



South Coast Air Quality Management District

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NOTICE OF INTENT TO ISSUE PERMITS PURSUANT TO SOUTH COAST AQMD RULE 1710 (PSD ANALYSIS, NOTICE, AND REPORTING) AND RULE 3006 (TITLE V)

This notice is to inform you that the South Coast Air Quality Management District (South Coast AQMD) has received permit applications from Southern California Gas Company (SoCalGas), to install 4 new compressor gas engines at the Honor Rancho facility. After a detailed evaluation, the South Coast AQMD has determined that the proposed project complies with all applicable federal, state, and local air quality rules and regulations. South Coast AQMD intends to revise the Title V permit and include the new compressor gas engines. However, prior to issuance of the final Title V permit, South Coast AQMD is providing an opportunity for public comments on the South Coast AQMD's proposed decision.

The South Coast AQMD is the air pollution control agency for the four-county region including all of Orange County and non-desert parts of Los Angeles, Riverside and San Bernardino Counties. Anyone wishing to install or modify equipment that could control or be a source of air pollution within this region must first obtain a permit from the South Coast AQMD. Under certain circumstances, before a permit is granted, a public notice, such as this, is prepared by the South Coast AQMD. For this project, public notification is required in accordance with South Coast AQMD Rule 1710 because the emissions from operation of the new engines exceed the major modification thresholds. Public notification is also required by South Coast AQMD Rule 3006(a) because there will be a significant revision to the facility's existing Title V air permit.

FACILITY: SoCalGas, Honor Rancho
Facility ID No. 5973
25205 W Rye Canyon Road
Valencia, CA 91355

CONTACT: Lamont Sheridan
Southern California Gas Co
25205 W Rye Canyon Road.
Valencia, CA 91355

SOUTH COAST AQMD PERMIT APPLICATION NUMBERS

Application Numbers	Equipment Description
638015, 638018, 638020, 638022	4 Internal Combustion Engines, natural gas fired
638016, 638019, 638021, 638023	4 Selective Catalytic Reduction systems with Oxidation Catalysts
638024	Urea Storage Tank
638025	Facility Title V permit significant revision

PROJECT DESCRIPTION

Honor Rancho is a natural gas storage and distribution facility. The facility receives natural gas by pipeline, compresses it, and injects it into a subterranean porous rock formation. The facility also has the ability to remove the gas from the underground storage and transmit it out of the facility via pipeline. In order to compress the gas, the facility operates several internal combustion engines fired on natural gas. SoCalGas is replacing five of the existing older combustion engines with four new combustion engines and two electric motor driven compressors. The new combustion engines will employ emissions control equipment in the form of selective catalytic reduction (SCR) for NOx control, and oxidation catalysts for CO and VOC control. The SCRs require the use of ammonia for proper operation. Other potential aspects of the proposed project include hydrogen production through electrolysis, powered by renewable electrical energy. The renewable hydrogen would be utilized onsite as blended fuel for the

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natural gas compressors, onsite facility electricity generation, and SoCalGas fleet vehicle fueling. The project will require various construction activities expected to occur over several years.

EMISSIONS

During normal operation, the total potential maximum daily, monthly, and annual emissions of criteria pollutants from the operation of the new combustion engines are estimated not to exceed the emission levels listed in the table below. In addition, the new combustion engines will generate emissions of greenhouse gases (GHGs). The total quantity of GHGs is calculated using the global warming potential for each compound and expressed in an amount equivalent to Carbon Dioxide (CO₂) emissions (CO₂ equivalent). The emissions listed below are strictly from the new equipment and do not include any emission reductions associated with the removal from service of the existing combustion engines.

Pollutant	Max Potential Emissions (Tons)		
	Daily	Monthly	Annual
Nitrogen Oxides (NOx)	0.09	2.92	34.38
Carbon Monoxide (CO)	0.36	8.71	102.53
Volatile Organic Compounds (VOC)	0.08	2.31	27.47
Particulate Matter (diameter less than 10 microns, PM ₁₀ or diameter less than 2.5 microns, PM _{2.5})	0.02	0.52	6.13
Sulfur Oxides (SOx)	0.001	0.03	0.35
Ammonia (NH ₃)	0.02	0.73	8.76
Carbon Dioxide equivalent (CO ₂ equivalent)	206.8	6,291	75,496

The proposed installation of the four new combustion engines and the removal of the five existing combustion engines will result in an overall net decrease in the capacity of the combustion engines. South Coast AQMD Rule 1304(a)(1) provides an offset exemption for a replacement proposal such as this project. Therefore, the applicant is not required to provide emission offsets for VOC, PM10, or SOx for the new combustion engines. Also, the South Coast Air Basin meets and is in attainment with ambient air quality standards for CO, so no CO offsets are required. All of the NOx emissions from this facility have to be offset with emission credits that SoCalGas either holds or purchases through the Regional Clean Air Incentive’s Market (RECLAIM) in the form of RECLAIM Trading Credits (RTCs). Finally, the total facility’s potential emissions (the proposed new combustion engines and all other equipment) of PM_{2.5} is less than 70 tons per year, therefore the project will not trigger the threshold for PM_{2.5} offset requirements as per South Coast AQMD Rule 1325. The NOx RTCs are required to be provided by SoCalGas prior to the new combustion engines commencing operation in accordance with South Coast AQMD RECLAIM Rule 2005.

