

**CAA Section 110(l) Analysis of BAAQMD Permit Exemption Provisions in Regulation 2, Rule 1**

Section 110(l) of the Clean Air Act, 42 U.S.C. § 7410, requires that when a state revises its State Implementation Plan (SIP), EPA may not approve the revision if it would interfere with any requirement concerning attainment and reasonable further progress, or any other applicable CAA requirement. EPA Region IX Staff have requested that the Air District prepare an analysis of any changes to the exemptions provided in the current EPA-approved version of Regulation 2, Rule 1 that is part of the California SIP. EPA Region IX Staff have expressed a concern that if additional sources for which permits are required under the current SIP are exempted, that could potentially implicate requirements related to attainment and reasonable further progress or other CAA requirements. This analysis responds to EPA Region IX Staff's request, and will help EPA in reviewing the revised Regulation 2, Rule 1 for SIP approval under Section 110(l).

This analysis compares the exemptions contained in Regulation 2, Rule 1 in the Proposed Amendments with the most recent EPA-approved regulations in the State Implementation Plan. The analysis includes revisions to the exemptions that will be made as part of the Proposed Amendments, and also prior revisions that have been made in earlier amendments adopted by the Board of Directors that have not yet been reviewed by EPA. The analysis concludes that the revisions to the District's permitting exemptions under the Proposed Amendments (and those made in earlier amendments since the most recent EPA-approved version) will not interfere with any requirement concerning attainment and reasonable further progress or any other applicable CAA requirement.

There are several reasons that support this conclusion. First, as a general reason that applies to all amendments, the Air District's regulatory program as a whole – including the NSR permitting program – ensures that the Bay Area is consistent with all CAA requirements for attaining and maintaining the NAAQS and making reasonable further progress. The Air District, along with its sister agencies that help administer some applicable requirements, have satisfied all CAA requirements concerning attainment and reasonable further progress toward attainment of the NAAQS.<sup>1</sup> In doing so, the Air District has taken into account the fact that there will be a certain amount of emissions growth from new and modified sources in the Bay Area, including sources that are exempt from permitting requirements under the exemptions provided in Regulation 2, Rule 1. Even with such growth, air quality in the Bay Area is in compliance with the NAAQS or on a path to achieving that goal. The Air District's satisfaction of and compliance with all CAA requirements concerning attainment and reasonable further progress has been achieved taking into account that there will be growth in emissions from exempt sources, and nothing in the exemptions provided in Regulation 2, Rule 1 undermines or interferes with the District's satisfaction of or compliance with any such requirement. Thus, as a general matter applicable to all of Regulation 2, Rule 1, there is nothing in any of the revised exemption provisions that would prohibit SIP approval under CAA Section 110(l).<sup>2</sup>

Furthermore, looking at each individual revised exemption provision, there is no evidence on which to conclude that any of them will authorize any unpermitted sources in a manner that would interfere with any applicable requirement concerning attainment or reasonable further progress or any other CAA requirement. This exemption-by-exemption analysis is set forth in the table below.

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<sup>1</sup> With respect to PM<sub>2.5</sub>, the Air District will be satisfying its requirements through documentation and analysis being prepared concurrently with the proposed amendments, which will be submitted for EPA review and approval.

<sup>2</sup> This analysis is discussed further in Section IV.B.3.a. of the Staff Report for the proposed amendments, drawing on technical analysis in the memorandum by C. Lee entitled "Analysis of Compliance with 40 C.F.R. § 51.169(a)&(b)" (August 2012). Please see that discussion for further information.

Exemption Provision	Brief Description of Exemption	Revision to Current SIP?	Interfere with requirements related to attainment or RFP?	Basis for Conclusions
2-1-103	Sources not subject to any District rule.	Yes	No	Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-105	CARB-registered portable equipment	Yes	No	This equipment is regulated at the state level by the Air Resources Board. ARB regulation establishes effective emissions controls, including requirements such as BACT. ARB regulations (i.e., valid PERP registration) pre-empts District permitting of such equipment, and so the District does not have jurisdiction to require permits for this equipment. See HSC §§ 41752 – 41754. Effective ARB regulation will ensure that emissions from such equipment will not interfere with requirements related to attainment or reasonable further progress.
2-1-106	Accelerated Permitting Program	Yes	No	This is not a true permitting exemption. It is an exemption from the Authority to Construct requirement only, for situations where a source will be permitted under the Accelerated Permitting Program. Such sources will still be subject to NSR permitting requirements, it is just that they will obtain a Permit to Operate without first obtaining an Authority to Construct. Accordingly, this is not an exemption from the substantive NSR requirement to obtain a permit and comply with all applicable NSR elements. As such, it will not interfere with requirements related to attainment or reasonable further progress or any other applicable CAA requirement.

