#### I Mina'trentai Sais Na Liheslaturan Guåhan BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
361-36 (COR) As substituted on the Floor.	Sabina Flores Perez	AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 1 OF TITLE 22, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ADOPTING NEW SOURCE REVIEW RULE REQUIREMENTS (NSRR) FOR NEW AND MODIFIED MAJOR SOURCES IN SULFURE DIOXIDE (SO2) NONATTAINMENT AREAS TRANSMITTED BY THE GUAM ENVIRONMENTAL PROTECTION AGENCY.	11/15/22 11:26 a.m.		Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	11/29/22 1:30 p.m.	12/9/22 3:18 p.m.	Request: 11/18/22 Waiver: 11/30/22	
	SESSION DATE	тите	DATE PASSED	TRANSMITTED	DUE DATE	NOTES			
	12/2/22	AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 1 OF TITLE 22, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ADOPTING THE NEW SOURCE REVIEW RULE (NSRR) FOR NEW AND MODIFIED MAJOR SOURCES IN SULFURE DIOXIDE (SO2) NONATTAINMENT AREAS TRANSMITTED BY THE GUAM ENVIRONMENTAL PROTECTION AGENCY.	12/16/22	12/16/22	12/28/22				





I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN Thirty-Sixth Guam Legislature

December 16, 2022

The Honorable Lourdes A. Leon Guerrero I Maga'hågan Guåhan Ufisinan I Maga'håga Hagåtña, Guam 96910

Dear Maga'håga Leon Guerrero:

Transmitted herewith are Bill Nos. 291-36 (LS), 298-36 (LS), 299-36 (LS), 306-36 (COR), 312-36 (COR), 313-36 (COR), 314-36 (COR), 327-36 (COR), 332-36 (LS), 334-36 (COR), 346-36 (LS), 348-36 (LS), 351-36 (COR), 354-36 (COR), 355-36 (COR), 356-36 (COR), 357-36 (COR), 358-36 (COR), 360-36 (COR); and Substitute Bill No. 361-36 (COR) which were passed by I Mina'trentai Sais Na Liheslaturan Guåhan on December 16, 2022.

Sincerely, LTON Legislative Secretary

Enclosure (20)

12/16/22 10:06 p.m.

GUAM CONGRESS BUILDING • 163 CHALAN SANTO PAPA • HAGÅTŇA, GUAM 96910

#### I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN 2022 (SECOND) Regular Session

## **CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÅGAN GUÅHAN**

This is to certify that Substitute Bill No. 361-36 (COR), "AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 1 OF TITLE 22, **GUAM** ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ADOPTING THE NEW SOURCE REVIEW RULE (NSRR) FOR NEW AND MODIFIED MAJOR SOURCES IN SULFURE DIOXIDE (SO2)NONATTAINMENT AREAS TRANSMITTED BY THE **GUAM** ENVIRONMENTAL PROTECTION AGENCY," was on the 16th day of December 2022, duly and regularly passed.

Therese M. Terlaje

Speaker

Attested: Amanda L. Shelton

Legislative Secretary

This Act was received by I Maga'hågan Guåhan this	16 TH day of Dec,
2022, at <u>16:06</u> o'clock <u>P</u> .M.	7. CA

POB CCCHONG 562

Assistant Staff Officer Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero I Maga'hågan Guåhan

Date:

Public Law No.\_\_\_\_\_

#### I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN 2022 (SECOND) Regular Session

Bill No. 361-36 (COR)

As substituted on the Floor.

Introduced by:

Sabina Flores Perez V. Anthony Ada Frank Blas Jr. Joanne Brown Christopher M. Dueñas James C. Moylan Tina Rose Muña Barnes Telena Cruz Nelson Clynton E. Ridgell Joe S. San Agustin Amanda L. Shelton Telo T. Taitague Jose "Pedo" Terlaje Therese M. Terlaje Mary Camacho Torres

AN ACT TO *ADD* A NEW ARTICLE 8 TO CHAPTER 1 OF TITLE 22, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ADOPTING THE NEW SOURCE REVIEW RULE (NSRR) FOR NEW AND MODIFIED MAJOR SOURCES IN SULFURE DIOXIDE (SO<sub>2</sub>) NONATTAINMENT AREAS TRANSMITTED BY THE GUAM ENVIRONMENTAL PROTECTION AGENCY.

#### **BE IT ENACTED BY THE PEOPLE OF GUAM:**

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds
 that the Clean Air Act requires compliance with National Ambient Air Quality
 Standards (NAAQS) for criteria air pollutants which currently includes sulfur

1 dioxide (SO<sub>2</sub>), carbon monoxide (CO), nitrogen dioxide (NO<sub>2</sub>), Ozone (O<sub>3</sub>), Lead 2 (Pb), and Particulate Matter (PM<sub>2.5</sub> and PM<sub>10</sub>). Furthermore, those areas not in 3 compliance with and not attaining NAAQS levels are designated by the United 4 States Environmental Protection Agency (USEPA) as nonattainment areas for the 5 particular pollutant(s).

*I Liheslatura* further finds that USEPA designated two (2) nonattainment
areas on Guam. The Piti-Cabras area of Guam was designated as not attaining the
2010 SO<sub>2</sub> Primary NAAQS on January 9, 2018. The area of nonattainment is a
6.074-kilometer radius area from a point between Units 1 and 2 and Units 3 and 4 of
the Guam Power Authority (GPA) Cabras Station. The other nonattainment area is
a 3.5 kilometer or 2.2-mile radius area from the Tanguisson power plant, although
the plant is no longer operating.

*I Liheslatura* further finds that the Guam Environmental Protection Agency (GEPA) must prepare a State Implementation Plan (SIP) revision to show attainment of the standard within five (5) years of the effective designation date. Furthermore, the adoption of the proposed New Source Review Rule (NSRR) is part of the requirements of the SIP Revision.

