards.

(b) Provide that vehicles transporting human excreta from privies, septic tanks, cesspools and other treatment processes shall be licensed by the department subject to compliance with the rules. The department may require payment of a fee as a condition of licensure. After July 20, 2011, the department shall establish by rule a fee as a condition of licensure, including a maximum fee. As part of the rulemaking process, there must be public notice and comment and a review of the rule by the joint legislative budget committee. After September 30, 2013, the department shall not increase that fee by rule without specific statutory authority for the increase. The fees shall be deposited, pursuant to sections 35-146 and 35-147, in the solid waste fee fund established by section 49-881.

15. Perform the responsibilities of implementing and maintaining a data automation management system to support the reporting requirements of title III of the superfund amendments and reauthorization act of 1986 (P.L. 99-499) and article 2 of this chapter.

16. Approve remediation levels pursuant to article 4 of this chapter.

17. Establish or revise fees by rule pursuant to the authority granted under title 44, chapter 9, article 8 and chapters 4 and 5 of this title for the department to adequately perform its duties. All fees shall be fairly assessed and impose the least burden and cost to the parties subject to the fees. In establishing or revising fees, the department shall base the fees on:

(a) The direct and indirect costs of the department's relevant duties, including employee salaries and benefits, professional and outside services, equipment, in-state travel and other necessary operational expenses directly related to issuing licenses as defined in title 41, chapter 6 and enforcing the requirements of the applicable regulatory program.

(b) The availability of other funds for the duties performed.

(c) The impact of the fees on the parties subject to the fees.

(d) The fees charged for similar duties performed by the department, other agencies and the private sector.

18. Appoint a person with a background in oil and gas conservation to act on behalf of the oil and gas conservation commission and administer and enforce the applicable provisions of title 27, chapter 4 relating to the oil and gas conservation commission.

C. The department may:

1. Charge fees to cover the costs of all permits and inspections it performs to ensure compliance with rules adopted under section 49-203, except that state agencies are exempt from paying the fees. Monies collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the water quality fee fund established by section 49-210.

2. Contract with private consultants for the purposes of assisting the department in reviewing applications for licenses, permits or other authorizations to determine whether an applicant meets the criteria for issuance of the license, permit or other authorization. If the department contracts with a consultant under this paragraph, an applicant may request that the department expedite the application review by requesting that the department use the services of the consultant and by agreeing to pay the department the costs of the consultant's services. Notwithstanding any other law, monies paid by applicants for expedited reviews pursuant to this paragraph are appropriated to the department for use in paying consultants for services.

D. The director may:

1. If the director has reasonable cause to believe that a violation of any environmental law or rule exists or is being committed, inspect any person or property in transit through this state and any vehicle in which the person or property is being transported and detain or disinfect the person, property or vehicle as reasonably necessary to protect the environment if a violation exists.

2. Authorize in writing any qualified officer or employee in the department to perform any act that the director is authorized or required to do by law.

49-106. Statewide application of rules

The rules adopted by the department apply and shall be observed throughout this state, or as provided by their terms, and the appropriate local officer, council or board shall enforce them. This section does not limit the authority of local governing bodies to adopt ordinances and rules within their respective jurisdictions if those ordinances and rules do not conflict with state law and are equal to or more restrictive than the rules of the department, but this section does not grant local governing bodies any authority not otherwise provided by separate state law.

49-404. State implementation plan

A. The director shall maintain a state implementation plan that provides for implementation, maintenance and enforcement of national ambient air quality standards and protection of visibility as required by the clean air act.

B. The director may adopt rules that describe procedures for adoption of revisions to the state implementation plan.

C. The state implementation plan and all revisions adopted before September 30, 1992 remain in effect according to their terms, except to the extent otherwise provided by the clean air act, inconsistent with any provision of the clean air act, or revised by the administrator. No control requirement in effect, or required to be adopted by an order, settlement agreement or plan in effect, before the enactment of the clean air act in any area which is a nonattainment or maintenance area for any air pollutant may be modified after enactment in any manner unless the modification insures equivalent or greater emission reductions of the air pollutant. The director shall evaluate and adopt revisions to the plan in conformity with federal regulations and guidelines promulgated by the administrator for those purposes until the rules required by subsection B are effective.

