

## MEMORANDUM

DATE: June 6, 1994

TO: Permit Services Division Staff (All Regions)

FROM: Seyed Sadredin  
Director of Permit Services

SUBJECT: Offset Requirements for Transfer of Location

The purpose of this memo is to clarify the offset requirements for transfer of location of an entire stationary source. Section 4.2.1.5 of Rule 2201 provides an exemption from offsets for the transfer of an entire stationary source from one location within the District to another (provided the potential to emit of the transferred source is greater at the new location when operated under the same permitted conditions). This exemption allows an operator to move his entire business to a new location without providing offsets.

The offset exemption in Section 4.2.1.5, however, does not extend to existing facilities that are being modified by the addition of relocated equipment. Offsets may still be required for emissions increases at an existing stationary source that is being modified by the addition of equipment, even if that equipment was operated previously as an entire stationary source at another location. The potential to emit from all equipment at the modified stationary source, including transferred equipment for which offsets have not previously been provided, is included when determining the offset requirements.

These guidelines are illustrated in the following three examples:

### Example 1

Joe's body shop has a permitted paint spray operation in Taft consisting of an air compressor, an HVLP spray gun, an enclosed gun cleaner, and one spray booth. Joe is proposing to move his entire operation including all the equipment into a newly constructed building in another part of Taft.

The transfer of location, in which the entire stationary is moved and is not combined with any other operation, is exempt from offsets.

### Example 2

ACME Auto Painting has a painting operation in Merced consisting of an air compressor, an HVLP spray gun, an enclosed gun cleaner, and a spray booth. ACME is proposing to move the entire operation to Porterville where it will be combined with an

existing operation known as Porterville Auto Body. The combined operation will be operated as one stationary source as defined in Rule 2201.

If the total VOC SSPE for the combined source exceeds 10 tons per year, then offsets will be required. While the transfer of the equipment from ACME is technically exempt from offsets, offsets may still be required for the emissions increases due to the modification of Porterville Auto Body.

The offset exemption in Section 4.2.1.6 of Rule 2201 may apply if ACME has previously provided offsets for the equipment being transferred. Otherwise, the addition of the ACME equipment from Merced is to be considered as a stationary source modification at Porterville Auto Body that is not exempt from offsets.