**340-222-0090**

**Combining and Splitting Sources**

(1) When two or more sources combine into one source:

(a) The sum of the netting basis for all the sources is the combined source netting basis.

(b) The combined source is regulated as one source, except:

(A) the simple act of combining sources, without an increase over the combined PSEL, does not subject the combined source to New Source Review.

(B) if the combined source PSEL, without a requested increase over the existing combined PSEL, exceeds the combined netting basis plus the SER, the source may continue operating at the existing combined source PSEL without becoming subject to New Source Review until an increase in the PSEL is requested or the source is modified. If an increase in the PSEL is requested or the source is modified, the Department will evaluate whether New Source Review applies.

(2) When one source is split into two or more separate sources:

(a) The netting basis and the SER for the original source is split amongst the new sources as requested by the original permittee.

(b) The split of netting basis and SER must either:

(A) be sufficient to avoid New Source Review for each of the newly created sources or

(B) the newly created source(s) that become subject to New Source Review must comply with the requirements of OAR 340 division 224 before beginning operation under the new arrangement.

(3) The owner of the device or emissions unit must maintain records of physical changes and changes in operation occurring since the baseline period.

[**NOTE:** This rule is included in the State of Oregon Clean Air Act Implementation Plan as adopted by the EQC under OAR 340-200-0040.]

From Dave Bray talk: We have a national program called the combined heat and power partnership program which is a voluntary program that looks to try to promote combined heat and power projects. There is a regulatory provision that interacts with that that creates some issues in that and we haven’t figured out for sure yet whether we want to tackle it in federal rules. I don’t know what the opportunity for states to tackle it. But it’s the definition of major stationary source that has three components to it. They are all the pollution sources on one or more contiguous or adjacent properties in the same SIC code and there’s some common ownership. If you’ve got a facility that‘s a pulp mill or a lumber mill that wants to put in its own cogen plant, it works pretty easily. But if you are really trying to promote utilities to enter into partnerships with steam users to replace old steam boilers with new high efficiency combined cycle turbines, then you run into a problem of is it one source or two sources? If it’s two sources, you can’t get any credit for shutting down the old boilers in the facility to net out of review. For you guys, you’d have basically two different plants with two different PSELs and two different permits. And so the idea of looking at the environmental outcome that we want, which is to get higher efficiency, if you are burning fuel, use it for everything you can. If that’s the outcome we are looking for, do we want to look at the regulatory structure that currently impedes that, if you are talking about trying to get other companies or utilities to invest in a facility that they would still own and control but have contractural steam to steam host. So it’s an area that we haven’t gone to yet. We’ve definitely heard of companies who have walked away because they tried to negotiate with a company and they couldn’t get them to shut down their old boiler because they wanted to maintain it as backup and didn’t want permit restrictions. So the permitting programs definitely interact with the outcome we are looking for. That’s an area where somebody needs to pioneer thinking about how to get essentially less emissions and more efficiency but manage the permitting implications of that situation.