



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

A G E N D A

MEETING, JUNE 6, 2014

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

Questions About an Agenda Item

- The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.
- In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

Meeting Procedures

- The public meeting of the AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

Questions About Progress of the Meeting

- During the meeting, the public may call the Clerk of the Board's Office at (909) 396-2500 for the number of the agenda item the Board is currently discussing.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District Clerk of the Board's Office, 21865 Copley Drive, Diamond Bar, CA 91765.

The Agenda is subject to revisions. For the latest version of agenda items herein or missing agenda items, check the District's web page (www.aqmd.gov) or contact the Clerk of the Board, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

Cleaning the air that we breathe...™

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Barry R. Wallerstein, D. Env., Executive Officer

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 18)

Note: Consent Calendar items held for discussion will be moved to Item No. 19

- | | | |
|----|--|-------------------------|
| 1. | Approve Minutes of May 2, 2014 Board Meeting | McDaniel/2500 |
| 2. | Set Public Hearing July 11, 2014 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations: | Wallerstein/3131 |
| | Amend Rule 2449 – Control of Oxides of Nitrogen Emissions from Off-Road Diesel Vehicles | Hogo/3184 |

In May 2008, the Board adopted Rule 2449 implementing the Surplus Off-Road Opt-in for NOx (SOON) provisions of the State In-Use Off-Road Diesel Vehicle Regulation. On December 14, 2011, CARB amended the In-Use Off-Road Diesel Vehicle Regulation and removed Section 2449.2, Title 13 of the California Code of Regulation (CCR). As part of that action, CARB renumbered the SOON Provision Section 2449.3 to Section 2449.2. Staff is proposing an administrative amendment to SCAQMD Rule 2449 to revise the reference from Section 2449.3 to Section 2449.2 of Title 13 of the California Code of Regulation. (Reviewed: Mobile Source Committee, June 20, 2014)

Budget/Fiscal Impact

- | | | |
|----|--|------------------|
| 3. | Execute Contract to Evaluate Emissions Inventories and Model Performance using Mobile Smog Chamber Studies | Fine/2239 |
|----|--|------------------|

The amount of ozone formed in the atmosphere is a complex process dependent upon both ambient NOx and VOC concentrations. The chemical transport models used in the AQMP attempt to simulate this dependence for regulatory decision-making. This action is to execute a 6-month contract with the University of California, Davis in an amount not to exceed \$49,982 to perform unique, proof-of-concept mobile smog chamber studies examining the sensitivity of ozone formation on NOx and VOC levels at various locations in the South Coast Air Basin. These field measurements will help determine if this novel method can be used more broadly to evaluate emissions inventories, validate model performance, and enhance the ability to formulate effective ozone control strategies. Funding for this contract is budgeted in FY 2013-14 Budget as part of the U.S. EPA Section 105 Grant for the 22nd year of the PAMS program. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

4. **Amend Contract for Enhancement of New Annual Emissions Reporting System** **Chang/3186**

In March 2012, the Board approved a contract with Ecotek Consulting Inc. to develop and implement a new Annual Emissions Reporting (AER) system that provides more efficient and accurate emissions data submittal to CARB and U.S. EPA, and also to integrate optional GHG emissions reporting. This action is to amend Ecotek's contract for an additional amount not to exceed \$235,370 for program enhancements as well as improvements to the existing features based on feedback received from the AER facilities. Funding for this contract is included in the FY 2013-14 and FY 2014-15 Budget. This brings the contract total to \$581,269 of which \$200,000 is funded from the U.S. EPA grant. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

5. **Execute Contract for Purchase and Installation of Seating for Auditorium and Conference Rooms at Diamond Bar Headquarters** **Johnson/3018**

SCAQMD's current auditorium and conference room seating is over 22 years old and is in need of replacement. Repairing the existing seating is not a viable option, as replacement parts are no longer available. On November 1, 2013, the Board approved the release of an RFP to solicit bids from companies interested in providing this service. This action is to execute a contract with American Seating Company, for the purchase and installation of new audience seating in the auditorium and various conference rooms, at a cost not to exceed \$139,167. Funding for this contract is included in FY 2013-14 Budget. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

6. **Execute Contract for Workers' Compensation Claims Third-Party Administration** **Johnson/3018**

The current contract for workers' compensation claims administration services expires on June 30, 2014. On March 7, 2014, the Board approved release of an RFP to solicit proposals from firms interested in providing these services. This action is to execute a new three-year contract with AdminSure, Inc., through June 30, 2017, for a total amount not to exceed \$54,000.00. Funding for this contract has been requested in the FY 2014-15 Budget, and will be requested in successive fiscal years. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

7. Issue Purchase Order for Dedicated CNG Sedans **Johnson/3018**

On April 4, 2014, the Board approved funding of \$600,000 in the FY 2013-14 General Fund Budget from one-time revenues for the replacement of high-mileage, high- maintenance vehicles in SCAQMD's fleet, which are nearing CNG tank expiration within the next 12 months. On April 11, 2014, the Executive Officer approved release of an RFQ to competitively select a vendor from which to purchase these vehicles. This action is to issue a purchase order with DCH Gardena Honda, for up to 20 dedicated CNG Honda Civic sedans, at a cost not to exceed \$561,100. Funds are available in the FY 2013-14 Budget. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

8. Establish List of Prequalified Providers for Temporary Employment Services **Johnson/3018**

On March 7, 2014, the Board approved release of an RFQ for temporary employment services. This action is to establish a list of prequalified agencies that will be used as needed to obtain temporary employment services for a three-year period, from July 1, 2014 to June 30, 2017. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

9. Approve Contract Awards and Modifications Approved by MSRC **Pettis**

The MSRC approved one new contract under the Signal Synchronization Partnership Program, as well as a contract value increase under the Alternative Fuel School Bus Incentives Program, as part of their FYs 2012-14 AB 2766 Discretionary Fund Work Program. At this time the MSRC seeks Board approval of the contract award and modification under the FYs 2012-14 Work Program. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, May 15, 2014; Recommended for Approval)

Items 10 through 18 - Information Only/Receive and File

10. Legislative & Public Affairs Report **Smith/3242**

This report highlights the April 2014 outreach activities of Legislative and Public Affairs, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, and Outreach to Business and Federal, State, and Local Government. (No Committee Review)

11. Hearing Board Report **Camarena/2500**

This reports the actions taken by the Hearing Board during the period of April 1 through April 30, 2014. (No Committee Review)

12. **Civil Filings and Civil Penalties Report** **Wiese/3460**

This reports the monthly penalties from April 1 through April 30, 2014, and legal actions filed by the General Counsel's Office during April 1 through April 30, 2014. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, May 16, 2014)

13. **Lead Agency Projects and Environmental Documents Received by SCAQMD** **Chang/3186**

This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between April 1, 2014 and April 30, 2014, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (No Committee Review)

14. **Rule and Control Measure Forecast** **Chang/3186**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2014. (No Committee Review)

15. **Report of RFPs and RFQs Scheduled for Release in June** **O'Kelly/2828**

This report summarizes the RFPs and RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of June. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

16. **Remove Various Fixed Assets from SCAQMD Inventory** **O'Kelly/2828**

SCAQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every six months. This action is to approve removal of surplus equipment and motor vehicles determined to be obsolete, non-operational and not worth repairing. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

17. **Annual Meeting of Brain & Lung Tumor and Air Pollution Foundation** **Wiese/3460**

This item is to conduct the annual meeting of the Brain & Lung Tumor and Air Pollution Foundation. The Foundation staff will present a summary detailing the research supported by the Foundation over the past year, the Foundation's plan for the future, and a financial report. (No Committee Review)

18. Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2013-14 **Marlia/3148**

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and projects to be initiated by Information Management during the last six months of FY 2013-14. (No Committee Review)

19. Items Deferred from Consent Calendar

BOARD CALENDAR

Note: The May 16, 2014 Technology Committee and Mobile Source Committee meetings were both cancelled; the next Technology Committee and Mobile Source Committee meetings are scheduled for June 20, 2014.

20. Administrative Committee (Receive & File) **Chair: Burke** **Wallerstein/3131**

21. Investment Oversight Committee (Receive & File) **Chair: Antonovich** **O'Kelly/2828**

Staff is recommending that this item be delayed until next month.

22. Legislative Committee **Chair: Gonzales** **Smith/3242**

Receive and file; and take the following actions as recommended:

Agenda Item	Recommended Action
AB 1499 (Skinner) Electricity: Self-Generation Incentive Program	Support
AB 1624 (Gordon) Self-Generation Incentive Program	Support
SB 1265 (Hueso) State Vehicle Fleet Purchases: Minimum Fuel Economy Standard	Support
Principles Regarding SCAQMD's Position On Funding Related Issues	Adopt
AB 1330 (Perez) Environmental Justice – Guidance on legislative language	Approve in Concept

23. Stationary Source Committee (Receive & File) **Chair: Yates** **Nazemi/2662**

24. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Antonovich** **Hogo/3184**

25. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell McDaniel/2500**

Staff Presentation/Board Discussion

26. Approve Proposed Drought Management and Water Conservation Plan **Nazemi/2662**

On January 17, 2014, Governor Edmund G. Brown proclaimed a Drought State of Emergency in California and requested all necessary actions be taken to prepare for drought conditions. The proposed Drought Management & Water Conservation Plan includes a list of measures to be implemented by SCAQMD to assist parties who are impacted by drought conditions. This action is to approve the proposed Drought Management & Water Conservation plan to help address the drought conditions in SCAQMD. (No Committee Review)

PUBLIC HEARINGS

27. Adopt Executive Officer's FY 2014-15 SCAQMD Budget and Work Program **O'Kelly/2828**

The Executive Officer's Budget for FY 2014-15 represents the input over the past several months from Board members, staff, and the public. This year's process included meetings of the Budget Advisory Committee; a public hearing on April 4, 2014 to receive input on the SCAQMD's Goals and Priority Objectives; and two budget workshops, one for the public held on April 11, 2014 and one for the Board held on April 25, 2014. This submittal transmits the required appropriations and reserves necessary to adopt the proposed budget. The proposed budget incorporates the CPI adjustment pursuant to Rule 320 as well as an additional 3% increase to Annual Operating Permit Renewal and Permit Processing Fees to better align program costs with revenues. (Reviewed: Administrative Committee, May 9, 2014; Recommended for Approval)

28. Amend Regulation III - Fees **Fine/2239**

Staff is proposing a 1.6% Consumer Price Index adjustment to most of the current Regulation III – Fees for FY 2014-15 to keep pace with inflation and address revenue shortfall from legally mandated programs. Staff is also proposing an additional 6% increase in permit processing and annual operating renewal fees over the next two fiscal years, (3% in FY 2014-15 and an additional 3% in FY 2015-16), to recover the cost of specific programs and services. (Reviewed: Board Budget Workshop, April 25, 2014)

29. **Proposed Withdrawal of SIP Submittals for Select Rules and Regulations** **Chang/3186**

The SCAQMD staff has previously submitted permits, plans, rules, and regulations, or amendments thereto, to U.S. EPA for State Implementation Plan (SIP) approval. Staff and U.S. EPA have developed a list of previously submitted rules and regulations that are not needed under the Clean Air Act and can be withdrawn for SIP approval. This action is to withdraw the agreed-upon list of previously submitted rules and regulations for SIP approval. (Reviewed: Stationary Source Committee, May 16, 2014)

30. **Amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 Permitting and Associated Fees, and Rule 311 Air Quality Investment Program Fees** **Chang/3186**

The proposal is to amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, the accompanying rule Implementation Guidelines, Rule 301 Permitting and Associated Fees, and Rule 311 - Air Quality Investment Program (AQIP) Fees. Sections of Rule 2202 and the Implementation Guidelines will be amended to address the use of Emission Reduction Credits and clarify the use of other existing emission credits. The proposed amendment for Rule 301 is to add a transfer fee for the administration and tracking of Short Term Emission Reduction Credits. AQIP is a program option for applicable worksites within Rule 2202. The proposed Rule 311 amendment is to reduce the AQIP per employee fee, to more accurately reflect the costs to obtain the required emission reductions. This action is to adopt the resolution: 1) Certifying the Notice of Exemption for Proposed Amended Rule 2202, Proposed Amended Rule 2202 Implementation Guidelines, Proposed Amended Rule 301, and Proposed Amended Rule 311; and 2) Amending Rule 2202, Rule 2202 Implementation Guidelines, Rule 301, and Rule 311. (Reviewed: Mobile Source Committee, April 18, 2014)

31. **Adopt 2016 AQMP Reasonably Available Control Technology Demonstration** **Chang/3186**

As a component of the 2016 AQMP, SCAQMD is required to submit a Reasonably Available Control Technology (RACT) Demonstration to U.S. EPA by July 20, 2014. The RACT analysis provides a comprehensive assessment of the adequacy and comparative levels of emissions controls achieved in practice throughout the nation. The current analysis demonstrates that SCAQMD current rules largely meet U.S. EPA's criteria for RACT acceptability and inclusion in the SIP. It also identifies a few areas for further evaluation as part of the 2016 AQMP control measure development. This action is to approve the RACT Demonstration and direct staff to forward to CARB for approval and submission to U.S. EPA for inclusion in the SIP. (Reviewed: Stationary Source Committee, May 16, 2014)

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION - (No Written Material)

Wiese/3460

It is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the District is a party. The actions are:

- Exide Technologies, Inc. v. SCAQMD, et al., Los Angeles Superior Court Case No. BS146770 (Writ of Mandate);
- People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy case);
- Friends of the Fire Rings v. SCAQMD, San Diego Superior Court, North County, Case No. 37-2014-00008860-CU-WM-NC (Nov. 26, 2013; transferred March 20, 2014);
- National Association for Surface Finishing, et al. v. U.S. EPA, et al., U.S. Court of Appeals, D.C. Circuit, Case No. 12-1459 (Consolidated with Nos. 12-1460, 13-1147) (seeking authorization to file amicus brief);
- People of the State of California, ex rel. Kamala D. Harris, Attorney General v. SCAQMD, Consent Agreement and Stipulation for Entry of Final Judgment and Order, Los Angeles Superior Court;
- Petition for Declaratory Order by U.S. Environmental Protection Agency, Surface Transportation Board Docket No. FD 35803 (Railroad Rules);
- Quantification Settlement Agreement Cases, Court of Appeal of the State of California, Third Appellate District, Case No. C074592 (seeking authorization to file amicus brief);
- SCAQMD v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS143381 (SCIG); and
- SCAQMD v. Superior Court of the County of Los Angeles, California Supreme Court Case No. S218900; Court of Appeal, Second Appellate District Case No. B256002 (Browning-Ferris Industries); and

- SCAQMD v. U.S. EPA, U.S. Court of Appeals Ninth Circuit No. 13-73936 (Morongo Redesignation).

It is also necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (one case).

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(b) due to significant exposure to litigation (one case).

In addition, it is also necessary for the Board to recess to closed session pursuant to Government Code section 54957.6 to confer regarding upcoming labor negotiations with:

- designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: William Johnson; Represented Employees: Teamsters Local 911 & SCAQMD Professional Employees Association];

and to confer with:

- labor negotiators regarding unrepresented employees [Agency Designated Representative: William Johnson; Unrepresented Employees: Designated Deputies and Management and Confidential employees].

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any listed item before or during consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers may be limited to three (3) minutes each.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under Public Comments may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

AQIP = Air Quality Investment Program	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AVR = Average Vehicle Ridership	NGV = Natural Gas Vehicle
BACT = Best Available Control Technology	NO _x = Oxides of Nitrogen
Cal/EPA = California Environmental Protection Agency	NSPS = New Source Performance Standards
CARB = California Air Resources Board	NSR = New Source Review
CEMS = Continuous Emissions Monitoring Systems	PAMS = Photochemical Assessment Monitoring Stations
CEC = California Energy Commission	PAR = Proposed Amended Rule
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM ₁₀ = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM _{2.5} = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	PON = Public Opportunity Notice
CTG = Control Techniques Guideline	PR = Proposed Rule
DOE = Department of Energy	RFP = Request for Proposals
EV = Electric Vehicle	RFQ = Request for Quotations
FY = Fiscal Year	SCAG = Southern California Association of Governments
GHG = Greenhouse Gas	SIP = State Implementation Plan
HRA = Health Risk Assessment	SO _x = Oxides of Sulfur
IAIC = Interagency AQMP Implementation Committee	SOON = Surplus Off-Road Opt-In for NO _x
LEV = Low Emission Vehicle	SULEV = Super Ultra Low Emission Vehicle
LNG = Liquefied Natural Gas	TCM = Transportation Control Measure
MATES = Multiple Air Toxics Exposure Study	ULEV = Ultra Low Emission Vehicle
MOU = Memorandum of Understanding	U.S. EPA = United States Environmental Protection Agency
MSERCs = Mobile Source Emission Reduction Credits	VOC = Volatile Organic Compound
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	VMT = Vehicle Miles Traveled
NATTS =National Air Toxics Trends Station	ZEV = Zero Emission Vehicle

 [Back to Agenda](#)

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the May 2, 2014 meeting.

RECOMMENDED ACTION:

Approve Minutes of the May 2, 2014 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

SM:dg

FRIDAY, MAY 2, 2014

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman
Cities of San Bernardino County

Mayor Pro Tem Ben Benoit
Cities of Riverside County

Supervisor John J. Benoit (left at approx. 10:25 a.m.)
County of Riverside

Councilmember Joe Buscaino
City of Los Angeles

Councilmember Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Supervisor Josie Gonzales (arrived at 9:10 a.m.)
County of San Bernardino

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Judith Mitchell (arrived at 9:15 a.m.)
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (arrived at 10:00 a.m.)
County of Orange

Dr. Clark E. Parker, Sr.
Senate Rules Committee Appointee

Mayor Miguel A. Pulido
Cities of Orange County

Member absent:

Supervisor Michael D. Antonovich
County of Los Angeles

CALL TO ORDER: Chairman Burke called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Dr. Parker.
- Opening Comments

Councilman Cacciotti. Expressed his support for the benefits associated with electric vehicle technology including lower maintenance needs than traditional gas-fueled vehicles. He also noted that use of the Gold Line from Pasadena to Los Angeles has increased since its inception in 2003 from 300,000 people to approximately 1.2 million people each month, and is expected to extend to Azusa Pacific University and Citrus College sometime in September 2015.

Mayor Pulido. Noted that a half-cent sales tax increase in Orange County has generated substantial monies, including approximately \$1.2 billion towards improving transit. He highlighted the efforts now taking place in Orange County to build a new transit line using electric street cars that would go from the Santa Ana Regional Transportation Center through Anaheim and John Wayne Airport, eventually connecting to the Pacific Electric right-of-way that would connect to LAX.

Dr. Parker. Announced that he recently attended the Executive Board of the Hydrogen and Fuel Cell Technical Advisory Committee where it voted to support the infrastructure of approximately 68 hydrogen fueling stations, from 2016 until 2020, due to funding constraints and difficulty obtaining construction permits. He also noted that he was invited to speak next week at California State University, Los Angeles, for the opening of their hydrogen fueling station, which is expected to be fully functional this summer.

In response to Dr. Burke's inquiry about CARB's recent ruling on trucks, Mayor Mitchell explained that because small fleets, consisting of one to three trucks, were unable to comply with the January 1, 2014, deadline due to financing difficulties and operational problems associated with the use of diesel particulate filters in older trucks, CARB created certain exemptions for small fleets as well as for agricultural vehicles, and areas that do not have NOx problems.

(Supervisor Gonzales and Mayor Mitchell arrived at 9:10 and 9:15 a.m., respectively)

CONSENT CALENDAR

1. Approve Minutes of April 4, 2014 Board Meeting

2. Set Public Hearings June 6, 2014 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations:
 - (A) Amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 Permitting and Associated Fees, and Rule 311 Air Quality Investment Program Fees
 - (B) Amend Regulation III – Fees

Budget/Fiscal Impact

3. Execute Contract and Reissue RFP for Third-Party Investigations of Unplanned Shutdowns of Emission Control Devices at Large Lead-Acid Battery Recycling Facilities
4. Recognize Revenue, Execute Contracts and Purchase Equipment to Support Hydrogen Readiness in Early Market Communities **E**
5. Amend Contract to Develop and Demonstrate Battery Electric Drayage Trucks **E**
6. Approve Truck Projects under “Year 4” Proposition 1B-Goods Movement Program
7. Issue RFP to Expand and Upgrade Electric Vehicle Charging Infrastructure at SCAQMD Headquarters **E**
8. Recognize Revenue and Appropriate Funds for PM2.5 Monitoring Program and Issue Purchase Orders for Air Monitoring and Analysis Equipment
9. Appropriate Funding and Authorize Enhancements to SCAQMD’s Air Toxics Monitoring Program
10. Approve Contract Awards and Modifications Approved by MSRC

Items 11 through 17 - Information Only/Receive and File

11. Legislative & Public Affairs Report
12. Hearing Board Report

13. Civil Filings and Civil Penalties Report
14. Lead Agency Projects and Environmental Documents Received by SCAQMD
15. Rule and Control Measure Forecast
16. Report of RFPs and RFQs Scheduled for Release in May
17. Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2013-14

Dr. Lyou announced his abstention on the following items involving contracts with those who have made contributions/donations to his employer, Coalition for Clean Air: Agenda Item No. 4, as Bevilacqua-Knight, Inc. is a potential source of income and is materially affected by this item; and Agenda Item No. 5, as Transportation Power is a potential source of income and is materially affected by this item.

Councilman Cacciotti announced that, while he was not required to recuse himself from Agenda Item No. 10, he wanted to note for the record that he is a councilmember for the City of South Pasadena, which is one of the contractors for Item No. 10.

Agenda Item No. 2 was withheld for public comment.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEMS 1 AND 3 THROUGH 17 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Lyou (*except Items #4 & #5*), Mitchell, Parker, Pulido and Yates.

NOES: None.

ABSTAIN: Lyou (*Items #4 & #5 only*).

ABSENT: Antonovich and Nelson.

18. Items Deferred from Consent Calendar

2. Set Public Hearings June 6, 2014 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations:
 - (A) Amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 Permitting and Associated Fees, and Rule 311 Air Quality Investment Program Fees
 - (B) Amend Regulation III – Fees

The following individual addressed the Board on Agenda Item No. 2(A).

Curt Coleman, on behalf of Richard Freidman, expressed concern about the language for the proposed amendments. He noted that he has been corresponding with staff regarding alternative language that he hopes will be included prior to the public hearing.

MOVED BY CACCIOTTI, SECONDED BY B. BENOIT, AGENDA ITEM 2 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Parker, Pulido and Yates.

NOES: None.

ABSENT: Antonovich, Gonzales, and Nelson.

BOARD CALENDAR

19. Administrative Committee
20. Legislative Committee
21. Mobil Source Committee

- 22. Stationary Source Committee
- 23. Technology Committee
- 24. Mobile Source Air Pollution Reduction Review Committee
- 25. California Air Resources Board Monthly Report

Dr. Wallerstein explained that AB 2242 (Perea) has been put on hold by the author and asked that the Board not take action on it today, but that the item be returned to Legislative Committee for detailed discussion of incentive funding-related legislation. He noted that the Committee chair was agreeable to this request.

MOVED BY GONZALES, SECONDED BY BUSCAINO, AGENDA ITEMS 19 THROUGH 25 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE BOARD COMMITTEE AND MSRC REPORTS, AND ADOPTING THE POSITIONS ON LEGISLATION AS SET FORTH BELOW, EXCEPT AB 2242 WHICH WAS REFERRED BACK TO LEGISLATIVE COMMITTEE, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Busciano, Cacciotti, Gonzales, Lyou, Mitchell, Parker, Pulido and Yates.

NOES: None.

ABSENT: Antonovich and Nelson.

