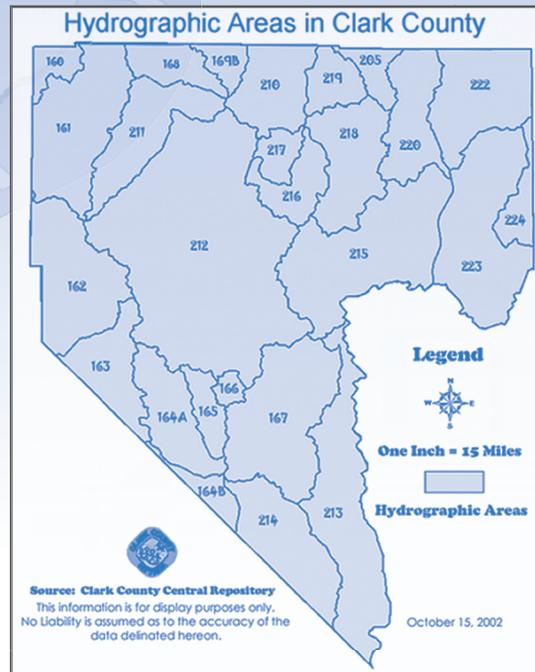


### WHAT ARE THE AIRSHED REGIONS WITHIN CLARK COUNTY?

The following map depicts each hydrographic area, which are synonymous with airshed regions:



It is important to note that the Department of Air Quality & Environmental Management manages the air quality of each criteria air pollutant within each airshed region.

### IS ERC TRADING ALLOWED BETWEEN AIRSHEDS?

As a general rule, no. Offsetting emissions from a source located within an airshed region with emission reductions from a source located in a different airshed region is not allowed; with one exception which applies to Ozone precursor air pollutants (refer to Clark County Air Quality Regulations, Section 59 - Emission Offsets). Therefore, ERCs may only be redeemed within the airshed region where they were earned; thereby, satisfying offsets within the associated airshed region.

### WHICH AIR POLLUTANTS QUALIFY FOR FEDERAL ERCs WITHIN CLARK COUNTY?

- PM10 (Particulate Matter measuring 10 microns or less)
- CO (Carbon Monoxide)
- VOC (Volatile Organic Compounds) (Ozone precursor)
- NOX (Oxides of Nitrogen) (Ozone precursor)

### WHY DO THESE POLLUTANTS QUALIFY FOR FEDERAL ERCs?

Las Vegas Valley is designated as a Nonattainment Area for PM10, CO, and Ozone. Additional airsheds within the County are designated as Nonattainment Areas for Ozone.



### DEPARTMENT OF AIR QUALITY & ENVIRONMENTAL MANAGEMENT

Department of Air Quality & Environmental Management (DAQEM)  
 (702) 455-5942

To report any desert violation  
 1-877-293-8998

#### Air Quality

385-4613 – Information  
 642-SMOG – Smog Hotline  
 385-DUST – Dust Hotline

#### Desert Tortoise

383-TORT – Information  
 593-9027 – Pick-up  
 739-7113 – Adoption & Care

#### Water Conservation

258-SAVE Water Hotline

500 South Grand Central Parkway  
 P.O. Box 551776  
 Las Vegas, NV 89155-1776

[www.AccessClarkCounty.com/Air\\_Quality](http://www.AccessClarkCounty.com/Air_Quality)



## FEDERAL EMISSION REDUCTION CREDIT (ERC) & OFFSET PROGRAM



### DEPARTMENT OF AIR QUALITY & ENVIRONMENTAL MANAGEMENT



## WHY DOES CLARK COUNTY HAVE A FEDERAL ERC PROGRAM?

Each Air Quality Area (airshed region) within Clark County is designated, by the Environmental Protection Agency (EPA), as a Nonattainment Area or an Attainment/Prevention of Significant Deterioration (PSD) Area for a specific Criteria Air Pollutant. When an airshed is designated as a Nonattainment Area that means that the airshed has exceeded the National Ambient Air Quality Standards (NAAQS) established by EPA. In order to achieve Attainment status, Clark County must take action to reduce emissions of the Criteria Air Pollutant or its precursors. ERCs and federal offset requirements are tools that enable us to achieve Attainment status. While these requirements relate, they are not one in the same, as will be explained.

