

**CLARK COUNTY**  
**AIR QUALITY REGULATIONS**

**SECTION 59 - EMISSION OFFSETS**

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59.1 **Federal OFFSET Requirements.**

59.1.1 **Scope of Applicability.** Subsection 59.1 applies to a new MAJOR STATIONARY SOURCE, an EXISTING STATIONARY SOURCE that, as a result of a MODIFICATION, becomes a MAJOR STATIONARY SOURCE, and a MODIFICATION of a MAJOR STATIONARY SOURCE with a NET EMISSIONS INCREASE that exceeds the thresholds in Table 59.1.1.

59.1.2 **Unit of Measure.** The unit of measure for OFFSET ratios and thresholds shall be based on tons per year (tpy) of the specified pollutant.

59.1.3 **Federal OFFSET Thresholds:**

59.1.3.1 When a pollutant specific OFFSET threshold is triggered for a new or modifying MAJOR STATIONARY SOURCE, that MAJOR STATIONARY SOURCE shall satisfy the OFFSET requirement in subsection 59.1.4 for that specific pollutant, which includes all such pollutant specific fugitive EMISSIONS, for all EMISSION UNITS for the source that emits such pollutant specific EMISSIONS.

59.1.3.2 The following table contains OFFSET thresholds by MAJOR STATIONARY SOURCE type, area designation, and pollutant. The thresholds shall be applied based on the classifications contained in the table. When a MAJOR STATIONARY SOURCE triggers a pollutant specific threshold listed in the table, Federal OFFSETS shall be imposed based on the pollutant specific ratio contained in Table 59.1.2 for the specific pollutant threshold being triggered. Thresholds contained in Table 59.1.1 that are associated with VOC and NO<sub>x</sub> in a Basic NONATTAINMENT AREA are based on the term "major STATIONARY SOURCE" as used in Section 55. Because VOC and NO<sub>x</sub> are ozone precursor pollutants, the Basic NONATTAINMENT AREA is related to the ozone designation. These thresholds are interim and are subject to change based on the findings and requirements of the Ozone SIP or Federal requirements.

Table 59.1.1 MAJOR STATIONARY SOURCE Federal OFFSET Thresholds by Source Type, Area Designation, and Pollutant.

<b>NEW MAJOR STATIONARY SOURCE OFFSET THRESHOLDS</b>			
<b>Item</b>	<b>Area Designation</b>	<b>Pollutant</b>	<b>Threshold</b>
<b>Serious NONATTAINMENT AREA</b>			
1		CO	PTE => 70
2		PM <sub>10</sub>	PTE => 70
<b>Basic NONATTAINMENT AREA</b>			
3		NO <sub>x</sub>	PTE => 100
4		VOC	PTE => 100
<b>MODIFYING MAJOR STATIONARY SOURCE OFFSET THRESHOLDS (AFTER MODIFICATION)</b>			
<b>Item</b>	<b>Area Designation</b>	<b>Pollutant</b>	<b>Threshold</b>
<b>Serious NONATTAINMENT AREA</b>			
5		CO	PTE => 70 and NEI => 1
6		PM <sub>10</sub>	PTE => 70 and NEI => 15
<b>Basic NONATTAINMENT AREA</b>			
7		NO <sub>x</sub>	PTE => 100 and NEI => 40
8		VOC	PTE => 100 and NEI => 40

PTE = POTENTIAL TO EMIT, NEI = NET EMISSIONS INCREASE

#### 59.1.4 Federal OFFSET Ratio Requirements:

59.1.4.1 OFFSET requirements shall be based on a ratio of an EMISSIONS decrease to an EMISSIONS increase for a specific pollutant.

59.1.4.2 The following table contains OFFSET ratios by designated area and pollutant. When a MAJOR STATIONARY SOURCE triggers any of the thresholds contained in Table 59.1.1, the ratios listed in Table 59.1.2 shall be applied based on the classifications contained in the table for a specific pollutant.

Table 59.1.2 Federal OFFSET Ratio Requirements by Area Designation and Pollutant.