Agenda Item	Recommended Action
AB 2013 (Muratsuchi) Vehicles: High-Occupancy Vehicle Lanes	Support
SB 1204 (Lara and Pavley) California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program	Support
SB 1275 (De Leon) Vehicle Retirement and Replacement: Charge Ahead California Initiative	Support and Work with the Author

Proposed Federal Surface
Transportation Law (MAP 21)
Reauthorization Language

Approve Proposed Language with
Amendments

PUBLIC HEARINGS

26. Amend Rule 1130 – Graphic Arts (*Continued from April 4, 2014 Board Meeting*)

Naveen Berry, Planning and Rules Manager, gave the staff presentation and noted recommended modifications to the adopting resolution in the errata sheet which was provided to the Board members and copies made available to the public.

Mr. Berry responded to Dr. Parker's inquiry about the uncertainty in testing the products by explaining that there is a level of uncertainty or error band in the test methods for measuring the VOC content for thin film energy curable products. At the request of the energy curable industry, staff has incorporated their sponsored test method for determining VOC content for thin film energy curable products, and recognizes that because of the level of uncertainty in that test method, a 10 grams per liter product may test up to 16 g/l. He added that the manufacturers typically do not test each batch of a product and rely on formulation data to qualify and label the product as 10 g/l of VOC content. Staff is proposing that the District also be permitted to use the formulation data to evaluate the composition of the coatings.

Dr. Wallerstein added that the District would consider the product to still be in compliance with the rule at 16 g/l and no enforcement action would be taken. He noted that the industry representatives are requesting to raise the VOC limit to 20 g/l, but based on the data, he believes that staff has accounted for the error margin in laboratory testing, and therefore, it is not necessary to raise the VOC limit to 20 g/l.

In response to Mayor Yates' inquiry about the number of NOV's issued to these businesses within the last 10 years, Mr. Berry indicated that to the best of his knowledge, staff has not issued any NOV's for the thin film energy curable products.

Councilman Buscaino asked about the outreach made to the industry what their comments and/or concerns were relating to the amendment.

Mr. Berry explained that staff worked with the Printing Industries of America in Southern California and staff addressed all of their concerns in terms of report modifications, rule language, definitions, and clarifications. He also noted that RadTech's input resulted in significant changes to the staff proposal, without including their request for a higher VOC exemption limit.

Dr. Wallerstein noted that the Printing Industries of Southern California, supports the proposed amendments as indicated in their written comments.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 26.

GARY JONES, Printing Industries Association of Southern California

Expressed support for PAR 1130; and while they are not opposed to RadTech's request to exempt products with a VOC content of 20 g/l or less, they disagree with RadTech's questioning of the use of a VOC retention factor for conventional, lithographic and letter press inks. He pointed out that the factor was established by U.S. EPA, and they have referenced the factor in various documents from the 1970's to 2007, resulting in the retention factor being adopted by all air districts in California and throughout the nation.

RITA LOOF, RadTech International

Expressed support for a 20 g/l threshold rather than 16 g/l because of the uncertainty in testing and the burden placed on small businesses to conduct multiple tests in order to measure the small amounts of VOC in the products; noted that some uncertainty among industry businesses is present because of staff's determination on a case-by-case basis of what test method is suitable; and urged the Board to make policy decisions that incentivize pollution prevention. (Submitted Written Comments)

Dr. Wallerstein commented that this rule amendment seeks to assure the industry that a common practice, pursuant to Board approval, will be followed.

Submitted Written Comments

Douglas S. DeLong, DDU Enterprises, Inc.
Dene Taylor, Ph.D., Specialty Papers & Films, Inc.

There being no further public testimony on this item, the public hearing was closed.

In response to Dr. Lyou's question regarding the estimated cost for a small business to run the required tests, Mr. Berry indicated that product manufacturers will use formulation data to list the VOC content. He noted that repeated testing is not necessary and one test, at a cost of approximately \$500 depending on complexity, may be performed to validate the findings.

In response to Councilman Cacciotti's question regarding testing equipment that may indicate a VOC content of approximately 17 g/l with that result falling within the error band of the test used, Kurt Wiese, General Counsel, explained that it would be unlikely that a prosecution would be pursued under those circumstances.

In response to Councilman Buscaino's question about the health impacts from 20 g/l as opposed to 10 g/l, Dr. Wallerstein noted that although it is a small

impact, collectively all emission reductions are necessary to meet the federal clean air requirements.

Supervisor Gonzales noted that the rule was last amended in 1999, and that it is the Board's responsibility to revisit rules and determine how to strengthen them and provide a clearer guideline.

MOVED BY YATES, SECONDED BY PULIDO, AGENDA ITEM 26 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 14-7 CERTIFYING THE NOTICE OF EXEMPTION AND AMENDING RULE 1130, WITH THE MODIFICATIONS TO THE RESOLUTION AS STATED ON THE ERRATA SHEET AND NOTED BELOW, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Busciano, Cacciotti, Gonzales, Lyou, Mitchell, Parker, Pulido and Yates.

NOES: None.

ABSENT: Antonovich and Nelson.

RESOLUTION

After the seventh **WHEREAS...delete (in **BOLD STRIKEOUT**)** and add (in **BOLD DOUBLE UNDERLINE**) the following language:

“**WHEREAS**, the SCAQMD Governing Board has directed staff, consistent with current practices, to consider uncertainties associated with an approved test method prior to taking any compliance action. **For example, for Thin Film Energy Curable products, the uncertainty in ASTM Test Method 7767, for a product with VOC content of 10 g/l may yield up to 16 g/l as tested, and thus no compliance action will be taken;** and

WHEREAS, the SCAQMD Governing Board has directed staff to work with stakeholders to continue the development and use of appropriate alternative method(s) to determine an equivalent VOC content, **including the use of formulation data**, and”

27. Amend Rule 1155 – Particulate Matter (PM) Control Devices

Staff waived the oral presentation on Agenda Item 27.

The public hearing was opened and, there being no requests from the public to speak on this item, the public hearing was closed.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 27 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 14-8 CERTIFYING THE NOTICE OF EXEMPTION AND AMENDING RULE 1155, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Busciano, Cacciotti, Gonzales, Lyou, Mitchell, Parker, Pulido and Yates.

NOES: None.

ABSENT: Antonovich and Nelson.

(Supervisor Nelson arrived at 10:00 a.m.)

28. Amend Rule 102 – Definition of Terms

Naveen Berry, Planning and Rules Manager, gave the staff presentation and noted recommended modifications to PAR 102 and the adopting resolution as set forth in the errata sheet, copies of which were provided to the Board members and made available to the public.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 28.

KATY WOLF, Institute for Research and Technical Assistance

Thanked staff for narrowing the exemption for HFO-1233zd for vapor degreasers only; noted that the worker exposure limit of 800ppm set by the supplier, Honeywell, is in stark contrast to the limit of 2ppm determined from OEHHA analysis; and requested that the Board require Honeywell to institute a medical surveillance program for the workers using HFO-1233zd in vapor degreasers. (Submitted Written Comments)

RYAN HULSE and KIMBERLY MILLER, Honeywell

Expressed support for the original staff recommendation to fully exempt HFO-1233zd, which has been evaluated by OEHHA and found to be significantly less toxic than the currently used compound.

CRAIG ISAACS, PSC

Noted the need for a substitute product for HCFC-225, such as the replacement created by Honeywell, which is significantly less toxic than current compounds used by industry; and added that the exemption is most needed for solvent cleaning.

DOUG RAYMOND, National Aerosol Association

Expressed support for the original proposal for HFO-1233zd as an unrestricted exemption; noting that Honeywell has developed a compound that has low toxicity, low global warming potential and is less ozone depleting. He also complained about the last minute change in staff recommendation.

There being no further public testimony on this item, the public hearing was closed.

In response to Dr. Burke's question about the late decision to make the exemption restricted, Dr. Wallerstein commented that staff had revisited the data the day prior to the meeting to reach the final recommendation to the Board. He clarified that the recommendation would exempt vapor degreasing applications only, since the chemical currently used in that application is being phased out at the end of 2014. Given the dispute over the science, and the Board's past concerns about worker exposure and the potential resulting health effects, staff is proposing an additional six months to perform a more detailed analysis of the data, present the results to the Stationary Source Committee and subsequently return to the Board with a final recommendation.

Chairman Burke expressed concern for the late notice to stakeholders regarding the change to the exemption.

Supervisor Nelson suggested that it would be prudent to provide an unrestricted exemption for a brief period of time. This would allow staff to return to the Board with the restrictions rather than provide a list of restrictions and bring back the exemption.

Dr. Parker expressed the concern that industry should be provided appropriate notice in order to be given the opportunity to provide input. He agreed with the suggestion to continue the hearing to allow staff to make recommendations to the Board concerning what restrictions should be included in the proposed exemption.

Dr. Lyou commented that he understood Board members' concerns and recognized the lack of notice that should have been provided to industry regarding the narrowing of the exemption. He also noted the complexity and

problems associated with making decisions with regard to toxicity issues and possible health effects. He thought it would be helpful to have the input of a toxicologist in order to help the Board make informed decisions on these matters. He indicated he was amenable to staff's original proposal, but because of the notice issue, preferred an expedited return to the Board for the narrowing of the exemption.

(Supervisor Benoit left at approximately 10:25 a.m., during Board discussion.)

MOVED BY PARKER, SECONDED BY NELSON, AGENDA ITEM 28 APPROVED AS ORIGINALLY RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 14-9 CERTIFYING THE NOTICE OF EXEMPTION AND AMENDING RULE 102, **WITHOUT** THE MODIFICATIONS TO THE PROPOSED RULE AND THE RESOLUTION AS STATED ON THE ERRATA SHEET, BY THE FOLLOWING VOTE:

AYES: B. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Lyou, Nelson, Parker, Pulido and Yates.

NOES: Mitchell.

ABSENT: Antonovich and J. Benoit.

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

There was no public comment on non-agenda items.

CLOSED SESSION

The Board recessed to closed session at 10:35 a.m., pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the District is a party, as follows:

- Exide Technologies, Inc. v. SCAQMD, et al., Los Angeles Superior Court Case No. BC146770 (Writ of Mandate);

- People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528; United States District Court Case No. CV 14-1169 (Civil Penalties);
- In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31; and
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy case).

Following closed session, General Counsel Kurt Wiese announced that there were no reportable actions taken in closed session.

ADJOURNMENT

There being no further business, the meeting was adjourned by the General Counsel at 12:10 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on May 2, 2014.

Respectfully Submitted,

Rosalinda Diaz
Acting Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

CARB = California Air Resources Board

EV = Electric Vehicle

FY = Fiscal Year

MSDS = Material Safety Data Sheet

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

NOx = Oxides of Nitrogen

NOV = Notices of Violation

OEHHA = Office of Environmental Health Hazard Assessment

PAR = Proposed Amended Rule

PM_{2.5} = Particulate Matter ≤ 2.5 microns

RFP = Request for Proposals

RFQ = Request for Quotations

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compounds

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 2

PROPOSAL: Set Public Hearing July 11, 2014 to Consider Amendments and/or Adoption to AQMD Rules and Regulations:

Amend Rule 2449 – Control of Oxides of Nitrogen Emissions from Off-Road Diesel Vehicles. In May 2008, the Board adopted Rule 2449 implementing the Surplus Off-Road Opt-in for NOx (SOON) provisions of the State In-Use Off-Road Diesel Vehicle Regulation. On December 14, 2011, CARB amended the In-Use Off-Road Diesel Vehicle Regulation and removed Section 2449.2, Title 13 of the California Code of Regulation (CCR). As part of that action, CARB renumbered the SOON Provision Section 2449.3 to Section 2449.2. Staff is proposing an administrative amendment to SCAQMD Rule 2449 to revise the reference from Section 2449.3 to Section 2449.2 of Title 13 of the California Code of Regulation. (Reviewed: Mobile Source Committee, June 20, 2014)

The complete text of the proposed amendment, staff report, and other supporting documents are available from the District's Public Information Center, (909) 396-2550, and on the Internet (www.aqmd.gov) as of June 11, 2014.

RECOMMENDED ACTION:

Set Public Hearing July 11, 2014 to amend Rule 2449.

Barry R. Wallerstein, D.Env.
Executive Officer

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 3

PROPOSAL: Execute Contract to Evaluate Emissions Inventories and Model Performance using Mobile Smog Chamber Studies

SYNOPSIS: The amount of ozone formed in the atmosphere is a complex process dependent upon both ambient NO_x and VOC concentrations. The chemical transport models used in the AQMP attempt to simulate this dependence for regulatory decision-making. This action is to execute a 6-month contract with the University of California, Davis in an amount not to exceed \$49,982 to perform unique, proof-of-concept mobile smog chamber studies examining the sensitivity of ozone formation on NO_x and VOC levels at various locations in the South Coast Air Basin. These field measurements will help determine if this novel method can be used more broadly to evaluate emissions inventories, validate model performance, and enhance the ability to formulate effective ozone control strategies. Funding for this contract is budgeted in FY 2013-14 Budget as part of the U.S. EPA Section 105 Grant for the 22nd year of the PAMS program.

COMMITTEE: Administrative, May 9, 2014, Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a contract with the University of California, Davis for mobile smog chamber studies of ozone formation across the South Coast Air Basin in an amount not to exceed \$49,982.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

The South Coast Air Basin faces a significant challenge in meeting federal standards for Ozone by future Clean Air Act deadlines. Ozone is a secondary pollutant that is not emitted directly from sources, but is chemically formed in the atmosphere in the presence of sunlight from reactions of NO_x and VOCs. This chemical mechanism is highly complex and depends not only on NO_x and VOC levels, but also on the ratio of VOC to NO_x concentrations. Depending on the local VOC/NO_x ratio, an incremental reduction in NO_x emissions may have differing effects on ozone concentrations. Predicting changes in ambient ozone concentrations in response to changes in VOC and/or NO_x emissions is a critical element of the AQMP modeling.

The proposed contract will provide a proof-of-concept for ambient measurements of ozone sensitivity to the VOC/NO_x ratio at multiple locations in the Basin, which will ultimately improve our modeled predictions of the VOC and NO_x emissions reductions that are needed for attainment of the ozone standards.

Proposal

Dr. Michael Kleeman at the University of California, Davis has approximately 20 years of extensive experience in the measurement and modeling atmospheric reactions for ozone and particulate matter formation. Dr. Kleeman and his team will collect ambient air samples throughout the basin using three mobile Teflon chambers. Ozone concentration inside one of the Teflon chambers will be perturbed by adding a mixture of VOCs while ozone concentrations inside another chamber will be perturbed by adding NO_x. The third chamber will be used as a control. Ozone concentrations inside each chamber will be monitored as they are irradiated with a lamp capable of simulating sunlight. These experiments will allow researchers to determine the ozone concentration response to perturbations in NO_x and VOC concentrations throughout the basin. During the data analysis phase of the study, researchers will determine the locations that are highly sensitive to changes in NO_x and VOC concentrations. SCAQMD staff will then compare these results to model predictions at those times and locations.

With a relatively small investment in funds, these experiments will provide an important “proof-of-concept” for these types of measurements while also providing useful initial results. The comparison between point measurements and modeled results will lay the groundwork for more comprehensive field studies throughout the South Coast Air Basin. In addition, this work could also lead to the development of a smaller, lower-cost instrument to make similar measurements of ozone sensitivity on shorter timescales at more locations.

Benefits to SCAQMD

Results of these experiments will help to assess a promising method to validate and improve the ozone formation chemistry in the AQMP modeling, to evaluate the current emission inventories, and to improve the effectiveness of ozone control strategies.

Sole Source Justification

The criteria for a sole-source award of contracts funded with federal funds is addressed in section VIII.B.3.a of the Procurement Policy and Procedures. The contract is only available from a single source because the contractor team has unique experience and capabilities that are critical for the proposed study. In addition, the contractor team already owns the instrumentation necessary for the study. Furthermore, section VIII.B.2.d.8 of the Procurement Policy and Procedures allows for sole source contracts for research and development efforts with educational institutions or nonprofit organizations.

Resource Impacts

Funding for this contract is available in the FY 2013-14 Budget from the U.S. EPA Section 105 Grant for the 22nd Year PAMS program. These funds were recognized and appropriated by the Board at the November 1, 2013 meeting.

 [Back to Agenda](#)

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 4

PROPOSAL: Amend Contract for Enhancement of New Annual Emissions Reporting System

SYNOPSIS: In March 2012, the Board approved a contract with Ecotek Consulting Inc. to develop and implement a new Annual Emissions Reporting (AER) system that provides more efficient and accurate emissions data submittal to CARB and U.S. EPA, and also to integrate optional GHG emissions reporting. This action is to amend Ecotek's contract for an additional amount not to exceed \$235,370 for program enhancements as well as improvements to the existing features based on feedback received from the AER facilities. Funding for this contract is included in the FY 2013-14 and FY 2014-15 Budget. This brings the contract total to \$581,269 of which \$200,000 is funded from the U.S. EPA grant.

COMMITTEE: Administrative, May 9, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to amend the existing contract with Ecotek Consulting, Inc. for an additional amount not to exceed \$135,370 from the FY 2013-14 Budget and \$100,000 from the FY 2014-15 Budget.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Under SCAQMD's Annual Emission Reporting (AER) Program, there are approximately 2,000 facilities that are required to report their annual criteria and toxics emissions to the SCAQMD and pay emission fees in accordance with Rule 301(e) requirements. Additionally, facilities subject to the Air Toxics "Hot Spots" (AB 2588) program are required to report their quadrennial toxics emissions inventory through the AER Program. Consolidation of the AB 2588 toxics emission inventory reporting requirement into the AER program has improved the toxics emissions data quality and minimized the required resources for both the SCAQMD and regulated facilities.

As the need arose for faster submittal of emissions data to CARB and U.S. EPA, (i.e., the deadline for submitting the annual emissions data to CARB has become shorter by at least 90 days), it became essential to improve data collection efficiency. Furthermore, in 2011, SCAQMD was awarded a grant from U.S. EPA to integrate greenhouse gas reporting into the AER system to assist facilities in estimating their GHG emissions that are to be reported to the state and federal agencies, as applicable. In the meantime, the demand for reporting emissions data at a more detailed level is increased to support rulemaking, program review, and emission reduction credits applications. As such, development of a new AER reporting system became essential to provide a more user-friendly interface for facilities while maintaining consistency with CARB and U.S. EPA requirements.

In December 2011, the Board approved the release of an RFP to solicit proposals from qualified firms to develop a new AER system with an option to renew the contract for three additional years. Subsequently, in March 2012, the Board approved a contract with Ecotek Consulting Inc. to develop and implement the new AER system, using the initial \$103,921 in U.S. EPA grant funds combined with \$95,899 in SCAQMD funding. In March 2013, the Board approved amending the Ecotek contract to secure the 2nd installment of the U.S. EPA funds \$96,079 combined with \$50,000 from SCAQMD funding to include additional tasks as required by the EPA grant.

The new system was available as an option to the AER facilities for testing and reporting 2013 emissions. The use of this new system will be mandatory for the AER facilities to report future emissions data starting 2015.

Proposal

During the pilot testing and user feedback, additional enhancements were identified. These enhancements include, but are not limited to, providing the users with a report generating features for quality assurance/quality control purposes; importing previous year data; making the program lookup tables year-specific; uploading the most current facility permit profiles; adding specific reporting features for the RECLAIM NO_x and SO_x facilities; enhancing import function for tank emissions using EPA TANK 4.0 program by including additional features for data quality purposes; allowing selective

grouping of identical emission sources; developing an export program to compile the emission data into the CEDARS format for submittal to CARB; enhancing program security and performance; and revising documentation per SCAQMD system specification requirements such as database design, system configuration, deployment instructions, source code compilation and instructions, and performance testing.

Staff recommends that the Board authorize funding an additional amount not to exceed \$235,370 for the completion of the above tasks to ensure the smooth implementation of the new AER system.

Benefits to SCAQMD

The new emissions reporting system will include new features such as quality control, enhanced data management, standard and ad hoc reporting, and billing functions as well as integration of greenhouse gas emission reporting. The new system, once implemented, should provide additional enhancements which will help reduce staff resources currently required to administer the existing system. Furthermore, the new system would streamline data submittal to CARB and U.S. EPA in a more expedited manner and provide more detailed emission inventory to support rulemaking, policy development, and potential rule implementation.

Resource Impacts

Funds for this proposal in an amount not to exceed \$235,370 are available in the Planning, Rule Development and Area Sources Budget, Capital Outlays Major Object, Capital Outlays account of which \$135,370 is available in the FY 2013-14 Budget and \$100,000 is available in the FY 2014-15 Budget.

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 5

PROPOSAL: Execute Contract for Purchase and Installation of Seating for Auditorium and Conference Rooms at Diamond Bar Headquarters

SYNOPSIS: SCAQMD's current auditorium and conference room seating is over 22 years old and is in need of replacement. Repairing the existing seating is not a viable option, as replacement parts are no longer available. On November 1, 2013, the Board approved the release of an RFP to solicit bids from companies interested in providing this service. This action is to execute a contract with American Seating Company, for the purchase and installation of new audience seating in the auditorium and various conference rooms, at a cost not to exceed \$139,167. Funding for this contract is included in the FY 2013-14 Budget.

COMMITTEE: Administrative, May 9, 2014, Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a contract with American Seating Company, for the purchase and installation of audience seating in the auditorium and various conference rooms at SCAQMD headquarters, for an amount not to exceed \$139,167.

Barry R. Wallerstein, D.Env.
Executive Officer

WJ:BJ

Background

The existing audience seating in SCAQMD's auditorium and various conference rooms, was installed during the construction of the Diamond Bar facility in 1990-91. The life expectancy of the seating is from 15 to 20 years, depending on the use. The auditorium and adjacent conference rooms have been consistently utilized for SCAQMD Board meetings and events, Diamond Bar City Council meetings, and numerous public meetings over the past 22 years. Building Maintenance staff has made repairs to the seating in recent years, however, replacement parts are no longer available to complete the needed repairs. Purchase and installation of new audience seating has now become necessary. Installation of the new seating will also bring SCAQMD into compliance with current ADA standards and requirements. On February 7, 2014, the Board approved release of RFP# P2014-08R, to solicit bids from qualified companies, interested in providing the seating and installation.

Proposal

The 22-year old audience seating in SCAQMD's auditorium and various conference rooms are in need of replacement. Therefore, staff recommends that the Board execute a contract with American Seating Company, for an amount not to exceed \$139,167, for the purchase and installation of new audience seating in SCAQMD's auditorium and various conference rooms.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders were notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>). Information was also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

Proposal Evaluation

Six contractors attended the mandatory Bidder's Conference on February 20, 2014, and each received a copy of the RFP. Four proposals were received when final bidding closed at 2:00 p.m., on March 12, 2014. Three of the proposals were complete and met RFP requirements.

The evaluation panel included three SCAQMD employees: the Building Maintenance Manager, Business Services Manager, and a Principal Air Quality Instrument Specialist. Of these panel members, one is African-American, one is Caucasian, and one is Hispanic; one is female and two are male.

Evaluation of the three proposals was based on criteria specified in the RFP, which included cost, understanding of requirements, contractor qualifications, and references regarding past work experience. The attached summary lists responsive bidders and their scores. Staff recommends the contract be awarded to American Seating Company, the firm that submitted the highest-rated bid.

Resource Impacts

Funding for this contract, in the amount not to exceed \$139,167, is included in the FY 2013-14 District General Budget, Capital Outlays account.

Attachment

Evaluation Summary

ATTACHMENT

PROPOSAL EVALUATION SUMMARY

RFP #P2014-08R

Conference Seating Replacement

Vendor	Cost	Cost Points	Technical Points	Additional Points	Total Points
American Seating Company	\$ 139,167	50	44.9	0	94.9
Sierra School Equipment Company	\$ 166,995	40.8	42.1	0	82.9
Office Interiors Plus	\$ 177,145	37.8	33.1	15	85.9

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 6

PROPOSAL: Execute Contract for Workers' Compensation Claims Third-Party Administration

SYNOPSIS: The current contract for workers' compensation claims administration services expires June 30, 2014. On March 7, 2014, the Board approved release of an RFP to solicit proposals from firms interested in providing these services. This action is to execute a new three-year contract with AdminSure, Inc., through June 30, 2017, for a total amount not to exceed \$55,087. Funding for this contract has been requested in the FY 2014-15 Budget, and will be requested in successive fiscal years.