18 *I Liheslatura* finds, as required by Part D of the Clean Air Act, that Guam is required to show that it will be in attainment by the year 2023. To this end, GEPA 19 20 has completed the baseline emissions inventory for 2020. In 2020, the emission 21 inventory for SO<sub>2</sub> for Guam was 9197.04 tons. The estimated emissions inventory 22 for SO<sub>2</sub> in 2023 is 3.336 tons - a reduction of 9,193.704 tons per year of SO<sub>2</sub>. Once the Guam Power Authority has commissioned the new combined cycle power plant 23 24 and decommissioned Cabras 1 and 2, Guam will be in full attainment for the 2010 SO<sub>2</sub>NAAQS. 25

*I Liheslatura* finds that Guam does not have local rules or regulations for the
 review of new major sources and major source modifications in nonattainment areas.

Currently, USEPA conducts all reviews of new major sources or modifications to
 major sources in attainment and nonattainment areas. Guam EPA administers an
 approved air pollution control program under 40 CFR Part 69. As a requirement of
 Part D of the Clean Air Act, Guam is required to promulgate and adopt a new local
 SO<sub>2</sub> major source or major source modification nonattainment NSRR.

*I Liheslatura* further finds that the NSRR will not increase the cost to the
regulated community, but it will shift the application payments from USEPA to
Guam EPA. Upon adoption of the NSRR, Guam EPA will accept all payments for
new major source and major modifications to major sources in SO<sub>2</sub> nonattainment
areas in Guam.

11 I Liheslaturan Guåhan, therefore, intends to adopt these proposed rules and 12 regulations in order to meet the requirements of Part D of the Clean Air Act and 13 align the Guam EPA regulations with federal regulations. Furthermore, these rules 14 and regulations would administratively satisfy the following: (1) compliance with 15 the USEPA's Clean Air Act Part D requirements for Nonattainment Areas for the 2010 SO<sub>2</sub> NAAQS; (2) adherence to the Three Thousand Seven Hundred Fifty 16 17 Dollar (\$3,750) application fee for new major nonattainment area (NAA) sources 18 and the One Thousand Dollar (\$1,000) fee for significant modifications to a major NAA source in accordance with 22 GAR § 1423(c)(1), (d), and (f) respectively; and 19 20 (3) avoid sanctions for failing to submit an attainment plan for the 2010  $SO_2$ 21 NAAQS.

Section 2. A new Article 8 is hereby *added* to Chapter 1 of Title 22, Guam
Administrative Rules and Regulations, to read:

24

# "ARTICLE 8

# GUAM AIR POLLUTION CONTROL STANDARDS AND REGULATIONS NEW SOURCE REVIEW REQUIREMENTS FOR NEW AND MODIFIED

## 

MAJOR SOURCES IN SO<sub>2</sub> NONATTAINMENT AREAS ADOPTED ON

## **OCTOBER 17, 2022**

3	§ 1801.	Applicability Procedures.		
4	§ 1801.1.	Preconstruction Review Requirements.		
5	§ 1801.2.	Nonattainment Major New Source Review (NSR) Permit		
6		Requirement.		
7	§ 1801.3.	Emission Calculation Requirements to Determine New Source		
8		Review (NSR) Applicability.		
9	§ 1801.4.	Major Sources with Plant-Wide Applicability Limitations.		
10	§ 1801.5.	Projects That Rely on a Projected Actual Emissions Test.		
11	§ 1801.6.	§ 1801.6. Secondary Emissions.		
12	§ 1801.7.	Stationary Sources.		
13	§ 1801.8.	Environmental Protection Agency Determination.		
14	§ 1802.	Definitions.		
15	§ 1803.	Application Requirements.		
16	§ 1803.1.	Application Submittal.		
17	§ 1803.2.	Application Content.		
18	§ 1803.3.	Lowest Achievable Emission Rate (LAER).		
19	§ 1803.4.	Certification of Compliance.		
20	§ 1803.5.	Analysis of Alternatives.		
21	§ 1803.6.	Application Fees.		
22	§ 1804.	Emissions Offsets.		
23	§ 1804.1	Offset Requirements.		
24	§ 1804.2.	Timing.		
25	§ 1804.3.	Quantity.		
26	§ 1804.4.	Emission Reduction Requirements.		
27	§ 1804.5	Restrictions on Trading Pollutants.		

1	§ 1805.	Administrative Requirements.
2	§ 1805.1.	Ambient Air Quality Standards.
3	§ 1805.2.	Air Quality Models.
4	§ 1805.3.	Stack Height Procedures.
5	§ 1806.	Nonattainment Major New Source Review (NSR) Permit-
6		Decision.
7	§ 1806.1.	Preliminary Decision.
8	§ 1806.2.	Nonattainment Major New Source Review (NSR) Permit-
9		Preliminary Decision Requirements.
10	§ 1806.3.	Nonattainment Major New Source Review (NSR) Permit
11		Contents.
12	§ 1806.4.	Nonattainment Major New Source Review (NSR) Permit-Final
13		Decision.
14	§ 1806.5.	Ongoing Permit Requirements.
15	§ 1806.6.	Technology Clearinghouse.
16	§ 1807.	Source Obligations.
17	§ 1807.1.	Enforcement.
18	§ 1807.2.	Termination.
19	§ 1807.3.	Compliance.
20	§ 1807.4.	Relaxation in Enforceable Limitations.
21	§ 1808.	Public Participation.
22	§ 1809.	Plant-Wide Applicability Limits (PAL).
23	§ 1810.	Invalidation.
24	§ 1811.	Effective Date for Referenced Federal Regulations.
25	§ 1801.	Applicability Procedures.
26	§ 1801.1.	Preconstruction Review Requirements.

