Rule 37. Project XL
(Adopted / /)

A. Applicability

This rule applies only to the Imation Corp. facility and operations located at 300-350 South Lewis Road, Camarillo, California (the operator).

B. Plantwide Applicability Limit (PAL)

This rule authorizes the operator to implement a source-specific plantwide applicability limit (PAL) for reactive organic compounds (ROC). The ROC PAL shall be implemented in accordance with the following requirements:

1. The level of the PAL (in tons per year) shall be based on actual emissions from the facility and shall be established by conditions contained in a Part 70 permit.

2. Total ROC emissions from all facility operations must be no greater than the PAL.

3. Compliance with the PAL shall be based on a rolling 12-calendar month summation of ROC emissions, calculated each calendar month. Specific terms and conditions to ensure practical enforceability of the PAL shall be contained in the operator's Part 70 permit.

4. ROC emissions calculated under the PAL shall include all emissions exhausted from air pollution control devices (including collateral ROC emissions from such devices), as well as all fugitive ROC emissions, and emissions from other stacks (such as boilers).

The operator shall maintain monthly records of stack ROC emissions (based on either continuous emission monitoring data or material balance calculations), fugitive ROC emissions (based on material balance calculations), fuel consumption, and any other records the District deems necessary to assure

compliance with the ROC PAL or any other requirement of this rule. Records shall be maintained for five (5) years and shall be made available for inspection by the APCO upon request.

5. As long as ROC emissions do not exceed the level of the PAL established in Subsection B.1, any ROC emission changes resulting from any change, including the construction, reconstruction or modification of an emissions unit, that is pre-approved by and implemented in accordance with the requirements of the operator's Part 70 permit, are considered de minimis, do not trigger Rule 26 applicability, and are not Title I modifications as defined in Rule 33.

6. If the operator proposes to increase ROC emissions above the level of the PAL established in Subsection B.1, or actually exceeds the level of the PAL, then such emission increase shall be subject to Rule 26 and all other applicable federal, state and District regulations and requirements.

7. Compliance with the terms and conditions implementing the ROC PAL does not relieve the operator from the responsibility of fully complying with other federal, state and District regulations and requirements, unless the operator has been explicitly exempted from complying with such regulations and requirements.

8. The PAL shall have an initial duration of 5 years, after which the District shall conduct an evaluation and review of the PAL in conjunction with renewal of the operator's Part 70 permit. The public notification procedures under Rule 33 shall apply. Any evaluation, review, modification, or termination of the PAL shall be done in accordance with the federal New Source Review requirements in effect at the time.

C. Control Technology Requirement

For any change, including the construction, reconstruction or modification of any emissions unit, that is pre-approved by, and implemented in accordance

with, the requirements of the operator's Part 70 permit, the operator shall conduct a Best Available Control Technology (BACT) and/or a Toxic Best Available Control Technology (TBACT) analysis, and apply BACT and/or TBACT to the changed emissions unit. This requirement does not apply to changes being conducted to increase the use of an existing raw material, or to begin the use of a new raw material, without any physical equipment change.

Any BACT/TBACT analysis shall be reviewed and approved by the Air Pollution Control Officer (APCO) as described in Section F below.

D. Tiered Health Risk Assessment

For any change, including the construction, reconstruction or modification of any emissions unit, that is pre-approved by, and implemented in accordance with, the requirements of the operator's Part 70 permit, and which is not consistent with the most recent approved tiered health risk assessment, the operator shall conduct a tiered health risk assessment.

1. The health risk assessment shall be conducted in accordance with the risk assessment guidelines used by the District to implement the Air Toxics "Hot Spots" Information and Assessment Act, California Health And Safety Code Sections 43000 through 44394.

2. Any health risk assessment conducted shall be reviewed and approved by the APCO as described in Section F below.

E. Emission Reduction Credits and Offsets

1. ROC emission increases below the PAL that result from any change, including the construction, reconstruction or modification of any emissions unit, that is pre-approved by, and implemented in accordance with, the requirements of the operator's Part 70 permit, do not require offsets.

2. Emission banking shall be conducted pursuant to Rule 26.

3. For any new control device, pre-approved by and

implemented in accordance with the terms and conditions of the operator's Part 70 permit, the operator shall secure offsets for any collateral emissions of NOx, SOx, and PM. Such offsets shall be secured prior to operation of the new control device, and the operator shall also provide notification of the offset transaction to the District, pursuant to California Health and Safety Code Section 40709.5.e and District Rule 26.4.

F. Procedures

The following procedure for any change, including the construction, reconstruction or modification of any emissions unit, that is pre-approved by, and implemented in accordance with, the requirements of the operator's Part 70 permit, shall apply:

1. The operator shall provide advance notification of any change, including the construction, reconstruction or modification of any emissions unit, through a monthly report provided to the District. Advance notification shall be provided no later than 30 days prior to commencement of the pre-approved change.