COMMITTEE: Administrative, May 9, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a three-year contract for the period July 1, 2014, through June 30, 2017, with AdminSure, Inc., to perform workers' compensation claims third-party administration in an amount not to exceed \$18,000 for FY 2014-15, \$18,360 for FY 2015-16, and \$18,727 for FY 2016-17, with an option to extend the contract for up to two additional years at SCAQMD's discretion.

Barry R. Wallerstein, D.Env.
Executive Officer

WJ

Background

SCAQMD currently contracts with ACME Administrators Inc., to provide workers' compensation claims third-party administration services. The current contract expires June 30, 2014. On March 7, 2014, the Board approved release of RFP #P2014-15 to solicit proposals from workers' compensation claims administrators interested in providing these services for the next three-year period.

The workers' compensation claims third-party administrator assists risk management staff with the reporting of employee injuries to the State Department of Industrial Relations - Workers' Compensation Division, provides case management services to ensure treatment is appropriate and cost-effective, makes timely and accurate disability payments to injured employees, pays medical bills to vendors, hospitals, and physicians according to state-approved fee schedule guidelines, provides SCAQMD weekly cost reports, and files annual workers' compensation loss reports with the State Self-Insured Plans.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the entire South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP was mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's web site (<http://www.aqmd.gov/rfp/>). Information was also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

Bid Evaluation

A total of 11 copies of the RFP were mailed to workers' compensation claims administrators. Eight proposals were received by the deadline for submittal at 3:00 p.m., April 9, 2014. Six were deemed complete and responsive. The panel scored the six responsive proposals based on criteria set forth in the RFP, namely, demonstration of an understanding of the scope of work, demonstrated technical expertise in claims administration, and relevant public-sector claims administration experience. Costs were scored based on three-year costs as reported in proposals.

The panel evaluating the proposals included a Human Resources/ Risk & Safety Manager, and three employees from SCAQMD, including a Human Resources Analyst, a Senior Deputy District Counsel, and a Principal Deputy District Counsel. Of these, one is Asian-Pacific Islander, one is Hispanic, and two are Caucasian; one is male, and three are female.

AdminSure, Inc. received the highest rating. The firm has demonstrated superior experience and expertise in workers' compensation claims administration and a commitment to working towards an environmentally friendly "paperless" system.

Proposal

This action is to execute a contract with AdminSure, Inc., for the period July 1, 2014, through June 30, 2017, to provide workers' compensation claims administration, with an option to extend the contract for up to two additional years at SCAQMD's discretion.

Resource Impacts

The cost for this three-year contract is not to exceed \$18,000 for FY 2014-15, \$18,360 for FY 2015-16, and \$18,727 for FY 2016-17. Funding was requested in the FY 2014-15 Budget, and will be requested in successive budget years.

Attachment

Attachment A – Proposal Evaluation Summary

ATTACHMENT A

PROPOSAL EVALUATION SUMMARY

RFP 2014-15 Workers' Compensation Claims Third-Party Administration

Vendor	3-Year Cost	Cost Points	Technical Points	Additional Points	Total Points
AdminSure, Inc.	\$55,087	30	67	15	112
TRISTAR Risk Management	\$64,513	25	64	5	94
Keenan Associates	\$82,891	19	66	5	90
ACME Administrators, Inc.	\$112,716	14	60	15	89
CCMS	\$116,550	13	60	15	88
Intercare Holdings Insurance Services, Inc.	\$99,772	16	62	5	83

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 7

PROPOSAL: Issue Purchase Order for Dedicated CNG Sedans

SYNOPSIS: On April 4, 2014, the Board approved funding of \$600,000 in the FY 2013-14 General Fund Budget from one-time revenues for the replacement of high mileage-high maintenance vehicles in SCAQMD's fleet, which are nearing CNG tank expiration within the next 12 months. On April 11, 2014, the Executive Officer approved release of an RFQ to competitively select a vendor from which to purchase these vehicles. This action is to issue a purchase order with DCH Gardena Honda, for up to 20 dedicated CNG Honda Civic sedans, at a cost not to exceed \$561,100. Funds are available in the FY 2013-14 Budget.

COMMITTEE: Administrative, May 9, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to issue a purchase order with DCH Gardena Honda for an amount not to exceed \$561,100, for the purchase of 20 new 2014 dedicated CNG Honda Civic sedans.

Barry R. Wallerstein, D.Env.
Executive Officer

WJ:SO

Background

To reduce the number of high-mileage, high-maintenance cost vehicles in the fleet, SCAQMD budgets annually for replacement vehicles. The CNG tanks of many of the older, high-mileage vehicles in SCAQMD's fleet are due to expire within the next 12 months. The Governing Board appropriated funding at its April 4, 2014 meeting, in the FY 2013-14 Budget, for the purchase of up to 20 dedicated CNG vehicles. On April 11, 2014, the Executive Officer authorized release of an RFQ to solicit quotes for the purchase of dedicated CNG vehicles.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFQ was e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>). Information was also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

Proposal Evaluation

Twenty copies of the RFQ were mailed out, and eight bids were received by the close of bidding at 2:00 p.m., April 25, 2014. Of those received, seven bids were deemed complete and responsive to the RFQ requirements.

The evaluation panel included three SCAQMD employees: the Business Services Manager, the Fleet Services Supervisor, and a Staff Specialist. Of these panel members, three are Hispanic; two are female and one is male.

All seven proposers submitted bids for CNG Honda Civics, which met the requirements for the CNG sedans specified in the RFQ. The attached summary lists responsive bidders and their scores. While Pacific Honda had the lowest priced Vehicle Unit Cost, they are not a local business and did not guarantee off-peak hour delivery. Therefore, staff recommends issuing a purchase order with DCH Gardena Honda, a local business with off-peak hour delivery, for the purchase of 20 new 2014 dedicated CNG Honda Civics, in an amount not to exceed \$561,100.

Resource Impacts

Sufficient funds for the purchase of these 20 replacement vehicles are available in the FY 2013-14 Budget.

Attachment

Bid Evaluation Summary

ATTACHMENT A

BID EVALUATION SUMMARY

RFQ 2014-09 Purchase of Dedicated CNG Vehicles

Vendor	Vehicle Unit Cost	Total Cost for 20 Vehicles	Total Cost for 20 Vehicles (Adjusted for Preference % Points)	Preference Percentage Points
DCH Gardena Honda	\$ 28,053	\$ 561,067	\$ 538,762	4%
Scott Robinson Honda	\$ 28,054	\$ 561,089	\$ 549,937	2%
Pacific Honda	\$ 27,881	\$ 557,623	\$ 557,623	0%
Fladeboe Automotive Group	\$ 28,536	\$ 570,718	\$ 559,566	2%
Goudy Honda	\$ 29,156	\$ 583,126	\$ 571,974	2%
Unicars Honda	\$ 29,655	\$ 593,091	\$ 581,939	2%
Wondries Fleet Group	\$ 30,781	\$ 615,611	\$ 593,306	4%

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 8

PROPOSAL: Establish List of Prequalified Providers for Temporary Employment Services

SYNOPSIS: On March 7, 2014, the Board approved release of an RFQ for temporary employment services. This action is to establish a list of prequalified agencies that will be used as needed to obtain temporary employment services for a three-year period, from July 1, 2014 to June 30, 2017.

COMMITTEE: Administrative, May 9, 2014, Recommended for Approval

RECOMMENDED ACTION:

Approve the agencies listed in Attachment B as prequalified vendors to provide temporary employment services, as needed, from July 1, 2014, through June 30, 2017.

Barry R. Wallerstein, D.Env.
Executive Officer

WJ:BB

Background

On March 7, 2014, the Board approved release of RFQ #Q2014-04 to establish a list of prequalified temporary employment services agencies from which temporary employment services can be purchased, as needed, over the next three-year period, covering July 1, 2014 through June 30, 2017.

The RFQ covered four major categories of temporary staffing: office/clerical, field/technical, laboratory support, and computer-related services. When temporary staffing is needed, competitive bids are solicited from all prequalified providers listed for the respective job category. Final selection of a candidate is based on the cost to SCAQMD, the fit between job skills of temporary personnel available and SCAQMD's staffing needs, the pay provided the temporary employee, and the ability of the temporary employment services agency to provide any related services that might be needed. If temporary staffing needs arise that cannot be met by any of the prequalified agencies, other agencies may be selected to provide such staffing services.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders were notified by utilizing SCAQMD's own electronic list of certified minority vendors. Notice of the RFQ was e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>). Information was also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

Bid Evaluation

Over 120 notices of the RFQ were mailed out, and 24 proposals were received by the close of bidding at 2:00 p.m., April 9, 2014. Of those received, 23 proposals were deemed complete and contained the required documentation specified in the RFQ.

The panel evaluating proposals included a Senior Enforcement Manager, a Human Resources Manager, and an Acting Human Resources Analyst. Of these three panel members, one is African-American and two are Caucasian; one is female and two are male.

The panel evaluated the 23 proposals based on criteria specified in the RFQ, which included agency qualifications and responsiveness to the RFQ (Technical Score), and cost competitiveness (Cost Score), for a total of 100 points possible. In accordance with SCAQMD policy, additional points were awarded to agencies qualifying as a local business, small business, or disabled veteran business, as well as agencies subcontracting with small businesses or disabled veteran businesses.

Of the 23 proposals evaluated, 18 received the required minimum qualifying score of 65 or higher, out of a possible 100 points (Technical + Cost). Attachment A summarizes the results of the scoring process. Those 18 companies are recommended as qualified to provide temporary employment services in one or more of the categories sought, as listed in Attachment B. Of the 18 companies, all qualified as a local business and eight qualified as a small business enterprise (SBE).

Proposal

Staff recommends approval of the agencies listed in Attachment B as prequalified to provide SCAQMD temporary employment services, as needed, through June 30, 2017.

Resource Impacts

There are no direct resource impacts relating to the prequalification of temporary employment services providers. The amount allocated for temporary employment services for each organizational unit is approved by the Board as part of SCAQMD's budget process.

Attachments

A – Evaluation Summary

B – Prequalified List of Temporary Employment Services Providers

ATTACHMENT A

EVALUATION SUMMARY

RFQ 2014-04 Temporary Employment Services Providers

Vendor	Qualifying Score (Technical + Cost)	Additional Points	Total Points
SIERRA CYBERNETICS	96.7	15.0	111.7
ADVANCED RESOURCES, LLC	81.0	15.0	96.0
ENTERPRISE RESOURCE SERVICES	79.0	15.0	94.0
AMVIGOR ENGINEERING SERVICES	78.3	15.0	93.3
MIDCOM DIVISION-ANAHEIM, CA	85.0	5.0	90.0
SUPERBTECH, INC.	74.3	15.0	89.3
SYNERGY SYSTEMS, INC.	74.0	15.0	89.0
LOGIN CONSULTING SERVICES, INC.	80.7	5.0	85.7
APPLEONE EMPLOYMENT SERVICES	78.7	5.0	83.7
PARTNERS IN DIVERSITY, INC.	68.3	15.0	83.3
LG PROFESSIONALS, INC.	68.0	15.0	83.0
LLOYD STAFFING, INC.	75.0	5.0	80.0
ADECCO USA, INC.	72.3	5.0	77.3
PHOENIX ENGINEERING, INC.	71.0	5.0	76.0
APR CONSULTING, INC.	70.3	5.0	75.3
PRELUDE SYSTEMS, INC.	68.0	5.0	73.0
JM TEMPORARY SERVICES	65.3	5.0	70.3
SOURCE ONE STAFFING	65.3	5.0	70.3

ATTACHMENT B

PREQUALIFIED LIST Temporary Employment Services Providers

July 1, 2014 – June 30, 2017

VENDOR	STAFFING CATEGORIES			
	Office/ Clerical	Field/ Technical	Lab Support	Computer Related
ADECCO USA, INC.	X	X	X	X
ADVANCED RESOURCES, LLC	X	X	X	X
AMVIGOR ENGINEERING SERVICES	X	X	X	X
APPLEONE EMPLOYMENT SERVICES	X	---	---	X
APR CONSULTING, INC.	X	X	X	X
ENTERPRISE RESOURCE SERVICES	X	X	X	X
JM TEMPORARY SERVICES	X	X	X	X
LG PROFESSIONALS, INC.	X	X	X	X
LLOYD STAFFING, INC.	X	--	X	X
LOGIN CONSULTING SERVICES, INC.	--	--	--	X
MIDCOM DIVISION-ANAHEIM, CA	X	X	X	X
PARTNERS IN DIVERSITY, INC.	X	---	---	X
PHOENIX ENGINEERING, INC.	X	---	---	X
PRELUDE SYSTEMS, INC.	---	---	---	X
SIERRA CYBERNETICS	X	X	X	X
SOURCE ONE STAFFING	X	X	X	X
SUPERBTECH, INC.	---	--	X	X
SYNERGY SYSTEMS, INC.	---	---	---	X



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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 9

PROPOSAL: Approve Contract Awards and Modification Approved by MSRC

SYNOPSIS: The MSRC approved one new contract under the Signal Synchronization Partnership Program, as well as a contract value increase under the Alternative Fuel School Bus Incentives Program, as part of their FYs 2012-14 AB 2766 Discretionary Fund Work Program. At this time the MSRC seeks Board approval of the contract award and modification under the FYs 2012-14 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, May 15, 2014, Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve a funding augmentation to existing contract #MS14009 with A-Z Bus Sales in an amount not to exceed \$90,000 under the Alternative Fuel School Bus Incentives Program as part of approval of the FYs 2012-14 Work Program, as described in this letter;
2. Approve the award of a sole source contract to San Bernardino Associated Governments, in an amount not to exceed \$1,250,000, to implement signal coordination and related projects within San Bernardino County under the Signal Synchronization Partnership Program, as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program, as described in this letter;
3. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and

4. Authorize the Chairman of the Board to execute new and modified contracts under FYs 2012-14 Work Program, as described above and in this letter.

Larry McCallon,
Vice Chair, MSRC

MM:HH:CR

Background

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvended to the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

The MSRC completed selecting categories and targeted funding amounts for the FYs 2012-14 Work Program in May 2013. Five solicitation documents have already been developed and released. At its May 15, 2014 meeting, the MSRC considered a recommended award under the Signal Synchronization Partnership Program, as well as a recommended contract modification. Details are provided below in the Proposals section.

Proposals

At its May 15, 2014 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

Alternative Fuel School Bus Incentives Program

As part of the FYs 2012-14 Work Program, the MSRC allocated \$2.0 million for the implementation of an Alternative Fuel School Bus Incentives Program. The MSRC previously deemed A-Z Bus Sales qualified for Program participation and authorized them to offer buy-down incentives to qualifying school districts or private providers of pupil transportation. In November 2013, the MSRC approved an initial award to A-Z Bus Sales, and in subsequent actions the MSRC approved contract value increases to incentivize additional buses ordered. In May, the MSRC approved a new request from A-Z Bus Sales for an additional \$90,000 to incentivize ten conventional body liquefied petroleum gas buses ordered by Tumbleweed Transportation as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program.

Signal Synchronization Partnership Program

As an element of the FYs 2012-14 Work Program, the MSRC allocated \$5.0 million for a program to partner with cities, County Transportation Commissions (CTCs) and others to implement signal synchronization projects. The program is intended to provide a portion of the funding for projects, which when combined with other funding sources would accelerate the projects' implementation. Because CTCs typically solicit and co-fund the majority of signal synchronization projects within their respective jurisdictions, the MSRC determined that the CTCs would have the best overall perspective regarding the state of traffic signal coordination within their respective regions as well as knowledge of where funding could most effectively be applied. Therefore, the MSRC asked CTCs to bring forward work plans proposing projects for funding. Other interested entities would then participate in the projects via separate agreements with the CTCs. To date, the MSRC had awarded a total of \$3,439,625 for three work plans under this Program.

A new work plan has been received from San Bernardino Associated Governments (SANBAG). The MSRC-TAC unanimously recommended, and the MSRC unanimously approved, the award of a contract to SANBAG, in an amount not to exceed \$1,250,000, to implement signal coordination and related projects on regionally significant corridors within San Bernardino County under the Signal Synchronization Partnership Program, as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program. Specific projects include: fiber optic interconnect in Yucaipa; Baseline/5th Street/Greenspot Road signal coordination and technology upgrades in Highland; a five-corridor multi-jurisdictional project centered in Highland; Mt. Vernon/Washington signal coordination in Colton; expansion of the traffic management center in Ontario; updating the central traffic control system in Chino; and coordinating adjacent intersections with Caltrans signals in Rancho Cucamonga.

At this time the MSRC requests the SCAQMD Board to approve the contract awards as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority to execute all agreements described in this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

Sole-Source Justification

As an element of its FYs 2012-14 Work Program, the MSRC allocated \$5 million for a program to partner on traffic signal synchronization and related projects. As discussed in Proposals above, this program will be implemented by initiating sole-source contracts with CTCs. While the MSRC and SCAQMD strive to retain technical services on a competitive basis, the SCAQMD Procurement Policy and Procedure recognizes that, at times, the required services are available from only one source, making the pursuit of a competitive procurement futile. SANBAG solicits and co-funds traffic signal coordination projects within its sub-region of the SCAQMD jurisdiction. Thus,

SANBAG has a unique perspective regarding the state of traffic signal coordination within its region, as well as knowledge of where funding can most effectively be applied.

This request for a sole source award to SANBAG is made under provision VIII.B.2.c.(1): The desired services are available from only the sole source due to the unique experience and capabilities of the proposed contractor or contractor team.

Resource Impacts

The SCAQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.

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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 10

PROPOSAL: Legislative and Public Affairs Report

SYNOPSIS: This report highlights the April 2014 outreach activities of Legislative and Public Affairs, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, and Outreach to Business and Federal, State, and Local Government.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

LBS:DJA:MC:DM

BACKGROUND

This report summarizes the activities of Legislative and Public Affairs for April 2014. The report includes four major areas: Environmental Justice Update; Community Events/Public Meetings (including the Speakers Bureau/Visitor Services, Communications Center, and Public Information Center); Business Assistance; and Outreach to Business and Federal, State, and Local Governments.

ENVIRONMENTAL JUSTICE UPDATE

The following are key environmental justice-related activities in which staff participated during the month of April. These events involve communities that may suffer disproportionately from adverse air quality impacts.

April 9

- SCAQMD hosted a Town Hall Meeting in Thermal where staff presented information on air monitoring in the Coachella Valley, projects funded by the AB 1318 Mitigation Fee Fund, and school filter installations.
- Staff represented SCAQMD at the Inland Valley Environmental Justice Task Force meeting and provided information on the relocation of a nearby rendering plant.

April 10

- Staff participated in the Long Beach Public Health Week Conference and provided information on SCAQMD, clean technology, and the health effects of air pollution.

April 16

- Staff represented SCAQMD at the Coachella Valley Environmental Justice Taskforce meeting in Palm Desert and provided an update on the Town Hall Meeting held in Thermal as well as information on the Lawn Mower Exchange program and Clean Air Awards.

April 17

- Staff represented SCAQMD at the Inland Empire Asthma Coalition meeting and provided information on the Clean Air Awards, Lawn Mower Exchange program, and SCAQMD's workshop at the ACT Expo.

April 22

- Staff participated in the Community Hospital of San Bernardino's Earth Day event and provided information on SCAQMD and the Lawn Mower Exchange program.

April 23

- Staff participated in the Whittier/Avocado Heights Clean Air Coalition community meeting and presented on the SCAQMD and how to file an air quality complaint.
- Staff represented SCAQMD at the Riverside County Health Coalition meeting and provided information on the Clean Air Awards, Lawn Mower Exchange program, and SCAQMD's workshop at the ACT Expo.

COMMUNITY EVENTS/PUBLIC MEETINGS

Each year, thousands of residents engage in valuable information exchanges through events and meetings that SCAQMD sponsors either alone or in partnership with others. Attendees typically receive the following information:

- Tips on reducing their exposure to smog and its health effects;
- Clean air technologies and their deployment;
- Invitations or notices of conferences, seminars, workshops and other public events;
- Ways to participate in SCAQMD's rule and policy development; and
- Assistance in resolving air pollution-related problems.

SCAQMD staff attended and/or provided information and updates at the following events:

April 3

- Mayfair Middle/High School 5th Annual Career Fair, Lakewood.

April 5

- Cucamonga Valley Water District Earth Day Event, Rancho Cucamonga.

April 6

- Star Eco Station Children's Earth Day Event, Environmental Science Museum & Exotic Wildlife Rescue Facility, Culver City.

April 11

- Jet Propulsion Laboratory Climate Day Event, Pasadena Convention Center.

April 12

- Los Angeles Sanitation Districts Earth Day 2014 Event, Whittier.
- Earth Day Event at Gilman Historic Ranch and Wagon Museum, Gilman Historic Ranch, Banning.
- Bolsa Chica Wetlands Earth Day Event, Bolsa Chica Conservancy, Huntington Beach.

April 17

- Chino Creek Wetlands Earth Day Event, Inland Empire Utilities Agency, Chino.

April 19

- Lewis Apartment Communities Resource Fair, Homecoming Terra Vista, Rancho Cucamonga.
- City of Colton Earth Day Event, Colton City Hall.
- Coachella Earth Day Festival, Esperanza Youth & Family Center Inc., Coachella.

April 22

- Earth Day 2014, The Road to a Waste-Free Future, Alhambra.
- Earth Night in the Garden, Western Municipal Water District, Riverside.
- University of Southern California's Staff Assembly Earth Day Celebration Event, Los Angeles.
- Kaiser Permanente and Goodwill Southern California Earth Day E-Waste Event, Baldwin Park.
- 2014 San Bernardino Community Hospital Earth Day Extravaganza Event.
- Orange County Transportation Authority, BikeShare Dedication & Earth Day Event, Fullerton.

April 23

- The Water Garden, Earth Day 44th Birthday Celebration, Santa Monica.
- Earth Day at East Los Angeles College, Monterey Park.

April 24

- Santa Fe High School Earth Day Event, Santa Fe Springs.
- University of Southern California's Earth Day Fair, Los Angeles.
- San Pedro High School Earth Day Event.

April 25/26

- 7th Annual Costa Mesa Community Run, Fairview Park, Costa Mesa.

April 26

- 6th Annual Claremont Earth Day Celebration, Claremont Village.
- Earth Day Concert and Celebration, Polliwog Park, Manhattan Beach.
- Earth Day in the Garden, Stephen M. White Middle School community garden, Carson.
- Air Power Games 2014, Santa Ana College.

SPEAKERS BUREAU/VISITOR SERVICES

SCAQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals and health-based organizations. SCAQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

April 4

- Staff presented an overview of SCAQMD, air quality, and led a tour of the agency's Diamond Bar headquarters, laboratory, and alternative fuel vehicles to 17 students from the University of Southern California in Los Angeles.

April 17

- Staff presented an overview of SCAQMD and air quality to 50 attendees from the Providence Little Company of Mary Hospital/PEP Pioneers in Torrance.

April 18

- Staff presented an overview of SCAQMD, air quality and displayed two alternative fuel vehicles to students in the environmental science class at Wilson High School in Hacienda Heights.

April 23

- Staff presented an overview of SCAQMD, regional air quality and environmental issues to 40 students at the ITT Technical Institute in Sylmar.

April 25

- Staff presented an overview of SCAQMD, air quality, and gave a tour of the agency's Diamond Bar headquarters and laboratory. In addition, staff demonstrated an alternative fuel vehicle to two attendees from the Methodist Hospital Foundation in Arcadia.
- Staff presented an overview of SCAQMD, air quality, and led a tour of the agency's Diamond Bar headquarters and laboratory, and displayed an alternative fuel cell vehicle to 17 students from Pomona College.

COMMUNICATION CENTER STATISTICS

The Communication Center handles calls on the SCAQMD main line, 1-800-CUT-SMOG[®] line and Spanish line. Calls received in the month of April 2014 are summarized below:

Main Line Calls	2,992
1-800-CUT-SMOG [®] Line	1,667
After Hours Calls*	292
Spanish Line Calls	<u>76</u>
<i>Total Calls</i>	5,027

* Saturdays, Sundays, holidays, and after 7:00 p.m. Monday through Friday.