49-406. Nonattainment area plan

A. For any ozone, carbon monoxide or particulate nonattainment or maintenance area the governor shall certify the metropolitan planning organization designated to conduct the continuing, cooperative and comprehensive transportation planning process for that area under 23 United States Code section 134 as the agency responsible for the development of a nonattainment or maintenance area plan for that area.

B. For any ozone, carbon monoxide or particulate nonattainment or maintenance area for which no metropolitan planning organization exists, the department shall be certified as the agency responsible for development of a nonattainment or maintenance area plan for that area.

C. For any ozone, carbon monoxide or particulate nonattainment or maintenance area, the department, the planning agency certified pursuant to subsection A of this section on behalf of elected officials of affected local government, the county air pollution control department or district, and the department of transportation shall, by November 15, 1992, and from time to time as necessary, jointly review and update planning procedures or develop new procedures.

D. In preparing the procedures described in subsection C of this section, the department, the planning agency certified pursuant to subsection A of this section on behalf of elected officials of affected local government, the county air pollution control department or district, and the department of transportation shall determine which elements of each revised implementation plan will be developed, adopted, and implemented, through means including enforcement, by the state and which by local governments or regional agencies, or any combination of local governments, regional agencies or the state.

E. The department, the planning agency certified pursuant to subsection A of this section on behalf of elected officials of affected local government, the county air pollution control department or district, and the department of transportation shall enter into a memorandum of agreement for the purpose of coordinating the implementation of the procedures described in subsection C and D of this section.

F. At a minimum, the memorandum of agreement shall contain:

1. The relevant responsibilities and authorities of each of the coordinating agencies.

2. As appropriate, procedures, schedules and responsibilities for development of nonattainment or maintenance area plans or plan revisions and for determining reasonable further progress.

3. Assurances for adequate plan implementation.

4. Procedures and responsibilities for tracking plan implementation.

5. Responsibilities for preparing demographic projections including land use, housing, and employment.

6. Coordination with transportation programs.

7. Procedures and responsibilities for adoption of control measures and emissions limitations.

8. Responsibilities for collecting air quality, transportation and emissions data.

9. Responsibility for conducting air quality modeling.

10. Responsibility for administering and enforcing stationary source controls.

11. Provisions for the timely and periodic sharing of all data and information among the signatories relating to:

(a) Demographics.

(b) Transportation.

(c) Emissions inventories.

(d) Assumptions used in developing the model.

(e) Results of modeling done in support of the plan.

(f) Monitoring data.

G. Each agency that commits to implement any emission limitation or other control measure, means or technique contained in the implementation plan shall describe that commitment in a resolution adopted by the appropriate governing body of the agency. The resolution shall specify the following:

1. Its authority for implementing the limitation or measure as provided in statute, ordinance or rule.

2. A program for the enforcement of the limitation or measure.

3. The level of personnel and funding allocated to the implementation of the measure.

H. The state, in accordance with the rules adopted pursuant to section 49-404, and the governing body of the metropolitan planning organization shall adopt each nonattainment or maintenance area plan developed by a certified metropolitan planning organization. The adopted nonattainment or maintenance area plan shall be transmitted to the department for inclusion in the state implementation plan provided for under section 49-404.

I. After adoption of a nonattainment or maintenance area plan, if on the basis of the reasonable further progress determination described in subsection F of this section or other information, the control officer determines that any person has failed to implement an emission limitation or other control measure, means or technique as described in the resolution adopted pursuant to subsection G of this section, the control officer shall issue a written finding to the person, and shall provide an opportunity to confer. If the control officer subsequently determines that the failure has not been corrected, the county attorney, at the request of the control officer, shall file an action in superior court for a preliminary injunction, a permanent injunction, or any other relief provided by law.

J. After adoption of a nonattainment or maintenance area plan, if, on the basis of the reasonable further progress determination described in subsection F of this section or other information, the director determines that any person has failed to implement an emission limitation or other control measure, means or technique as described in the resolution adopted pursuant to subsection G of this section, and that the control officer has failed to act pursuant to subsection I of this section, the director shall issue a written finding to the person and shall provide an opportunity to confer. If the director subsequently determines that the failure has not been corrected, the attorney general, at the request of the director, shall file an action in superior court for a preliminary injunction, a permanent injunction, or any other relief provided by law.