1 (a) The preconstruction review requirements of this rule apply to the 2 proposed construction of any new major stationary source or major modification in 3 Guam that is major for a nonattainment pollutant, if the stationary source or 4 modification is located anywhere in the designated nonattainment area, except:

5

(1) as provided in §1809 of this rule; and

6 (2) this rule's provisions requiring the application of the lowest 7 achievable emission rate (LAER) and offsets do not apply for purposes of the 8 1971 sulfur dioxide (SO<sub>2</sub>) National Ambient Air Quality Standards (NAAQS) 9 with respect to electric generating units in the Piti nonattainment area for the 10 1971 SO<sub>2</sub> NAAQS, while this rule's provisions requiring the application of 11 LAER and offsets do apply to such units for purposes of the 2010 SO<sub>2</sub> 12 NAAQS.

13 (b) Sources subject to this rule may also be subject to other Guam Environmental Protection Agency (GEPA) rules and regulations. For purposes of 14 the implementation and enforcement of this rule, the provisions and requirements of 15 16 this rule, including, but not limited to, the requirements for obtaining a 17 nonattainment major NSR permit, application submittal and content, conditional approval, public participation, and granting a nonattainment major New Source 18 Review (NSR) permit, shall take precedence over any other such provisions and 19 20 requirements in other GEPA rules and regulations. To the extent that other GEPA 21 rules or regulations may affect the stringency or applicability of this rule, such other rules and regulations shall not apply for purposes of the implementation or 22 enforcement of this rule. 23

# § 1801.2. Nonattainment Major New Source Review (NSR) Permit Requirement.

26 No new major stationary source or major modification to which the 27 requirements of this rule apply shall begin actual construction without first obtaining 1 a nonattainment major NSR permit from the reviewing authority, pursuant to this 2 rule.

3 4

#### § 1801.3. Emission Calculation Requirements to Determine New Source Review (NSR) Applicability.

5

(a) New Major Stationary Sources. The definition of Major Stationary 6 Source as incorporated by reference in § 1802 shall be used to determine if a new or 7 modified stationary source is a new major stationary source.

- 8 (b) Major Modifications. The provisions set out in Subsections (1) through 9 (5) of this Section shall be used to determine if a proposed project will result in a 10 major modification. These provisions shall not be used to determine the quantity of 11 offsets required for a project subject to the requirements of this rule.
- Except as otherwise provided in § 1801.4, a project is a major 12 (1)13 modification for a nonattainment pollutant if it causes two (2) types of emissions increases: a significant emissions increase and a significant net 14 15 emissions increase. The project is not a major modification if it does not cause 16 a significant emissions increase. If the project causes a significant emissions increase, then the project is a major modification only if it also results in a 17 18 significant net emissions increase.
- 19 (2)The procedure for calculating (before beginning actual construction) whether a significant emissions increase will occur depends 20 21 upon the type of emissions units being added or modified as part of the project, 22 according to Subsections (3) through (5) of this Section. The procedure for calculating (before beginning actual construction) whether a significant net 23 24 emissions increase will occur at the major stationary source is contained in 25 the definition of net emissions increase. Regardless of any such 26 preconstruction projections, a major modification results if the project causes a significant emissions increase and a significant net emissions increase. 27

1 (3) Actual-to-Projected-Actual Applicability Test for Projects that 2 Only Involve Existing Emissions Units. A significant emissions increase of a 3 nonattainment pollutant is projected to occur if the sum of the difference 4 between the projected actual emissions and the baseline actual emissions, for 5 each existing emissions unit, equals or exceeds the significant amount for that 6 pollutant.

7 (4) Actual-to-Potential Test for Projects that Only Involve
8 Construction of a New Emissions Unit(s). A significant emissions increase of
9 a nonattainment pollutant is projected to occur if the sum of the difference
10 between the potential to emit from each new emissions unit following
11 completion of the project and the baseline actual emissions of these units
12 before the project equals or exceeds the significant amount for that pollutant.

(5) Hybrid Test for Projects that Involve Multiple Types of
Emissions Units. A significant emissions increase of a nonattainment
pollutant is projected to occur if the sum of the emissions increases for each
emissions unit, using the method specified in Subsections (3) or (4) of this
Section, as applicable, with respect to each emissions unit, equals or exceeds
the significant amount for that pollutant.

19 § 1801.4. Major Sources with Plant-Wide Applicability Limitations
20 (PAL).

For any major stationary source with a Plant-Wide Applicability Limitation (PAL) permit for a nonattainment pollutant, the major stationary source shall comply with the requirements in § 1809 of this rule.

94 § 1801.5. Projects That Rely on a Projected Actual Emissions Test. 95 Except as otherwise provided in Subsection (g)(3) of this Section, the 96 provisions of this Section shall apply with respect to any nonattainment pollutant 97 that is emitted from projects at existing emissions units located at a major stationary source, other than a source with a PAL permit, when there is a reasonable possibility, within the meaning of Subsection (g) of this Section, that a project that is not a part of a major modification may result in a significant emissions increase of such pollutant, and the owner or operator elects to use the method specified in paragraphs (B)(1) through (B)(3) of the definition of *projected actual emissions* to calculate *Projected Actual Emissions* [40 CFR 51.165(a)(xxviii)(A)].

7

(a)

8 9

(1) a description of the project;

10 (2) identification of the emissions unit(s) whose emissions of
 11 a regulated NSR pollutant could be affected by the project; and

operator shall document and maintain a record of the following information:

Before beginning actual construction of the project, the owner or

12 (3)a description of the applicability test used to determine that 13 the project is not a major modification for any regulated NSR pollutant, 14 including the baseline actual emissions, the Projected Actual *Emissions*, the amount of emissions excluded under paragraph (B)(3)15 16 of the definition of projected actual emissions [40 CFR 51.165(a)(xxviii)(A)], and an explanation for why such amount was 17 18 excluded, and any netting calculations, if applicable.