PUBLIC INFORMATION CENTER STATISTICS

The Public Information Center (PIC) handles phone calls and walk-in requests for general information. Information for the month of March 2014 is summarized below:

Calls Received by PIC Staff	58
Calls to Automated System	<u>1,152</u>
<i>Total Calls</i>	1,210

Visitor Transactions	210
E-Mail Advisories Sent	66,934

BUSINESS ASSISTANCE

SCAQMD notifies local businesses of proposed regulations so they can participate in the agency’s rule development process. SCAQMD also works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provides personalized assistance to small businesses both over the telephone and via on-site consultation. The information is summarized below.

- Conducted two free on-site consultations
- Provided assistance on one request for a variance
- Provided permit application assistance to 122 companies
- Issued 27 clearance letters

Types of business assisted:

Restaurants	Dry cleaners	Communications center
Gas stations	Machine shop	Auto & boat repair shops
Auto body shops	General contractors	Seed packaging & distribution
Food manufacturer	Metal plating facilities	Cabinet/furniture manufacturers

OUTREACH TO COMMUNITY GROUPS AND FEDERAL, STATE, AND LOCAL GOVERNMENTS

Field visits and communications were conducted with elected officials or staff from the following cities:

Alhambra	Beverly Hills	Claremont	Diamond Bar
Agoura Hills	Big Bear Lake	Coachella	Downey
Aliso Viejo	Bradbury	Colton	Duarte
Anaheim	Brea	Commerce	Eastvale
Arcadia	Buena Park	Compton	El Monte
Artesia	Burbank	Corona	El Segundo
Avalon	Calabasas	Costa Mesa	Fontana
Azusa	Calimesa	Covina	Fountain Valley
Baldwin Park	Canyon Lake	Cudahy	Fullerton
Banning	Carson	Culver City	Garden Grove
Beaumont	Cathedral City	Cypress	Gardena
Bell	Cerritos	Dana Point	Glendale
Bell Gardens	Chino	Desert Hot	Glendora
Bellflower	Chino Hills	Springs	Grand Terrace

Hawaiian Gardens	Lake Forest	Palos Verdes Estates	Santa Clarita
Hawthorne	Lakewood	Paramount	Santa Fe Springs
Hemet	Lawndale	Pasadena	Santa Monica
Hermosa Beach	Loma Linda	Perris	Seal Beach
Hidden Hills	Lomita	Pico Rivera	Sierra Madre
Highland	Long Beach	Placentia	Signal Hill
Huntington Beach	Los Alamitos	Pomona	South El Monte
Huntington Park	Los Angeles	Rancho Cucamonga	South Gate
Indian Wells	Lynwood	Rancho Mirage	South Pasadena
Indio	Malibu	Rancho Palos Verdes	Stanton
Industry	Manhattan Beach	Rancho Santa	Temecula
Inglewood	Maywood	Margarita	Temple City
Irvine	Menifee	Redlands	Torrance
Irwindale	Mission Viejo	Redondo Beach	Tustin
Jurupa Valley	Monrovia	Rialto	Upland
La Cañada Flintridge	Montclair	Riverside	Vernon
La Habra	Montebello	Rolling Hills	Villa Park
La Habra Heights	Monterey Park	Rolling Hills Estates	Walnut
La Mirada	Moreno Valley	Rosemead	West Covina
La Palma	Murrieta	San Bernardino	West Hollywood
La Puente	Newport Beach	San Clemente	Westlake Village
La Quinta	Norco	San Dimas	Westminster
La Verne	Norwalk	San Fernando	Whittier
Laguna Beach	Ontario	San Gabriel	Wildomar
Laguna Hills	Orange	San Jacinto	Yorba Linda
Laguna Niguel	Palm Desert	San Juan Capistrano	Yucaipa
Laguna Woods	Palm Springs	San Marino	
Lake Elsinore		Santa Ana	

Visits and/or communications were conducted with elected officials or staff from the following state and federal offices:

- U.S. Senator Barbara Boxer
- U.S. Senator Dianne Feinstein
- U.S. Congressman Ken Calvert
- U.S. Congresswoman Judy Chu
- U.S. Congressman Dana Rohrabacher
- U.S. Congressman Mark Takano
- U.S. Congressman Raul Ruiz
- U.S. Congressman Bill Shuster
- State Senator Joel Anderson
- State Senator Anthony Cannella
- State Senator Lou Correa
- State Senator Noreen Evans
- State Senator Jean Fuller

- State Senator Loni Hancock
- State Senator Ed Hernandez
- State Senator Jerry Hill
- State Senator Hannah-Beth Jackson
- State Senator Richard Lara
- State Senator Carol Liu
- State Senator William Monning
- State Senator Fran Pavley
- State Senator Richard Roth
- State Senator Mimi Walters
- Assembly Member Travis Allen
- Assembly Member Ed Chau
- Assembly Member Chris Holden
- Assembly Member Brian Jones
- Assembly Member Jose Medina
- Assembly Member Melissa Melendez
- Assembly Member Brian Nestande
- Assembly Member Manuel Perez
- Assembly Member Sharon Quirk-Silva
- Assembly Member Marie Waldron

Staff represented SCAQMD and/or provided a presentation to the following groups:

Audio Engineering Society (AES) in California, Los Alamitos
 Alhambra Chamber of Commerce
 American Cancer Society, Riverside
 American Heart Association, Riverside
 American Lung Association, Inland Valley
 Banning Chamber of Commerce
 Beaumont Adult School
 Beaumont Chamber of Commerce
 Brea Chamber of Commerce
 Cabazon Band of Mission Indians
 California League of Cities, Riverside County Division
 California State University, Fullerton
 Clean Air Coalition Group of North Whittier & Avocado Heights
 Coalition for Tobacco Free Communities, Riverside County
 Coachella Valley Environmental Justice Task Force
 El Segundo Chamber of Commerce
 Encino Chamber of Commerce
 Environmental Charter High School, Lawndale
 Green Garden Group, Los Angeles
 Fullerton College
 Gateway Cities Council of Governments
 Greater Riverside Chambers of Commerce

Hemet/San Jacinto Chamber of Commerce
 Inglewood Chamber of Commerce
 Inland Empire Asthma Coalition, ALA
 Inland Valley Environmental Justice Task Force
 League of California Cities, Los Angeles County Division
 League of California Cities, Orange County Division
 Los Angeles Business Council
 Moreno Valley Chamber of Commerce
 North Orange County Legislative Alliance
 OmniTrans Public Transit Agency, San Bernardino
 Orange County Council of Governments
 Orange County Transportation Authority
 Redlands Chamber of Commerce
 Redondo Beach Sea Lab
 Riverside County Health Coalition
 Riverside County Health Department
 Riverside County Department of Environmental Services
 Riverside County Transportation Commission
 Riverside Transit Agency (RTA)
 Riverside Unified School District
 Riverside Water District
 San Bernardino Associated Governments
 San Bernardino Chamber of Commerce
 San Gabriel Valley Council of Governments
 San Gabriel Valley Economic Partnership
 Santa Monica Chamber of Commerce
 Soboba Indian Tribe, San Jacinto
 South Bay Environmental Service Center, Torrance
 Southern California Association of Governments, Orange County District
 Southern California Association of Government, Los Angeles County District
 State Compensation Insurance Fund, Southern California Claims, Riverside Department
 South Orange County Economic Coalition
 South Pasadena Chamber of Commerce
 Upland Chamber of Commerce
 Westminster Chamber of Commerce
 Western Riverside County Council of Governments
 Western Riverside County Transportation NOW (RTA)

- Greater Riverside Chapter, Riverside
- Hemet/San Jacinto Chapter, Hemet
- Moreno Valley/Perris Chapter, Moreno Valley
- Northwest Chapter, Corona
- Southwest Chapter, Meniffee

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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 11

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of April 1 through April 30, 2014.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file this report.

Edward Camarena
Chairman of Hearing Board

SM

Two summaries are attached: **Rules From Which Variances and Orders for Abatement Were Requested in 2014** and **April 2014 Hearing Board Cases**.

The total number of appeals filed during the period April 1 to April 30, 2014 is 2; and total number of appeals filed during the period of January 1 to April 30, 2014 is 4.

Report of April 2014 Hearing Board Cases

Case Name and Case No.	Rules	Reason for Petition	District Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Exide Technologies, Inc. Case No. 3151-31 (N. Feldman and T. Barrera)	203(b) 1420.1(f)(3) 2004(f)(1) 3002(c)(1)	Petitioner cannot comply with R1420.1 lead emissions requirements.	Denied/Opposed	RV denied.	N/A
2. Matrix Oil Corporation Case No. 5776-2 (B. Gilchrist)	203(b)	Gas disposal flare is being operated in excess of the permitted annual hour limit.	Dismissed/Opposed	IV dismissed without prejudice for lack of Good Cause.	N/A
3. Ontario West Travel Centers Case No. 5984-1 (N. Sanchez)	203(b) 461(e)(2) 461(e)(5)	GDF operating with blocked vents.	Granted/Not Opposed	SV granted commencing 4/10/14 and continuing through 5/30/14.	None
4. SCAQMD vs. Inland Valley Regional Medical Center Case No. 5982-1 (N. Sanchez)	1146.2(c)(5)	Respondent operates two boilers with NOx and CO exceeding emission limits.	Issued/Stipulated	O/A issued commencing 4/14/14 and continuing through 10/31/14. The Hearing Board shall retain jurisdiction over this matter until 10/31/14 or until all Conditions and Increments of Progress are met, whichever occurs first.	N/A
5. SCAQMD vs. Laureana Rosas, Jose Ortega and Delia Ortega, individually and dba Normandie Cleaners Case No. 5983-1 (K. Manwaring)	203(a) 1102(f)(1)	Respondent operates dry cleaning equipment without valid permit to operate.	Issued/Not Stipulated	O/A issued 4/16/14 and stayed until close of business on 04/18/14. The Hearing Board shall retain jurisdiction over this matter until 4/16/15, or 30 days after receiving final compliance, whichever occurs first.	N/A
6. SCAQMD vs. Pacific Battleship Center Case No. 5976-1 (W. Wong)	203 1110.2 1470(c)(4)(B)	Respondent operates generator with emissions greater than allowed by rules 11110.2 and 1470.	Issued/Stipulated	O/A issued commencing 4/1/14 and continuing through 3/1/15. The Hearing Board shall retain jurisdiction over this matter until 3/1/15.	N/A

Case Name and Case No.	Rules	Reason for Petition	District Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
7. SCAQMD vs. Roxbury Medical Tower, LLC Roxsan Tower Case No. 5977-1 (K. Manwaring)	203(a)	Respondent operating ICE without valid permit to operate.	Issued/Not Stipulated	O/A issued commencing 4/16/14 and continuing through 10/31/14. The Hearing Board shall retain jurisdiction over this matter until 4/16/15, or 30 days after receiving final compliance, whichever occurs first.	N/A
8. United Oil, Rapid Gas #8 Case No. 5985-1 (M. Reichert)	203(b) 461(e)(5)	GDF operating with blocked vents.	Granted/Not Opposed	EV granted commencing 4/3/14 and continuing through 4/18/14.	None
9. U.S. Textile Printing, Inc. Case No. 5980-1 (K. Manwaring)	1147	Tenter frame with 16 burners exceeds 30 ppm NOx limit.	Denied/Opposed	RV denied.	N/A

Acronyms

AOC: Alternative Operating Conditions
 CARB: California Air Resources Board
 CO: Carbon Monoxide
 ESP: Electrostatic Precipitator
 EV: Emergency Variance
 GDF: Gasoline Dispensing Facility
 H&S: Health & Safety Code
 H2S: Hydrogen Sulfide
 ICE: Internal Combustion Engine
 I/P: Increments of Progress
 IV: Interim Variance
 MFCD/EXT: Modification of a Final Compliance Date and Extension of a Variance
 Mod. O/A: Modification of an Order for Abatement
 NH3: Ammonia
 NOx: Oxides of Nitrogen
 O/A: Order for Abatement
 OSHPD: Office of Statewide Health Planning and Development
 PM: Particulate Matter
 PPM: Parts Per Million
 ROG: Reactive Organic Gas
 RV: Regular Variance
 SCR: Selective Catalytic Reduction
 SO2: Sulfur Dioxide
 SOx: Oxides of Sulfur
 SV: Short Variance
 TBD: To be determined
 VOC: Volatile Organic Compounds
 VRS: Vapor Recovery System

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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 12

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from April 1 through April 30, 2014, and legal actions filed by the General Counsel's Office during from April 1 through April 30, 2014. An Index of District Rules is attached with the penalty report.

COMMITTEE: Stationary Source, May 16, 2014, Reviewed

RECOMMENDED ACTION:
Receive and file this report.

Kurt R. Wiese
General Counsel

KRW:lc

Violations

Civil Actions Filed

- | | |
|---|--|
| 1 | WLADIMAR YUCHOURELLU dba ADVANCED REPAIR & CONSTRUCTION
Los Angeles Superior Court Central
Case No. 14K04779; Filed: 4.4.14 (NAS)
P49889
R. 1403 – Asbestos Emissions from Demolition/Renovation Activities |
| 2 | OSCAR HERNANDEZ NIETO dba ON MAINTENANCE
Superior Court of California - County of Orange Central Justice Center
Case No. 30201400715598 CL-MC-CJC; Filed: 4.9.14 (NAS)
P58635, P59043
R. 461- Gasoline Transfer and Dispensing |

3 Violations

2 Cases

Attachments
April 2014 Penalty Reports
Index of District Rules and Regulations

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

April 2014 Settlement Penalty Report

Total Penalties

Civil Penalties:	\$226,020.00
MSPAP Penalties:	\$45,655.00
Hearing Board Penalties:	\$11,000.00
Total Cash Penalties:	\$282,675.00
Total SEP Value:	\$0.00
Fiscal Year through April 2014 Cash Total:	\$8,880,001.76
Fiscal Year through April 2014 SEP Value Only Total:	\$398,500.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
CIVIL PENALTIES:							
115536	AES REDONDO BEACH, LLC	2012 2004	Y	4/15/2014	WBW	P52192	\$6,500.00
156722	AMERICAN APPAREL KNIT AND DYE	2012(E)(2)(B) 2004		4/30/2014	NSF	P57641	\$2,000.00
7054	CORSICAN FURNITURE, INC.	203(A)		4/17/2014	NSF	P58675	\$2,500.00
134825	INLAND PETROLEUM EQUIPMENT AND REPAIR Small claims settlement	461 (E) (3)		4/1/2014	PH	P59834	\$400.00
164968	L.A.N. TESTING	461 461		4/16/2014	NAS	P14825 P58638	\$750.00
166979	P.W. STEPHENS ENVIRONMENTAL INC.	1403 1403		4/30/2014	TRB	P49882 P49881	\$1,000.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
800365	PHILLIPS 66 PIPELINE LLC	203(B), 3002(C)(1) 462(D)(1)(F) 3002(C)(1) 463, 1173 1118, 1176, 3002 463, 1118, 3002 1173, 1176 462(D)(1)(F) 3002(C)(1) 1176 1176(E)(1), 1178 1173(D)(1)(D) 1176, 2012 402 1176		4/15/2014	NAS	P59152 P59151 P26986 P26979 P26985 P55625 P26990 P26991 P26979 P26988 P26987	\$192,000.00
158910	RANCHO LPG HOLDINGS, LLC	402, 41700		4/29/2014	NSF	P55626	\$5,000.00
13920	SAINT JOSEPH HOSPITAL \$1,000 suspended settlement for 1 year commencing April 8, 2014 thru April 8, 2015. Hospital must comply with the prohibition against operation of the emergency internal combustion engines during school hours.	3002(C)(1)		4/17/2014	KCM	P55796	\$0.00
92495	SANTANA CYCLES INC	42401 1107(C)(2)		4/1/2014	JMP	P59465	\$500.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
43201	SNOW SUMMIT INC	3002 2004	Y	4/15/2014	KCM	P57368	\$2,400.00
147527	SUNRISE OF PLAYA VISTA Small claims settlement	203 (A)		4/29/2014	PH3	P59360	\$7,770.00
43436	TST, INC.	3002(C)(1)	Y	4/24/2014	NSF	P56317	\$1,500.00
14966	U S GOV'T, V A MEDICAL CENTER	3002(C)(1)		4/3/2014	KCM	P61214	\$1,500.00
800263	U.S. GOVT, DEPT OF NAVY	461 (E) (2)		4/25/2014	KCM	P59666	\$1,000.00
86119	YMCA OF METROPOLITAN L.A.	1470		4/2/2014	KCM	P58186	\$1,200.00

TOTAL CIVIL PENALTIES: \$226,020.00

MSPAP SETTLEMENTS:

159287	76 OCEAN, INC A VAN DER VALK DBA	461, 41960.2		4/2/2014		P62244	\$800.00
153367	ARCO AM/PM, KARNAIL CHAND	41960.2 461(C)(2)(B)		4/29/2014		P62320	\$300.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
135185	BEACH CITIES HEALTH DISTRICT	201, 203(A), 203(B) 1146.1		4/17/2014		P55638	\$5,400.00
65274	CHARLES E. THOMAS CO, INC.		461	4/25/2014		P61484	\$525.00
169322	CIRCLE K STORES INC., BRUCE NATA		461, 41960.2	4/1/2014		P62242	\$480.00
157336	DRY CLEAN EXPRESS		203(A), 1421	4/2/2014		P57635	\$1,000.00
173420	EQUINOX		222	4/17/2014		P60258	\$1,300.00
122004	GLENDORA E. 1 HOUR CLEANERS		203 (B)	4/2/2014		P59471	\$700.00
103840	GSA ENGINEERING		203 203	4/25/2014		P61105 P61111	\$4,400.00
175295	HARDY AND HARPER, INC		203 (A) 403(D)(1)	4/25/2014		P57686	\$2,125.00
166293	HIGHLAND FUELS, LLC		461	4/17/2014		P59934	\$800.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
88327	JIFFY LUBE	461(E)(2)(C)		4/22/2014		P59759	\$500.00
173419	JOVEL WOOD CREATIONS	203 (A)		4/2/2014		P61211	\$450.00
174721	KAISER REDLANDS MEDICAL OFFICES	222		4/17/2014		P61406	\$1,300.00
31028	LA CO., FIRE STA #164	461		4/22/2014		P58422	\$1,000.00
70446	LA CO., FIRE STA #27	461 (E) (2)		4/22/2014		P62363	\$1,000.00
25649	LA CO., FIRE STA #3	461		4/22/2014		P58423	\$1,000.00
149237	LOS ANGELES CNTY FIRE DEPT, FIRE STATION	461 (E) (2)		4/22/2014		P58426	\$1,000.00
165556	LOS ANGELES COUNTY FIRE DEPARTME	201, 203(A), 461		4/22/2014		P61308	\$1,500.00
161492	LOS ANGELES DEPT OF WATER & POWER	Title 13		4/17/2014		P44874	\$1,000.00
165167	OLD DIAMONDS	203(A)		4/17/2014		P58692	\$450.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
150138	PETRA LA HABRA INC/ PETRA ARCO DEALER	461(E)(2)(A)		4/17/2014		P49236	\$1,300.00
169190	RAFI'S 76 #5	203 (B), 461		4/17/2014		P61481	\$1,900.00
37562	RC RESTORATIONS	109, 203(A)		4/22/2014		P61602	\$1,050.00
174517	SAN BERNARDINO COUNTY TRANSITION	203 (A)		4/2/2014		P61412	\$1,000.00
76502	SIMON WIESENTHAL CENTER	1470		4/29/2014		P57997	\$975.00
104094	SWISSPORT CORPORATION	203 (B)		4/2/2014		P60259	\$6,400.00
102952	THE HOME DEPOT #668	203, 1470		4/29/2014		P60040	\$4,000.00
111176	WESTERN RIVERSIDE CO REG WASTEWA	203 201		4/2/2014		P51532	\$1,500.00
131507	WIRETECH, INC.	1146		4/15/2014		P58405	\$500.00
TOTAL MSPAP SETTLEMENT:							\$45,655.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
HEARING BOARD SETTLEMENTS:							
35188	3M COMPANY Hearing Board Case No. 5970-2 Monthly penalty for on-going operation of the facility's equipment due the 15th of each month until 9.15.15. April penalty.	3002 1147 203 1303		4/16/2014	KCM	HRB2214	\$4,000.00
48849	COMMUNITY HOSPITAL OF HUNTINGTON PARK Hearing Board Case No. 5952-1 CHHP agrees to pay monetary penalty for the on-going operation of facility engine. CHHP shall pay \$1500/month it operates the engine. February penalty.	1470		4/16/2014	KCM	HRB2215	\$1,500.00
48849	COMMUNITY HOSPITAL OF HUNTINGTON PARK Hearing Board Case No. 5952-1 CHHP agrees to pay monetary penalty for the on-going operation of facility engine. CHHP shall pay \$1500/month it operates the engine. March penalty.	1470		4/16/2014	KCM	HRB2216	\$1,500.00
54732	INLAND VALLEY REGIONAL MEDICAL C Hearing Board Case No. 5982-1 Beginning 4.11.14, facility to pay \$1,000/month until permanently cease use of both parker boilers in non compliance with Rule 1146.2. April penalty.	1146		4/16/2014	NAS	HRB2219	\$1,000.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
114910	PROVIDENCE HOLY CROSS MEDICAL CT Hearing Board Case No. 5701-3 Beginning 12.15.13, facility to pay \$1000/month until they permanently cease use of all three Detroit Diesel ICEs in noncompliance with Rule 1470.00 March penalty.	1470		4/16/2014	NAS	HRB2218	\$1,000.00
114910	PROVIDENCE HOLY CROSS MEDICAL CT Hearing Board Case No. 5701-3 Beginning 12.15.13, facility to pay \$1000/month until they permanently cease use of all three Detroit Diesel ICEs in noncompliance with Rule 1470.00 April penalty.	1470		4/17/2014	NAS	HRB2220	\$1,000.00
171117	WESTCORE ALTON LLC Hearing Board Case No. 5925-1 Westcore shall pay the District the sum of \$1000 each month it operates the boiler in noncompliance with District rules. Final February penalty payment.	203		4/16/2014	NAS	HRB2217	\$1,000.00

TOTAL HEARING BOARD SETTLEMENT: \$11,000.00

DISTRICT RULES AND REGULATIONS INDEX FOR APRIL 2014 PENALTY REPORTS

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions (*Amended 8/18/00*)

REGULATION II – PERMITS

List and Criteria Identifying Information Required of Applicants Seeking A Permit to Construct from the South Coast Air Quality Management - District (*Amended 4/10/98*)

Rule 201 Permit to Construct (*Amended 1/5/90*)

Rule 203 Permit to Operate (*Amended 1/5/90*)

Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written permit Pursuant to Regulation II. (*Amended 5/19/00*)

REGULATION IV - PROHIBITIONS

Rule 402 Nuisance (*Adopted 5/7/76*)

Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*

Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

Rule 462 Organic Liquid Loading (*Amended 5/14/99*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1102 Petroleum Solvent Dry Cleaners (*Amended 11/17/00*)

Rule 1113 Architectural Coatings (*Amended 6/20/01*)

Rule 1107 Coating of Metal Parts and Products (*Amended 11/17/00*)

Rule 1107 Coating of Metal Parts and Products (*Amended 11/17/00*)

Rule 1118 Emissions From Refinery Flares (*Adopted 2/13/98*)

Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)

Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 5/13/94*)

- Rule 1147 NOx REDUCTIONS FROM MISCELLANEOUS SOURCES (9/08)
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations (*Amended 12/11/98*)
- Rule 1164 Semiconductor Manufacturing (*Amended 1/13/95*)
- Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil (*Amended 5/11/01*)
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds (*Amended 5/13/94*)
- Rule 1176 Sumps and Wastewater Separators (*Amended 9/13/96*)
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities (*Amended 4/7/06*)

REGULATION XIII - NEW SOURCE REVIEW

- Rule 1303 Requirements (*Amended 4/20/01*)

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities (*Amended 4/8/94*)
- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations (*Amended 6/13/97*)
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)

CALIFORNIA HEALTH AND SAFETY CODE § 41700

- 41700 Violation of General Limitations
- 41960.2 Gasoline Vapor Recovery
- 42401 Violation of Order for Abatement

CALIFORNIA CODE OF REGULATIONS

- Title 13 Mobile Sources and Fuels

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 13

REPORT: Lead Agency Projects and Environmental Documents Received by the SCAQMD

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between April 1, 2014 and April 30, 2014, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:LT:SN:MK:IM:AK

Background

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, the SCAQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received and reviewed during the reporting period of April 1, 2014, through April 30, 2014 is included in Attachment A. A list of active projects from previous reporting periods for which SCAQMD staff is continuing to evaluate or has prepared comments is included as Attachment B.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Governing Board's 1997 Environmental Justice Guiding Principles and Initiative #4. Consistent with the Environmental Justice Program Enhancements for FY 2002-03 approved by the Board in September 2002, each of the attachments notes those proposed projects where the SCAQMD has been contacted regarding potential air quality-related environmental justice concerns. The SCAQMD has established an internal central contact to receive information on projects with

potential air quality-related environmental justice concerns. The public may contact the SCAQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; as part of oral comments at SCAQMD meetings or other meetings where SCAQMD staff is present; or submitting newspaper articles. The attachments also identify for each project the dates of the public comment period and the public hearing date, as reported at the time the CEQA document is received by the SCAQMD. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

At the January 6, 2006 Board meeting, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement CEQA documents, Attachments A and B are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; and general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures were compiled into a series of tables relative to: off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and, greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of the SCAQMD's website. Staff will continue compiling tables of mitigation measures for other emission sources including airport ground support equipment, etc.