K. Notwithstanding subsections A and B of this section, in any metropolitan area with a metropolitan statistical area population of less than two hundred fifty thousand persons, the governor shall designate an agency that meets the criteria of section 174 of the clean air act and that is recommended by the city that causes the metropolitan area to exist and the affected county. That agency shall prepare and adopt the nonattainment or maintenance area plan. If the governor does not designate an agency, the department shall be certified as the agency responsible for the development of a nonattainment or maintenance area plan for that area.

49-425. Rules; hearing

A. The director shall adopt such rules as he determines are necessary and feasible to reduce the release into the atmosphere of air contaminants originating within the territorial limits of the state or any portion thereof and shall adopt, modify, and amend reasonable standards for the quality of, and emissions into, the ambient air of the state for the prevention, control and abatement of air pollution. Additional standards shall be established for particulate matter emissions, sulfur dioxide emissions, and other air contaminant emissions determined to be necessary and feasible for the prevention, control and abatement of air pollution. In fixing such ambient air quality standards, emission standards or standards of performance, the director shall give consideration but shall not be limited to the relevant factors prescribed by the clean air act.

B. No rule may be enacted or amended except after the director first holds a public hearing after twenty days' notice of such hearing. The proposed rule, or any proposed amendment of a rule, shall be made available to the public at the time of notice of such hearing.

C. The department shall enforce the rules adopted by the director.

D. All rules enacted pursuant to this section shall be made available to the public at a reasonable charge upon request.

49-426. Permits; duties of director; exceptions; applications; objections; fees

A. A permit shall:

1. Be issued by the director in compliance with the terms of this section.

2. Be required for any person seeking a compliance extension pursuant to section 49-426.03, subsection B, paragraph 3 and section 112(a)(5) of the clean air act and for any person beginning actual construction of or operating any source, except as prescribed in subsection B of this section or section 49-426.01.

B. The provisions of this section shall not apply to motor vehicles, to agricultural vehicles or agricultural equipment used in normal farm operations, or to fuel burning equipment which, at a location or property other than a one or two family residence, is rated at less than one million British thermal units per hour. The director may establish by rule additional sources or classifications of sources for which a permit is not required and pollutant-emitting activities and emissions units at permitted sources that are not required to be included in the permit. The director shall not adopt such rules unless the director makes a written finding with supporting facts that the exempted source, class of sources, pollutant-emitting activities or emissions units will have an insignificant adverse impact on air quality. In adopting these rules, the director may consider any rule that is adopted by the administrator pursuant to section 502 of the clean air act and that exempts one or more source categories from the requirement to obtain a permit under title V of the clean air act.

C. Every application for a permit shall be filed in the manner and form prescribed by the director, and shall contain all the information necessary to enable the director to make the determination to grant or deny such application. The director shall establish by rule requirements for permit applications, including the standard application form for title V sources. The director shall establish by rule requirements for applications for general permits. An application for a permit issued pursuant to title V of the clean air act shall include a compliance plan that describes how the applicant will comply with all of the applicable requirements of this chapter and the clean air act, including a schedule of compliance and a schedule under which progress reports will be submitted to the director at least every six months. The director may require that such application include all sources that are used or to be used by the applicant in a certain process or a single facility or location. Before acting on an application for a permit, the director may require the applicant to furnish further information or further plans or specifications. The director shall act, within a reasonable time, on such application and shall notify the applicant in writing of the proposed approval or denial of such application, except that the director may have a reasonable period of time in which to gather information, inspect premises, and issue such permits. The director shall adopt rules that establish procedures for determining when applications are complete, for processing applications and for reviewing permit actions. The director shall also establish by rule criteria for determining reasonable times for processing permit applications. Rules adopted pursuant to this subsection for permits issued pursuant to title V of the clean air act shall conform to the requirements of section 505(a) of the clean air act.

D. The director shall give notice of a proposed permit for a source required to obtain a permit pursuant to title V of the clean air act once each week for two consecutive weeks in two newspapers of general circulation in the county in which the source is or will be located. The notice shall describe the proposed permit and air contaminants to be emitted and shall state that any person may submit comments on the proposed permit and may request a public hearing. The director shall require the applicant at the time of the first notice to post the site where the source is or may be located. If permitted by federal, state and local law, the posting shall be prominently placed at a site that is under the applicant's legal control and that is adjacent to the nearest public roadway. The posting shall be visible to the public using the public roadway and shall contain the information in the notice that is published by the director. If a public hearing is requested, the director shall require the applicant to place an additional posting that provides notice of the public hearing. A posting shall be maintained until the public comment period on the proposed permit is closed. The director shall make available to the public notices of proposed permits. Each public notice that is issued under this chapter shall be mailed to the permit applicant, to the affected federal, state and local agencies and to those persons who have requested in writing copies of proposed permit action notices. During the public comment period, any person may submit a request to the department to conduct a public hearing for the purpose of receiving oral or written comments on the

