

# LANE REGIONAL AIR PROTECTION AGENCY

## TITLE 41

### EMISSION REDUCTION CREDITS

#### **Section 41-0010 Applicability**

This title applies to any person who wishes to create or bank an emission reduction credit in Lane County.

#### **Section 41-0020 Definitions**

The definitions in LRAPA title 12 and this section apply to this title. If the same term is defined in this section and LRAPA title 12, the definition in this section applies to this title.

#### **Section 41-0030 Emission Reduction Credits**

Any person who reduces emissions by implementing more stringent controls than required by a permit or an applicable regulation may create an emission reduction credit. Emission reduction credits must be created and banked within two (2) years from the time of actual emission reduction.

- (1) Creating Emission Reduction Credits. Emission reductions can be considered credits if all of the following requirements are met:
  - (a) The reduction is permanent due to continuous overcontrol, curtailment or shutdown of an existing activity or device.
  - (b) The reduction is in terms of actual emissions reduced at the source. The amount of the creditable reduction is the difference between the contemporaneous (any consecutive 12 calendar month period during the prior 24 calendar months) pre-reduction actual (or allowable, whichever is less) emissions and the post-reduction allowable emissions from the subject activity or device.
  - (c) The reduction is either:
    - (A) Enforceable by LRAPA through permit conditions or rules adopted specifically to implement the reduction that make increases from the activity or device creating the reduction a violation of a permit condition; or
    - (B) The result of a physical design that makes such increases physically impossible.
  - (d) The reduction is surplus. Emission reductions must be in addition to any

emissions used to attain or maintain NAAQS in the SIP.

- (e) Sources in violation of air quality emission limitations may not create emission reduction credits from those emissions that are or were in violation of air quality emission limitations.
  - (f) Hazardous emissions reductions required to meet the MACT standards at 40 CFR part 61 and part 63, including emissions reductions to meet the early reduction requirements of section 112(i)(5) of the Clean Air Act, are not creditable as emission reduction credits for purposes of Major NSR in nonattainment or reattainment areas. However, any emissions reductions that are in excess of or incidental to the MACT standards are not precluded from being credited as emission reduction credits as long as all conditions of a creditable emission reduction credit are met.
- (2) Banking of Emission Reduction Credits.
- (a) The life of emission reduction credits may be extended through the banking process as follows:
    - (A) Emission reduction credits may be banked for ten (10) years from the time of actual emission reduction.
    - (B) Requests for emission reduction credit banking must be submitted within the two (2) year (24 calendar month) contemporaneous time period immediately following the actual emission reduction. (The actual emission reduction occurs when the airshed experiences the reduction in emissions, not when a permit is issued or otherwise changed).
  - (b) Banked emission reduction credits are protected during the banked period from rule required reduction, if LRAPA receives the emission reduction credit banking request before LRAPA submits a notice of a proposed rule or plan development action for publication in the Secretary of State's bulletin. The Board or EQC may reduce the amount of any banked emission reduction credit that is protected under this subsection, if the Board or EQC determines the reduction is necessary to attain or maintain an ambient air quality standard.
  - (c) Emission reductions must be in the amount of ten (10) tons per year or more to be creditable for banking, except as follows:
  - (d) In the Oakridge maintenance area, PM<sub>2.5</sub> emission reductions must be at least 1 ton per year. Emission reduction credits will not expire pending LRAPA taking action on a timely banking request unless the ten (10) year period available for banking expires.
- (3) Using Emission Reduction Credits. Emission reduction credits may be used for:
- (a) Netting actions within the source that generated the credit, through a permit

modification; or

- (b) Offsets pursuant to the NSR program, title 38.
- (4) Emission reduction credits are considered used when a complete NSR permit application is received by LRAPA to apply the emission reduction credits to netting actions within the source that generated the credit, or to meet the offset and net air quality benefit requirements of the NSR program under sections 38-0500 through 38-0540.
- (5) Unused Emission Reduction Credits
- (a) Emission reduction credits that are not used, and for which LRAPA does not receive a request for banking within the contemporaneous time period, will become unassigned emissions for purposes of the PSEL and are no longer available for use as external offsets.
  - (b) Emission reduction credits that are not used prior to the expiration date of the credit will revert to the source that generated the credit and will be treated as unassigned emissions for purposes of the PSEL pursuant to section 42-0055 and are no longer available for use as external offsets.
- (6) Emission Reduction Credit (ERC) Permit
- (a) LRAPA tracks ERC creation and banking through the permitting process. The holder of ERCs must maintain either an ACDP, Title V permit, or an ERC Permit.
  - (b) LRAPA issues ERC Permits for anyone who is not subject to the ACDP or Title V programs that requests an ERC or an ERC to be banked.
  - (c) An ERC permit will only contain conditions necessary to make the emission reduction enforceable and track the credit.
  - (d) Requests for emission reduction credit banking must be submitted in writing to LRAPA and contain the following documentation:
    - (A) A detailed description of the activity or device controlled or shut down;
    - (B) Emission calculations showing the types and amounts of actual emissions reduced, including pre-reduction actual emission and post-reduction allowable emission calculations;
    - (C) The date or dates of actual reductions;
    - (D) The procedure that will render such emission reductions permanent and enforceable;
    - (E) Emission unit flow parameters including but not limited to temperature, flow rate and stack height;

- (F) Description of short and long term emission reduction variability, if any.
- (e) Requests for emission reduction credit banking must be submitted to LRAPA within two (2) years (24 months) of the actual emissions reduction. LRAPA must approve or deny requests for emission reduction credit banking before they are effective. In the case of approvals, LRAPA issues a permit to the owner or operator defining the terms of such banking. LRAPA insures the permanence and enforceability of the banked emission reductions by including appropriate conditions in permits and, if necessary, by recommending appropriate revisions to the SIP.
- (f) LRAPA provides for the allocation of emission reduction credits in accordance with the uses specified by the holder of the emission reduction credits. The holder of ERCs must notify LRAPA in writing when they are transferred to a new owner or site. Any use of emission reduction credits must be compatible with local comprehensive plans, statewide planning goals, and state laws and rules.