<b>Item</b>	<b>Area Designation</b>	<b>Pollutant</b>	<b>OFFSET Ratio</b>
<b>Serious NONATTAINMENT AREA</b>			
1		CO	2:1
2		PM <sub>10</sub>	2:1
<b>Basic NONATTAINMENT AREA</b>			
3		NO <sub>x</sub>	1:1
4		VOC	1:1

59.1.4.3 For any new STATIONARY SOURCE, the amount to be OFFSET shall be based on the PTE for a specific pollutant.

59.1.4.4 For any modifying MAJOR STATIONARY SOURCE, the amount to be OFFSET shall be equal to the NEI times the OFFSET ratio for the specific pollutant. The MAJOR STATIONARY SOURCE shall be given credit for any portion of the NEI that was previously OFFSET. A pre-MODIFICATION PTE may only include fugitive EMISSIONS if

the fugitive EMISSIONS where included in the EMISSIONS inventory prior to the modification. PTEs and ACTUAL EMISSIONS used for NEI calculation shall be based on identical EMISSION factors for purposes of OFFSET determination, which shall be accomplished using the following method:

- 59.1.4.4.1 For an unmodified EMISSION UNIT, the EMISSION factor shall be the EMISSION factor contained in the previous (pre-MODIFICATION) AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT and associated documents used for the EMISSIONS inventory calculations.
- 59.1.4.4.2 For a modified EMISSION UNIT, the EMISSION factor shall be the EMISSION factor contained in the revised (post-MODIFICATION) AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT and associated documents used for the EMISSIONS inventory calculations. Due to the modification, it may not be feasible to apply the same EMISSION factor. If this situation arises, the pre-MODIFICATION EMISSIONS shall be the EMISSION factor contained in the previous (pre-MODIFICATION) AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT and the post-MODIFICATION EMISSIONS shall be the EMISSION factor contained in the revised (post-MODIFICATION) AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT.
- 59.1.4.4.3 For a new EMISSION UNIT, the EMISSION factor shall be the EMISSION factor contained in the revised (post-MODIFICATION) AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT and associated documents used for the EMISSIONS inventory calculations.
- 59.1.4.4.4 For an EMISSION UNIT that has been removed from the current (post-MODIFICATION) EMISSIONS inventory, the EMISSION factor shall be the EMISSION factor contained in the previous (pre-MODIFICATION) EMISSIONS inventory.
- 59.1.5 **Use of ERCs or EMISSION Reductions to Satisfy Federal OFFSET Requirements.** Pollutant specific EMISSIONS shall be OFFSET with existing federal ERCs issued by Clark County or the State of Nevada for that specific pollutant or mitigated with FEDERALLY ENFORCEABLE EMISSION reductions of the same pollutant. Interpollutant trading is prohibited.
- 59.2 **Local OFFSET Requirements.**
- 59.2.1 **Scope of Applicability.** Subsection 59.2 applies to local OFFSET requirements, existing Section 12 ERCs and existing Section 12 Road Paving Credits. This subsection does not apply to Section 52 or Federal OFFSET Requirements under Subsection 59.1.
- 59.2.2 **Sunset Clause.** On December 31, 2006, existing Section 12 ERCs and existing Section 12 Road Paving Credits will be devalued to 0 (zero).
- 59.2.3 **OFFSET Thresholds and Ratios.** There are no local OFFSET requirements for STATIONARY SOURCES.