proposed permit. A written comment shall state the name and mailing address of the person, shall be signed by the person, his agent or his attorney and shall clearly set forth reasons why the permit should or should not be issued. Grounds for comment are limited to whether the proposed permit meets the criteria for issuance prescribed in this section or in section 49-427. The department shall consider and prepare written responses to all comments received during the public comment period including comments made at a public hearing conducted by the department. At the time a final permit decision is made, copies of the department's responses shall be made available to the applicant and any person who commented on the proposed permit.

E. Permits or revisions issued pursuant to this section or section 49-426.01 may be issued subject to such terms and conditions as are consistent with the requirements of this article, article 1 of this chapter and the clean air act and are found by the director to be necessary, following public notice and an opportunity for a public hearing as provided in subsection D or H of this section or in section 49-426.01, and subject to payment of a reasonable fee to be determined as follows:

1. For a source that is required to obtain a permit pursuant to title V of the clean air act, the director shall establish by rule a system of fees that is consistent with and equivalent to that prescribed by section 502 of the clean air act. These rules shall prescribe procedures for increasing the fee each year by the percentage if any by which the consumer price index for the immediately preceding calendar year exceeds the consumer price index for calendar year 1989.

2. For a facility that is required to obtain a permit pursuant to this chapter but that is not required to obtain a permit pursuant to title V of the clean air act, the director shall determine a fee based on the total actual cost of processing the permit application, but not exceeding twenty-five thousand dollars.

The director shall establish an annual inspection fee, not to exceed the average cost of inspection. The director shall adopt, by rule, criteria for determining fees and for public hearings.

F. Permits issued pursuant to this section shall be issued for a period of five years.

G. Except as provided in subsection H of this section, any person burning used oil, used oil fuel, hazardous waste or hazardous waste fuel in any machine, incinerator or device shall first obtain a permit from the director. Any permit issued by the director under this subsection shall contain, at a minimum, conditions governing:

1. Limitations on the types, amounts and feed rates of used oil, used oil fuel, hazardous waste or hazardous waste fuel which may be burned.

2. The frequency and types of fuel testing to be conducted by the person.

3. The frequency and type of emissions testing or monitoring to be conducted by the person.

4. Requirements for record keeping and reporting.

5. Numeric emission limitations expressed in pounds per hour and tons per year for air contaminants to be emitted from the facility burning off-specification used oil fuel, hazardous waste or hazardous waste fuel.

H. The director may issue a general permit for a defined class of facilities if the class contains a large number of facilities that are substantially similar in nature and that have substantially similar emissions and if the following conditions are met:

1. A general permit shall comply with all of the requirements for permits prescribed by this section except for the requirements of subsection D of this section and shall be consistent with the clean air act.

2. The director shall give notice of the proposed general permit once each week for two consecutive weeks in a newspaper of general circulation in each county. The notice shall describe the proposed general permit, the general class of sources that would be subject to the proposed permit and the air contaminants to be emitted. The

notice shall also state that any person may submit comments on the proposed general permit and may request a public hearing. A written comment shall state the name of the person and the person's agent or attorney and shall clearly set forth reasons why the general permit should or should not be issued. Grounds for comment are limited to whether the proposed general permit meets the criteria for issuance prescribed in this section or section 49-427.

3. On issuance of a general permit any person seeking to permit a source under this subsection shall submit an application pursuant to subsection C of this section.

4. If the director approves an application to be permitted under a general permit, the director shall provide notice of the approval in a newspaper of general circulation in the county in which the source is or will be located.

5. If a person violates a general permit, the director may require the source to obtain a permit pursuant to subsection A of this section.

6. A general permit may be revoked or revised at any time by the director if necessary to comply with this chapter. If the director revokes or revises a general permit, the director shall notify all persons whose sources are affected by the revocation or revision and shall include notice of procedures to obtain a permit pursuant to subsection A of this section or notice of procedures for compliance with the revisions.

7. The director by rule shall adopt procedures for the issuance of general permits.

8. The director may adopt conditions in a general permit applicable to sources located in a specified geographic area either independently of or upon petition by a county air pollution control officer.