As resources permit, staff focuses on reviewing and preparing comments for projects: where the SCAQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement, etc.); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and those projects for which a lead or responsible agency has specifically requested SCAQMD review. If the SCAQMD staff provided written comments to the lead agency as noted in the column "Comment Status", there is a link to the "SCAQMD Letter" under the Project Description. In addition, if the SCAQMD staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation that the SCAQMD staff testified, then staff did not provide testimony at a hearing for the proposed project.

During the period April 1, 2014 through April 30, 2014, the SCAQMD received 118 CEQA documents. Of the total of 143 documents listed in Attachments A and B:

- 30 comment letters were sent;
- 30 documents were reviewed, but no comments were made;
- 28 documents are currently under review;
- 5 documents did not require comments (e.g., public notices, plot plans, Final Environmental Impact Reports);
- 3 documents were not reviewed; and
- 47 were screened without additional review.

Copies of all comment letters sent to lead agencies can be found on the SCAQMD's CEQA webpage at the following internet address: www.aqmd.gov/ceqa/letters.html.

SCAQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, the SCAQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the SCAQMD, as lead agency, finds substantial evidence that the proposed project may have significant adverse effects on the environment. Similarly, Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the SCAQMD determines that the proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why proposed projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which the SCAQMD is lead agency and is currently preparing or has prepared environmental documentation. Through the end of April, the SCAQMD received no new requests to be the lead agency for stationary source permit application projects. As noted in Attachment C, through the end of April 2014, the SCAQMD continued working on the CEQA documents for nine active projects.

Through the end of April 2014, SCAQMD staff has been responsible for preparing or having prepared CEQA documents for nine permit application projects, all continuing from 2013. One project ceased evaluation as the permit applications were withdrawn.

Attachments

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which SCAQMD Has or Will Conduct a CEQA Review
- C. Active SCAQMD Lead Agency Projects

**ATTACHMENT A* INCOMING CEQA
DOCUMENTS LOG APRIL 1, 2014 TO
APRIL 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Goods Movement LAC140408-06 Avalon and Fries Segments Closure Project	The proposed project consists of minimizing rail traffic delays/lengthy blockages at existing roadways that will occur due to recent and projected rail operational changes for the West Basin Terminal. These rail operational changes would improve the efficiency of service to TraPac, Yang Ming, China Shipping container terminals and other Harbor Department rail customers, and reduce congestion by allowing simultaneous moves of unit container trains destined for the Yang Ming and TraPac container terminals. Comment Period: 4/22/2014 - 5/5/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	Port of Los Angeles	Document reviewed - No comments sent
Goods Movement LAC140415-01 Berths 121-131 Yang Ming Terminal Redevelopment Project	The proposed project consists of two phases. Phase I would consist of deepening Berths 126-129 to 53 feet below Mean Lower Low Water (MLLW), constructing a new, 1,260-foot concrete wharf with provision for Alternative Maritime Power (AMP), replacing eight existing wharf cranes with 10 new cranes with 100- or 120-foot-gauge crane rails, and expanding the on-dock rail yard known as the West Basin Intermodal Container Transfer Facility (WBICTF) by adding two loading tracks. Phase I of the project would also extend the current lease by nine years, from 2021 to 2030 and take approximately 18 months to complete, with construction expected to begin in 2016. Operations would continue during the construction period. Phase II would consist of realigning the pierhead line by demolishing the existing wharf and constructing a new, 1,400-foot wharf with 100-foot- or 120-foot-gauge crane rails and provisions for AMP at Berths 121-126. Realignment of the pierhead line would require cutting back the existing land by 3.7 acres and creating 2.1 acres of new land by filling, for a net gain of 1.6 acres of water area. The new wharf would accommodate 10 new cranes, for a total of 20 on the terminal at full build-out. Phase II would also include deepening the berth to -53 feet MLLW by dredging, expanding the WBICTF by lengthening the loading tracks, demolishing existing buildings and constructing a new maintenance/administration building, and converting the terminal to automated operations by installing electric-powered rail-mounted gantry cranes (RMGs) in place of the existing diesel-powered rubber-tired gantry cranes (RTGs). Deepening the berth would require dredging and disposing of sediments; some of the material would be re-used to create the new land. http://www.aqmd.gov/ceqa/igr/2014/April/NOPberth121-131yang.pdf Comment Period: 4/15/2014 - 5/25/2014 Public Hearing: N/A	Notice of Preparation	Port of Los Angeles	SCAQMD staff commented 4/23/2014
Warehouse & Distribution Centers LAC140416-02 Pacific Pointe East Development Project	The proposed project involves construction of three industrial buildings on a site currently improved as a paved parking lot. These buildings would have an open floor plan and are intended for light industrial, light manufacturing, warehouse, office and/or research and development land uses. These three buildings would have a total floor area of 494,000 square feet and 722 on-site parking spaces. Comment Period: 4/15/2014 - 5/29/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Long Beach	Document reviewed - No comments sent

*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.

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<i>Warehouse & Distribution Centers</i> LAC140416-04 Horizon Lines, LLC CFS Warehouse Project	The proposed project consists of rehabilitating the vacant 60,000 square-foot CFS Warehouse at Berths 206-209. The project will also either utilize an existing office facility or erect and assemble a 6,200 square-foot modular office space on site. Comment Period: N/A Public Hearing: N/A	Draft Negative Declaration	Port of Los Angeles	Document under review as of 4/30/14
<i>Warehouse & Distribution Centers</i> LAC140422-04 Mace Metals	The proposed project consists of developing a 91,010 square-foot warehouse building on a 3.5-acre site. Three existing vacant buildings will be demolished to construct a proposed 91,010 square-foot warehouse that will include 81,016 square feet of warehouse, 9,994 square feet of office space with 5,101 square feet of mezzanine. Comment Period: 4/22/2014 - 5/12/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Commerce	Document reviewed - No comments sent
<i>Warehouse & Distribution Centers</i> SBC140401-04 Watson Corporate Center	The proposed project consists of constructing and operating multiple corporate center buildings on the property suitable for a variety of tenants including but not limited to industrial, distribution warehousing, manufacturing, assembly, e-commerce, and similar tenant types. The buildings would collectively contain a maximum of approximately 3,706,740 square feet of total building area. The Project's Master Site Plan proposes multiple buildings with loading bays that would range from approximately 200,000 square feet to approximately 865,000 square feet in size. http://www.aqmd.gov/ceqa/igr/2014/April/NOPwatson.pdf Comment Period: 4/1/2014 - 5/1/2014 Public Hearing: N/A	Notice of Preparation	City of Chino	SCAQMD staff commented 4/23/2014
<i>Warehouse & Distribution Centers</i> SBC140408-02 ProLogis Eucalyptus Industrial Park EIR	The proposed project consists of the construction and operation of approximately 2,244,638 square feet of distribution warehouse uses in 6 buildings on an approximately 122.8-acre site. The buildings range in size from 106,106 to 862,035 square feet. Comment Period: N/A Public Hearing: N/A	Revised Final Environmental Impact Report	City of Moreno Valley	Document reviewed - No comments sent
<i>Warehouse & Distribution Centers</i> SBC140422-17 West Valley Logistics Center	The proposed project consists of developing seven industrial warehouse buildings for a total of 3,476,997 square feet of building space on a 208.1-acre site. Comment Period: 4/23/2014 - 6/5/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Fontana	Document under review as of 4/30/14

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<i>Industrial and Commercial</i> LAC140410-08 ENV-2013-3807/ 5918 S. Broadway; Southeast Los Angeles	The proposed project consists of a change of use from furniture shop to auto body shop and repair. Comment Period: 4/10/2014 - 5/12/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Industrial and Commercial</i> LAC140416-03 MGA Mixed-Use Campus Project	The proposed project consists of an integrated light industrial corporate office and residential mixed-use campus development project at 20000 W. Prairie Street in the Chatsworth community. The Campus Project will consist of a mix of uses totaling approximately 1.22 million square feet, including: 1) adaptive re-use and rehabilitation of the former LA Times printing facility; 2) retain housing units in four main residential buildings 3) shared recreational campus amenities located throughout the site; and 4) approximately 14,000 square feet of campus and neighborhood serving retail and restaurant uses. http://www.aqmd.gov/ceqa/igr/2014/April/NOPmgamixeduse.pdf Comment Period: 4/16/2014 - 5/16/2014 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	SCAQMD staff commented 4/23/2014
<i>Industrial and Commercial</i> ORC140403-09 Matrix Oil Field Redevelopment Project (Project No. 2010-61)	The proposed project consists of redeveloping oil field operations on the project site utilizing the existing disturbed areas formerly used by Sempra. The project includes the redevelopment of existing wells and the drilling of new wells; a Central Processing Facility; a truck loading facility; a small office with restroom; and ancillary facilities. http://www.aqmd.gov/ceqa/igr/2014/April/NOPmatrix.pdf Comment Period: 4/4/2014 - 5/5/2014 Public Hearing: 4/16/2014	Notice of Preparation	City of La Habra Heights	SCAQMD staff commented 4/11/2014
<i>Industrial and Commercial</i> RVC140409-06 Surface Mining Permit No. 93-01	The proposed project consists of modifying an existing permit and reclamation plan to expand entitlement for mining aggregate resources from 160 acres in three (3) phases to 260 acres in six (6) phases with mining conducted to a depth of 500 feet above mean sea level (amsl). The lead agency also proposes to extend the term of the permit to allow operations for up to 100 years through December 31, 2112. Total reserves are estimated to be approximately 351 million tons. No changes are proposed to the existing processing facilities or allowed maximum daily and annual aggregate production of 5 million tons per year as entitled by the existing permit and reclamation plan. Therefore, Vulcan Materials Company's proposal requires only minor technical changes to the environmental analysis prepared for the 1989 certified EIR. Comment Period: N/A Public Hearing: 5/12/2014	Notice of a Public Hearing	City of Corona	Document reviewed - No comments sent

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<i>Industrial and Commercial</i> RVC140415-03 Transportation Yard	The proposed project consists of construction of approximately 156,000 square feet of building space the Transportation Yard Complex that will become the future location of the Riverside County Transportation Department Engineering and Highway Operations Division. The Riverside County Agricultural Commissioner (RCAC) is proposing an additional 9,000 square feet of building space at the complex that will become the future location of the RCAC's Weights and Measures Division. The total building area on the site will be approximately 165,000 square feet. Comment Period: N/A Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent
<i>Industrial and Commercial</i> RVC140430-08 Plot Plan No. 25183, Parcel Map No. 33961, Revised Map No. 1	The proposed project consists of developing up to 59 commercial buildings ranging in size from 10,000 square feet to 100,000 square feet with a combined gross floor area of 331,083 square feet. Comment Period: N/A Public Hearing: 6/9/2014	Notice of a Public Hearing	County of Riverside	Document under review as of 4/30/14
<i>Waste and Water-related</i> LAC140401-05 Scholl Canyon Landfill Expansion	The proposed project consists of two variations for the project, which includes a vertical expansion only and a vertical and horizontal expansion. Comment Period: 4/1/2014 - 5/15/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Glendale	Document under review as of 4/30/14
<i>Waste and Water-related</i> LAC140409-04 Foothill Trunk Line Unit 3	The proposed project consists of replacing 16,600 linear feet of existing aging pipes along the Foothill Trunk Line between Hubbard Street and Terra Bella with 54-inch welded steel pipe. Comment Period: N/A Public Hearing: 4/23/2014	Notice of a Public Hearing	Los Angeles Department of Water and Power	No review conducted - No comments sent
<i>Waste and Water-related</i> LAC140422-01 Green Acres Farm Biosolids Land Application Project	The proposed project consists of 1) the City's approval in 2000 of Amendment No. 2 to City Contract C-94375, a pre-existing contract between the City and Responsible Biosolid Management for loading, transportation and beneficial reuse of the City's biosolids at Green Acres Farm; and 2) the City's 2000 purchase of the Farm. Comment Period: 4/24/2014 - 6/8/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC140430-09 United Alloys, Inc., Facility, Los Angeles	The proposed project consists of an environmental investigation at the United Alloys, Inc. Facility. Historic and current operations have resulted into the releases of PCE and TCE into the soils and groundwater beneath the site. The groundwater below the site is not used for drinking water. Comment Period: 4/30/2014 - 5/14/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document under review as of 4/30/14

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<i>Waste and Water-related</i> LAC140430-13 Whittaker-Bermite Facility	The proposed project consists of the review and comment on a plan to clean up the groundwater at the Whittaker-Bermite Facility. Activities from former companies left behind contaminates in the soil and groundwater and some unexploded ordinance. Comment Period: 4/28/2014 - 5/28/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document under review as of 4/30/14
<i>Waste and Water-related</i> LAC140430-16 Replace Chemical Storage Tanks at the Terminal Island Water Reclamation Plant	The proposed project consists of replacing chemical storage tanks at the terminal island water reclamation plant. Comment Period: N/A Public Hearing: 5/15/2014	Notice of a Public Hearing	Port of Los Angeles	Document under review as of 4/30/14
<i>Waste and Water-related</i> ODP140415-05 Revised PRC 421 Recommissioning Project	The proposed project consists of returning offshore State Oil and Gas Lease No. PRC 421 to oil production using an existing shoreline well, which has been shut-in since 1994. The Project has an estimated production life of 20 years and involves recommissioning and upgrading Well 421-2, located southeast of what is commonly known as Haskell's Beach; processing crude oil emulsion extracted from Well 421-2 at the existing Ellwood Onshore Facility in the City of Goleta; and decommissioning and removing an existing and adjacent well and pier. Comment Period: N/A Public Hearing: N/A	Notice of Availability of a Final Environmental Impact Report	California State Lands Commission	Document does not require comments
<i>Waste and Water-related</i> RVC140422-15 City of Palm Springs Wastewater Treatment Plant Headworks and Clarifier Upgrade Project	The proposed project consists of replacing several facilities at the existing Wastewater Treatment Plant. These facilities would include: influent sewer, headworks, seepage receiving station, influent pump station, primary clarifiers, scum pump station, primary sludge pump station, primary sludge dewatering, gravity thickener cover, Digester No. 2 cover, foul air treatment facility, and a new electrical building. Comment Period: 4/21/2014 - 5/20/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Palm Springs	Document under review as of 4/30/14
<i>Waste and Water-related</i> RVC140430-12 Thousand Palms Flood Control Project	The proposed project consists of constructing a series of levees and channels located in the Thousand Palms area of the Coachella Valley in southeastern Riverside County. Comment Period: 4/30/2014 - 6/2/2014 Public Hearing: N/A	Notice of a Public Hearing	Coachella Valley Water District	Document under review as of 4/30/14
<i>Waste and Water-related</i> SBC140403-11 P201200467/CUP	The proposed project consists of a Conditional Use Permit to establish a green material recycling facility on 4.21 acres. http://www.aqmd.gov/ceqa/igr/2014/April/NOPsbP201200467CUP.pdf Comment Period: 4/3/2014 - 4/11/2014 Public Hearing: N/A	Initial Project Consultation	County of San Bernardino	SCAQMD staff commented 4/11/2014

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<i>Utilities</i> LAC140403-07 ENV-2013-4161/ 3721 N. Marmion Way; Northeast Los Angeles	The proposed project consists of removing an existing 22-foot church sign and replacing it with a 45-foot unmanned wireless telecommunications facility disguised as a church bell tower sign and installing 12 antennas, 24 remote radio units, one surge suppressor, and two GPS antennas. Comment Period: 4/3/2014 - 5/5/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Utilities</i> LAC140425-04 Silverado Power West	The proposed project consists of a utility scale solar photovoltaic developer proposing the development of six solar photovoltaic projects in the western portion of the Antelope Valley. Each of the six solar Photovoltaic Projects is planned for separate properties, is being developed separately, and will be analyzed individually and cumulatively for all phases of each project including planning, construction, and operations. Comment Period: 4/25/2014 - 5/7/2014 Public Hearing: 5/7/2014	Final Environmental Impact Report	County of Los Angeles	Document does not require comments
<i>Utilities</i> RVC140430-10 Verizon Stealthed Cell Tower	The proposed project consists of a new Verizon stealthed cellular facility. This proposal would be inclusive of a 60' "Monopine" tower with 12 antennas and the establishment of a new approximate 190 square-foot equipment building within a 900 square-foot fenced area. Comment Period: 4/30/2014 - 5/9/2014 Public Hearing: N/A	Initial Project Consultation	City of Beaumont	Document reviewed - No comments sent
<i>Transportation</i> LAC140401-06 Gerald Desmond Bridge Replacement Project	The proposed project consists of a request to change the vertical clearance which was previously permitted in Coast Guard bridge permit P(2-12-11) for the replacement Gerald Desmond Highway Bridge. Comment Period: N/A Public Hearing: N/A	Public Notice	U.S. Department of Homeland Security	Document does not require comments
<i>Institutional (schools, government, etc.)</i> LAC140408-04 Castaic High School Project	The proposed project consists of constructing a total of 198-acres, which consists of a 58-acre site for the high school campus and the grading and construction of other facilities on the site, and the grading and construction of two access routes. Comment Period: 4/8/2014 - 5/19/2014 Public Hearing: N/A	Draft Supplemental Environmental Impact Report	William S. Hart Union High School District	Document reviewed - No comments sent

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<i>Institutional (schools, government, etc.)</i> LAC140422-13 Malibu Institute	The proposed project consists of developing the Malibu Institute project and operation of a sports oriented educational retreat facility on a 650-acre Project site containing an 18-hole golf course, educational and meeting facilities with a cafeteria and lounge, overnight visitor-serving accommodations for 320 guests, a clubhouse with a restaurant/lounge and fitness/wellness center, an outdoor pool with associated shower/changing room, warehouse, a cart storage building, pro shop, and a maintenance building; onsite accessory live entertainment in the clubhouse and conference facility; and on-site grading of 120,000 cubic yards of cut and 120,000 cubic yards of fill material, which would be balanced on-site with no import or export of fill material. Comment Period: N/A Public Hearing: N/A	Final Environmental Impact Report	County of Los Angeles	Document does not require comments
<i>Institutional (schools, government, etc.)</i> ORC140411-01 Santa Ana Unified School District Sports Complex Project	The proposed project consists of improvements to the athletic facilities on the contiguous campus of Valley High School, Carr Intermediate School, and Harvey Elementary School. Comment Period: 4/8/2014 - 5/22/2014 Public Hearing: 6/10/2014	Notice of Availability of a Draft Environmental Impact Report	Santa Ana Unified School District	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> ORC140422-10 Central Kitchen at Creekside Education Center	The proposed project consists of the construction and operation of the Central Kitchen and a Culinary Arts institute, at the Creekside Education Center. The proposed 15,000 square-foot Central Kitchen facility would provide nutritional services to approximately 33 schools within the District, providing breakfasts, snacks, and hot lunches. Comment Period: 4/21/2014 - 5/20/2014 Public Hearing: N/A	Notice of Availability of a Draft Negative Declaration	Irvine Unified School District	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> ORC140430-07 Orangewood Surface Parking Lot Project	The proposed project consists of constructing an approximately 628 space surface parking lot for the University of California, Irvine Medical Center in Orange. The proposed parking lot would be constructed on a predominately undeveloped approximately 6.2-acre land parcel owned by the University, which is generally bound by East Orangewood Avenue to north, Orange Center Drive to the east, and North Anaheim Boulevard to the west. Comment Period: 4/28/2014 - 5/27/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	University of California, Irvine	Document under review as of 4/30/14
<i>Institutional (schools, government, etc.)</i> SBC140422-05 High School No. 5 SEIR	The proposed project consists of the acquisition of a 56-acre site for the development and operation of a high school campus for approximately 2,970 students. The school would include three two-story classroom buildings; a two-story laboratory classroom building; a physical education building with administration offices and a gymnasium; and a multipurpose building with a library, theater, multipurpose room, and kitchen. Comment Period: 4/23/2014 - 5/23/2014 Public Hearing: N/A	Notice of Preparation	Moreno Valley Unified School District	Document under review as of 4/30/14

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Retail SBC140424-13 Newport and Menifee ARCO - AM/PM Conditional Use Permit No. 2013-183 (CUP 2013-183)	The proposed project consists of a conditional use permit for the construction and operation of a gasoline service station 3,036 square-foot convenience store and car wash on a 1.89-acre parcel. Comment Period: N/A Public Hearing: 5/13/2014	Notice of a Public Hearing	City of Menifee	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC140402-01 Olson Residential Community Project	The proposed project consists of developing a residential project with 88 condominium units and 206 parking spaces on approximately 5.4 acres west of the Rubio Wash. To accommodate the construction of this project, Olson will demolish the portion of the building located of the Rubio Wash in the City of San Gabriel on 5.4 acres, and the remaining 77,000 square-foot industrial warehouse building located in Rosemead will be converted to a freestanding warehouse building and sold to an industrial user. Comment Period: N/A Public Hearing: 6/2/2014	Draft Environmental Impact Report	City of San Gabriel	Document under review as of 4/30/14
General Land Use (residential, etc.) LAC140403-03 ENV-2013-3287/ 1759 N. New Hampshire Ave.; Hollywood	The proposed project consists of constructing six residential units, each ranging in size from 1,715 to 1,989 square feet for a total of 10,638 square feet of new residential construction on an approximately 9,279 square-foot lot. Comment Period: 4/3/2014 - 5/5/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC140403-06 ENV-2013-3947/ 10812 S. Main St.; Southeast Los Angeles	The proposed project consists of legalizing the conversion of an existing recreation room into the 35th dwelling unit of an apartment building currently having a Certification of Occupancy for 34 units. Comment Period: 4/3/2014 - 4/23/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC140409-03 Belmont Pool Revitalization Project	The proposed project consists of the replacement of the Belmont Pool Facility with a new pool facility in the same approximate location of the existing Belmont Pool Plaza. The new pool facility would include a new natatorium with diving facilities and new outdoor pool facilities. http://www.aqmd.gov/ceqa/igr/2014/April/NOPbelmont.pdf Comment Period: 4/9/2014 - 5/8/2014 Public Hearing: N/A	Notice of Preparation	City of Long Beach	SCAQMD staff commented 4/18/2014

