July 27, 2010

Mr. Jared Blumenfeld, Regional Administrator
Environmental Protection Agency Region 9
75 Hawthorne Street
San Francisco, CA 94105

Subject: PSD and Title V Greenhouse Gas Tailoring Rule Implementation

Dear Mr. Blumenfeld:

The Sacramento Metropolitan Air Quality Management District (SMAQMD) is responsible for the local air quality permitting for the Sacramento County portion of the Sacramento Federal Nonattainment Area. EPA’s “Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule” (75 FR 31514, Sections IV.C and V.C.5) requests states and local permitting agencies to notify the EPA Regional Administrator of the following information:

1. whether the state/local intends to apply EPA’s meaning of the term “subject to regulation” through interpretive ruling to implement the EPA Tailoring Rule applicability thresholds, and
2. whether the state/local must revise rules, and if so, an estimate of the time needed to adopt final rules.

The SMAQMD plans to revise its SIP-approved PSD rule and Title V Permit rule to require permits for greenhouse gases (GHGs) as specified in the Tailoring Rule. Our goal is to prepare the rule changes and present them to our Board of Directors for adoption on January 27, 2011.

Sacramento County currently has a SIP-approved Rule 202 - New Source Review, which includes both PSD requirements for attainment pollutants (not GHGs) and NSR requirements for nonattainment pollutants. Rule 202, Section 301, requires BACT for a specific list of pollutants. The pollutant list does not include GHGs. We plan to request that EPA remove from the SIP, Rule 202, and replace it with two rules; Rule 214 - New Source Review and Rule 203 Prevention of Significant Deterioration. We plan to include the GHG requirements, including the Tailoring Rule applicability thresholds, in Rule 203. We are working with the California Air Resources Board to identify and address issues regarding some provisions in state law, referred to as SB288, the Protect California Air Act of 2003.

Sacramento County's Title V rule, Rule 207, will apply the interpretive ruling to Title V permits, however, the existing Rule 207 definition for the term "regulated pollutant" does not include the necessary reference to include GHGs. Therefore, we plan to modify Rule 207.
If you have any questions regarding this subject matter, please contact me at 916-874-4802 or Ms. Brigette Tollstrup, Division Manager, Program Coordination at 916-874-4832. Thank you.

Sincerely,

Larry Greene
Executive Director/Air Pollution Control Officer
Sacramento Metropolitan Air Quality Management District

cc: Deborah Jordan, EPA Region 9
    Richard Corey, CARB
    Mike Tollstrup, CARB
    Brigette Tollstrup, SMAQMD
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