(b) If the emissions unit is an existing emissions unit, before
beginning actual construction, the owner or operator shall provide a copy of
the information set out in Subsection (a) of this Section to the GEPA
Administrator. The owner or operator shall be subject to the requirements of
other GEPA rules and regulations and other applicable requirements.

24

25

26

27

(c) The owner or operator shall monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that are emitted by any emissions unit identified in Subsection (a)(2) of this Section; and calculate and maintain a record of the annual emissions, in tons

per year (tpy), on a calendar year basis as long as the emission unit is in operation and has not been decommissioned.

1

2

3

4

5

6

7

8

24

25

26

(d) If the emissions unit is an existing electric utility steam generating unit, the owner or operator shall submit a report to the GEPA Administrator within sixty (60) days after the end of each calendar year during which records must be generated under Subsection (c) of this Section, setting out the unit's annual emissions during the calendar year that preceded submission of the report.

9 (e) If the emissions unit is an existing emissions unit other than an 10 electric utility steam generating unit, the owner or operator shall submit a 11 report to the GEPA Administrator if the annual emissions, in tpy, from the 12 project identified in Subsection (a)(2) of this Section exceed the baseline actual emissions by a significant amount for that regulated NSR pollutant, and 13 14 if such emissions differ from the Projected Actual Emissions (prior to exclusion of the amount of emissions specified under paragraph (B)(3) of the 15 16 definition of *Projected Actual Emissions* [40 CFR 51.165(a)(xxviii)(A)], as 17 documented and maintained pursuant to Subsection (a)(3) of this Section. Such report shall be submitted to the GEPA Administrator within sixty (60) 18 19 days after the end of such year. The report shall contain the following:

20(1) the name, address, and telephone number of the21major stationary source;

(2) the annual emissions, as calculated pursuant to
Subsection (c) of this Section; and

(3) any other information that the owner or operator wishes to include in the report (e.g., an explanation as to why the emissions differ from the preconstruction projection).

1 (f) The owner or operator of the source shall make the information 2 required to be documented and maintained pursuant to this Section available 3 for review upon a request for inspection by the GEPA Administrator or the 4 general public pursuant to the requirements contained in § 1207 of this 5 Chapter.

6 (g) A "reasonable possibility" under this Section occurs when the
7 owner or operator calculates the project to result in either:

8 (1) a projected actual emissions increase of at least fifty 9 percent (50%) of the amount that is a "significant emissions 10 increase," as defined in this rule (without reference to the amount 11 that is a significant net emissions increase), for the regulated 12 NSR pollutant; or

a projected actual emissions increase that, added to 13 (2)the amount of emissions excluded under paragraph (B)(3) of the 14 definition 15 of Projected Actual **Emissions [40** CFR 16 51.165(a)(xxviii)(A)] sums to at least fifty percent (50%) of the amount that is a "significant emissions increase," as defined in 17 18 this rule (without reference to the amount that is a significant net emissions increase), for the regulated NSR pollutant. 19

20 (3) For a project in which a reasonable possibility
21 occurs only within the meaning of Subsection (g)(2), and not also
22 within the meaning of Subsection (g)(1), the provisions of
23 Subsections (b) through (e) of this Section do not apply to the
24 project.

25 § 1801.6. Secondary Emissions.

26 Secondary emissions shall not be considered in determining whether a 27 stationary source would qualify as a major stationary source. If a stationary source is subject to this rule on the basis of direct emissions from the stationary source, the
 requirements of §1804 must also be met for secondary emissions.

3

#### § 1801.7. Stationary Sources.

For purposes of this rule, the term stationary source does not refer to the source
of emissions resulting directly from an internal combustion engine for transportation
purposes or from a nonroad engine or nonroad vehicle as defined in §216 of the
Clean Air Act.

8

#### § 1801.8. Environmental Protection Agency Determination.

9 Notwithstanding any other requirements of this rule governing the issuance of 10 a nonattainment major NSR permit, the GEPA Administrator shall not issue a 11 nonattainment major NSR permit to a new major stationary source or major 12 modification subject to the requirements of this rule if the federal Environmental 13 Protection Agency has determined that the SIP is not being adequately implemented 14 for the nonattainment area in which the proposed source is to be constructed or 15 modified in accordance with the requirements of Title I, Part D of the Clean Air Act.

16

#### § 1802. Definitions.

For the purposes of this rule, the definitions provided in Subsections (a), (b), and (c) of this Section apply to the terms used in this rule. In the event of any discrepancy between the definitions specified in Subsections (a), (b), and (c) of this Section, the definition in the Subsections that is listed first shall control.

(a) The definitions contained in 40 CFR 51.165(a)(1) shall apply,
and are hereby incorporated by reference, with the exception of the definitions
of "Building, structure, facility, or installation" and of "Reviewing authority",
which has the meaning specified in Subsection (b)(11) of this Section.

25

(b) The following definitions shall also apply:

26 (1) Building, structure, facility, or installation means all of the
 27 pollutant-emitting activities which belong to the same industrial

grouping, are located on one (1) or more contiguous or adjacent 1 2 properties, and are under the control of the same person (or persons 3 under common control) except the activities of any vessel, unless the 4 vessel is ported for electrical generation for on-shore use or 5 consumption. Pollutant emitting activities shall be considered as part of the same industrial grouping if they belong to the same Major Group 6 (i.e., which have the same two-digit code) as described in the Standard 7 8 Industrial Classification Manual, 1972, as amended by the 1977 9 Supplement (U.S. Government Printing Office stock numbers 4101-0065 and 003-005-00176-0, respectively). 10 "Clean Air Act (CAA)" means the federal Clean Air Act, 11 (2)42 U.S.C. 7401 et seq., as amended. 12 13 (3) "Complete" means, in reference to an application, which contains all of the information necessary for processing. 14

15 (4) "Emission reduction" means reductions of actual
16 emissions from emissions units.

17 (5) "GEPA" means the Guam Environmental Protection18 Agency.