## WHAT IS A FEDERAL ERC?

An ERC is a credit that is earned by a company when it reduces emissions for a particular air pollutant beyond mandates contained in the Authority to Construct/Operating Permit, Rules, Regulations, Consent Degrees, Court Settlements, Statutes, etc. As a general concept, it's any credit that is earned which is in excess of the federally enforceable limit. An ERC is an asset that can be used by an owner to satisfy a federal emission offset requirement or it can be sold to another company to meet its federal emission offset requirement—ERCs are commodities traded in the open market by private parties.

## WHAT IS A FEDERAL EMISSIONS OFFSET?

An offset exists when a company must compensate for an emission increase by decreasing emissions at a specified ratio. Offset requirements may vary by air pollutant, depending on the location of the major stationary source, i.e., a Nonattainment area. The Clean Air Act and associated Amendments are the underlying authority for federal offset requirements. Federal offset requirements for Clark County are contained in Clark County Air Quality Regulations, Section 59 - Emission Offsets. This regulation is used to establish offset requirements contained in the Authority to Construct/Operating Permit, which makes them federally enforceable.

## HOW DO ERCs AND OFFSETS RELATE?

ERCs are redeemed for the purpose of satisfying an offset requirement mandated by the Authority to Construct/Operating Permit. An emission offset occurs when a company must compensate for an increase in emissions at a new facility or at facility that is expanding its operations. For example: Company "A" is expanding by doubling its production capacity, the expansion results in a 30% increase in carbon monoxide emissions, Company "A" purchases carbon monoxide ERCs from Company "B", Company "A" redeems the carbon monoxide ERCs to offset the carbon monoxide emissions increase.

## IS INTER-POLLUTANT TRADING ALLOWED?

No. Companies are prohibited from using ERCs of one pollutant type to satisfy offset requirement for a different pollutant type—carbon monoxide versus volatile organic compounds. ERCs may only be used to satisfy offset requirements of the same pollutant. The authority for this prohibition is NRS §445.B.508.2(c). The intent of the program is to reduce emissions of a specific air pollutant for an Air Quality Area (airshed region) designated as Nonattainment for that specific pollutant within Clark County.

## WHO CAN EARN FEDERAL ERCs?

Major and non-major stationary sources may earn federal ERCs as long as the emission reductions satisfy the requirements of Section 58 of the Clark County Air Quality Regulations, as well as Federal and Nevada requirements.

## WHO CAN USE FEDERAL ERCs?

A major stationary source may redeem federal ERCs to satisfy an offset requirement in a Nonattainment Area, but the ERCs and offsets must be for the same pollutant.

## HOW DO I EARN FEDERAL ERCs?

1. A stationary source may obtain an application for Section 58 ERCs from the Department of Air Quality & Environmental Management (DAQEM). This application is in Word format. The application package will contain the following: application instructions, this information brochure, the eligibility determination checklist, the completeness determination checklist, and the approval determination checklist.
2. The applicant should discuss their proposal with the ERC Program Administrator before proceeding.
3. The applicant submits their Section 58 ERC application to DAQEM for processing.
4. DAQEM will conduct a preliminary eligibility determination.
5. DAQEM will conduct a completeness determination. During this step, additional information may be required.
6. DAQEM will conduct a final eligibility determination.
7. DAQEM will conduct a preliminary approval determination.
8. If recommending approval, DAQEM will forward the preliminary approval to EPA Region IX for review and comment.
9. If recommending approval, DAQEM will process a Notice of Proposed Action and perform a review of all submitted comments.
10. If petitioned, Clark County will conduct a Public Hearing.
11. DAQEM will conduct a final approval determination and issue/deny ERCs in full or in part.