2. For any pre-approved change, including the construction, reconstruction or modification of any emissions unit, that requires a health risk assessment pursuant to Section D, the following shall apply:

   a. If the results of the tiered health risk assessment indicate a carcinogenic risk equal to or greater than 1×10^{-5} (10 in one million) or an acute or chronic hazard index of 1.0 or greater, then the pre-approved change may not be implemented in accordance with this rule.

   b. If the results of the tiered health risk assessment indicate a carcinogenic risk of less than 1×10^{-5} (10 in one million) but greater than 1×10^{-6} (1 in one million), or an acute or chronic index between 0.5 and 1.0, the operator shall proceed according to the following process:

i) Submit the results of the tiered health risk assessment and any necessary supporting documentation to the District for approval, and commence construction, modification, or reconstruction while the District reviews the assessment. If the health risk assessment is being conducted to increase the use of an existing raw material, or to begin the use of a new raw material, without any physical equipment change, then no change shall be implemented until the assessment is approved.

ii) The District shall review and approve or disapprove the assessment within 45 days of receipt.

iii) Upon approval of the assessment by the District, the operator is authorized to commence operation of the pre-approved changed equipment or, in the case of a raw material change, commence use of the new raw material or change use of the existing raw material.

iv) If the District does not approve the results of the health risk assessment, the operator shall immediately cease activity begun under the proposed change.

c. If the results of the tiered health risk assessment indicate a carcinogenic risk of 1 x 10^{-6} (1 in one million) or less, and acute and chronic indices of 0.5 or less, the operator may proceed according to the following process:

i) Submit the results of the tiered health risk assessment and any necessary supporting documentation to the District for approval.

ii) The District shall review and approve or disapprove the assessment within 45 days of receipt.

iii) Upon submission of the results of the

tiered health risk assessment and any necessary supporting documentation to the District, the operator is authorized to implement the proposed change and to commence operation.

iv) The District shall notify the operator upon approval of the submitted assessment.

v) If the District does not approve the results of the assessment, the operator shall immediately cease activity begun under the proposed change, and may be subject to penalties and injunctive relief if the District determines the results of the assessment indicate a carcinogenic risk equal to or greater than 1×10^{-5} (10 in one million), or an acute or chronic index equal to or greater than 1.0.

3. For any pre-approved change, including the construction, reconstruction or modification of any emissions unit, that requires a BACT/TBACT analysis pursuant to Section C, the following shall apply:

a. If the results of the BACT/TBACT analysis indicate that the existing control device(s) represents BACT/TBACT, then the operator shall proceed according to the following process:

i) Submit the results of the BACT/TBACT analysis and any necessary supporting documentation to the District for approval, and commence work on the equipment change while the District reviews the analysis.

ii) The District shall review and approve or disapprove the BACT/TBACT analysis within 45 days of receipt.

iii) Upon approval of the BACT/TBACT analysis by the District, the operator is authorized to commence operation of the pre-approved changed equipment.

iv) If the District finds that the existing

control device(s) does not represent BACT/TBACT for the proposed change, the operator shall immediately cease activity begun under the proposed change and proceed according to the appropriate steps described in Subsection F.3.b below.

b. If the results of the BACT/TBACT analysis indicate that the existing control device(s) does not represent BACT/TBACT and that a new or additional control system is necessary, or if the results confirm that a control system other than the existing control device(s) represents BACT/TBACT, then the operator shall proceed according to the following process:

i) Submit the results of the BACT/TBACT analysis and any necessary supporting documentation to the District for approval.

ii) The District shall review and approve or disapprove the BACT/TBACT analysis within 45 days of receipt.

A) If the District approves the analysis demonstrating that a new thermal oxidizer is BACT/TBACT, then the operator is authorized to commence construction and operation of the new equipment. Initial operation of the new equipment shall be in accordance with the initial operating conditions for the equipment that are contained in either the operator's Part 70 permit or the BACT/TBACT analysis, whichever is more stringent.

B) If the District approves the analysis demonstrating that a new catalytic oxidizer is BACT/TBACT, then the operator is authorized to commence construction. No later than 30 days prior to commencement of operation, the operator shall submit to the District a proposal with supporting engineering analysis for the initial

operating conditions of the control device, and the following information: the minimum gas stream temperature at the inlet of the catalyst bed and the minimum temperature rise across the catalyst bed to ensure ROC and HAP destruction efficiency at the level determined to be BACT/TBACT.

