



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

October 26, 2012

Carol Lee, Senior Air Quality Engineer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Dear Ms. Lee:

Thank you for your October 11, 2012 responses to our July 26, 2012 comment letter regarding the draft revisions to Bay Area Air Quality Management District's (District) Regulation 2, Rules 1 and 2. These revisions include several significant changes to the existing SIP approved rules, such as new provisions to provide a Prevention of Significant Deterioration program, incorporation of fine particulates (PM_{2.5}) and greenhouse gas requirements, and other updates and clarifying revisions to the SIP. While your responses appear to address most of the issues raised in our comments, we are still considering a few remaining issues and in some cases consulting with Headquarters to ensure the provisions are approvable under the Clean Air Act.

We are also evaluating your proposed addition of Section 2-4-603 that allows the addition of the condensable portion of PM₁₀ or PM_{2.5} to an existing emission reduction credit. It is not clear to us that credits granted in such a manner would be consistent with the offset principles under 40 CFR Part 51, Appendix S, or the federal integrity criteria of being surplus, quantifiable, permanent and federally enforceable. It also appears to allow Director's discretion, which we can only allow in narrow, well-defined circumstances. Therefore, we encourage the District to work with us further before adoption of this section of the rule at this time.

We look forward to continuing to work with you to resolve any issues that affect the approvability of these rules into the SIP. If you have any questions regarding these comments, please feel free to contact Shaheerah Kelly at (415) 947-4156 or Laura Yannayon at (415) 972-3534.

Sincerely,

A handwritten signature in cursive script that reads "Gerardo C. Rios".

fr Gerardo C. Rios
Chief, Permits Office
Air Division

cc: Jeff McKay, BAAQMD
Jim Karas, BAAQMD
Alexander Crockett, BAAQMD
Gregory Stone, BAAQMD