- 59.3           **OFFSET and Credits Restrictions.**
- 59.3.1       **Scope of Applicability.** Subsection 59.3 applies to credits governed by Section 58 and OFFSETS governed by this Section.
- 59.3.2       **Restrictions on Interpollutant Trading.** Interpollutant trading is prohibited. Pursuant to the Nevada Revised Statutes: “By not later than January 1, 2002, [the Board shall] prohibit any person or entity from purchasing or selling credits of one type of pollutant if such credits will be used subsequently to produce a different type of pollutant.” NRS § 445.B.508.2(c).
- 59.3.3       **Restrictions on OFFSETTING EMISSIONS between AIRSHED REGIONS.** OFFSETTING EMISSIONS from a source located within an AIRSHED REGION with EMISSION reductions from a source located in a different AIRSHED REGION shall not be allowed, with an exception that applies to Ozone precursor pollutants. The CONTROL OFFICER may approve the use of NO<sub>x</sub> and VOC EMISSION reductions between AIRSHED REGIONS for the same NONATTAINMENT AREA within the Clark County boundary to satisfy NO<sub>x</sub> and VOC OFFSET requirements for that NONATTAINMENT AREA.
- 59.4           **OFFSET and Credit General Requirements.**
- 59.4.1       **Scope of Applicability.** Subsection 59.4 applies to OFFSETS and ERCs governed by Sections 58 and 59.
- 59.4.2       **General Requirements.**
- 59.4.2.1     EMISSION reductions used to satisfy a Federal OFFSET requirement must be SURPLUS, PERMANENT, QUANTIFIABLE, and FEDERALLY ENFORCEABLE as defined in Section 0 of the Air Quality Regulations.
- 59.4.2.2     Permitted sources whose EMISSION reductions are used to satisfy OFFSET requirements must appropriately modify or cancel their AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT to reflect their new PTE.
- 59.4.2.3     Additional Federal SURPLUS requirements to those found in the Section 0 of the Air Quality Regulations:
- 59.4.2.3.1   EMISSION reductions used to satisfy OFFSET requirements must be SURPLUS at the time of issuance of the AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT containing the OFFSET requirements.
- 59.4.2.3.2   EMISSION reductions used to satisfy OFFSET requirements must not be the result of a decreased throughput from an EMISSION UNIT when that decrease in throughput is shifted to another comparable EMISSION UNIT(S) within Clark County. Shifts in throughput occur when existing EMISSIONS at one source are transferred to another source without a reduction in EMISSIONS, which is a result of reallocation of production/service.

- 59.4.2.4 Additional **FEDERALLY ENFORCEABLE** requirements to those found in Section 0 of the Air Quality Regulations: Permitted sources whose **EMISSION** reductions are used to satisfy Federal **OFFSETS** must appropriately change or cancel their **AUTHORITY TO CONSTRUCT** and/or **OPERATING PERMIT** to reflect their new **POTENTIAL TO EMIT**.
- 59.4.2.5 **EMISSION** reductions used to satisfy a Federal **OFFSET** requirement must be **FEDERALLY ENFORCEABLE** prior to issuance of the **AUTHORITY TO CONSTRUCT** and/or **OPERATING PERMIT** and prior to issuance of an **AUTHORITY TO CONSTRUCT** and/or **OPERATING PERMIT** for a **MODIFICATION**. **EMISSION** reductions must be in effect upon commencement of operations. If the commencement of operations date related to the **AUTHORITY TO CONSTRUCT** and/or **OPERATING PERMIT** is within one hundred eighty (180) calendar days of the effective date of this amendment to Section 59, the **STATIONARY SOURCE** shall satisfy the **OFFSET** requirement within ninety (90) calendar days of the effective date of the amendment.
- 59.5 **Credit Transactions.**
- 59.5.1 **Scope of Applicability.** Subsection 59.5 applies to credits governed by Sections 12 and 58.
- 59.5.2 **Credit Transfer Requirements.**
- 59.5.2.1 Credits will be transferred in whole or in part.
- 59.5.2.2 A credit transfer request shall be limited to two parties, i.e., the owner of the credits (transferor) and the transferee.
- 59.5.2.3 Each credit transfer request shall be limited to a single regulatory type of credit, i.e. Section 12 (by specific subsection) or Section 58.
- 59.5.2.4 All fees associated with the credit transfer must be paid in full prior to or upon submission of the credit transfer request.
- 59.5.2.5 All outstanding fees due by the owner to the Department of Air Quality and Environmental Management must be paid in full before the owner is eligible to transfer any credits.
- 59.5.3 **Credit Ownership and Transaction Documentation.**
- 59.5.3.1 All previously issued **ERC BANK** Certificates are null and void. The **Credit Balance Summary Report** on or after the date of this regulation, signed by the **CONTROL OFFICER**, shall be the sole proof of ownership for credits. The **Credit Balance Summary Report** shall be dated; therefore, each **Credit Balance Summary Report** will supersede all previous versions of the report. The **Credit Summary Report** reflects the credit transactions contained in the **REGISTRY (BANK)**.
- 59.5.3.2 All credits shall be **BANKED** by the owner; thereby, making it possible for the owner to deposit, withdraw, and transfer credits. The owner may redeem credits against a **STATIONARY SOURCE** to satisfy applicable **OFFSET** requirements for that source.

