

RULE 1400

General

(A) Purpose

- (1) The purpose of this Regulation is to implement those provisions of Division 26, Part 3, Chapter 6 (commencing with §40700) of the California Health & Safety Code which require the establishment of a system by which all reductions in the emission of air contaminants (which are to be used to offset certain future increases in emissions) shall be banked prior to use to offset future increases in emissions.
- (2) This Regulation is not intended to recognize any preexisting right to emit air contaminants, but to provide a mechanism for the District to recognize the existence of reductions of air contaminants that can be used as Offsets, and to provide greater certainty that such Offsets shall be available for emitting industries.

(B) Applicability

- (1) This Regulation shall apply to the creation, banking and use of all Emission Reduction Credits (ERCs) within the District.
- (2) Any Person, including the District, may Bank, own, use, sell or otherwise transfer, either in whole or in part, ERCs which are created and owned pursuant to this regulation subject to the applicable requirements of Federal, State, or District law, rule, order, permit or regulation.

(C) Prohibitions

- (1) No reduction in the emission of air contaminants may be used to offset future increases in the emission of air contaminants, except as provided in subsection (1)(a) below, unless such reductions have been Banked pursuant to this Regulation.

- (a) Notwithstanding the above, emissions reductions proposed to offset simultaneous emissions increases within the same Facility are not required to be Banked prior to use as Offsets so long as such reductions satisfy all the criteria contained in District Rule 1401(A) and 1404(A)(3).

[SIP: Approved 1/22/97 effective 3/21/97, 62 FR 3216, 40 CFR 52.220(c)(224)(I)(C)]