I. Permits issued pursuant to this section for a source required to obtain a permit under title V of the clean air act shall contain all of the following:

1. Conditions reflecting all applicable requirements of this article and rules adopted pursuant to this article.

2. Enforceable emission limitations and standards.

3. A schedule for compliance, if applicable.

4. The requirement to submit at least every six months the results of any required monitoring.

5. Any other conditions that are necessary to assure compliance with this article and the clean air act, including the applicable implementation plan.

J. The director may refuse to issue any permit to any source subject to the requirements of title V of the clean air act if the administrator objects to its issuance in a timely manner as prescribed under title V of the act.

K. If an applicant has submitted a timely and complete application for a permit required under this section, but final action has not been taken on that application, failure to obtain a permit shall not be a violation of this chapter unless the delay in final action is due to the failure of the applicant to submit information required or requested to process the application. This subsection does not apply to any person required to obtain a permit before commencing construction of a source as required under this section or any person seeking a permit revision as provided under section 49-426.01.

L. The director may issue a single permit authorizing emissions from similar operations at multiple temporary locations, if the permit includes conditions that will assure compliance with all applicable requirements of this chapter and the clean air act at all locations. Any permit issued pursuant to this subsection shall require the applicant to notify the director in advance of each change in location. In issuing a single permit, the director may require a separate permit fee for operations at each location.

M. In the case of a permit with a term of three or more years issued pursuant to the requirements of title V of the clean air act to a major source, the director shall require revisions to the permit to incorporate applicable standards and regulations adopted by the administrator pursuant to the clean air act after the issuance of the permit. The director shall require any revisions as expeditiously as practicable, but not later than eighteen months after the promulgation of such standards and regulations. No permit revision shall be required if the effective date of standards and regulations is after the expiration of the permit. Any permit revision required pursuant to this subsection shall be treated as a permit renewal.

N. Any permit issued pursuant to the requirements of this article and title V of the clean air act to a unit subject to the provisions of title IV of the clean air act shall include conditions prohibiting all of the following:

1. Annual emissions of sulfur dioxide in excess of the number of allowances to emit sulfur dioxide held by the owners or operators of the unit or by the designated representative of the owners or operators.

2. Amounts in excess of applicable emission rates.

3. The use of any allowance prior to the year for which it was allocated.

4. Contravention of any other provision of the permit.

O. The director shall adopt a rule specifying the notice, public participation requirements and other permit issuance procedures for permits that are not issued pursuant to title V of the clean air act.

P. In determining whether a permitting threshold established pursuant to this section applies to an existing source, the director shall exclude particulate matter that is not subject to a national ambient air quality standard under the clean air act.

APPENDIX C

AGENCY CERTIFICATE
NOTICE OF FINAL RULEMAKING

1. **Agency name:** Arizona Department of Environmental Quality

2. **Chapter heading:** Department of Environmental Quality - Air Pollution Control

3. **Code citation for the Chapter:** 18 A.A.C. 2

4. **The Subchapters, if applicable; the Articles; the Parts, if applicable; and the Sections involved in the rulemaking, listed in alphabetical and numerical order:**

Subchapters, Articles, Parts, and Sections:	**Action:**
Article 1. General	
R18-2-101	Amend
R18-2-102	Amend
Article 2. Ambient Air Quality Standards; Area Designations; Classifications	
R18-2-201	Amend
R18-2-203	Amend
R18-2-217	Amend
R18-2-218	Amend
Article 3. Permits and Permit Revisions	
R18-2-301	Amend
R18-2-302	Amend
R18-2-302.01	Amend
R18-2-303	Amend
R18-2-304	Amend
R18-2-306	Amend
R18-2-306.01	Amend
R18-2-307	Amend
R18-2-311	Amend
R18-2-312	Amend
R18-2-319	Amend
R18-2-320	Amend

R18-2-324	Amend
R18-2-326	Amend
R18-2-327	Amend
R18-2-330	Amend
R18-2-332	Amend
R18-2-334	Amend
Article 4. Permit Requirements for New Major Sources and Major Modifications	
R18-2-401	Amend
R18-2-402	Amend
R18-2-403	Amend
R18-2-404	Amend
R18-2-405	Amend
R18-2-406	Amend
R18-2-407	Amend
R18-2-408	Amend
R18-2-410	Amend
R18-2-411	New Section
R18-2-412	Amend
Article 5. General Permits	
R18-2-502	Amend
R18-2-503	Amend
R18-2-504	Amend
R18-2-505	Amend
R18-2-507	Repeal
R18-2-508	Repeal
R18-2-512	Amend
R18-2-513	Amend
R18-2-514	New Section
R18-2-515	New Section
Article 12. Emissions Bank	
R18-2-1205	Amend
Appendix 1	Repeal