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General Land Use (residential, etc.) LAC140430-06 Tentative Parcel Map No. TPM 14-01 and Residential Mountainous Development Permit Application No. RM 14-01	The proposed project consists of subdividing a 90.46-acre undeveloped property in the foothills of Arcadia into two parcels. The Tentative Parcel Map is required to subdivide property into two. Parcel 1 would be approximately 11.68 and Parcel 2 would be 78.78 acres. The Residential Mountainous development permit application No. RM 14-01 is required for the grading of one of the two parcels for a single family development. The grading to accommodate the proposed developments would involve approximately 7,000 cubic yards of cut and 7,000 cubic-yards of fill. Comment Period: 4/30/2014 - 5/30/2014 Public Hearing: N/A	Notice of Preparation	City of Arcadia	Document under review as of 4/30/14
General Land Use (residential, etc.) LAC140430-15 Tentative Tract Map 72347 and Design Review 13-02	The proposed project consists of mixed-use development located on a 0.698-acre site. The project consists of demolishing all existing structures to construct two new buildings on the site, one four-story building with ground floor retail and eight condominium units above, and a second three-story building with 20 condominium units. A total of 5,630 square feet of retail commercial space and 4,830 square feet of office space plus 915 square feet of leasing/office space would be provided. Comment Period: 4/28/2014 - 5/17/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Rosemead	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC140430-17 95-13TTM/ Creekside Investors, LLC 22-Unit Residential Subdivision	The proposed project consists of subdividing land, site preparation, grading, and construction of 22 single-family residential dwelling units on a 14.94-acre site. A total of 23 lots would be created, 22 for the single-family dwellings and one open space lot. Comment Period: 4/25/2014 - 5/21/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of La Verne	Document under review as of 4/30/14
General Land Use (residential, etc.) ORC140410-01 PA-13-29	The proposed project consists of a master plan or the development of a 28-unit residential live/work townhomes. The project will include subdivision of a 1.53-acre property for condominium purposes to allow private sale and ownership of the 28 residential and live/work units. Comment Period: 4/9/2014 - 5/9/2014 Public Hearing: 5/27/2014	Notice of a Public Hearing	City of Costa Mesa	Document reviewed - No comments sent
General Land Use (residential, etc.) ORC140422-06 Eleven 10 West - The Picerne Group	The proposed project consists of a Phase II residential component of a 5.75-acre development at the southwestern corner of Town and Country Road and Lawson Way. The General Plan land use designation for the site is Urban Mixed-Use and the zoning designation is Urban Mixed-Use. Phase II of the development, consists of approximately 2.76 acres. The two small existing structures will be demolished. Phase II would place 260 units adjacent to the existing 366,747 square feet of Class A office space and its 1,303-space, eight-story parking structure. Comment Period: 4/18/2014 - 5/8/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Orange	Document reviewed - No comments sent
General Land Use (residential, etc.) ORC140430-01 The Village at Los Alamitos	The proposed project consists of a mixed-use development comprised of 133 multiple-family residential dwelling units, including 69 one-bedroom units, 60 two-bedroom units, and four three-bedroom units, resulting in a density of 62 dwelling units per acre. In addition, up to 4,600 square feet of retail/commercial floor area is also proposed. Comment Period: 4/30/2014 - 5/30/2014 Public Hearing: N/A	Notice of Preparation	City of Los Alamitos	Document under review as of 4/30/14

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General Land Use (residential, etc.) RVC140402-02 Tournament Hills #3 Related to the existing Oak Valley Specific Plan & EIR	The proposed project consists of 279 Single-Family residential, parks, roadway, and open space lots - Amendment to Specific Plan for density transfer of existing lots and Addendum to EIR 400-020-025; -028; --010; and -040. Comment Period: 4/2/2014 - 4/14/2014 Public Hearing: N/A	Initial Project Consultation	City of Beaumont	Document does not require comments
General Land Use (residential, etc.) RVC140408-01 PP 2014-091, CUP 2014-092, PM 2014-093	The proposed project consists of the development of a 119,818 square-foot commercial retail center consisting of 10 buildings on 14.04 acres. Development of the center is proposed in two phases. Buildings would consist of a 44,453 square-foot grocery store, four Shops building total 40,946 square feet and five Pad buildings totaling 34,419 square feet. Within these buildings uses would include the grocery store, drive-thru fast food and coffee, pharmacy, restaurant, and retail. http://www.aqmd.gov/ceqa/igr/2014/April/NOPpp2014-091.pdf Comment Period: 4/8/2014 - 4/30/2014 Public Hearing: N/A	Initial Project Consultation	City of Menifee	SCAQMD staff commented 4/18/2014
General Land Use (residential, etc.) RVC140422-07 GPA-2011-3026, ZC-2011-3027, TTM-2011-3028	The proposed project consists of a subdivision of the project site into a 53-unit residential lot, eight HOA lots, and seven lettered lot residential development on approximately 64.3 acres in the City of Murrieta. Comment Period: 4/10/2014 - 5/12/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent
General Land Use (residential, etc.) RVC140422-08 Jul Palm Springs (Case No. 5.1046, PDD-232 AMND, TTM 36689	The proposed project consists of a gated 186-unit residential project on 24 plus acres at the southwest corner of Farrell Drive and Tahquitz Canyon Way. The project includes 72 single-family lots and 114 condominium units distributed in 19 six-plex buildings. Comment Period: 5/28/2014 - 6/18/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Palm Springs	Document under review as of 4/30/14
General Land Use (residential, etc.) RVC140422-09 Villa Sienna Residential Project EIR (Planning Application No. 13-0089)	The proposed project consists of developing 170 units of apartments contained within nine separate buildings. Eight buildings will total 235,904 square feet, and one building will total 14,553 square feet. The ninth building would utilize a similar design scheme and would contain half the number of dwelling units per floor. Comment Period: 4/21/2014 - 5/20/2014 Public Hearing: N/A	Notice of Preparation	City of Wildomar	Document under review as of 4/30/14

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
APRIL 1, 2014 TO APRIL 30, 2014**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> LAC140409-02 City of Pico Rivera General Plan Update	The proposed project consists of all actions necessary to update the existing Pico Rivera General Plan including reorganizing and updating the existing Plan. This include revising and replacing the existing General Plan, including the Land use and Circulation diagrams and all goals, objectives, policies and implementation programs as needed to assess new issues, new State law regulations that have emerged since the preparation of the previous General Plan and matters of public interest and concerns. http://www.aqmd.gov/ceqa/igr/2014/April/NOPpicorivera.pdf Comment Period: 4/7/2014 - 5/7/2014 Public Hearing: N/A	Notice of Preparation	City of Pico Rivera	SCAQMD staff commented 4/18/2014
<i>Plans and Regulations</i> ORC140404-01 City of Santa Ana General Plan Circulation Element	The proposed project consists of the Circulation Element, which is one of seven elements of the General Plan mandated by State planning law. It is intended to guide the development of the City's circulation system in a manner consistent with the Land Use Element and other elements which comprise the General Plan. http://www.aqmd.gov/ceqa/igr/2014/April/NOPsantaanaGP.pdf Comment Period: 4/4/2014 - 5/3/2014 Public Hearing: 4/16/2014	Notice of Preparation	City of Santa Ana	SCAQMD staff commented 4/11/2014
<i>Plans and Regulations</i> ORC140422-02 Santa Ana Harbor Boulevard Mixed-Use Transit Corridor Plan	The proposed project consists of replacing the existing 425-acre North Harbor Specific Plan (NHSP) with the Harbor Boulevard Mixed-Use Transit Corridor Plan. The plan would change the boundaries of the NHSP so that the project would consist of two separate areas; 1) 305 acres within the boundaries of the existing 425-acre NHSP generally along Harbor Boulevard, and 2) 120 acres within the existing NHSP in the Willowick Golf Course area. Comment Period: 4/18/2014 - 6/2/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Santa Ana	Document under review as of 4/30/14
<i>Plans and Regulations</i> ORC140422-16 Harmony 2015 Specific Plan	The proposed project consists of the Harmony Specific Plan, which would create a comprehensive land use plan for the 6.3-acre site. The purpose of the Plan is to allow for flexibility in the application of development regulations to encourage quality development that is compatible with the surrounding neighborhood and the community at large. The Plan will allow for low density single-family residential uses and provide a framework for quality site planning and development standards. Comment Period: 4/18/2014 - 5/19/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Cypress	Document under review as of 4/30/14
<i>Plans and Regulations</i> RVC140430-02 GPA No. 960	The proposed project consists of the Riverside County General Plan No. 960, the General Plan Update Project, which proposes a variety of revisions to the current Riverside County General Plan to update the existing policies, maps and implementing directions, and provide new information and policies where needed. Various revisions are proposed for nearly all of the General Plan's Elements and Area Plans. Comment Period: 4/30/2014 - 6/30/2014 Public Hearing: N/A	Draft Environmental Impact Report	County of Riverside	Document under review as of 4/30/14

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
APRIL 1, 2014 TO APRIL 30, 2014**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> SBC140409-01 Development Code Amendment DRC2014-00205	The proposed project consists of a supplement to Development Code Update (DRC2010-00571) amending Title 17 of the Rancho Cucamonga Municipal Code to clarify definitions, administrative procedures, and correct prior errors and omissions. Comment Period: N/A Public Hearing: N/A	Draft Negative Declaration	City of Rancho Cucamonga	Document reviewed - No comments sent

TOTAL DOCUMENTS RECEIVED AND REVIEWED THIS REPORTING PERIOD: 71

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

ATTACHMENT B*
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Airports</i> LAC140327-03 Bob Hope Airport	This document consists of an Air Quality Assessment Protocol. The proposed project consists of several related components to be constructed in two phases. The first phase includes a three-level Regional Intermodal Transportation Center structure to be constructed on either spread or piled foundation over portions of the existing Parking Lot D. The second phase of the proposed project consists of an enclosed pedestrian bridge/lounge facility over Empire Avenue connecting the RITC structure with the Bob Hope Airport Train Station. Comment Period: N/A Public Hearing: N/A	Other	Burbank-Glendale-Pasadena Airport Authority	Document under review as of 4/30/14
<i>Utilities</i> LAC140327-02 El Segundo Power Redevelopment Project	This document consists of a Preliminary Staff Assessment. The proposed project consists of replacing utility boiler Units 3 and 4 at the El Segundo Energy Center (ESEC), with one new combined-cycle generator (Unit 9), one new steam turbine generator (Unit 10), and two new simple-cycle gas turbines (Units 11 and 12), totaling 449 megawatts. ESEC project will replace the once-through seawater cooling system with dry-cooling technology. Comment Period: N/A Public Hearing: N/A	Other	California Energy Commission	Document under review as of 4/30/14
<i>Utilities</i> ORC140311-03 Huntington Beach Energy Project	This document consists of a Preliminary Staff Assessment Part B. The proposed project consists of developing the Huntington Beach Energy Project (HBEP) on a 28.6-acre site. The project will include demolition of the existing Huntington Beach Generating Station (HBGS) and replacement with the HBEP. The HBEP would be built entirely within the footprint of the HBGS. The project will add 939 MW of generating capacity to this facility while removing 430 MW from onsite boilers and another 655 MW from the AES Redondo Beach Generating Facility. Comment Period: N/A Public Hearing: N/A	Other	California Energy Commission	Document under review as of 4/30/14
<i>Plans and Regulations</i> LAC140214-02 City of Los Angeles Mobility Plan 2035	The proposed project is a comprehensive revision of the adopted 1999 City of Los Angeles Transportation Element of the General Plan that will guide mobility decisions in the City through year 2035. The proposed Mobility Plan 2035 includes: (1) Policies - that support the goals and objectives; (2) an Enhanced Complete Street System - that prioritizes selected roadways for pedestrian, bicycle, transit, or vehicle enhancements; (3) an Action Plan - That prioritizes actions necessary for implementing the policies and programs; (4) a Complete Street Manual - that describes and identifies implementation procedures for the City's expanded Street Standards and Guidelines; and (5) a Bicycle Plan - incorporated into this plan since the previous 2010 Bicycle Plan was adopted in 2011. Comment Period: 2/13/2014 - 5/13/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document under review as of 4/30/14
<i>Warehouse & Distribution Centers</i> SBC140326-13 Modular Logistics Center	The proposed project consists of the redevelopment of an underutilized 50.84 gross-acre property. The redevelopment process would involve the demolition and removal of existing industrial buildings and improvements from the subject property, grading and preparation of the site for redevelopment, and construction and operation of a logistics warehouse structure containing 1,109,378 square feet of building space and 256 loading bays. http://www.aqmd.gov/ceqa/igr/2014/April/NOPmodularlogistic.pdf Comment Period: 3/26/2014 - 4/24/2014 Public Hearing: N/A	Notice of Preparation	City of Moreno Valley	SCAQMD staff commented 4/24/2014

*Sorted by Comment Status, followed by Land Use, then County, then date received.

- Project has potential environmental justice concerns due to the nature and/or location of the project.

Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> LAC140211-04 Shell Oil Products US Carson Revitalization Project	The proposed project consists of adoption and implementation of the Carson Revitalization Project (CRP) Specific Plan. The Plan provides land use and infrastructure planning of the two petroleum product Distribution Facilities as well as the Revitalization Areas within the proposed project site. The CRP proposes up to an additional 83,000 square feet of retail and 1,580,000 square feet of mixed industrial and business park uses. http://www.aqmd.gov/ceqa/igr/2014/April/DEIRshell.pdf Comment Period: 2/11/2014 - 3/26/2014 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Carson	SCAQMD staff commented 4/3/2014
<i>Industrial and Commercial</i> LAC140213-01 E & B Oil Drilling & Production Project	The proposed project consists of an oil drilling and production project on a 1.3-acre site. Oil and gas pipelines constructed and used by the Project would extend from the Project Site to area refineries. http://aqmd.gov/ceqa/igr/2014/April/DEIRRebDrilling.pdf Comment Period: 2/13/2014 - 4/14/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Hermosa Beach	SCAQMD staff commented 4/17/2014
<i>Industrial and Commercial</i> LAC140319-09 PCH & 2nd Project	The proposed project consists of demolishing the existing Seaport Marina Hotel and constructing a commercial center totaling 245,000 square feet and 1,172 on-site parking spaces. The proposed commercial structures would be one- and two-story buildings with a maximum height of 35 feet. http://www.aqmd.gov/ceqa/igr/2014/April/NOPpch2nd.pdf Comment Period: 3/19/2014 - 4/17/2014 Public Hearing: N/A	Notice of Preparation	City of Long Beach	SCAQMD staff commented 4/11/2014
<i>Industrial and Commercial</i> LAC140320-06 Olive Pit Mining & Reclamation Operations and Long Term Reuse Project	The proposed project consists of maintaining an inactive mining site. The City's long-term goals for the property is to use a portion of the site for development and the remainder for long term use as a storm water retention area. http://www.aqmd.gov/ceqa/igr/2014/April/NOPolivepit.pdf Comment Period: 3/17/2014 - 4/15/2014 Public Hearing: 4/7/2014	Notice of Preparation	City of Irwindale	SCAQMD staff commented 4/9/2014
<i>Waste and Water-related</i> LAC130319-07 Former Kast Property Tank Farm Site Remediation Project	The proposed project consists of the approval of the Remedial Action Plan (RAP). The Los Angeles Water Board will be evaluating the potential environmental impacts associated with the implementation of the RAP, in particular, the short-term impacts associated with the possible cleanup or control methods to be used and the extent of the cleanup. http://www.aqmd.gov/ceqa/igr/2014/April/NOPkastRAP.pdf Comment Period: 3/19/2014 - 4/18/2014 Public Hearing: N/A	Notice of Preparation	Regional Water Quality Control Board, Los Angeles Region	SCAQMD staff commented 4/23/2014

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Retail LAC140212-01 The Ford Theatres Project	The proposed project consists of improvements that would result in approximately 47,550 net square feet of new facilities and approximately 48,750 net new square feet of outdoor plaza within the project site, for a total of 96,300 square feet. The project include rehabilitation and improvements to the existing Amphitheatre and development of the Ford Terrace, the Ford Plaza, the Transit Center and a hiking trail. http://www.aqmd.gov/ceqa/igr/2014/April/NOPfordtheatre.pdf Comment Period: 2/12/2014 - 3/11/2014 Public Hearing: N/A	Notice of Preparation	County of Los Angeles	SCAQMD staff commented 4/15/2014
Retail LAC140313-04 El Monte Walmart	The proposed project consists of a new 182,429 square-foot Walmart within an approximately 15.41-acre site. http://www.aqmd.gov/ceqa/igr/2014/April/NOPwalmartelmonte.pdf Comment Period: 3/13/2014 - 4/13/2014 Public Hearing: N/A	Notice of Preparation	City of El Monte	SCAQMD staff commented 4/11/2014
Retail SBC140327-01 South Moreno Valley Walmart Project	The proposed project consists of 193,000 square feet of new retail/commercial uses within an approximately 22.28-acre site. http://www.aqmd.gov/ceqa/igr/2014/April/NOPsouthmoreno.pdf Comment Period: 3/28/2014 - 4/28/2014 Public Hearing: N/A	Notice of Preparation	City of Moreno Valley	SCAQMD staff commented 4/11/2014
General Land Use (residential, etc.) LAC140205-07 5901 Sunset	The proposed project consists of a mixed-use project that would include approximately 26,000 square feet of retail use at street level, 274,000 square feet of office use in a tower structure, and 1,118 parking spaces on a 1.55-acre site. The improvements would comprise approximately 300,000 square feet of new floor area and would replace the existing surface parking lot by up to 18 stories and approximately 260 feet in height. http://www.aqmd.gov/ceqa/igr/2014/April/NOP5901sunset.pdf Comment Period: 2/5/2014 - 3/10/2014 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	SCAQMD staff commented 4/11/2014
General Land Use (residential, etc.) LAC140220-05 Talaria at Burbank Mixed-Use Project	The proposed project consists of a mixed-use development that would include 241-residential units, 43,000 square feet, and 750 parking spaces on an approximately 3.9-acre site. http://www.aqmd.gov/ceqa/igr/2014/April/NOPtalaria.pdf Comment Period: 2/20/2014 - 3/22/2014 Public Hearing: 3/5/2014	Notice of Preparation	City of Burbank	SCAQMD staff commented 4/11/2014
General Land Use (residential, etc.) LAC140307-04 Landmark Apartment Project	The proposed project consists of constructing a 34-story residential building containing up to 376 multi-family dwelling units and a single-story, approximately 4,700 square-foot, community-serving commercial building on a 2.8-acre site. http://www.aqmd.gov/ceqa/igr/2014/April/NOPlandmark.pdf Comment Period: 3/7/2014 - 4/7/2014 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	SCAQMD staff commented 4/23/2014

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
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<p>TOTAL NUMBER OF REQUESTS TO SCAQMD FOR DOCUMENT REVIEW THIS REPORTING PERIOD: 118 TOTAL NUMBER OF COMMENT LETTERS SENT OUT THIS REPORTING PERIOD: 30 TOTAL NUMBER OF DOCUMENTS REVIEWED, BUT NO COMMENTS WERE SENT: 30 TOTAL NUMBER OF DOCUMENTS CURRENTLY UNDER REVIEW: 28 TOTAL NUMBER OF DOCUMENTS THAT DID NOT REQUIRE COMMENTS: 5 TOTAL NUMBER OF DOCUMENTS THAT WERE NOT REVIEWED: 3 TOTAL NUMBER OF DOCUMENTS THAT WERE SCREENED WITHOUT ADDITIONAL REVIEW: 47</p>

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Comment letters can be accessed at: www.aqmd.gov/ceqa/letters.html

ATTACHMENT C
ACTIVE AQMD LEAD AGENCY PROJECTS
THROUGH APRIL 30, 2014

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Operators of the Ultramar Wilmington Refinery are proposing to construct and install a 49 MW cogeneration unit to reduce the Refinery's reliance on electricity from the Los Angeles Department of Water and Power and produce steam to meet internal needs. No other refinery modifications are proposed.	Ultramar Wilmington Refinery	Negative Declaration	Staff revised responses to the 3 comment letters received on Draft ND and consultant providing edited responses and finalizing the Draft ND.	Environmental Audit, Inc.
The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal state and SCAQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the SCAQMD had used an inappropriate baseline and directed the SCAQMD to prepare an EIR, even though the project has been built and has been in operation since 2006. The purpose of this CEQA document is to comply with the Supreme Court's direction to prepare an EIR.	Phillips 66 (formerly ConocoPhillips), Los Angeles Refinery	Environmental Impact Report	The Notice of Preparation was circulated for a 30-day public comment period on March 26, 2012. The comment period ended on April 26, 2012. The consultant submitted the administrative Draft EIR to SCAQMD in late July 2013. SCAQMD reviewed the Draft EIR and the consultant is revising the document.	Environmental Audit, Inc.
The Phillips 66 Los Angeles Refinery operators are proposing to install one new 615,000-barrel crude oil storage tank with a geodesic dome to accommodate larger marine vessels delivering crude oil. The proposed project also includes increasing the throughput (i.e., frequency of filling and emptying tank) on two existing tanks and adding geodesic domes to these tanks, installing one new 14,000-barrel water draw surge tank and installing one new electrical power substation.	Phillips 66 Los Angeles Refinery Carson Plant	Negative Declaration	The Draft ND was released for a 30-day public review and comment period beginning on September 10, 2013 and ending on October 9, 2013. Three comment letters were received. SCAQMD reviewed the responses to the comment letters and the consultant is making edits to the responses and finalizing the Draft ND.	Environmental Audit, Inc.
The Tesoro Refining and Marketing Los Angeles Refinery operators are proposing to replace two existing tanks with two new larger tanks and to connect one existing tank to an existing vapor recovery system. The proposed project also includes replacing an onsite 12-inch pipe with a new 48-inch diameter pipe to connect to an existing pipeline to the marine terminal.	Tesoro Refining and Marketing Company Los Angeles Refinery	Negative Declaration	The Notice of Intent of a Draft ND was circulated for a 30-day public comment period from April 25, 2014 to May 27, 2014.	Environmental Audit, Inc.
Warren E & P, Inc. is proposing a modification to a Subsequent MND that was certified by the SCAQMD on July 19, 2011. Warren has submitted a supplemental ND detailing a gas sales project designed to replace the gas re-injection portion of the 2011 project.	Warren E & P, Inc.	Supplemental Negative Declaration	SCAQMD staff has reviewed and revised the Draft Supplemental ND. The Draft Supplemental ND was released for public review and comment on April 25 until May 27, 2014.	Environ

A shaded row indicates a new project.

#=SCAQMD was contacted regarding potential environmental justice concerns due to the natural and/or location of the project.

**ATTACHMENT C
ACTIVE AQMD LEAD AGENCY PROJECTS
THROUGH APRIL 30, 2014**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Operators of the KinderMorgan Lomita Terminal are proposing to deliver crude oil by expanding their rail facility.	KinderMorgan Lomita Terminal	To Be Determined	The consultants are preparing emission estimates to determine the type of CEQA document to be prepared.	SABS Consulting and TRC
Operators of the Petro Diamond Marine Terminal are proposing to increase the number of ship calls delivering ethanol.	Petro Diamond	To Be Determined	The consultant had prepared Draft Negative Declaration. SCAQMD staff is currently reviewing the Draft Negative Declaration to determine if it is the appropriate type of CEQA document for the project.	SABS Consulting
Quemetco is proposing an increase in daily furnace feed rate	Quemetco	To Be Determined	Initial Study under review by SCAQMD staff.	Trinity Consultants
Chevron is proposing modifications to its Product Reliability and Optimization (PRO) Project and has applied for a change of permit conditions to reduce NOx emissions and fired duty operating conditions of the Tail Gas Unit.	Chevron	Addendum	Under staff review.	Environmental Audit, Inc.

A shaded row indicates a new project.

#=SCAQMD was contacted regarding potential environmental justice concerns due to the natural and/or location of the project.

[↑ Back to Agenda](#)

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 14

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights SCAQMD rulemaking activity and Public Workshops potentially scheduled for the year 2014.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:LT:cg

1123	Refinery Process Turnarounds (MCS-03)
Rule 1123 is moved to December from July to allow additional time necessary to evaluate implementation options and scope of affected activities.	
1151	Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
Rule 1151 is moved to September from July to allow additional time necessary to evaluate stakeholder input.	
1168	Adhesive and Sealant Applications (CTS-02)
Rule 1168 is moved to September from July to allow additional time to review environmental impacts and assess feedback from CARB and U.S. EPA to address other industry concerns.	