19(6) "GEPA Administrator" means the Administrator of the20Guam Environmental Protection Agency or such Administrator's21designee.

22

23

24

(7) "Internal emission reductions" means emission reductions which have occurred or will occur at the same major stationary source where the proposed emissions increase will occur.

(8) "Nonattainment major NSR permit" means an air
pollution control permit, other than a PAL permit, that is issued in
accordance with the requirements of this rule.

. . . .

"Nonattainment pollutant" means any regulated NSR 1 (9) 2 pollutant for which Guam, or a portion of Guam, has been designated 3 as nonattainment, as codified in 40 CFR 81.353, as well as any precursor of such regulated NSR pollutant specified in 40 CFR 4 5 51.165(a)(1)(xxxvii)(C). 6 (10) "Permanent" means an emission reduction which is 7 federally enforceable for the life of a corresponding increase in 8 emissions. 9 (11)"Reviewing authority" means the GEPA Administrator. 10 "Shutdown" means the cessation of operation of any air (12) 11 pollution control equipment or process equipment for any purpose. (13) "Startup" means the setting into operation of any air 12 13 pollution control equipment or process equipment for any purpose 14 except routine phasing in of process equipment. "State Implementation Plan (SIP)" means the State 15 (14) Implementation Plan approved or promulgated for Guam under §110 16 17 or 172 of the Clean Air Act. (15) "Surplus" means the amount of emission reductions that 18 are, at the time of use of an emission reduction, not otherwise required 19 by federal or Guam law, not required by any legal settlement or consent 20 21 decree, and not relied upon to meet any requirement related to the Guam State Implementation Plan (SIP). Examples of federal and Guam laws, 22 23 and SIP-related requirements, include, but are not limited to, the following: 24 25 (A) the federally-approved Guam SIP; 26 other adopted Guam air quality laws and regulations **(B)** 27 not in the SIP, including, but not limited to, any requirement,

regulation, or measure that: (1) Guam has included on a legally required and publicly available list of measures that are scheduled for adoption by Guam in the future; or (2) is the subject of a public notice distributed by Guam regarding an intent to adopt such revision;

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

(C) any other source or source-category specific regulatory or permitting requirement, including, but not limited to, Reasonable Available Control Technology (RACT), New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), Best Available Control Measures (BACM), Best Available Control Technology (BACT), and Lowest Achievable Emission Rate (LAER); and

(D) any regulation or supporting documentation that is required by the Federal Clean Air Act, but is not contained or referenced in 40 CFR Part 52, including, but not limited to: assumptions used in attainment and maintenance demonstrations (including reasonable further progress demonstrations and milestone demonstrations), including any proposed control measure identified as potentially contributing to an enforceable near-term emission reduction commitment; assumptions used in conformity demonstrations; and assumptions used in emissions inventories.

(16) "Temporary source" means an emission source such as a pilot plant or a portable facility which will be located outside the nonattainment area after less than a cumulative total of ninety (90) days of operation in any twelve (12) continuous months.

(17) "Tons per year (tpy)" means annual emissions in tons.

2 (c) The definitions contained in 40 CFR 51.100 shall apply, and are
3 hereby incorporated by reference.

4

5

1

§ 1803. Application Requirements.

§ 1803.1. Application Submittal.

6 The owner or operator of any proposed new major stationary source or major modification required to obtain a nonattainment major NSR permit pursuant to this 7 rule shall submit a complete, true, and correct application to obtain a nonattainment 8 9 major NSR permit to the GEPA Administrator, and include in the application 10 submittal the information listed in § 1803.2, as well as the demonstrations listed in §§1803.3-1803.5. Designating an application complete for purposes of permit 11 processing does not preclude the GEPA Administrator from requesting or accepting 12 13 any additional information.

14

#### § 1803.2. Application Content.

At a minimum, an application for a nonattainment major NSR permit shall
contain the following information related to the proposed new major stationary
source or major modification:

18

(a) identification of the applicant, including contact information;

19 (b) identification of address and location of the new or modified20 source;

(c) an identification and description of all emission points, including
 information regarding all regulated NSR pollutants emitted by all emissions
 units included in the new source or modification;

(d) a process description of all activities, including design capacity,
which may generate emissions of regulated NSR pollutants in sufficient detail
to establish the basis for the applicability of standards and fees;

- (e) a projected schedule for commencing construction and operation for all emissions units included in the new source or modification;
- 3

1

2

(f) a projected operating schedule for each emissions unit included in the new source or modification;

5

6

7

8

9

10

11

12

13

14

18

19

4

(g) a determination as to whether the new source or modification will result in any secondary emissions;

(h) the emission rates of all regulated NSR pollutants, including fugitive and secondary emission rates, if applicable. The emission rates must be described in tpy and for such shorter term rates as are necessary to establish compliance using the applicable standard reference test method or other methodology specified (i.e., grams/liter, ppmv or ppmw, lbs/MMBtu);

(i) the calculations on which the emission rate information is based,
 including fuel specifications, if applicable, and any other assumptions used in
 determining the emission rates (e.g., HHV, sulfur content of natural gas);

(j) the calculations, pursuant to § 1801.3, used to determine
applicability of this rule, including the emission calculations (increases or
decreases) for each project that occurred during the contemporaneous period;

(k) the calculations, pursuant to §1804.3 (offset), used to determine the quantity of offsets required for the new source or modification;

(1) identification of existing emission reduction credits or
identification of internal emission reductions, including related emission
calculations and proposed permit modifications required to ensure emission
reductions meet the offset integrity criteria of being real, surplus, quantifiable,
permanent and federally enforceable or enforceable as a practical matter;

(m) if applicable, a description of how performance testing will be
 conducted, including test methods and a general description of testing
 protocols.