5. **The rules contained in this package are true and correct as proposed.**

6. _____ 1/18/17

Signature of Agency Chief Executive Officer — **Date of signing**

Bret Parke — **Deputy Director**

Printed or typed name of signer — **Title of signer**

APPENDIX C

GOVERNOR'S REGULATORY REVIEW COUNCIL
CERTIFICATE OF APPROVAL OF FINAL RULES

1. **Agency Name: Arizona Department of Environmental Quality**
2. **Chapter Heading: Department of Environmental Quality**
3. **Code Citation for the Chapter: 18 A.A.C 2, Article 1, General; Article 2, Ambient Air Quality Standards; Area Designations; Classifications; Article 3, Permits and Permit Revisions; Article 4, Permit Requirements for New Major Sources and Major Modifications to Existing Major Sources; Article 5, General Permits; Article 12, Emissions Bank**

Subchapters, Articles, Parts and Sections	**Action:**
R18-2-101; R18-2-102; R18-2-201; R18-2-203; R18-2-217; R18-2-218; R18-2-301; R18-2-302; R18-2-302.01; R18-2-303; R18-2-304; R18-2-306; R18-2-306.01; R18-2-307; R18-2-311; R18-2-312; R18-2-319; R18-2-320; R18-2-324; R18-2-326; R18-2-327; R18-2-330; R18-2-332; R18-2-334; R18-2-401; R18-2-402; R18-2-403; R18-2-404; R18-2-405; R18-2-406; R18-2-407; R18-2-408; R18-2-410; R18-2-412; R18-2-502; R18-2-503; R18-2-504; R18-2-504; R18-2-512; R18-2-513; R18-2-1205	Amend
R18-2-411; R18-2-514; R18-2-515	New Section
R18-2-507; R18-2-508; Appendix 1	Repeal

4. **The rules contained in this package and described above are approved as final rules.**

Check all that are applicable:

X **approved as submitted**

___ **approved in part, returned in part; copy of certificate provided to agency contact person listed in the cover letter or applicable notice**

___ **approved with changes accepted by the agency; copy of certificate provided to agency contact person listed in the cover letter or applicable notice**

___ **immediate effective date, including any date earlier than a 60-day effective date**

___ **date later than a 60-day effective date**

Nicole A. Ong

Nicole A. Ong
Chairwoman

1/4/17

Date of Approval

APPENDIX C

R17-10

SECRETARY OF STATE

2017 JAN 20 PM 3:58

FILED

AGENCY RECEIPT

NOTICE OF FINAL RULEMAKING

1. Agency name: Department of Environmental Quality

2. The Subchapter, if applicable; the Articles; the Parts, if applicable; and the Section involved in the rule making, listed in alphabetical and numerical order:

Subchapters, Articles, Parts, and Sections	Action
Article 1. General	
R18-2-101	Amend
R18-2-102	Amend
Article 2. Ambient Air Quality Standards; Area Designations; Classifications	
R18-2-201	Amend
R18-2-203	Amend
R18-2-217	Amend
R18-2-218	Amend
Article 3. Permits and Permit Revisions	
R18-2-301	Amend
R18-2-302	Amend
R18-2-302.01	Amend
R18-2-303	Amend
R18-2-304	Amend
R18-2-306	Amend
R18-2-306.01	Amend
R18-2-307	Amend
R18-2-311	Amend
R18-2-312	Amend
R18-2-319	Amend
R18-2-320	Amend

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R18-2-324	Amend
R18-2-326	Amend
R18-2-327	Amend
R18-2-330	Amend
R18-2-332	Amend
R18-2-334	Amend
Article 4. Permit Requirements for New Major Sources and Major Modifications	
R18-2-401	Amend
R18-2-402	Amend
R18-2-403	Amend
R18-2-404	Amend
R18-2-405	Amend
R18-2-406	Amend
R18-2-407	Amend
R18-2-408	Amend
R18-2-410	Amend
R18-2-411	New Section
R18-2-412	Amend
Article 5. General Permits	
R18-2-502	Amend
R18-2-503	Amend
R18-2-504	Amend
R18-2-505	Amend
R18-2-507	Repeal
R18-2-508	Repeal
R18-2-512	Amend
R18-2-513	Amend
R18-2-514	New Section
R18-2-515	New Section
Article 12. Emissions Bank	
R18-2-1205	Amend

APPENDIX C

41-1013. Register

A. The secretary of state shall publish the register at least once each month, including the information that is provided under subsection B of this section and that is filed with the secretary of state during the preceding thirty days. The secretary of state shall publish an index to the register at least twice each year.