1401	New Source Review of Toxic Air Contaminants
1402	Control of Toxic Air Contaminants from Existing Sources
Rule 1401 and Rule 1402 are moved to November from September to allow additional time to work with stakeholders.	
2449	Control of Oxides of Nitrogen Emissions from Off-Road Diesel Vehicles
Rule 2449 is moved forward to the July rule schedule. CARB has amended the In-Use Off-Road Diesel Vehicle Regulation (Title 13 of the California Code of Regulation Section 2449) which resulted in the renumbering of the Surplus Off-Road Opt-In for NOx (SOON) provision from Section 2449.3 to Section 2449.2. Staff is proposing an administrative amendment to SCAQMD Rule 2449 to revise the reference from Section 2449.3 to Section 2449.2 of Title 13 of the California Code of Regulation.	
4001	Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01)
Proposed Rule 4001 is moved to November from July to allow staff additional time to work on technical details with stakeholders.	

2014 MASTER CALENDAR (continued)

Below is a list of all rulemaking activity scheduled for the year 2014. The last four columns refer to the type of rule adoption or amendment. A more detailed description of the proposed rule adoption or amendment is located in the Attachments (A through D) under the type of rule adoption or amendment (i.e. AQMP, Toxics, Other and Climate Change).

**An asterisk indicates that the rulemaking is a potentially significant hearing.*

+This proposed rule will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.

¹Subject to Board approval

California Environmental Quality Act shall be referred to as "CEQA."

Socioeconomic Analysis shall be referred to as "Socio."

2014

July		AQMP	Toxics	Other	Climate Change
2449 ¹	Control of Oxides of Nitrogen Emissions from Off-Road Diesel Vehicles	√			
September					
1111	Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces			√	
1151 ^{*+1}	Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations			√	
1153.1	Emissions of Oxides of Nitrogen from Commercial Food Ovens			√	
1168 ¹	Adhesive and Sealant Applications (CTS-02)	√			
Reg. XX	Regional Clean Air Incentives Market (RECLAIM) (CMB-01)	√			

2014 MASTER CALENDAR (continued)

2014

October		AQMP	Toxics	Other	Climate Change
415	Odors from Rendering Plants			√	
Reg. IX	Standards of Performance for New Stationary Sources			√	
X	National Emission Standards for Hazardous Air Pollutants				
1161	VOC Reductions from Mold Release Agents (CTS-03)	√			
November					
1188	VOC Reductions from Vacuum Trucks (FUG-01)	√			
1401 ¹	New Source Review of Toxic Air Contaminants		√		
1402 ¹	Control of Toxic Air Contaminants from Existing Sources				
1420	Emissions Standard for Lead		√		
1420.2	Emissions Standard for Lead from Medium Sources		√		
2305*	Indirect Sources		√	√	
4001 ¹	Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01)	√			
December					
1111.1	NOx Reductions from Commercial Space Heating (CMB-03)	√			
1123 ¹	Refinery Process Turnarounds (MCS-03)	√			
1430	Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations		√		
1450	Control of Methylene Chloride Emissions		√		
2301	Control of Emissions from New or Redevelopment Projects (EGM-01)	√			

2014 MASTER CALENDAR (continued)

2014 TO-BE DETERMINED

TBD		AQMP	Toxics	Other	Climate Change
219	Equipment Not Requiring a Written Permit Pursuant to Regulation II			√	
222.1	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I			√	
1107	Coating of Metal Parts and Products			√	
1113	Architectural Coatings			√	
1118	Control of Emissions from Refinery Flares			√	√
1124	Aerospace Assembly and Component Manufacturing Operations (CTS-02)	√		√	
1162	Polyester Resin Operations (CTS-02)	√		√	
1171	Solvent Cleaning Operations (CTS-02)	√		√	
1147	NOx Reductions from Miscellaneous Sources			√	
1148.1	Oil and Gas Production Wells			√	
1177	Liquefied Petroleum Gas Transfer and Dispensing			√	
1190 Series	Fleet Vehicle Requirements			√	
1304.2	Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets			√	
Reg. XIII	New Source Review			√	
1420.1	Emissions Standard for Lead from Large Lead-Acid Battery Recycling Facilities		√		
1902	Transportation Conformity - Preamble			√	
2511	Credit Generation Program for Locomotive Head End Power Unit Engines			√	

2014 MASTER CALENDAR (continued)

2014 TO-BE DETERMINED

TBD	(continued)	AQMP	Toxics	Other	Climate Change
2512	Credit Generation Program for Ocean-Going Vessels at Berth			√	
Reg.XXVII	Climate Change				√
4010 ^{*+}	General Provisions and Requirements for Ports of Los Angeles and Long Beach (IND-01)	√	√		
4020 ^{*+}	Backstop Requirements for Ports of Los Angeles and Long Beach (IND-01)	√	√		
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	Rule amendments may be needed to meet the requirements of state and federal laws, to address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 6, 2013 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 6, 2013 Rule and Control Measure Forecast. The Clean Communities Plan (CCP) has been updated to include new measures to address toxic emissions in the basin. The CCP measures will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 6, 2013 Rule and Control Measure Forecast). Rule amendments also include updates to provide consistency with CARB Statewide Airborne Toxic Control Measures (ATCMs).	√	√	√	√

ATTACHMENT A

AQMP Rule Activity Schedule

This attachment lists those control measures that are being developed into rules or rule amendments for Governing Board consideration that are designed to implement the amendments to the 2012 Air Quality Management Plan.

2014

July	
2449 ¹	<p>Control of Oxides of Nitrogen Emissions from Off-Road Diesel Vehicles <i>[Projected Emission Reduction: N/A]</i> In May 2008, the Board adopted Rule 2449 implementing the Surplus Off-Road Opt-in for NOx (SOON) provisions of the State In-Use Off-Road Diesel Vehicle Regulation. On December 14, 2011, CARB amended the In-Use Off-Road Diesel Vehicle Regulation and removed Section 2449.2, Title 13 of the California Code of Regulation (CCR). As part of that action, CARB renumbered the SOON Provision Section 2449.3 to Section 2449.2. Staff is proposing an administrative amendment to SCAQMD Rule 2449 to revise the reference from Section 2449.3 to Section 2449.2 of Title 13 of the California Code of Regulation. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
September	
1168 ¹	<p>Adhesive and Sealant Applications (CTS-02) <i>[Projected Emission Reduction: N/A]</i> Amendments to Rule 1168 will partially implement CTS-02 and reflect improvements in adhesive and sealants technology, as well as remove outdated provisions and include minor clarifications. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XX	<p>Regional Clean Air Incentives Market (RECLAIM) (CMB-01) <i>[Projected Emission Reduction: 3-5 TPD]</i> Proposed amendments to Regulation XX will seek to implement a minimum contingency measure CMB-01 of the 2012 AQMP and possibly Phase II of the control measure if the technology assessment can be completed within the allotted time for this rulemaking. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

2014

October	
1161	<p>VOC Reductions from Mold Release Agents (CTS-03) <i>[Projected Emission Reduction: TBD]</i> The proposed rule will establish requirements for mold release products used in composite, fiberglass, metal and plastic manufacturing, and concrete stamping operations. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
November	
1188	<p>VOC Reductions from Vacuum Trucks (FUG-01) <i>[Projected Emission Reduction: TBD]</i> The proposed rule will establish VOC emission standards and other requirements associated with the operation of vacuum trucks not covered by Rule 1149 – Storage Tank and Pipeline Cleaning and Degassing. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
4001 ¹	<p>Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01) <i>[Projected Emission Reduction: TBD]</i> If triggered, the proposed rule will address cost-effective NO_x, SO_x, and PM_{2.5} emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the 2012 AQMP for the 24-hour PM_{2.5} standard are maintained. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
December	
1111.1	<p>NO_x Reductions from Commercial Space Heating (CMB-03) <i>[Projected Emission Reduction: N/A]</i> Proposed Rule 1111.1 will establish equipment-specific nitrogen oxides emission limits and other requirements for the operation of commercial space heaters. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1123 ¹	<p>Refinery Process Turnarounds (MCS-03) <i>[Projected Emission Reduction: N/A]</i> Proposed amendments, if needed, will implement Control Measure MSC-03 of the 2007 AQMP by establishing procedures that better quantify emission impacts from start-up, shutdown or turnaround activities. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

2014

December	(continued)
2301	<p>Control of Emissions from New or Redevelopment Projects (EGM-01) <i>[Projected Emission Reduction: Committed to reduce 0.5 tons per day of VOC, 0.8 tons per day of NOx, and 0.5 tons per day of PM2.5 in 2023.]</i></p> <p>The proposed rule will implement the 2007 AQMP Control Measure EGM-01 – Emission Reductions from New or Redevelopment Projects. Since the initial proposal was released for Proposed Rule 2301, CARB in compliance with an SB 375 requirement has set greenhouse gas emission reduction targets for each metropolitan planning organization (MPO). SCAG’s 2012 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) contains the plan for how these emission reductions targets will be met. In light of these developments, Proposed Rule 2301 will consider the implementation of a menu of mitigation measures as well as capture the co-benefits of VOC, NOx, and PM 2.5 emission reductions from SB 375 and the 2012 RTP/SCS.</p> <p><i>Carol Gomez 909.396.3264 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

To-Be Determined 2014

To-Be Determined	
1124 1162 1171	<p>Aerospace Assembly and Component Manufacturing Operations (CTS-02) Polyester Resin Operations (CTS-02) Solvent Cleaning Operations (CTS-02) <i>[Projected Emission Reduction: TBD]</i></p> <p>Amendments may be necessary to integrate requirements associated with Proposed Rule 1161 – VOC Reductions from Mold Release Agents.</p> <p><i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
<p>4010^{*+}</p> <p>4020^{*+}</p>	<p>General Provisions and Requirements for Ports of Los Angeles and Long Beach (IND-01)</p> <p>Backstop Requirements for Ports of Los Angeles and Long Beach (IND-01)</p> <p><i>[Projected Emission Reduction: TBD]</i></p> <p>If triggered, the proposed rules will address cost-effective NO_x, SO_x, and PM_{2.5} emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the AQMP are maintained.</p> <p><i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<p>Reg. IV, IX, X, XI, XIV, XX and XXX Rules</p>	<p>Rule amendments may be needed to meet the requirements of state and federal laws, to address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 6, 2013 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 6, 2013 Rule and Control Measure Forecast.</p>

ATTACHMENT B

Toxics Rule Activity Schedule

This attachment lists those rules or rule amendments for Governing Board consideration that are designed to implement the Air Toxics Control Plan.

2014

November	
1401 ¹ 1402 ¹	<p>New Source Review of Toxic Air Contaminants Control of Toxic Air Contaminants from Existing Sources <i>[Projected Emission Reduction: TBD]</i> Amendments to Rules 1401 and 1402 will address new or revised toxic air contaminants that have been approved by OEHHA. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1420 1420.2	<p>Emissions Standard for Lead Emissions Standard for Lead from Medium Sources <i>[Projected Emission Reduction: TBD]</i> In October 2008, U.S. EPA lowered the National Ambient Air Quality Standard for lead from 1.5 to 0.15 ug/m³. Proposed Amended Rule 1420 and Proposed Rule 1420.2 will apply to lead sources and will include requirements to ensure the Basin meets the new lead standard. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2305*	<p>Indirect Sources <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 2305 will identify approaches to reduce exposure to diesel particulate emissions and localized NO₂ emissions from facilities associated with large indirect sources (i.e. facilities that attract mobile sources). <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
December	
1430	<p>Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1430 will establish requirements to control toxic air contaminants from metal forging, shredding, grinding, and other metal processing operations. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1450	<p>Control of Methylene Chloride Emissions <i>[Projected Emission Reduction: N/A]</i> Proposed Rule 1450 will establish requirements to control methylene chloride from furniture stripping operations and other sources. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	
1420.1	<p>Emissions Standard for Lead from Large Lead-Acid Battery Recycling Facilities <i>[Projected Emission Reduction: TBD]</i> The proposed amendment will reduce arsenic, benzene, and 1,3-butadiene emissions from large lead-acid battery recycling facilities. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
4010 ^{*+} 4020 ^{*+}	<p>General Provisions and Requirements for Ports of Los Angeles and Long Beach (IND-01) Backstop Requirements for Ports of Los Angeles and Long Beach (IND-01) <i>[Projected Emission Reduction: TBD]</i> If triggered, the proposed rules will address cost-effective NO_x, SO_x, and PM_{2.5} emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the AQMP are maintained. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	<p>The Clean Communities Plan (CCP) has been updated to include new measures to address toxic emissions in the basin. The CCP measures will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 6, 2013 and Control Measure Forecast). Rule amendments also include updates to provide consistency with CARB Statewide Air Toxic Control Measures.</p>

ATTACHMENT C

Other Rule Activity Schedule

This attachment lists those rules or rule amendments for the Governing Board consideration that are designed to improve rule enforceability, SIP corrections, or implementing state or federal regulations.

2014

September	
1111	<p>Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to reflect the findings of the ongoing technology assessment. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1151 ^{*+1}	<p>Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations <i>[Projected Emission Reduction: N/A]</i> The proposed amendments to the rule will remove language associated with outdated requirements and may also be necessary to reflect further findings relative to recordkeeping requirements for tertiary butyl acetate (TBAC), as well as include minor clarifications. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1153.1	<p>Emissions of Oxides of Nitrogen from Commercial Food Ovens <i>[Projected Emission Reduction: N/A]</i> Proposed Rule 1153.1 will establish equipment-specific nitrogen oxides emission limits and other requirements for the operation of commercial food ovens. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
October	
415	<p>Odors from Rendering Plants <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 415 will address odors from rendering plants. <i>Phil Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IX X	<p>Standards of Performance for New Stationary Sources (NSPS) National Emission Standards for Hazardous Air Pollutants (NESHAPS) <i>[Projected Emission Reduction: N/A]</i> Regulation IX - Standards of Performance for New Stationary Sources and Regulation X - National Emission Standards for Hazardous Air Pollutants, incorporate by reference the corresponding federal requirements. Amendments are being proposed to incorporate the latest federal revisions. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

2014

November	
2305*	<p>Indirect Sources <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 2305 will identify approaches to reduce exposure to diesel particulate emissions and localized NO2 emissions from facilities associated with large indirect sources (i.e. facilities that attract mobile sources). <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

To-Be Determined 2014

To-Be Determined	
219	<p>Equipment Not Requiring a Written Permit Pursuant to Regulation II <i>[Projected Emission Reduction: N/A]</i> Amendments to Rule 219 may be proposed to exclude equipment with de minimis emissions from the requirement to obtain written permits. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
222.1	<p>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I <i>[Projected Emission Reduction: N/A]</i> Amendments for Rule 222 may be proposed to add additional equipment categories to the streamlined filing/registration program of Rule 222. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1107	<p>Coating of Metal Parts and Products <i>[Projected Emission Reduction: N/A]</i> Potential amendments to Rule 1107 would further reduce VOC emissions and improve rule clarity and enforceability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1113	<p>Architectural Coatings <i>[Projected Emission Reduction: N/A]</i> Potential amendments may be proposed to include administrative fixes and/or any clarifications that may arise due to compliance verification activities or manufacturer and public input. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
1118	<p>Control of Emissions from Refinery Flares <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address results of the additional analysis required by the adopting resolution for the last amendment. Amendments may also be necessary to implement an AB 32 measure. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1124 1162 1171	<p>Aerospace Assembly and Component Manufacturing Operations (CTS-02) Polyester Resin Operations (CTS-02) Solvent Cleaning Operations (CTS-02) <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to integrate requirements associated with Proposed Rule 1161 – VOC Reductions from Mold Release Agents. The proposed amendment may consider technology assessments for the cleanup of affected equipment. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1147	<p>NOx Reductions from Miscellaneous Sources <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to address findings of ongoing technology assessment. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1148.1	<p>Oil and Gas Production Wells <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to improve rule effectiveness in reducing emissions from production wells and associated equipment and improving housekeeping activities. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1177	<p>Liquefied Petroleum Gas Transfer and Dispensing <i>[Projected Emission Reduction: N/A]</i> Potential amendments may be proposed to include administrative fixes and/or any clarifications that may arise due to compliance verification activities or manufacturer and public input. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1190 Series	<p>Fleet Vehicle Requirements <i>[Projected Emission Reduction: TBD]</i> Amendments to Rule 1190 series fleet rules may be necessary to address remaining outstanding implementation issues and in the event the court's future action requires amendments. In addition, the current fleet rules may be expanded to achieve additional air quality and air toxic benefits. <i>Dean Saito 909.396.2647 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
1304.2	<p>Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets <i>[Projected Emission Reduction: TBD]</i> Rule 1304.2 provides for new, greenfield or additions at existing electrical generating facilities access to the AQMD's internal offset account, subject to qualifying conditions, eligibility, and the payment of a fee to invest in air quality improvement projects consistent with the AQMP. This rule is a companion provision to recently adopted Rule 1304.1 and will provide that new, proposed and other existing electrical generating facilities can compete on a level playing field with existing generating facilities with utility steam boilers, and implement the State's plan to maintain grid reliability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XIII	<p>New Source Review <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address U.S. EPA comments on SIP approvability issues and/or requirements. Amendments may also be proposed for clarity and improved enforceability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1902	<p>Transportation Conformity <i>[Projected Emission Reduction: TBD]</i> Amendments to Rule 1902 may be necessary to bring the District's Transportation Conformity rule in line with current U.S. EPA requirements. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2511	<p>Credit Generation Program for Locomotive Head End Power Unit Engines <i>[Projected Emission Reduction: TBD]</i> Develop a rule to allow generation of PM mobile source emission reduction credits from Locomotive Head End Power Unit Engines. Credits will be generated by retrofitting engines with PM controls or replacing the engines with new lower-emitting engines. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2512	<p>Credit Generation Program for Ocean-Going Vessels at Berth <i>[Projected Emission Reduction: TBD]</i> Develop a rule to allow generation of PM, NOx and SOx emission reduction credits from ocean-going vessels while at berth. Credits will be generated by controlling the emissions from auxiliary engines and boilers of ships while docked. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	Rule amendments may be needed to meet the requirements of state and federal laws, to address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 6, 2013 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 6, 2013 Rule and Control Measure Forecast. The Clean Communities Plan (CCP) has been updated to include new measures to address toxic emissions in the basin. CCP measures will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 6, 2013 Rule and Control Measure Forecast). Rule amendments also include updates to provide consistency with CARB Statewide Airborne Toxic Control Measures (ATCMs).

ATTACHMENT D

Climate Change

This attachments lists rules or rule amendments for Governing Board consideration that are designed to implement SCAQMD's Climate Change Policy or for consistency with state or federal rules.

To-Be Determined 2014

To-Be Determined	
1118	Control of Emissions from Refinery Flares <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address findings from the additional analysis required by the adopting resolution for the last amendment. Amendments may also be necessary to implement an AB 32 measure. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i>
Reg. XXVII	Climate Change <i>[Projected Emission Reduction: TBD]</i> Additional protocols may be added to Rules 2701 and 2702. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i>
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	Rule developments/amendments may be needed to meet the requirements of state and federal laws related to climate change air pollutants.

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 15

PROPOSAL: Report of RFPs and RFQs Scheduled for Release in June

SYNOPSIS: This report summarizes the RFPs and RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of June.

COMMITTEE: Administrative, May 9, 2014; Recommended for Approval

RECOMMENDED ACTION:

Approve the release of RFPs/RFQs for the month of June.

Barry R. Wallerstein, D.Env.
Executive Officer

MBO:lg

Background

At its January 8, 2010 meeting, the Board approved a revised Procurement Policy and Procedure. Under the revised policy, RFPs and RFQs for budgeted items over \$75,000, which follow the Procurement Policy and Procedure, no longer require individual Board approval. However, a monthly report of all RFPs and RFQs over \$75,000 is included as part of the Board agenda package and the Board may, if desired, take individual action on any item. The report provides the title and synopsis of the RFP or RFQ, the budgeted funds available, and the name of the Deputy Executive Officer/Asst. Deputy Executive Officer responsible for that item. Further detail including closing dates, contact information, and detailed proposal criteria will be available online at <http://www.aqmd.gov/rfp/index.html> following Board approval on June 6, 2014.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ will be e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov> where it can be viewed by making menu selections "Inside AQMD"/"Employment and Business Opportunities"/"Business Opportunities" or by going directly to <http://www.aqmd.gov/rfp/index.html>). Information is also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

Proposal Evaluation

Proposals received will be evaluated by applicable diverse panels of technically qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector or academic community expertise.

Attachment

Report of RFPs and RFQs Scheduled for Release on June 6, 2014

**June 6, 2014 Board Meeting
Report on RFPs and RFQs Scheduled for Release on June 6, 2014**

(For detailed information visit SCAQMD's website at
<http://www.aqmd.gov/rfp/index.html> following Board approval on June 6, 2014)

STANDARDIZED SERVICES

NONE

RESEARCH AND DEVELOPMENT OR SPECIAL TECHNICAL EXPERTISE

NONE

REQUESTS FOR QUALIFICATIONS - Prequalified Vendor List

RFQ #Q2014-10 Establish List of Prequalified Vendors for
Compressed Gases and Cryogenic Liquids

MIYASATO/3240

The SCAQMD uses compressed pure gases and cryogenic liquids for sampling and analysis of air pollutants. The expenditure for the compressed gases and cryogenic liquids is estimated to be \$125,000 annually. The funds for the purchase of pure gases and cryogenic liquids are in part from the U.S. EPA. This RFQ is issued to identify and prequalify vendors interested in providing compressed pure gases and or cryogenic liquids to SCAQMD from July 1, 2014 through June 30, 2015. Under this RFQ, there are two (2) categories of products. They are (1) Compressed Pure Gases and (2) Cryogenic Liquids. Vendors may elect to quote for either one or both categories. The price quotations will be fixed without exception from July 1, 2014 until June 30, 2015.

REQUESTS FOR QUALIFICATIONS - Prequalified Vendor List (Cont.)

RFQ #Q2014-08 Issue Request for Qualifications to Establish List of Prequalified Vendors for Automotive Mechanical Repair and Service JOHNSON/3018

This action is to issue an RFQ to establish a new list of prequalified vendors for the next three-year period. Funds for this service are included in the FY 2014-15 Budget and will be included in budgets for each of the remaining fiscal years.

REQUEST FOR QUOTATIONS – Commercial Off-the-Shelf Equipment

NONE

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 16

PROPOSAL: Remove Various Fixed Assets from SCAQMD Inventory

SYNOPSIS: SCAQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every six months. This action is to approve removal of surplus equipment and motor vehicles determined to be obsolete, non-operational and not worth repairing.

COMMITTEE: Administrative, May 9, 2014; Recommended for Approval

RECOMMENDED ACTION:

Declare the items on Attachments A and B as surplus and authorize removal of these items from the fixed assets inventory through donation, auction process, salvage, or dismantlement for parts.

Barry R. Wallerstein, D Env.
Executive Officer

MBO:SJ:lg

Background

SCAQMD Administrative Policies and Procedures No. 20 established procedures for the approval, purchasing, tagging, physical inventory, and disposal of fixed assets. This policy requires the review of the fixed assets and controlled items for obsolescence and disposal every six months. The list of equipment appearing on Attachment A represents old, obsolete and non-operational equipment that could not be repaired. The list of vehicles appearing on Attachment B represents vehicles that are non-operational and not worth repairing. These vehicles have an average of over 140,000 miles ranging from 96,000 to 172,000 miles. Equipment and vehicles purchased with federal funds are being disposed of in accordance with applicable federal regulations.

Proposal

Staff is recommending that the assets on Attachments A and B, as in the past, be surplus through the surplus process and properly disposed of. Equipment will be auctioned, donated or dismantled for parts and the motor vehicles will be disposed of through auction.

Resource Impacts

The proposed action will have no significant impact on the General Fund, other than miscellaneous revenue from auction sales. The total original cost of the fixed assets in Attachments A and B was \$750,132.06 and was accounted for, fully depreciated, and reported in the annual audited financial statements.