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2-1-113.1.1	Single and multiple family dwellings	No	N/A*	In current SIP, 2-1-113.1 and -113.2
2-1-113.1.2	Agricultural sources	Yes	No	This exemption is part of a revision to District regulations to start permitting agricultural sources. Under the most recent SIP-approved version of District regulations, agricultural sources were subject to blanket exclusion/exemption provisions under Regulations 1-110.5 (“agriculture operations”) and 2-1-113.7 (“farming operations”). The District has revised its rules and is now requiring permits for agricultural operations with emissions over 50 tons per year. This provision continues to exempt agricultural operations below that threshold. This change is therefore a narrowing of the exemption for such sources, not an expansion of the exemption. As such, it is not a relaxation from the current SIP rules – it is actually making the permitting requirements more stringent in this regard – and it will not interfere with requirements related to attainment or RFP.
2-1-113.1.3	Vehicles	No	N/A*	Vehicles are not stationary sources and have never been regulated under NSR. They have never been permitted under the District’s SIP-approved NSR program, and the District has never even had any jurisdiction to require permitting per HSC 42310(a)(1). Emissions from vehicle engines are excluded from regulation under the District’s regulations – including Regulation 2 – under current SIP-approved Reg. 1-110.1 (which incorporates by reference the definition of “vehicle” in the Vehicle Code). Specifying that they are exempt from permitting will not change their regulatory treatment under the District’s SIP-approved regulations.
2-1-113.1.4	Tank vehicles	No	N/A*	Tank vehicles (e.g., gasoline delivery trucks) are also mobile sources that the District does not regulate and has never regulated. See also basis for Section 2-1-113.1.3 exemption regarding vehicles.
2-1-113.2.1	Road construction	No	N/A*	In current SIP, 2-1-113.4
2-1-113.2.2	Restaurants	No	N/A*	In current SIP, 2-1-113.5
2-1-113.2.3	Structural changes that do not affect emissions	No	N/A*	In current SIP, 2-1-113.6
2-1-113.2.4	Abatement devices used on equipment that is exempt from permitting	No	N/A*	In current SIP, 2-1-113.1
2-1-113.2.5	Architectural and industrial maintenance coating operations subject to Regulations 8-3 and 8-	Yes	No	These maintenance operations are subject to the District’s coating regulations in Regulations 8-3 and 8-48, and emissions from them will be controlled without permitting. Compliance with requirements related to attainment and reasonable further progress has been satisfied accounting for emissions from

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	48			coating operations in the Bay Area. Such operations will not interfere with any such requirements, even without being subject to NSR permitting.
2-1-113.2.6	Portable equipment used for tank degassing or vacuum truck control requirements under Reg. 8-5, 8-40, or 8-53	Yes	No	This equipment is subject to the District's degassing requirements in Regulations 8-3 and 8-48, and emissions from them will be controlled without permitting. Compliance with requirements related to attainment and reasonable further progress has been satisfied accounting for emissions from such degassing operations in the Bay Area. Such operations will not interfere with any such requirements, even without being subject to NSR permitting.
2-1-113.2.7	PUC-regulated natural gas transmission and storage equipment	Yes	No	Natural gas is essentially non-reactive and does not contribute to ozone formation and will not substantially contribute to ozone concentrations, and will not substantially contribute to concentrations of any other criteria pollutant. Thus even if there were emissions from such equipment, it would not interfere with requirements related to attainment or maintenance of any NAAQS.
2-1-113.2.11	Classroom teaching laboratories	Yes	No	Classroom teaching laboratories are limited in scope within the Bay Area and are not significant contributors to the region's emissions inventory of criteria air pollutants. Emissions from miscellaneous processes such as these are included in the analyses and demonstrations that the Air District makes for compliance with applicable requirements concerning attainment and reasonable further progress. Allowing such classroom teaching laboratory activities without requiring an NSR permit will not interfere with any such requirements.
2-1-113.2.12	Laboratories <25,000 ft <sup>2</sup> /50 fume hoods that use Responsible Laboratory Management Practices	Yes	No	Emissions from laboratory activities that are below the size cutoff established in this exemption and which use Responsible Laboratory Management Practices are limited in scope within the Bay Area and are not significant contributors to the region's emissions inventory of criteria air pollutants. Emissions from miscellaneous processes such as these are included in the analyses and demonstrations that the Air District makes for compliance with applicable requirements concerning attainment and reasonable further progress. Allowing such laboratory activities without requiring an NSR permit will not interfere with any such requirements.
2-1-113.2.13	Venting residual natural gas for pipeline maintenance operations	Yes	No	Natural gas is essentially non-reactive and does not contribute to ozone formation and will not substantially contribute to ozone concentrations, and will not substantially contribute to concentrations of any other criteria pollutant. Venting any residual gas that remains in pipelines when maintenance is performed will therefore not interfere with requirements related to attainment or maintenance of any NAAQS.
2-1-113.2.15	Asbestos renovation under Reg.	Yes	No	There is no NAAQS for asbestos, so even if asbestos removal that complies with Reg. 11-2 did have any