B. The register shall contain:

1. A schedule of the time, date and place of all hearings on proposed repeals, makings or amendments of rules.

2. Each governor's executive order.

3. Each governor's proclamation of general applicability and each statement filed by the governor in granting a commutation, pardon or reprieve or stay or suspension of execution where a sentence of death is imposed.

4. A summary of each attorney general's opinion.

5. Each governor's appointment of state officials and board and commission members.

6. A table of contents.

7. The notice and agency summary of each docket opening.

8. The full text and accompanying preamble of each proposed rule.

9. The full text and accompanying preamble of each final rule.

10. The full text and accompanying preamble of each emergency rule.

11. Supplemental notices of a proposed rule.

12. Proposed and final notices of expedited rulemaking and notices that an objection was received regarding a proposed expedited rulemaking.

13. A summary of council action on each rule.

14. The full text of any exempt final rule filed with the secretary of state pursuant to section 41-1005, subsection C.

15. The notice and a summary of substantive policy statements and notice and a summary of any guidance document publication or revision submitted by an agency. The notice for a substantive policy statement shall contain the website address where the full text of the document is available, if practicable.

16. Notices of oral proceedings, public workshops or other meetings on an open rulemaking docket.

17. A proposal to increase fees for services performed by the state museum pursuant to section 15-1631.

C. The register shall be available by subscription and for single-copy purchase. The charge for each register or periodic subscription shall be a reasonable charge, not to exceed all costs of production and distribution of the register.

D. For purposes of this section, full text publication in the register includes all new, amended or added language and existing language that the proposing agency deems necessary for a proper understanding of the proposed rule. Rules that are undergoing extensive revision may be reprinted in whole. Existing rule language that is not required for understanding shall be omitted and marked "no change".

APPENDIX C

41-1031. Filing rules and preamble with secretary of state; permanent record

A. Following the filing of a rule made pursuant to an exemption to this chapter or following approval and filing of a rule and preamble and an economic, small business and consumer impact statement by the council as provided in article 5 of this chapter or by the attorney general as provided in article 4 of this chapter, the secretary of state shall affix to each rule document, preamble and economic, small business and consumer impact statement the time and date of filing. A rule is not final until the secretary of state affixes the time and date of filing to the rule document as provided in this section.

B. The secretary of state shall keep a permanent record of rules, preambles and economic, small business and consumer impact statements filed with the office.

APPENDIX C

41-1032. Effective date of rules

A. A rule filed pursuant to section 41-1031 becomes effective sixty days after a certified original and two copies of the rule and preamble are filed in the office of the secretary of state and the time and date are affixed as provided in section 41-1031, unless the rule making agency includes in the preamble information that demonstrates that the rule needs to be effective immediately on filing in the office of the secretary of state and the time and date are affixed as provided in section 41-1031. A rule may only be effective immediately for any of the following reasons:

1. To preserve the public peace, health or safety.

2. To avoid a violation of federal law or regulation or state law, if the need for an immediate effective date is not created due to the agency's delay or inaction.

3. To comply with deadlines in amendments to an agency's governing statute or federal programs, if the need for an immediate effective date is not created due to the agency's delay or inaction.

4. To provide a benefit to the public and a penalty is not associated with a violation of the rule.

5. To adopt a rule that is less stringent than the rule that is currently in effect and that does not have an impact on the public health, safety, welfare or environment, or that does not affect the public involvement and public participation process.

B. Notwithstanding subsection A of this section, a rule making agency may specify an effective date more than sixty days after the filing of the rule in the office of the secretary of state if the agency determines that good cause exists for and the public interest will not be harmed by the later date.

C. This section does not affect the validity of an existing rule until the new or amended rule that is filed with the secretary of state is effective pursuant to this section.

