

RULE 215 COMMUNITY BANK AND PRIORITY RESERVE
(Adopted 9/7/93; Revised 9/14/99; 5/12/2015)

A. General

A.1 Purpose: The purpose of this Rule is to define procedures for the funding of the Community Bank and distribution of emission reductions from the Community Bank as Offsets for qualifying new or modified Emissions Units for which an application has been made pursuant to Rule 207–New and Modified Stationary Source Review (NSR).

A.2 Applicability: This rule shall apply to any new or modified Emissions Unit(s) for which an application has been made and Offsets are required pursuant to Rule 207–NSR.

B. Terms applicable to this Rule are defined in Rule 207, Section B, Definitions

C. Exemptions

A Stationary Source which is exempt from Offset requirements by Rule 207–NSR or is exempt from permit requirements by Rule 202-Exemptions shall not under any circumstances receive credits from the Community Bank.

D. Allocation of Emissions

D.1 Allocations from the Community Bank shall be available to a new or modified Stationary Source, to the extent allowed pursuant to Sections D.2 through D.8, provided the following requirements are met:

D.1.a Best Available Retrofit Control Technology (BARCT). All existing Emissions Units at the Stationary Source shall have either:

D.1.a.1 a valid Permit to Operate which includes BARCT, or

D.1.a.2 an application for an Authority to construct submitted and deemed complete for the incorporation of BARCT.

D.1.b Emissions Limitations - The total Potential to Emit of all permitted Emissions Units at the entire Stationary Source after the incorporation of BARCT as required by Subsection D.1.a at the proposed new or modified Emissions Unit(s) shall be less than 165 lbs/day of each affected pollutant.

D.2 Allocations from the Community Bank shall be made on the first Wednesday of each month or another schedule deemed practicable by the District for permit applicants meeting the criteria of Section D.1.

Monthly allocations for each Air Contaminant shall not exceed the following percent of the total Community Bank accumulation:

AFFECTED POLLUTANT	MONTHLY ALLOCATION %
ROC	10
Nitrogen Oxides	10
PM10	10
SOx (as SO2)	10
Carbon Monoxide	10

- D.3 If more emission credits are requested during a month than are available in the Community Bank allocation, the allocation shall be distributed to applicants in the order their applications were deemed complete. Where applications are deemed complete on the same day, credits shall first be granted to the applicants requesting the least total credits. If an applicant does not receive all requested Community Bank Offsets initially, the application shall be considered each month until 145 days after the application has been deemed complete.
- D.4 If fewer emission credits are requested than are available as provided in Section D.2, excess credits shall be added to the allocation for the following month. Any amount allocated shall not be considered in the Community Bank accumulation unless it is returned pursuant to Section E.
- D.5 Each Stationary Source shall maintain a cumulative total of emission credits obtained from the Community Bank and Priority Reserve.
- D.6 If a subject facility holds Emission Reduction Credit Banking Certificates issued pursuant to Rule 214 (Emission Reduction Credit Banking), then that credit shall be used (including interpollutant Offset of emissions) before access to the Community Bank is allowed.
- D.7 Seasonal Sources which qualify for Offsets from the Community Bank shall request Offsets for expected emissions in each calendar quarter.
- D.8 Allocations from the Community Bank shall not be banked or transferred.

E. Priority Reserve

The Priority Reserve shall be supported by Transferring 10 percent of the Community Bank allocation for each affected pollutant. In addition, unused credits from a previous calendar quarter, may be Transferred from the Community Bank to the Priority Reserve if the District determines there is a need. Emissions reductions from unclaimed Shutdowns allocated to the Community

Bank pursuant to Subsection F.2.c shall be excluded from the Priority Reserve. The following priority Sources will be qualified to draw from a pool of credits established Quarterly:

- E.1 Innovative Technology: Is innovative Equipment or a process which:
 - E.1.a the applicant demonstrates will result in a significantly lower emission rate from the affected Source than would have occurred with the use of Best Available Control Technology (BACT); and
 - E.1.b can be expected to serve as a model for emission reduction technology.
- E.2 Essential Public Services: Such Equipment is used to provide Essential Public Services provided the applicant:
 - E.2.a has provided all required Offsets available by modifying Sources to BARCT levels at the same facility; or
 - E.2.b demonstrates to the satisfaction of the District that the applicant owns or operates no Sources within the facility which could be modified to BARCT levels to provide Offsets.
 - E.2.c For Equipment not subject to any Regulation IV rule, applications for Modifications providing Offsets to satisfy Subsection E.2.a of this section shall accompany the applications for the new Source. For purposes of this section BARCT, shall not exceed any applicable District BACT cost guidelines and shall be determined as of the date that the application is deemed complete.
- E.3 The following provisions shall apply to the Priority Reserve:
 - E.3.a Access to Priority Reserve Credit shall be prioritized based on qualifying as an Essential Public Service and then, on the earliest date that an application is deemed complete.
 - E.3.b Each facility shall maintain a balance of total Priority Reserve Credits obtained.
 - E.3.c Essential Public Services may, at the discretion of the District, reserve Priority Reserve Offsets for up to three years to allow multi-year Projects to be planned. The sum of such reservations shall amount to no more than 25 percent of the Priority Reserve allocation for those three years.
 - E.3.d The Board may determine that a specific Project shall be given

priority for access to the Priority Reserve based on public health or safety regardless of date of application submitted.

- E.3.e If a subject facility holds an Emission Reduction Credit (ERC), then that ERC must be used before access to the Priority Reserve is allowed.
- E.3.f Allocations from the Priority Reserve shall not be banked or transferred.
- E.3.g If fewer emission credits are requested than are available in the Priority Reserve, the excess credits will be available for use in the following quarter.

F. Funding of the Community Bank

- F.1 The Community Bank is established by the Air Pollution Control District Board for the purpose of providing Offsets not otherwise or readily available to Stationary Source categories as described herein allowing these Sources to comply with the Offset requirements of Subsection C.2 of Rule 207-NSR.
- F.2 The Community Bank is funded by preserving a portion of all Actual Emission Reductions calculated in accordance with Section E of Rule 207-NSR. A registry of community bank Offset credits shall be maintained by the Air Pollution Control District and shall be made available for public inspection. The Community Bank shall be funded by the following:
 - F.2.a Ten percent of all onsite Actual Emission Reductions created after September 7, 1993.
 - F.2.b The excess Offsets required and obtained pursuant to Offset ratios for all Offsets required since September 7, 1993. For the purpose of this Subsection, excess Offsets are all Actual Emission Reductions in excess of a 1 to 1 ratio, on the basis of a pound of reduction per pound of increase in emission, provided as Offsets.
 - F.2.c Any unclaimed actual ERC's since September 7, 1993, which are Real, Enforceable, Quantifiable, Permanent and are not already accounted for in an air quality attainment plan.
 - F.2.d Any emission reductions specifically identified in the California Clean Air Act Plan for funding the Community Bank.
- F.3 A Stationary Source which has received credits from the Community Bank shall return credits to the Community Bank if:

- F.3.a An Authority to Construct using Community Bank credits is surrendered, expires, is revoked or Transferred unless vested rights are established before the Hearing Board, to the Community Bank.
- F.3.b A Permit to Operate using Community Bank credits is surrendered, revoked or not renewed. In addition to Community Bank credits, any other Actual Emissions Reductions from such action shall be credited to the Community Bank.
- F.3.c The Source has not engaged in a continuous program of Construction within one (1) year of issuance of an Authority to Construct. Should this occur such Authority to Construct is no longer valid.
- F.3.d Any other Actual Emissions Reduction which the District determines to be Surplus may also be included in the Community Bank.
- F.3.e Any portion of the Community Bank accumulation which has been allocated for 12 months and not distributed within 12 months from allocation shall be returned to the Community Bank accumulation.

G. Community Bank Register

- G.1 A registry shall be maintained of all funding of the community Bank including:
 - G.1.a the action generating the credit,
 - G.1.b the date the action was approved by the District,
 - G.1.c the amount of each affected pollutant in pounds for each quarter credited by the action,
 - G.1.d the amount of credits allocated each month for qualifying Stationary Sources, and
 - G.1.e the balance through the end of each month.