## HOW DO I REDEEM FEDERAL ERCs?

1. The owner of ERCs submits a request to DAQEM to redeem the banked ERCs for a specific stationary source. The request contains the following:
  - a signature from responsible official;
  - the owner's official letterhead;
  - the owner's information, i.e., name, address, city, state, zip, and phone number;
  - the stationary source's information for which the ERCs are being redeemed against, i.e., name, AUTHORITY TO CONSTRUCT/OPERATING PERMIT number (generically referred to as the facility number), physical address, city, state, zip, and phone number;
  - the quantity of ERCs being redeemed, stated in hundredths of credits or greater;
  - the pollutant type of the ERC being redeemed, i.e., PM10, CO, NOx, VOC; and,
  - the transaction fee.
2. DAQEM will notify the owner, via written correspondence, when the ERC transaction is final. Thereby, acknowledging that the redemption is complete, approved, and recorded in the ERC Register (BANK).

## WHAT ARE THE PRIMARY ELEMENTS FOR FEDERAL ERCs?

Federal ERCs must satisfy numerous requirements before they can be issued. Emission reductions must be surplus, quantifiable, federally enforceable, and permanent (layperson definitions follow). *NOTE: For formal definitions, please refer to Air Quality Regulations, Section 0 – Definitions.*

The BIG 4!	
<b>SURPLUS</b>	Emission reductions must not be required by any federal, state, local or court mandate, i.e., statute, ordinance, regulation, State Implementation Plan (SIP), court order, consent decree, etc. The emission reductions must not have been relied upon for air quality planning purposes by Clark County. The emission reductions must be optional, not mandatory.
<b>QUANTIFIABLE</b>	The emission reductions can be measured in a reliable manner and the measurement can be repeated with the same results. The calculations must be logical and relevant to the emission reductions and the underlying source data used in the calculations must be factual and verifiable.
<b>FEDERALLY ENFORCEABLE</b>	Emission reductions are enforceable if: <ul style="list-style-type: none"><li>• They can be independently verified.</li><li>• Program requirements and violations are defined.</li><li>• Those liable for violations can be identified.</li><li>• The Department of Air Quality &amp; Environmental Management and the EPA maintain the ability to apply penalties and secure appropriate corrective action where applicable.</li><li>• The public has access to all emission-related information on public record for the emission source.</li><li>• Enforcement activities are feasible, possible, viable, and workable and in accordance with EPA guidance.</li></ul>
<b>PERMANENT</b>	The emission reductions are permanent if you are able to ensure that emission reductions are reflected in the Authority to Construct/Operating Permit (ATC/OP), e.g., removal of the emission units, a reduction of the emissions limit, etc.

## WHAT ARE THE SOURCE DOCUMENTS?

1. Air Quality Regulations, Section 0 – Definitions  
Clark County, Department of Air Quality & Environmental Management
2. Air Quality Regulations, Section 58 – Emission Reduction Credits  
Clark County, Department of Air Quality & Environmental Management
3. Air Quality Regulations, Section 59 – Emission Offsets  
Clark County, Department of Air Quality & Environmental Management
4. Nevada Revised Statutes, §445B.508, Reduction or mitigation of increases in emissions; air pollution credits
5. Improving Air Quality with Economic Incentive Programs, EPA-452/R-01-001, January 2001, Environmental Protection Agency
6. Clean Air Act, as amended, 42 U.S.C. 7401, et seq.
7. Code of Federal Regulations, Title 40, Part 51, Appendix S

## WHERE CAN I FIND THE SOURCE DOCUMENTS?

- At the Department of Air Quality & Environmental Management, 500 South Grand Central Parkway, Las Vegas, Nevada, (702) 455-5942
- On the Clark County website—[http://www.co.clark.nv.us/air\\_quality/regs.htm](http://www.co.clark.nv.us/air_quality/regs.htm)
- On the EPA website—<http://www.epa.gov/epahome/lawregs.htm>

## HOW CAN I GET MORE INFORMATION ON FEDERAL ERCs?

More information and assistance can be obtained through the DAQEM, 500 South Grand Central Parkway, Las Vegas, Nevada, (702) 455-5942