**59.5.4 Procedures for Transferring Credits.**

59.5.4.1 The owner of credits must submit a request to the CONTROL OFFICER to transfer credits to another party. The credit transfer request must contain the following information, to be considered valid:

59.5.4.1.1 The request must be signed and dated by a RESPONSIBLE OFFICIAL.

59.5.4.1.2 The request must be on the owner's official letterhead.

59.5.4.1.3 The request must contain the owner's information: name, address, city, state, zip, and phone number.

59.5.4.1.4 The request must contain the transferee's information: name, address, city, state, zip, and phone number.

59.5.4.1.5 The request must identify the quantity of credits being transferred by pollutant type, i.e., PM<sub>10</sub>, CO, NO<sub>x</sub>, and VOC. Credits may be transferred in hundredths of credits or greater.

59.5.4.1.6 The request must identify the regulatory type of credits being transferred, i.e., Sections 12 (by specific subsection) or 58 of the Air Quality Regulations.

59.5.4.1.7 Transfer of the recorded credits shall not be effective until the Department of Air Quality and Environmental Management notifies both parties of the transfer. The department will acknowledge that the transfer is complete, approved, and recorded in the REGISTRY (BANK) by means of department letterhead that shall be signed by the CONTROL OFFICER or their designated representative. This notification shall contain a signed Credit Balance Summary Report reflecting the transaction.

**59.5.5 Procedures for Redeeming Credits.**

59.5.5.1 The owner of credits must submit a request to the CONTROL OFFICER to redeem BANKED credits for a specific STATIONARY SOURCE. The credit transfer request must contain the following information, to be considered valid:

59.5.5.2.1 The request must be signed and dated by a RESPONSIBLE OFFICIAL.

59.5.5.2.2 The request must be on the owner's official letterhead.

59.5.5.1.3 The request must contain the owner's information: name, address, city, state, zip, and phone number.

59.5.5.1.4 The request must contain the STATIONARY SOURCE'S information for which the credits are being redeemed against: name, AUTHORITY TO CONSTRUCT and/or OPERATING PERMIT number (generically referred to as the facility number), physical address, city, state, zip, and phone number.

- 59.5.5.1.5 The request must identify the quantity of credits being redeemed. Credits may be redeemed in hundredths of credits or greater.
- 59.5.5.1.6 The request must identify the regulatory type of credits being redeemed, i.e., Sections 12 (by specific subsection) or 58 of the Air Quality Regulations. Additionally, the pollutant type of the credit must be identified, i.e., PM<sub>10</sub>, CO, NO<sub>x</sub>, and VOC.
- 59.5.5.1.7 Transaction of the recorded credits shall not be effective until the Department of Air Quality and Environmental Management notifies the owner of the credits. The department will acknowledge that the transaction is complete, approved, and recorded in the REGISTRY (BANK) by means of department letterhead that shall be signed by the CONTROL OFFICER or their designated representative. This notification shall contain a signed Credit Balance Summary Report reflecting the transaction.
- 59.6 **Credit Transaction Fees.**
- 59.6.1 **Scope of Applicability.** Subsection 59.6 applies to credits governed by Sections 12 and 58.
- 59.6.2 **Credits Transfer Request Fees.**
- 59.6.2.1 The owner of Section 12 (by specific subsection) credits shall pay a \$35.00 transaction fee, at the time of submission, for each Section 12 (by specific subsection) credit transfer request.
- 59.6.2.2 The owner of Section 58 ERCs shall pay a \$100.00 transaction fee, at the time of submission, for each Section 58 credit transfer request.

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