1

#### § 1803.3. Lowest Achievable Emission Rate (LAER).

The applicant shall submit an analysis demonstrating that LAER has been proposed for each emissions unit included in the new major stationary source or major modification that emits a nonattainment pollutant for which the new stationary source or modification is classified as major.

6

### § 1803.4. Certification of Compliance.

7 The applicant shall submit a certification that each existing major stationary 8 source owned or operated by the applicant (or any entity controlling, controlled by, 9 or under common control with the applicant) in Guam is in compliance with all 10 applicable emission limitations and standards under the CAA or is in compliance 11 with an expeditious compliance schedule which is federally enforceable.

12

#### § 1803.5. Analysis of Alternatives.

13 The applicant shall submit an analysis of alternative sites, sizes, production 14 processes, and environmental control techniques for the proposed source that 15 demonstrates the benefits of the proposed source significantly outweigh the 16 environmental and social costs imposed as a result of its location, construction, or 17 modification.

18

#### § 1803.6. Application Fees.

The applicant shall pay the applicable fees specified in the applicable GEPA
fee rules for air pollution emission sources.

- 21 § 1804. Emissions Offsets.
- 22

## § 1804.1. Offset Requirements.

(a) The emission increases of a nonattainment pollutant for which the new
stationary source or modification is classified as major shall be offset with federally
enforceable emission reductions or with internal emission reductions.

1 (b) Emission reductions from one (1) or more sources may be used, alone 2 or in combination with internal emission reductions, in order to satisfy offset 3 requirements.

4 (c) Emissions reductions achieved by shutting down an existing emissions 5 unit or curtailing production or operating hours may only be credited for offsets if 6 such reductions are surplus, permanent, quantifiable, and federally enforceable; and

7 (d) The shutdown or curtailment occurred after the last day of the base year
8 for the attainment plan for the specific pollutant; or

9 (e) The projected emissions inventory used to develop the attainment plan 10 explicitly includes the emissions from such previously shutdown or curtailed 11 emissions units. However, in no event may credit be given for shutdowns that 12 occurred before August 7, 1977.

13

#### §1804.2. Timing.

14 (a) Internal emission reductions used to satisfy an offset requirement must
15 be federally enforceable prior to the issuance of the nonattainment major NSR
16 permit, which relies on the emission reductions.

17 (b) Except as provided by Subsection (c) of this Section, the decrease in 18 actual emissions used to generate emission reductions or internal emission 19 reductions must occur no later than the commencement of operation of the new or 20 modified major stationary source.

(c) Where the new emissions unit is a replacement for an emissions unit
that is being shut down in order to provide the necessary offsets, the GEPA
Administrator may allow up to one hundred eighty (180) calendar days for
shakedown or commissioning of the new emissions unit before the existing
emissions unit is required to cease operation.

26 § 1804.3. Quantity.

The quantity of emission reductions or internal emission reductions required
 to satisfy offset requirements shall be determined in accordance with the following:

- .3
- 4

5

6

7

8

9

10

11

12

(a) The unit of measure for offsets, emission reductions, and internal emission reductions shall be tpy. All calculations and transactions shall use emission rate values rounded to the nearest one one-hundredth (0.01) tpy.

(b) The quantity of emission reductions or internal emission reductions required shall be calculated as the product of the amount of increased emissions, as determined in accordance with Subsection (c) of this Section, and the offset ratio, as determined in accordance with Subsection (d) of this Section.

(c) The amount of increased emissions shall be determined as follows:

(1) When the offset requirement is triggered by the
construction of a new major stationary source, the amount of increased
emissions shall be the sum of the potential to emit of all emissions units.

16 (2) When the offset requirement is triggered by a major 17 modification of an existing major stationary source, the amount of 18 increased emissions shall be the sum of the differences between the 19 allowable emissions after the modification and the actual emissions 20 before the modification for each emissions unit.

21 (3) The amount of increased emissions includes fugitive
22 emissions.

23 (d) An offset ratio of 1:1 shall be used for each pound of SO<sub>2</sub>
24 permitted to be emitted.

25

§ 1804.4. Emission Reduction Requirements.

26 (a) Internal emission reductions or emission reductions used to satisfy an
27 offset requirement shall be:

1 (1) real, surplus, permanent, quantifiable, and federally enforceable; 2 and 3 (2)surplus at the time of issuance of the nonattainment major NSR 4 permit containing the offset requirements. 5 (b) Permitted sources whose emission reductions are used to satisfy offset 6 requirements must appropriately amend or cancel their nonattainment major NSR 7 permit or other air pollution control permit, where applicable, to reflect their newly 8 reduced potential to emit, including practicably enforceable conditions to limit their 9 potential to emit. 10 (c) Emission reductions must be obtained from the same nonattainment 11 area. 12 (d)The use of emission reductions shall not provide: 13 (1)authority for, or the recognition of, any pre-existing vested right 14 to emit any regulated NSR pollutant; 15 (2)authority for, or the recognition of, any rights that would be 16 contrary to applicable law; or 17 (3) an exemption to a stationary source from any emission 18 limitations established in accordance with federal or Guam laws, rules, and 19 regulations. 20 § 1804.5. Restrictions on Trading Pollutants. The emission offsets obtained shall be for the same regulated NSR pollutant. 21 22 § 1805. Administrative Requirements. 23 **§ 1805.1**. Ambient Air Quality Standards. 24 The GEPA Administrator may require the use of an air quality model to estimate the effects of a new or modified stationary source. The analysis shall 25

estimate the effects of a new of modified stationary source. The analysis shall
estimate the effects of the new or modified stationary source, and verify that the new
or modified stationary source will not prevent or interfere with the attainment or

maintenance of any ambient air quality standard. In making this determination, the
GEPA Administrator shall take into account the mitigation of emissions through
offsets pursuant to this rule, and the impacts of transported pollutants on downwind
pollutant concentrations. The GEPA Administrator may impose, based on an air
quality analysis, offset ratios greater than the requirements of Subsection (d) of §
1804.3.

