**OAR 340-224-5020**

**Requirements for Demonstrating Net Air Quality Benefit for Non-Ozone Areas**

(1) When directed by the Major and State New Source Review rules, sources located within designated areas must get offsets in accordance with sections (2) and (4), or sections (3) and (4). For purposes of this rule, priority sources are sources identified in OAR 340-204-0300 for the designated area.

(2) The ratio must be no less than 1.2:1 if the offsets do not include offsets from priority sources. If the offsets include offsets from priority sources, the ratio may be reduced to no less than 1.0:1, as follows:

(a) If the owner or operator obtains offsets from priority sources that are greater than 0%, but less than 20% of the source’s potential emissions increase, then the owner or operator must obtain total offsets equal to greater than 120% of the source’s potential emission increase minus the offsets from priority sources.

(b) The sum of the offsets from priority sources plus the offsets from non-priority sources must be equal to or greater than the source’s potential emissions increase.

Mathematically:

If P = 0% of E, R = 1.20

If P ≥ 20% of E, R = 1.00

If P > 0% E and < 20% of E, R = 1.20 - %P/100

Total offsets required = E x R = O + P

Total offsets must be ≥ E

P = offsets from priority sources identified for the designated area (tons/yr)

E = potential emissions increase due to the new or modified source or PSEL increase (tons/yr);

R = ratio of required offsets to E (fraction)

O = offsets from non-priority sources (tons/yr)

Total Offsets (tons/yr) = P + O ≥ E

(3) The ratio must be no less than 1.0:1 if the offsets do not include offsets from priority sources. If the offsets include offsets from priority sources, the ratio may be reduced to no less than 0.5:1, as follows:

(a) If the owner or operator obtains offsets from priority sources that are greater than 0%, but less than 50% of the source’s potential emissions increase, then the owner or operator must obtain total offsets equal to r greater than 100% of the source’s potential emission increase minus the offsets from priority sources.

(b) The sum of the offsets from priority sources plus the offsets from non-priority sources must be equal to or greater than 50% of the source’s potential emissions increase.

If P = 0% of E, R = 1.00

If P ≥ 50% of E, R = %P/100

If P > 0% E and < 50% of E, R = 1.00 - %P/100

Total offsets required = E x R = O + P

P = offsets from priority sources identified for the designated area (tons/yr)

E = potential emissions increase due to the new or modified source or PSEL increase (tons/yr);

R = ratio of required offsets to E (fraction)

O = offsets from non-priority sources (tons/yr)

Total Offsets (tons/yr) = P + O

(4) For the offsets specified in sections (2) and (3), the owner or operator must conduct dispersion modeling in accordance with division 225 that demonstrates compliance with the criteria in subsections (a) and (c), or the criteria in subsections (b) and (c):

(a) the impacts from the emission increases above the source’s netting basis are less than the Class II SIL at all receptors within the designated area; or

(b) the impacts from the emission increases above the source’s netting basis are less than the Class II SILAT AN AVERAGE OF RECEPTORS ~~at any location~~ WITHIN AN AREA WITH A RADIUS OF 1 KILOMETER, REPRESENTING A NEIGHBORHOOD MONITORING SCALE, CENTERED ON THE ~~where~~ DEQ approved ambient monitoring SITE ~~data is available~~; and

(c) the impacts of the emission increases above the source’s netting basis, plus the impacts of emission increases or decreases in the PSEL of all other sources since the date of the current area designation, are less than 10% of the NAAQS at all receptors within the designated area, determined as follows:

(A) subtract the offsets from priority sources from the new or modified source’s emission increase;

(B) conduct dispersion modeling of the following emissions:

(i) the source’s remaining emission increases after subtracting the priority source offsets specified in (A); and

(ii) the emission increases or decreases from all other sources since the date the area was designated, including offsets used for the proposed project, but excluding offsets from priority sources.

(5) When directed by the Major and State New Source Review rules, sources locating outside, but impacting any designated area other than an attainment or unclassified area:

(a) For the purpose of this section, a source has a significant impact on a designated area if the source’s emissions have a single source impact greater than the Class II SIL at any receptor within the designated area.

(b) The owner or operator must obtain offsets sufficient to reduce impacts to less than the Class II SIL at all receptors within the designated area; or

(c) must obtain offsets in accordance with OAR 340-224-5020(3), provided the offsets are demonstrated to have a significant impact on the designated area.

(6) When directed by the Major and State New Source Review rules, sources locating outside, but impacting any attainment and unclassified areas must provide an analysis of the air quality impacts of each pollutant for which emissions will exceed the netting basis by the SER or more due to the proposed source or modification in accordance with OAR 340-225-0050(1) and (2).

**NOTE:** This rule is included in the State of Oregon Clean Air Act Implementation Plan as adopted by the EQC under OAR 340-020-0047.