C) If the District approves the analysis demonstrating that a new solvent recovery unit is BACT/TBACT, then the operator is authorized to commence construction. No later than 30 days prior to commencement of operation, the operator shall submit to the District a proposal with supporting engineering analysis for the initial operating conditions of the control device that will ensure ROC and HAP control efficiency at the level determined to be BACT/TBACT.

iii) Upon completion of performance testing for the new control device implemented in accordance with the requirements of the operator's Part 70 permit, the operator shall submit an application to the District for a minor modification of the operator's Part 70 permit. In the case where a thermal oxidizer is installed and its operation, according to the conditions in the operator's Part 70 permit, is demonstrated to achieve the necessary level of ROC and HAP destruction, no permit modification is required. The minor permit modification shall document the new control device in the permit, and incorporate the results of the completed performance testing with permit conditions that are appropriate for achieving the required level of ROC and HAP destruction/control with the new device.

The minor permit modification shall also document in the permit any equipment

controlled by the new device that was constructed under the terms of the operator's Part 70 permit.

4. For any change, including the construction, reconstruction or modification of any emissions unit, that is pre-approved by, and implemented in accordance with, the requirements of the operator's Part 70 permit and the procedures of this Section, the operator shall maintain a log at the facility recording the implementation of such activity and describing the scenario under which the facility is operating. This log shall be created and maintained contemporaneously with any change in the facility's operating scenario. This log shall be made available for public review.

G. Fees

The operator shall pay fees to the District in accordance with District fee regulations, as supplemented by a "Memorandum of Understanding" mutually agreed to by the District and the operator.

H. Limitations and Exemptions

1. Any change, including the construction, reconstruction or modification of any emissions unit, implemented in accordance with this rule, shall be exempt from compliance with District Rules 10 and 26-26.10, unless otherwise indicated in this rule.

2. Any change, including the construction, reconstruction or modification of any emissions unit, that is not pre-approved by, and implemented in accordance with, the requirements of the Part 70 permit, shall be subject to all existing federal, state, and District rules and regulations.

3. All activities and operations at this source, whether implemented in accordance with a pre-approval under the Part 70 permit or otherwise, are subject to the ROC PAL and the conditions of Section B of this rule.

I. Definitions

The definitions below apply to this rule only. Any term not defined here shall have the same meaning as in other existing District rules.

1. Best available control technology (BACT): the most stringent emission limitation or control technology for an emissions unit which:

   a. Has been achieved in practice for such emissions unit category; or

   b. Is contained in any implementation plan approved by the Environmental Protection Agency for such emissions unit category. A specific limitation or control shall not apply if the owner or operator of such emissions unit demonstrates to the satisfaction of the APCO that such limitation or control technology is not presently achievable; or

   c. Is contained in any applicable New Source Performance Standard, or National Emission Standard for Hazardous Air Pollutants set forth in 40 CFR Parts 60 and 61, or Maximum Achievable Control Technology standard set forth in 40 CFR Part 63; or

   d. Any other emission limitation or control technology, including, but not limited to, replacement of such emissions unit with a lower emitting emissions unit, application of control equipment or process modifications, determined by the APCO to be technologically feasible for such emissions unit and cost effective as compared to the BACT cost effectiveness threshold adopted by the District.

   In defining emissions unit categories, the APCO may take into account the function of the emissions unit, the capacity of the emissions unit, the annual throughput of the emissions unit and the location of the emissions unit with respect to electricity or fuels needed to achieve an emission limitation or control technology.

2. Collateral emissions: pollutants other than those controlled by an air pollution control device that arise from the operation of that device.

3. Plantwide applicability limit (PAL): a voluntary emission limitation taken by a facility that applies to all emissions of an individual pollutant at the facility. A PAL is established based on actual emissions and enables the facility to manage its plant operations in a flexible way by allowing emission changes to occur below the level of the PAL without undergoing case-by-case new source review applicability determinations.

4. Pre-approved change: an alternative operating scenario, as defined in Rule 33.4.B, that involves any change, including the construction, reconstruction, or modification of any emissions unit, that is pre-approved by, and implemented in accordance with, the requirements of the operator's Part 70 permit.

5. Tiered health risk assessment: a detailed comprehensive analysis prepared to quantify and assess the health risks associated with the dispersion in air of hazardous substances into the environment and the potential impact of their exposure to human populations.

6. Toxic best available control technology (TBACT): the most stringent of:

   a. The most effective emission control device or technique which has been successfully utilized for the type of equipment the operator is adding or changing; or

   b. The most stringent emission limitation achieved by an emission control device or technique for the type of equipment the operator is adding or changing; or

   c. Any other emissions limitation or control technique, including process and equipment changes of basic and control equipment and implementation of pollution prevention measures,

found by the APCO to be technologically feasible for that source or category of source, or for a specific source. If there is an applicable Maximum Achievable Control Technology (MACT) standard, the APCO shall evaluate it for equivalency with TBACT.

d. As a minimum, TBACT shall include the most stringent emission control for a source type or category for which a MACT standard has been proposed, or for which the California Air Resources Board has developed an Air Toxic Control Measures (ATCM). Under no circumstances shall the emission control required be less stringent than the emission control required by any applicable provision of federal, state, or District law, rule, regulation, or requirement.