7

#### § 1805.2. Air Quality Models.

8 (a) All required estimates of ambient concentrations, pursuant to this rule, 9 shall be based on the applicable air quality models, databases, and other 10 requirements specified in 40 CFR Part 51, Appendix W ("Guideline on Air Quality 11 Models").

Where an air quality model specified in 40 CFR Part 51, Appendix W, 12 (b) 13 is inappropriate, the model may be modified or another model substituted on written 14 request to the Administrator. Methods such as those outlined in the "Workbook for 15 the Comparison of Air Quality Models" (U.S. Environmental Protection Agency, 16 Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, May 1978) may be used to determine the comparability of air quality models. 17 18 Written approval from the USEPA and GEPA must be obtained for any modification 19 or substitution. In addition, use of a modified or substituted model must be subject 20 to public notification and the opportunity for public comment pursuant to §1419 of 21 this Chapter.

22

#### § 1805.3. Stack Height Procedures.

The degree of emission limitation required of any source for control of any air pollutant must not be affected by so much of any source's stack height that exceeds good engineering practice (GEP) or by any other dispersion technique, except as provided in 40 CFR 51.118(b). For the purposes of this Section, the definitions in 40 CFR 51.100 shall apply.

(a) Before the GEPA Administrator issues a nonattainment major
 NSR permit under this rule to a source with a stack height that exceeds GEP
 stack height, the Control Officer shall notify the public of the availability of
 the demonstration study and provide opportunity for a public hearing.

5

6

7

8

(b) Any field study or fluid model used to demonstrate GEP stack height and any determination concerning excessive concentration must be approved by the EPA and the GEPA Administrator prior to any emission limit being established.

9 (c) The provisions of §1805.3 do not restrict, in any manner, the
10 actual stack height of any stationary source or facility.

11 § 1806. Nonattainment Major New Source Review (NSR) Permit –
12 Decision.

13

#### § 1806.1. Preliminary Decision.

14 Following acceptance of an application as complete, the GEPA Administrator shall perform the evaluations required to determine if the proposed new major 15 16 stationary source or major modification will comply with all applicable GEPA, 17 Guam and federal rules, regulations, or statutes, including, but not limited to, the requirements under § 1803 of this rule, and shall make a preliminary written decision 18 19 as to whether a nonattainment major NSR permit should be approved, conditionally 20 approved, or denied. The decision shall be supported by a succinct written analysis. The decision shall be based on the requirements in force on the date the application 21 22 is deemed complete, except when a new federal requirement, not yet incorporated 23 into this rule, applies to the new or modified source.

24 § 1806.2. Nonattainment Major New Source Review (NSR) Permit –
 25 Preliminary Decision Requirements.

(a) Prior to issuance of a preliminary written decision to issue a
 nonattainment major NSR permit for a new major stationary source or major
 modification, the GEPA Administrator shall determine:

4

5

6

(1) that each emissions unit(s) that constitutes the new source or modification will not violate any applicable requirement of the Guam SIP; and

7

8

9

(2) that the emissions from the new or modified stationary source will not interfere with the attainment or maintenance of any applicable national ambient air quality standard; and

10 (3) that the emission limitation for each emissions unit that constitutes the new source or modification specifies LAER for such units. If 11 12 the GEPA Administrator determines that technological or economic 13 limitations on the application of measurement methodology to a particular 14 class of sources would make the imposition of an enforceable numerical 15 emission standard infeasible, the GEPA Administrator may instead prescribe a design, operational, or equipment standard. In such cases, the GEPA 16 17 Administrator shall make his/her best estimate as to the emission rate that will 18 be achieved and must specify that rate in the application review documents. Any nonattainment major NSR permit issued without an enforceable 19 20 numerical emission standard must contain enforceable conditions which 21 ensure that the design characteristics or equipment will be properly maintained or that the operational conditions will be properly performed to 22 23 continuously achieve the assumed degree of control. Such conditions shall be enforceable as emission limitations by private parties under §304 of the CAA. 24 The term "emission limitation" shall also include such design, operational, or 25 26 equipment standards; and

1 (4) the quantity of emission reductions or internal emission 2 reductions required to offset the new source or modification, pursuant to 3 §1804.3; and

4

5

6

- (5) that all emission reductions or internal emission reductions required for the new source or modification have been identified and have been made federally enforceable or legally and practicably enforceable; and
- 7 (6) that the quantity of emission reductions or internal emission
  8 reductions determined under Subsection (b) of §1804.3 will be surrendered
  9 prior to commencing operation.
- 10 (b) Temporary sources and emissions resulting from the construction phase 11 of a new source are exempt from Subsections (a)(4), (a)(5) and (a)(6) of this Section.
- 12 § 1806.3. Nonattainment Major New Source Review (NSR) Permit
  13 Contents.
- 14 (a) A nonattainment major NSR permit for a new major stationary source
  15 or major modification shall contain terms and conditions:
- 16

17

- (1) which ensure compliance with all applicable requirements and which are enforceable as a legal and practical matter; and
- 18 (2) sufficient to ensure that the major stationary source or major
  19 modification will achieve LAER in accordance with Subsections (b) and (c)
  20 of this Section.
- (b) A new major stationary source shall achieve LAER for each
  nonattainment pollutant for which the source is classified as major.
- (c) A major modification shall achieve LAER for each nonattainment
  pollutant for which the modification would result in a significant net emissions
  increase. This requirement applies to each proposed emissions unit at which a net
  emissions increase in the nonattainment pollutant would occur as a result of a
  physical change, or change in the method of operation of the emissions unit.