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	11-2			potential to emit some asbestos fibers, such emissions would not interfere with requirements related to attainment or maintenance of any NAAQS.
2-1-113.2.16	Closed landfills <1M tons	Yes	No	The District exempts such landfills from NSR permitting requirements because they are not significant sources of emissions and are no longer active operations receiving waste. EPA has not subjected such landfill sources to its NSPS guidelines requirements, and the District has exempted them from its NSR permitting requirements for the same reason. These landfill sources are not significant emissions sources and have been taken into account in complying with applicable requirements related to attainment and reasonable further progress.
2-1-113.2.17	Closed landfills 30+ years old	Yes	No	The District exempts such landfills from NSR permitting requirements because they are not significant sources of emissions and are no longer active operations receiving waste. EPA has not subjected such landfill sources to its NSPS guidelines requirements, and the District has exempted them from its NSR permitting requirements for the same reason. These landfill sources are not significant emissions sources and have been taken into account in complying with applicable requirements related to attainment and reasonable further progress.
2-1-113.2.18	Construction of structure that does not require a permit	Yes	No	The District has never regulated construction activities as a regulated activity in and of itself (as opposed to requiring an authority to construct for permitted sources, regulating certain types of equipment that may be used in construction, etc.). This exemption simply codifies that practice. Allowing such construction activities without requiring permits will not interfere with any applicable requirements related to attainment and reasonable further progress. The District has satisfied all applicable requirements related to attainment and reasonable further progress taking construction activities into account regardless of whether they will be permitted or unpermitted, and allowing them to take place without requiring an NSR permit will not interfere with such requirements.
2-1-113.2.19	Vacuum trucks subject to Reg. 8-53	Yes	No	The District has never regulated vacuum truck operations, and historically it has not required permits for such operations because there have not been any regulatory requirements applicable to them. The District has recently (as of April 2012) started regulating vacuum truck operations under Regulation 8, Rule 53. This exemption was added to specify that although such operations are regulated under 8-53, they will not be subject to permit requirements. The District's rules will be more stringent as a result of these changes, as emissions from such operations will now be regulated. Emissions from vacuum truck operations will be controlled under Regulation 8-53 even without permitting. Compliance with requirements related to attainment and reasonable further progress has been based on accounting for

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				emissions from refineries and other industrial facilities that use vacuum trucks. Vacuum truck operations eligible for this exemption were also specifically identified in the District's 2010 Clean Air Plan, in Stationary Source Measure SSM-5. Such operations will not interfere with any such requirements, even without being subject to NSR permitting.
2-1-114	Combustion equipment	Yes	No	This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-115	Particulate sources – quarries mineral processing and biomass	Yes	No	This is a new exemption that has been added since the most recent SIP version of Reg. 2-1. This new exemption will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an

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				<p>exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. &amp; fn. 73 (Lee memorandum) for further details.</p>
2-1-116	Furnaces ovens and kilns	Yes	No	<p>This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section</p>

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				IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-117	Food and agricultural equipment	Yes	No	<p>This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. &amp; fn. 73 (Lee memorandum) for further details.</p>
2-1-118	Surface preparation and cleaning equipment	Yes	No	<p>This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases</p>



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				from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area’s total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District’s attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-119	Surface coating and cleaning equipment	Yes	No	This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area’s total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District’s attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-120	Dry cleaning equipment	Yes	No	This exemption is in the current SIP, but it has been revised in several respects. To the extent that it is any less stringent than the current SIP version, it will not interfere with requirements related to

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				<p>attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. &amp; fn. 73 (Lee memorandum) for further details.</p>
2-1-121	Material working and handling equipment	Yes	No	<p>This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34%</p>