As a result of burning natural gas in the new combustion engines, emissions from the proposed project also contain small quantities of pollutants that are considered air toxics under South Coast AQMD Rule 1401-New Source Review of Toxic Air Contaminants. Therefore, a health risk assessment (HRA) has been performed for the project. The health risk assessment uses health protective assumptions in estimating maximum risk to an individual person. Even assuming this health protective condition, the evaluation shows that the maximum individual cancer risk (MICR) increase from the new combustion engines and the total project, as a whole, even without considering the emission reductions from old equipment being replaced, is less than ten-in-one million and in compliance with South Coast AQMD’s risk thresholds listed in Rule 1401. Each engine’s MICR is less than one-in-one-million. Also, acute and chronic indices, which measure non-cancer health impacts, are less than one. According to the state health experts, a hazard index of one or less means that the surrounding community including the most sensitive individuals such as very young children and the elderly will not experience any adverse health impacts due to exposure to these emissions. These levels of estimated risk are below the threshold limits of South Coast AQMD Rule 1401 (d) established for new or modified sources. The HRA results are shown in the table below:

MICR (in a million)		Non-Cancer Hazard Index	
Resident	Worker	Acute	Chronic
2.35	0.50	0.20	0.03

PREVENTION OF SIGNIFICANT DETERIORATION (PSD) FOR CRITERIA POLLUTANTS

The South Coast Air Basin is in attainment with the national ambient air quality standards for Nitrogen Dioxide (NO₂), Sulfur Dioxide (SO₂), Carbon Monoxide (CO) and PM10; therefore, the NO₂, SO₂, CO, and PM10 emissions from the project are subject to the SCAQMD's Prevention of Significant Deterioration (PSD) regulation.

The proposed new combustion engines will cause an increase of CO emissions considered to be significant. Therefore, a modeling analysis is required to demonstrate that the proposed project does not cause a violation of the national ambient air quality standard (NAAQS) or California ambient air quality standard (CAAQS) for 1 hour and 8 hour CO. The results of the modeling analysis show that the peak contribution from the combustion engines emissions does not result in a violation of the existing 1 hour or 8 hour CO ambient air quality standards.

Based on the results of our evaluation, the South Coast AQMD has determined that this project complies with all applicable federal, state and South Coast AQMD air quality rules and regulations and, therefore, South Coast AQMD intends to issue the Permits to Construct for the equipment described above. However, prior to issuance of a final permit, South Coast AQMD is providing an opportunity for a 30-day public comment period and an EPA review period. South Coast AQMD will consider issuance of the final permit only after all pertinent public and EPA comments, if any, have been received and considered.

The proposed permit can be viewed online at: <https://onbase-pub.aqmd.gov/publicaccess/DatasourceTemplateParameter.aspx?MyQueryID=222> by entering the facility's ID number. Information regarding the facility owner's compliance history submitted to the South Coast AQMD pursuant to California Health & Safety Code Section 42336, or otherwise known to the South Coast AQMD based on credible information, is available at <https://xappprod.aqmd.gov/find>. For more information on the proposed permit, to review additional supporting documents or to submit written comments, please contact: Shannon Lee, Senior Engineering Manager, South Coast AQMD, Engineering and Permitting, 21865 Copley Drive, Diamond Bar, CA 91765-4178, Tel: (909) 396-2153. **Written Comments must be received within 30 days of the distribution date.**

The public may request the South Coast AQMD to conduct a public hearing on the proposed Title V permit by submitting a Hearing Request Form (Form 500-G) to Ms. Shannon Lee at the above address. The public hearing request must contain all the information requested on the form in order for the South Coast AQMD to properly determine whether the request is valid and if a public hearing will be held. The public hearing request form may be obtained at <http://www.aqmd.gov/docs/default-source/aqmd-forms/Permit/500-g-form.pdf>. **The request for a public hearing must be submitted to the South Coast AQMD within 15 days of the distribution date.** A copy of the hearing request must also be sent by first class mail to the facility contact person listed in this notice at the same time.

Right to Petition U.S. Environmental Protection Agency (EPA) for Reconsideration: Title V Permits are also subject to review and approval by US EPA. If a public comment is sent to the South Coast AQMD for this permit, and the South Coast AQMD has not addressed the comment in a satisfactory manner, and the EPA has not objected to the proposed permit, then the public may submit a petition requesting that the EPA reconsider the decision not to object. Petitions shall be submitted to US EPA, Region 9, Operating Permits Section at 75 Hawthorne Street, San Francisco, CA 94105, within 60 days after the end of the 45-day EPA review period. The EPA review period for this permit starts no earlier than September 4, 2024. EPA's review status may be found at <https://www.epa.gov/caa-permitting/epa-pacific-southwest-region-9-title-v-permits-dashboard>.