1 2

## § 1806.4. Nonattainment Major New Source Review (NSR) Permit – Final Decision.

Prior to making a final decision to issue a nonattainment major 3 (a) 4 NSR permit for a new major stationary source or major modification, the 5 GEPA Administrator shall consider all written comments that are submitted 6 within thirty (30) days of public notification and all comments received at any 7 public hearing(s) in making a final determination on the approvability of the 8 application and the appropriate nonattainment major NSR permit conditions. 9 The GEPA Administrator shall make all comments available, including the 10 GEPA Administrator's response to the comments, for public inspection in the same locations where the GEPA Administrator made preconstruction 11 12 information relating to the proposed source or modification available as per 13 the requirements of §1808.

(b) The GEPA Administrator shall deny any application for a
nonattainment major NSR permit if the GEPA Administrator finds the new
source or modification would not comply with the standards and requirements
set forth in GEPA or federal rules or regulations.

(c) The GEPA Administrator shall make a final decision whether to
 issue or deny the nonattainment major NSR permit after determining that the
 nonattainment major NSR permit will or will not ensure compliance with all
 applicable emission standards and requirements.

(d) The GEPA Administrator shall notify the applicant in writing of
the final decision and make such notification available for public inspection
at the same location where the GEPA Administrator made preconstruction
information and public comments relating to the source available.

26 § 1806.5. Ongoing Permit Requirements.

1 The applicable terms and conditions of an issued nonattainment major NSR 2 permit shall remain in effect to govern source operation. Such terms and conditions 3 shall be included in any renewal or extension of the permit and any successive air 4 pollution control permit or renewal or extension thereof subsequently issued by the 5 GEPA Administrator for the same emission units.

6

### § 1806.6. Technology Clearinghouse.

Within thirty (30) days of the issuance of any permit under this rule, the GEPA
Administrator shall submit control technology information from the permit to the
USEPA Administrator for the purposes listed in § 173(d) of the CAA.

10

#### § 1807. Source Obligations.

## 11 § 1807.1. Enforcement.

Any owner or operator who constructs or operates a source or modification not in accordance with the application submitted pursuant to this rule, any changes to the application as required by the GEPA Administrator, or the terms of its nonattainment major NSR permit or a renewal or extension thereof, shall be subject to enforcement action.

17

#### § 1807.2. Termination.

18 Approval to construct shall terminate if construction is not commenced within 19 eighteen (18) months after receipt of such approval, if construction is discontinued 20 for a period of eighteen (18) months or more, or if construction is not completed within a reasonable time. The GEPA Administrator may extend the eighteen (18)-21 22 month period upon a satisfactory showing of good cause why an extension is 23 justified. This provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence 24 construction within eighteen (18) months of the projected and approved 25 26 commencement date.

27 § 1807.3. Compliance.

Approval to construct shall not relieve any owner or operator of the 1 2 responsibility to comply fully with applicable provisions of the SIP and any other 3 requirements under Guam or federal law.

4

#### **§ 1807.4**. **Relaxation in Enforceable Limitations.**

At such time that a particular stationary source or modification becomes a 5 major stationary source or major modification solely by virtue of a relaxation in any 6 7 enforceable limitation which was established after August 7, 1980, on the capacity 8 of the stationary source or modification to emit a pollutant, then the requirements of this rule shall apply to the stationary source or modification as though construction 9 10 had not yet commenced on the stationary source or modification.

11

#### **§ 1808. Public Participation.**

12 After the GEPA Administrator has made a preliminary written decision to 13 issue a nonattainment major NSR permit for a new major stationary source or major modification, as specified in §§1806.1 and 1806.2, the GEPA Administrator shall: 14

publish, in at least one (1) newspaper of general circulation in 15 (a) 16 Guam, a notice stating the preliminary decision of the GEPA Administrator, 17 noting how pertinent information can be obtained, including how the public can access the information specified in §1808(b), and inviting written public 18 19 comment for a thirty (30)-day period following the date of publication. The 20 notice shall include the time and place of any hearing that may be held, 21 including a statement of procedure to request a hearing (unless a hearing has 22 already been scheduled);

23 no later than the date the notice of the preliminary written (b) determination is published, make available in at least one (1) location, a copy 24 25 of all materials the applicant submitted, a copy of the preliminary decision, a 26 copy of the proposed nonattainment major NSR permit, and a copy or

summary of other materials, if any, considered in making the preliminary written decision;

(c) send a copy of the notice of public comment to the applicant,
 EPA Region 9, any persons requesting such notice, and any other interested
 parties, such as the Mayor of the village where the source would be located,
 the Guam Land Use Commission, and any federal land manager whose lands
 may be affected by emissions from the source or modification;

8 (d) provide opportunity for a public hearing for persons to appear 9 and submit written or oral comments on the air quality impact of the source, 10 alternatives to it, the control technology required, and other appropriate 11 considerations, if in the GEPA Administrator's judgment such a hearing is 12 warranted. The GEPA Administrator shall give notice of any public hearing 13 at least thirty (30) days in advance of the hearing.

14

1

2

3

4

5

6

7

### § 1809. Plant-Wide Applicability Limits (PAL).

15 The GEPA Administrator shall issue a Plant-wide Applicability Limit (PAL) 16 permit according to the provisions contained in 40 CFR 51.165(f)(1) through (14). 17 The provisions of 40 CFR 51.165(f)(1) through (14) are hereby incorporated by 18 reference.

19 **§ 18** 

#### § 1810. Invalidation.

If any provision of this rule or the application of such provision to any person or circumstance is held invalid, the remainder of this rule or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

24

#### § 1811. Effective Date for Referenced Federal Regulations.

All references and citations in this rule to Title 40 of the Code of Federal
 Regulations (CFR) refer to the referenced federal regulation as in effect on October
 17, 2022."

Section 3. Effective Date. This Act shall be effective upon enactment.
 Section 4. Severability. If any provision of this Act or its application to any
 person or circumstance is found to be invalid or inorganic, such invalidity shall not
 affect other provisions or applications of this Act that can be given effect without
 the invalid provision or application, and to this end the provisions of this Act are
 severable.