APPENDIX C

41-1052. Council review and approval

A. Before filing a final rule subject to this section with the secretary of state, an agency shall prepare, transmit to the council and the committee and obtain the council's approval of the rule and its preamble and economic, small business and consumer impact statement that meets the requirements of section 41-1055. The office of economic opportunity shall prepare the economic, small business and consumer impact statement.

B. The council shall accept an early review petition of a proposed rule, in whole or in part, if the proposed rule is alleged to violate any of the criteria prescribed in subsection D of this section and if the early petition is filed by a person who would be adversely impacted by the proposed rule. The council may determine whether the proposed rule, in whole or in part, violates any of the criteria prescribed in subsection D of this section.

C. Within one hundred twenty days after receipt of the rule, preamble and economic, small business and consumer impact statement, the council shall review and approve or return, in whole or in part, the rule, preamble or economic, small business and consumer impact statement. An agency may resubmit a rule, preamble or economic, small business and consumer impact statement if the council returns the rule, economic, small business and consumer impact statement or preamble, in whole or in part, to the agency.

D. The council shall not approve the rule unless:

1. The economic, small business and consumer impact statement contains information from the state, data and analysis prescribed by this article.

2. The economic, small business and consumer impact statement is generally accurate.

3. The probable benefits of the rule outweigh within this state the probable costs of the rule and the agency has demonstrated that it has selected the alternative that imposes the least burden and costs to persons regulated by the rule, including paperwork and other compliance costs, necessary to achieve the underlying regulatory objective.

4. The rule is written in a manner that is clear, concise and understandable to the general public.

5. The rule is not illegal, inconsistent with legislative intent or beyond the agency's statutory authority.

6. The agency adequately addressed, in writing, the comments on the proposed rule and any supplemental proposals.

7. The rule is not a substantial change, considered as a whole, from the proposed rule and any supplemental notices.

8. The preamble discloses a reference to any study relevant to the rule that the agency reviewed and either did or did not rely on in the agency's evaluation of or justification for the rule.

9. The rule is not more stringent than a corresponding federal law unless there is statutory authority to exceed the requirements of that federal law.

10. If a rule requires a permit, the permitting requirement complies with section 41-1037.

E. The council shall verify that a rule with new fees does not violate section 41-1008. The council shall not approve a rule that contains a fee increase unless two-thirds of the voting quorum present vote to approve the rule.

F. The council shall verify that a rule with an immediate effective date complies with section 41-1032. The council shall not approve a rule with an immediate effective date unless two-thirds of the voting quorum present vote to approve the rule.

APPENDIX C

G. If the rule relies on scientific principles or methods, including a study disclosed pursuant to subsection D, paragraph 8 of this section, and a person submits an analysis to the council questioning whether the rule is based on valid scientific or reliable principles or methods, the council shall not approve the rule unless the council determines that the rule is based on valid scientific or reliable principles or methods that are specific and not of a general nature. In making a determination of reliability or validity, the council shall consider the following factors as applicable to the rule:

1. The authors of the study, principle or method have subject matter knowledge, skill, experience, training and expertise.

2. The study, principle or method is based on sufficient facts or data.

3. The study is the product of reliable principles and methods.

4. The study and its conclusions, principles or methods have been tested or subjected to peer reviewed publications.

5. The known or potential error rate of the study, principle or method has been identified along with its basis.

6. The methodology and approach of the study, principle or method are generally accepted in the scientific community.

H. The council may require a representative of an agency whose rule is under examination to attend a council meeting and answer questions. The council may also communicate to the agency its comments on any rule, preamble or economic, small business and consumer impact statement and require the agency to respond to its comments in writing.

I. At any time during the thirty days immediately following receipt of the rule, a person may submit written comments to the council that are within the scope of subsection D, E, F or G of this section. The council may permit testimony at a council meeting within the scope of subsection D, E, F or G of this section.

J. If the agency makes a good faith effort to comply with the requirements prescribed in this article and has explained in writing the methodology used to produce the economic, small business and consumer impact statement, the rule may not be invalidated after it is finalized on the ground that the contents of the economic, small business and consumer impact statement are insufficient or inaccurate or on the ground that the council erroneously approved the rule, except as provided by section 41-1056.01.

K. The absence of comments pursuant to subsection D, E, F or G of this section or article 4.1 of this chapter does not prevent the council from acting pursuant to this section.

L. The council shall review and approve or reject a notice of proposed expedited rule making pursuant to section 41-1027.