

ENGINEERING EVALUATION REPORT
Banking Application Number 21870
Plant Number 1438 – New United Motor Manufacturing Inc. (NUMMI)

INTRODUCTION

This application is to bank emission reduction credits (ERCs) from the shutdown of the following sources at the facility in Fremont, CA:

- S-61 Passenger Blackout Chassis Booth**
- S-71 Passenger Cavity Wax Booth**
- S-801 Stamping Plant Fugitive Solvent Emissions**
- S-804 Passenger Fugitive Repair Priming**

As of April 1, 2010, NUMMI terminated production of its vehicle production operation at its facilities in Fremont, California. NUMMI will dismantle and physically remove the sources listed above from its facility and the permits for these sources will be archived. This banking application was submitted on April 21, 2010. This application was complete upon receipt of permit fees on May 28, 2010.

EMISSION REDUCTION CREDIT SUMMARY

The District's ERC banking rule is Regulation 2, Rule 4. The emission calculation procedures in Section 2-4-601 requires the use of the emission calculation procedures in the New Source Review rule, which is Regulation 2, Rule 2. The calculations for emission reduction credits (ERC) is described in Section 2-2-605. The general ERC calculation procedure and specific calculations for each source are provided below.

2-2-605.1 Baseline Period:

Per Section 2-2-605.1, the baseline period consists of the 3-year period immediately preceding the submittal of a *complete* banking application. Since this application was complete on May 28, 2010, and because the coating usage data in this application has been provided in monthly increments, ***the baseline period for this application is June 1, 2007 through May 28, 2010.*** Sources S-61, S-71, S-801, and S-804 stopped operating permanently on April 1, 2010.

2-2-605.2 Baseline Throughput:

The baseline throughput is the lesser of the actual throughput, or the permitted level during the baseline period. As a result, the baseline throughput is based on the actual coating usage during the baseline period. NUMMI submits monthly reports to the District to report all coating and solvent usage for all permitted sources. These reports were reviewed and the monthly quantities of coating (minus water) were confirmed to be consistent with to those indicated in this application.

2-2-605.3 Baseline Emission Rates:

The baseline emission rate is the actual emission rate during the baseline period, expressed in the units of mass emissions per unit of coating usage (example: lbs per gallon). The baseline emission rate is typically calculated and compared to the applicable RACT requirement for the source. If the baseline emission rate is greater than the RACT limit, it must be adjusted downward, to meet the most stringent RACT requirement.

For this application, baseline emissions were based on the VOC content of the coatings applied at sources S-61, S-71, S-801 and S-804 during the baseline period.

2-2-605.4 Baseline Throughput and Emission Rate for Fully Offset Source:

For a source that is fully offset, without using credits from the District’s Small Facility Banking Account, the baseline throughput and emission rate are based on permitted levels contained in permit conditions, rather than actual levels during the baseline period. This section does not apply to sources S-61, S-71, S-801 and S-804, because they were never offset.

2-2-605.5 Adjusted Baseline Emission Rate:

The baseline emission rate must be adjusted downward, to meet the most stringent RACT, BARCT or district rules that are in effect, or are contained in the most recent Clean Air Plan, adopted January 2006. The VOC of the actual coating applied at sources S-61, S-71, S-801 and S-804 is less than the RACT requirement for the coatings in Regulation 8-13. In addition, there is no proposal to change the requirements of Regulation 8-13, especially since NUMMI will be shutdown permanently in the next few months. There is no RACT adjustment.

2-2-605.6 ERC Calculation:

The emissions during the three year baseline period were for sources S-61, S-71, S-801 and S-804 are shown in the attached spreadsheets. The following is a summary of the emission reduction credits:

Source Number	Source Name	Averaged 3 Yr Emissions (TPY)
S-61	Blackout Chassis Booth	3.82
S-71	Cavity and Hinge Wax Booth	1.57
S-801	Stamping Plant Fugitive Emissions	23.93
S-804	Passenger Assembly, Body & Weld	12.15
TOTAL		41.47

STATEMENT OF COMPLIANCE

Reg. 2-2-605, Emission Calculation Procedures, Emission Reduction Credits:

The ERC calculations were performed in accordance with the procedures outlined in Reg. 2-2-605. ERCs are calculated based on coating usage and its VOC content over the 3-year baseline period.

Section 2-2-605.5 requires the ERCs to be adjusted for RACT, BARCT or any other District rules in effect or contained in the most recent version of the Clean Air Plan. The District does not currently have a rule that would limit emissions to less than emission rates used to calculate these ERCs.

Reg. 2-4-303, Limitations on Deposits:

Reg. 2-4-303.2 prohibits the banking of ERCs, if the emissions would shift to another source within the District. These emission reductions result from the shutdown of sources at a automobile assembly plant in Fremont, CA. There is currently no other automobile assembly plant in the bay area. Hence, the emissions from the automobile assembly plant will not shift to that of another facility in the Bay Area.

Reg. 2-4-303.5 requires emission reduction credits that were provided from the District's Small Facility Banking Account, SFBA, to be reimbursed before allowing the banking of ERCs. Staff has searched the District's Data Bank for a POC or NOx from the SFBA for NUMMI (P # 1438). There were no SFBA withdrawals; therefore, no reimbursements are required.

California Environmental Quality Act (CEQA):

ERC banking applications are categorically exempt from CEQA per Reg. 2-1-312.10. The applicant has provided an Environmental Information Form (Appendix H) to satisfy CEQA requirements.

Public Notice and Comment:

Prior to approving ERCs totaling more than 40 tons of a single pollutant, Section 2-4-405 requires the District to publish a Public Notice in a local newspaper indicating our preliminary decision to approve the ERCs. A public notice is required for this application because ERCs do total over 40 tons of any single pollutant.

CONDITIONS

None.

RECOMMENDATION

Staff recommends that the District issue ERCs to NUMMI in the amount indicated below.

POC 41.47 Tons per Year

By: _____
Senior Air Quality Engineer

June 1, 2010