

AIR POLLUTION CONTROL DISTRICT
REGULATORY COMPLIANCE DIVISION

POLICIES AND PROCEDURES

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Topic: Offset Source Investigations

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Sources may be required under District Rule 205.C. to provide non-project emission reductions to offset project emissions. These offsets are generally obtained by controlling emissions from existing facilities within the air basin. Conditions specifying the emission factors, type and efficiency of control measures and associated record keeping and reporting requirements are reflected either in the PTO for the offset source, in an offset agreement, or in the NSR permit requiring the offsets. Examples of control measures include catalytic converters on internal combustion engines (NO_x reduction), fugitive inspection and maintenance programs (hydrocarbons) and electrification of engines (all pollutants).

The reason for conducting offset source investigations is to ascertain whether the offset source control measure(s) is in place and is operating as specified in the PTO or offset agreement. All modifications to an offset provider's existing facility, which are made for the purpose of providing offsets, must be as specified in the PTO or offset agreement approved by the District for that facility.

Offset sources are generally inspected under the following circumstances:

1. For reevaluation inspections involving offset sources, the inspector will follow the procedures outlined in Section I.G.1., Special Investigations - Reevaluation Inspections, as well as this procedure.
2. An offset provider which has a PTO and has the potential to emit over 10 tons per year of any pollutant will be inspected either on a quarterly or semi-annual basis (see Section I.A., Inspection Frequency). The inspector will follow the inspection procedures outlined in Sections I.B to I.F, Inspection Procedures, when conducting the inspection and preparing reports.
3. For offset providers without a PTO, or those with a PTO which do not have the potential to emit more than 10 tons per year of any pollutant, the Compliance Division project manager should schedule semi-annual inspections. The project manager may also desire, for offset sources which have a PTO, a special investigation besides the quarterly or semi-annual inspection discussed in Item 2, above. In both of these situations, the project manager will forward these inspection

requests to the Permit Compliance Supervising Engineer who will in turn forward the request to the Enforcement Supervisor. When the request has been approved, the inspector should confer with the project manager to determine the scope of the inspection. The documents which should be examined include the PTO or offset agreement and as necessary, any related correspondence and source test reports or previous inspection reports. All procedures specified in Sections I.B. to I.F. will be followed during the inspection.

4. The Enforcement Supervisor will forward a copy of all inspection reports to the Supervising Engineer who will be responsible for distributing the reports to the appropriate project manager or project engineer.

If violations are uncovered during the inspection, the NOV procedures outlined in Policy and Procedures VII.A.7., "Enforcement Actions - The Notice of Violation - Offset Reporting Violations", will be followed.