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				of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-122	Casting and molding equipment	No	N/A*	No substantive change to the current SIP version. The only changes are a clarification that extrusion molding is a type of plastic molding covered by this exemption under subsection 2-1-122.4, and that certain mold release products are not subject to the exemption unless they involve very low amounts of VOC with annual facility VOC emissions under 150 lb/yr. To the extent that this exclusion for VOC mold release products was not already a part of the exemption, this revision makes the exemption more narrow and is a strengthening of the regulation, not a relaxation. Moreover, to the extent any Section 110(l) analysis is required, 150 lb/yr is a very low emissions limit and will not interfere with requirements related to attainment or reasonable further progress for the same reasons provided for other exemptions up to 5 tons per year.
2-1-123	Liquid storage and loading equipment	Yes	No	This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i>

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				permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District’s attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-124	Semiconductor manufacturing	Yes	No	This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements); and furthermore the language of the exemption restricts facility VOC emissions to 150 pounds per year. Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area’s total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District’s attainment efforts. See also Staff Report Section IV.B.3.a. & fn. 73 (Lee memorandum) for further details.
2-1-125	Printed circuit board manufacturing	Yes	No	This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining

Exemption Provision	Brief Description of Exemption	Revision to Current SIP?	Interfere with requirements related to attainment or RFP?	Basis for Conclusions
				<p>compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. &amp; fn. 73 (Lee memorandum) for further details.</p>
2-1-126	Testing equipment	No	N/A*	<p>No substantive change to the current SIP version. The only changes are a clarification of the specific types of bench-scale laboratory equipment that are covered under subsection 2-1-126.2. Moreover, to the extent any Section 110(l) analysis is required, this exemption is subject to the same 5 tpy limitation addressed in connection with other exemptions. The exemption will not interfere with requirements related to attainment or reasonable further progress for the same reasons provided for other exemptions up to 5 tons per year.</p>
2-1-127	Chemical processing equipment	No	N/A*	<p>No substantive change to the current SIP version. The only change was to revise the list of the types of metals that are processed in electrolytic plating operations in order to make it more comprehensive. Moreover, to the extent any Section 110(l) analysis is required, this exemption is subject to the same 5 tpy limitation addressed in connection with other exemptions. The exemption will not interfere with requirements related to attainment or reasonable further progress for the same reasons provided for other exemptions up to 5 tons per year.</p>
2-1-128	Miscellaneous equipment	Yes	No	<p>This exemption is in the current SIP, but it has been revised in several respects. The new provisions that have been added will not interfere with requirements related to attainment, reasonable further progress, or other CAA requirements. Per the limitations in Section 2-1-319, this exemption exempts only sources with emissions of less than 5 tpy (among other important requirements). Such sources are</p>

Exemption Provision	Brief Description of Exemption	Revision to Current SIP?	Interfere with requirements related to attainment or RFP?	Basis for Conclusions
				<p>well below the levels at which EPA considers emissions to be <i>de minimis</i> for purposes of maintaining compliance with the NAAQS. EPA has established such levels in accordance with the principles addressed in <i>Alabama Power v. Costle</i> as being so low that they do not have any potential to contribute to an exceedance of any NAAQS sufficient to warrant being subject to NSR permitting requirements. The sources eligible for this exemption will not have emissions of more than 50% of even the lowest such <i>de minimis</i> level. Moreover, District Staff conducted an analysis of the annual emissions increases from all projects that are subject to permitting requirements with emissions below these <i>de minimis</i> levels, which showed that the total contribution from all such sources each year is only 0.02% to 0.34% of the Bay Area's total emissions inventory (depending on pollutant and year evaluated). Even if the total emissions from all <i>de minimis</i> exempt projects equaled this amount of emissions from <i>de minimis</i> permitted projects, they would not interfere with requirements related to attainment or reasonable further progress toward attainment. Emissions projections for the Bay Area do not show that increases from new sources expected in the coming years – including from sources exempt from District permitting requirements – will jeopardize the District's attainment efforts. See also Staff Report Section IV.B.3.a. &amp; fn. 73 (Lee memorandum) for further details.</p>

Notes: \*Section 110(l) applies to revisions to the SIP, so for exemptions where there is no revision to the District's current SIP-approved exemption Section 110(l) is not implicated and no analysis of interference with requirements related to attainment or reasonable further progress is required. (Although the District's compliance with all applicable requirements relating to attainment and reasonable further progress even with emissions growth from sources subject to permit exemptions would of course apply to these provisions as well, even if Section 110(l) were implicated.)