Attachment

- A. Obsolete or Non-repairable Equipment
- B. Obsolete or Non-repairable Motor Vehicles

**South Coast Air Quality Management District
ATTACHMENT A
Obsolete or Non-repairable Equipment**

Asset ID	Tag#	Description	Cost	Date Purchased	Net Book Value	Disposition
00001390	15527	Sanyo Time Lapse Video Recorder	8,305.00	04/03/98	0.00	Auction
00003613	E000207 *	Teledyne 200E Nox	6,718.45	01/01/04	0.00	Parts/Auction**
00003146	E000246 *	Teledyne 400A O ₃	6,543.93	08/09/00	0.00	Parts/Auction**
00002756	0015558	Horiba APMA 360	5,928.86	12/02/98	0.00	Parts/Auction**
00002764	16211	Horiba APMA 360	5,928.86	03/24/99	0.00	Parts/Auction**
000000003910	0016755	Digital Audio Recording	5,795.41	01/01/08	0.00	Parts/Auction**
00000377	00000377	Exhibit Portable	6,098.70	09/08/91	0.00	Parts/Auction**
00003656	E00200A *	Storageworks Disk SystemsHP2405	8,646.91	01/01/05	0.00	Parts/Auction**
00001228	0014959	Laserjet 5Si Copier	7,583.30	12/06/96	0.00	Parts/Auction**
		Total obsolete or non-repairable equipment	\$ 61,549.42			
* Assets purchased with federal funds						
** Usable parts will be removed and the remainder will be auctioned/scrapped						

**South Coast Air Quality Management District
ATTACHMENT B
Obsolete or Non-repairable Motor Vehicles**

Asset ID	Tag#	Description	Cost	Date Purchased	Net Book Value	Disposition
00003294	38635	2000 Ford E250 Van CNG	25,945.51	2/8/2000	0.00	Auction
00003067	38641	2000 Toyota Camry CNG	25,043.64	6/6/2000	0.00	Auction
00003073	38647	2000 Toyota Camry CNG	25,043.64	6/6/2000	0.00	Auction
00003075	38649	2000 Toyota Camry CNG	25,043.64	6/6/2000	0.00	Auction
00003080	38655	2000 Toyota Camry CNG	25,043.64	6/6/2000	0.00	Auction
00003081	38656	2000 Toyota Camry CNG	25,043.64	6/6/2000	0.00	Auction
00003169	38663	2000 Toyota Camry CNG	23,135.00	8/3/2000	0.00	Auction
00003171	38665	2000 Toyota Camry CNG	23,135.00	8/3/2000	0.00	Auction
00003094	38674	2000 Toyota Camry CNG	25,043.64	9/1/2000	0.00	Auction
00003164	38638	2000 Honda Insight Hybrid	20,009.16	11/2/2000	0.00	Auction
00003085	38668	2001 Toyota Prius Hybrid	22,261.61	8/24/2000	0.00	Auction
00003086	38669	2001 Toyota Prius Hybrid	22,261.61	8/24/2000	0.00	Auction
00003183	38690	2001 Toyota Camry CNG	30,538.20	3/30/2001	0.00	Auction
00003190	38697	2001 Toyota Camry CNG	30,538.20	3/30/2001	0.00	Auction
00003206	38713	2001 Toyota Camry CNG	30,538.20	3/30/2001	0.00	Auction
00003207	38714	2001 Toyota Camry CNG	30,538.20	3/30/2001	0.00	Auction
00003455	38725	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003461	38731	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003463	38733	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003469	38739	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003471	38741	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003472	38742	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003473	38743	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003479	38749	2002 Ford Crown Victoria CNG	22,483.12	5/24/2002	0.00	Auction
00003519	38755	2002 Ford Crown Victoria CNG	22,483.13	7/9/2002	0.00	Auction
000000003763	38775	2006 Honda Civic GX CNG**	25,338.69	6/28/2006	0.00	Auction
000000003840	H0001*	2007 Honda Civic GX CNG**	25,866.66	4/10/2007	0.00	Auction
000000003847	H0005*	2007 Honda Civic GX CNG**	25,866.67	4/10/2007	0.00	Auction
		total obsolete or non-repairable motor vehicle	\$688,582.64			

* Assets purchased with federal funds

** Although model year 2006/7, vehicles have high mileage (104K, 176K, & 163K) and non-warranty covered engine problems

[↑ Back to Agenda](#)

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 17

PROPOSAL: Annual Meeting of the Brain & Lung Tumor and Air Pollution Foundation

SYNOPSIS: This item is to conduct the annual meeting of the Brain & Lung Tumor and Air Pollution Foundation. The Foundation staff will present an annual report detailing the research supported by the Foundation over the past year, the Foundation's plans for the future, and a financial report.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

Receive and file the annual report and ratify the Foundation disbursements described in the annual report.

Barry R. Wallerstein, D.Env.
Executive Officer

KRW:vmr

2014 Annual Report

1. Background

In February 2003 the Board established the Brain Tumor and Air Pollution Foundation. In March 2004 the Foundation amended its Articles of Incorporation to change its name to Brain & Lung Tumor and Air Pollution Foundation (Foundation) and to specify that its purpose is related to the effects of air pollution on brain tumors and lung cancer. The mission of the Foundation is to support research studies on the association between air pollution and brain and lung tumors, as well as research for the development of novel therapeutics for such tumors. To carry out its purpose, the Foundation has funded research projects investigating the links between air pollution and brain and lung

tumors. The dollar amount of the funding provided to date is \$5,722,568. The current projects are described below.

2. Directors and Officers

The Directors of the Foundation are:

Michael D. Antonovich, Chairman
Dennis Yates, Vice Chairman
Josie Gonzales
Dr. Clark Parker

The Foundation's staff is:

Barry Wallerstein, Chief Executive Officer
Denise Whitcher, Secretary
Michael O'Kelly, Treasurer

3. Report on the Foundation's Activities

Previous Research Projects

Previous projects funded by the Foundation have found alterations in brain molecular biochemistry in laboratory animals after exposure to particulate air pollutants. Several alterations in gene expression were found that were similar to those found in human brain tumors. A paper reporting on these results was accepted for publication in 2013. The citation follows.

Gene expression changes in rat brain after short and long exposures to particulate matter in Los Angeles basin air: Comparison with human brain tumors.

Julia Y. Ljubimova, Michael T. Kleinman, Natalya M. Karabalin, Satoshi Inoue, Bindu Konda, Pallavi Gangalum, Janet L. Markman, Alexander V. Ljubimov, and Keith L. Black.

Experimental and Toxicologic Pathology 65(7-8): 1063-1071, 2013.

[<http://www.sciencedirect.com/science/article/pii/S0940299313000547>]

Current Research Projects

In 2013 the Foundation Board accepted \$1,000,000 from the SCAQMD's Health Effects Research Fund, and approved funding for the following project.

Chronic Exposure of Mice to Ambient Particles to Study Cancer-Related Stem Cell Activation in the Brain

Principal Investigator: Keith Black, M.D., Cedars Sinai Medical Center

Approved Funding: \$1,000,000

This project was approved by the Foundation Board in September 2013 as a follow up to previous laboratory studies conducted by Cedars Sinai. In the current study, laboratory animals are exposed to ambient particulate matter, including ultrafine particles, for a period of one year for additional investigation of potential stem cell activation into cancer precursor cells. The elucidation of such molecular pathways involved in survival, proliferation, and differentiation of cancer stem cells may be fundamental information to help develop therapies for brain tumors and to develop potential preventive measures. The research is being done in collaboration with the UC Irvine School of Medicine. The project is scheduled to be completed by the end of 2015.

4. Financial Report

As of February 28, 2014, the Foundation had a cash balance of \$1,060,733. Following is an accounting of the Foundation’s operations since its inception (7/23/03):

Revenue from Operations	
Contributions	\$ 5,722,568
Interest Income	\$ 39,284
<i>Total Revenue from Operations</i>	\$ 5,761,852
Operating Expenses	
Grants Awarded	
-Cedars Sinai	\$ 4,309,250
-USC	\$ 377,967
Corporation Filing Costs	\$ 1,360
Bank charges	\$ 542
Professional fees-audit	\$ 12,000
<i>Total Operating Expenses</i>	\$ 4,701,119
Cash Balance	\$ <u>1,060,733</u>

5. Plans for Upcoming Year

The Foundation will continue monitoring the progress of existing research projects. The Foundation will evaluate new projects and provide funding to the extent that additional funds become available.

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 18

PROPOSAL: Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2013-14

SYNOPSIS: Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and projects to be initiated by Information Management during the last six months of FY 2013-14.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

JCM:MAH:OSM:nv

Background

Information Management (IM) provides a wide range of information systems and services in support of all SCAQMD operations. IM's primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget specifies projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies each of the major projects/contracts or purchases that are expected to come before the Board between January 1 and June 30, 2014. Information provided for each project includes a brief project description, FY 2013-14 Budget, and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Major Projects for Period January 1 through June 30, 2014

ATTACHMENT
June 6, 2014 Board Meeting
Information Management Major Projects
for the Period of January 1 through June 30, 2014

Item	Brief Description	Budgeted Funds	Schedule of Board Actions	Status
Phone System Replacement	Authorize release of RFP for phone system replacement (Headquarters and Long Beach).	\$1,200,000	RFP Release October 4, 2013; Contract Award April 4, 2014	Completed
Prequalify Vendor List for PCs, Network Hardware, etc.	Establish list of prequalified vendors to provide customer, network, and printer hardware and software, and to purchase desktop computer hardware upgrades.	\$300,000	Release RFQQ November 1, 2013; Approve Vendors List and Award Purchase February 7, 2014	Completed
Systems Development, Maintenance and Support	Provide Development, Maintenance and Support for: <ul style="list-style-type: none"> • CLASS System Enhancements • eGovernment Infrastructure/Architecture Implementation • Software Version Upgrades • Systems Maintenance 	\$391,560	March 7, 2014	Completed

Double-lined Rows - Board Agenda items current for this month

Shaded Rows - activities completed

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 20

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, May 9, 2014. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, June 13, 2014 at 10:00 a.m.

RECOMMENDED ACTION:

Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

drw

Attendance: Attending the May 9, 2014 meeting were Committee Members Mayor Dennis Yates and Supervisor Josie Gonzales at SCAQMD headquarters, and Chairman William Burke and Dr. Clark E. Parker, Sr. via videoconference.

ACTION/DISCUSSION ITEMS:

1. **Board Members' Concerns:** None
2. **Chairman's Report of Approved Travel:** Executive Officer Barry Wallerstein advised that there were two trips reported. Mayor Judith Mitchell anticipated a trip to Sacramento to attend the CARB Board meeting on May 22-23, 2014. Supervisor Josie Gonzales, as Chair of the Legislative Committee, anticipated a trip to Sacramento with staff on June 2, 2014, to meet with members of the Legislature and Legislative staff.
3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** Dr. Wallerstein reported that the Committee would consider what is essentially the annual renewal for the existing Board Consultants and Assistants compensation proposals, which the Committee recommended approval.

Moved by Gonzales; seconded by Parker; unanimously approved.

4. **Report of Approved Out-of-Country Travel:** None to report.
5. **Discussion Regarding Board Policy on Proposed Changes to Public Hearing Items:** Dr. Wallerstein advised that this item was placed on the agenda in order for staff to receive clear guidance from the Governing Board on interpreting the existing Board policy on changes made to public hearing items. He indicated that staff often work on resolving controversial or late-arising concerns with stakeholders, negotiating rule language even as late as the evening before the Board Meeting, resulting in “errata sheets”/change pages brought for consideration by the Board at the hearing; this process has represented the attempt by staff to follow the Board’s previous direction to resolve stakeholder issues and concerns prior to hearing. However, the Board recently expressed displeasure in receiving last-minute rule language, believing that this could potentially impact their weighing of stakeholders’ competing interests. Dr. Wallerstein, therefore, sought the Board’s guidance in terms of any new preferences and policy.

General Counsel Kurt Wiese introduced the pertinent Health & Safety Code provisions which establish the Board’s ability to alter rules or rule amendments noticed for hearing. Chairman Burke recalled the Board’s frustration at the May 2014 Board Meeting, including the Board Members’ objection to considering proposed rule language changed late afternoon the day before the Board Meeting, which resulted in the Board Members receiving an errata sheet the morning of the meeting without ample time for review.

Dr. Wallerstein advised that, although it had been staff’s previous practice to resolve stakeholder concerns prior to hearing, per previous Board direction, staff would be pleased to accept new Board direction and policy that would have staff limit negotiation with stakeholders so as to conclude the week prior to the Board Meeting. Proposed changes after that time would be continued to the following month. Chairman Burke advised that if at Board direction staff were to revise and shorten the deadline for stakeholder-proposed revisions and negotiation so as to be finalized one week before the Board Meeting, then that would be the norm.

Mayor Yates commented that the Chino City Council will not consider proposed revision or errata material that is not provided or posted with the agenda the previous week, other than in case of emergency. Dr. Parker remarked that hearing items could be postponed to the following month in order to consider subsequently developed stakeholder revisions, except in the case of emergencies or in the event delay would cause immediate harm to the health of the

constituents the District serves. He further indicated his view that the Board could proceed with the rulemaking as presented by staff, but notice the item for return consideration on the outstanding stakeholder issue, which would not stop staff from informing the Board on its concerns and recommended outcomes. Dr. Parker further commented that staff has every obligation to inform the Board of anything they discover even if it is at the last minute; that health impacts should be discovered by staff early in the rule-development process rather than brought to staff's attention via contradictory industry or worker-safety consultants; and that standards should be established so that the Board is not placed in the position in the future of working last-minute changes.

Supervisor Gonzales indicated her agreement that, other than in potential health hazard emergencies and/or other time-sensitive situations, last-minute revisions should be avoided. She emphasized that for a strong administrative policy to be taken seriously by industry and stakeholders, a firm deadline must be established by which staff-stakeholder negotiations must be concluded for reflection in the agenda and Board letters. Then it is up to the industry or stakeholder representative to request Board consideration of further amendment at the public hearing, where Board discussion may result in continuing the item to a future meeting for staff to address the issue or not. Supervisor Gonzales remarked that staff, in their effort to seek consensus, may move ahead of receiving the Board's direction; rather, there needs to be alignment with the Board's direction.

Chairman Burke requested the Committee's final direction in this matter, whereupon Mr. Wiese advised that the item did not require a formal motion. Dr. Wallerstein then reported his intention to direct staff that the items released in the Board Agenda package on the Thursday the week prior to the Board Meeting need to be considered complete, as he intends that any subsequent amendments to the items will be minimized to the degree feasible; and, that errata sheets will in the future be limited to emergency instances and special circumstances. In negotiating with stakeholders, staff will advise parties of receipt of this guidance from the Administrative Committee, so that requests of staff for further negotiation of rule language and changes to staff recommendations will be guided and limited accordingly, to be completed before the rule package is finalized and printed. Dr. Wallerstein further indicated he will be recommending to Chairman Burke that staff or the Board delay a variety of items that do not meet these parameters.

Dr. Wallerstein concluded by advising the discussion had been very helpful to staff. Supervisor Gonzales added a final comment that this policy should make the work of staff much clearer, and advised that the policy should be formalized. Dr. Wallerstein committed to return to the Committee with revised language to clarify this policy to make this direction clear to both staff and stakeholders.

On another subject, Mayor Yates commented on a third-party email campaign underway that morning which encouraged SCAQMD to “clean up the community’s air.” Chairman Burke advised that he had also received similar emails in significant numbers, which did not appear to be attributable to any specific organization.

JUNE AGENDA ITEMS

6. **Adopt Executive Officer’s FY 2014-15 SCAQMD Budget and Work Program:** CFO Michael O’Kelly briefly reviewed the proposed budget and work program, providing a brief summary for Board Members who were not able to be present at the Board’s Budget Workshop. There were no questions following the presentation; however, Chairman Burke mentioned the recent media coverage featuring the drastically increasing deficit in the California Public Employees’ Retirement System (CalPERS) and the teachers’ retirement fund, for which there is no currently foreseeable solution.

7. **Remove Various Fixed Assets from SCAQMD Inventory:** Mr. O’Kelly requested authorization to surplus and auction off various fixed asset items, including 28 high-mileage 12-14-year-old vehicles with expiring CNG tanks. Mr. O’Kelly reviewed the process by which the last group of surplus vehicles were sent to auction for reference of the Committee, advising that the vehicles typically net approximately \$1500 per vehicle, which compares favorably with the *Kelly Blue Book* price and indicates a successful auction process.

Moved by Yates; seconded by Gonzales; unanimously approved.

8. **Report of RFPs and RFQs Scheduled for Release in June:** Mr. O’Kelly reported on two items scheduled for release in June, a list of prequalified vendors for laboratory gases and liquids and one to established prequalified vendors for automotive mechanical repair and service.

Moved by Yates; seconded by Gonzales; unanimously approved.

9. **Amend Contract with Ecotek Consulting Inc. for Development of New Annual Emissions Reporting System:** Assistant DEO/Planning, Rule Development & Area Sources Dr. Philip Fine sought approval to amend an existing contract with the consulting firm developing the District’s new annual emissions reporting system, which will move to mandatory participation next year, and will include enhancements suggested by stakeholders for ease of use by participating facilities.

Moved by Yates; seconded by Gonzales; unanimously approved.

10. **Issue Purchase Order for Dedicated CNG Sedans:** Assistant DEO/ Administrative & Human Resources Bill Johnson requested approval of a purchase order to purchase 20 new dedicated CNG vehicles, per the need to replace the 28 vehicles intended for surplus as outlined earlier in the meeting.

Moved by Yates; seconded by Gonzales; unanimously approved.

11. **Execute Contract for Purchase and Installation of Seating for Auditorium and Conference Rooms at Diamond Bar Headquarters:** Bill Johnson advised of staff's request to execute a contract with American Seating Company to replace the auditorium and conference room seating; the bid was the lowest out of three responsive bids and received the highest technical score.

Moved by Yates; seconded by Gonzales; unanimously approved.

12. **Execute Contract for Workers' Compensation Claims Third-Party Administrators:** Bill Johnson reported on staff's proposal to execute a contract with AdminSure, Inc., to serve as the District's workers' compensation third-party administrator, as the firm's proposal represented significant cost savings from the current administrator.

Moved by Yates; seconded by Gonzales; unanimously approved.

13. **Establish List of Prequalified Providers for Temporary Employment Services:** Waiving staff's introductory comments on this item, Mayor Yates moved the staff recommendation without Committee discussion.

Moved by Yates; seconded by Gonzales; unanimously approved.

14. **Execute Contract to Evaluate Emissions Inventory and Model Performance using Mobile Smog Chamber Studies:** Dr. Fine reported on staff's proposed research project with UC Davis to study the complex chemical process of ozone formation using mobile smog chambers. These will move around the Basin to measure the ozone response to VOC and NOx levels at various times and locations throughout the Basin, and will also validate the District's models and inventories. Supervisor Gonzales suggested a possible study of existing roadside vegetation's ability to absorb emissions, and/or the effect of emissions on the vegetation, particularly adjacent to a goods movement freeway. Dr. Fine responded that staff could conduct a review of existing research literature to determine if such a study had been previously done, and remarked that foliage from freeway-adjacent vegetation is difficult to study due to rapid plant metabolization and weather impacts. Supervisor Gonzales underscored her

personal observation of the impact of freeway emissions by visually comparing the density and leaf color of old-growth eucalyptus trees against the new saplings, due to the effects of particular matter; this observation led her to consider the nature of absorption by vegetation and landscape near freeways in regard to particular matter. If these studies do not already exist, Supervisor Gonzales advised that she would like the District to be the first agency to research it in parallel with health effects data being accumulated by the District.

Moved by Yates; seconded by Gonzales; unanimously approved.

15. **Local Government & Small Business Assistance Advisory Group Minutes for the February 14 Meeting:** Public Advisor Derrick Alatorre advised the item is a written report and waived staff introduction and comment.
16. **Review of the June 6, 2014 Governing Board Agenda:** There were no questions on the June 6, 2014 Governing Board Agenda.
17. **Other Business:** None
18. **Public Comment:** None.

Meeting adjourned at 11:05 a.m.

Attachment

Local Government & Small Business Assistance Advisory Group Minutes for the February 14, 2014 Meeting



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, FEBRUARY 14, 2014 MEETING MINUTES

MEMBERS PRESENT:

Dennis Yates, Mayor, City of Chino and LGSBA Chairman
Ben Benoit, Councilman, City of Wildomar and LGSBA Vice Chairman
Felipe Aguirre, City of Maywood
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
John Hill, Riverside County Representative
Maria Elena Kennedy, Kennedy Communications
Rita Loof, RadTech International
Mary Ann Lutz, Mayor, City of Monrovia
Kelly Moulton, Paralegal
Lupe Ramos Watson, Councilmember, City of Indio

MEMBERS ABSENT:

Todd Campbell, Clean Energy

OTHERS PRESENT:

Mark Abramowitz, Board Member Assistant (*Lyou*)
Ruthanne Taylor Berger, Board Member Assistant (*Benoit*)
Bob Ulloa, Board Member Assistant (*Yates*)

SCAQMD STAFF:

Derrick J. Alatorre, Assistant DEO/Public Advisor
Naveen Berry, Planning & Rules Manager
Nancy Feldman, Principal Deputy District Counsel
Phil Fine, Ph.D., Assistant DEO
Elaine-Joy Hills, AQ Inspector II
Lori Langrell, Secretary
Mohsen Nazemi, Deputy Executive Officer
Brian Sinajon, AQ Chemist

Agenda Item #1 – Call to Order/Opening Remarks

Chair Dennis Yates called the meeting to order at 11:31 a.m.

Agenda Item #2 – Approval of January 17, 2014 Meeting Minutes/Review of Follow-Up/Action Items

Minutes of the meeting held on January 17, 2014 were approved unanimously.

Mr. Derrick Alatorre indicated that the 2014 goals were amended to include the topic of Alternative Fuel Infrastructure Incentives, as requested.

Agenda Item #3 –Allenco – Overview of Facility Operation and Community Issues

Mr. Mohsen Nazemi and Dr. Phil Fine jointly provided an overview of the Allenco facility's operations and related community issues.

Mr. Paul Avila asked if it would make a difference in registering particulate matter (PM) if the monitoring trailer is on wheels with sensors on the roof rather than it being closer to the ground. Dr. Fine indicated they attempt to get as close to the ground as possible, but it is very hard at this site. When the data is analyzed, various factors are taken into account such as wind direction. Mr. Nazemi also indicated a lot of complaints were received from residents of the nearby apartments, some living on the 2nd and 3rd floors.

Mr. John Hill asked how many complaints were received from the school nearby. Mr. Nazemi indicated that the majority of the 190 complaints were from Mount Saint Mary's. Since this school is directly across the facility, the air vents at the school have been retrofitted. There were complaints from a nearby high school, but not as significant. Mr. Hill indicated that his concern is the track at the school where the kids run. Mr. Nazemi indicated they are aware of the track location, and thus the reason for their involvement.

Mr. Hill also asked what population is near Allenco, children specifically. Mr. Nazemi replied there is low income housing nearby, and while not an expert in population density, it is a very densely populated area. Mr. Alatorre indicated that there are approximately three elementary schools near the intersection of the 10 and 110 freeways. Mr. Alatorre further indicated that at the last Town Hall meeting, a number of USC students attended, who are very involved in the process. Mr. Hill inquired if any tests have been performed on the children in the area now or in the past. Mr. Nazemi shared that testing was completed by the Department of Health Services, who were notified of the symptoms from the community, including nosebleeds and breathing problems due to odors emanating from Allenco.

Mr. Geoff Blake asked how many other oil fields are located within the area. Mr. Nazemi indicated that there are over 400 within Los Angeles County. The two mentioned here are within one to two miles of each other.

Mr. Avila asked if the reason for excessive odors is due to older technology used at the site, from the 60's or 70's, which perhaps do not compare favorably with modern technology. Mr. Nazemi indicated that Mr. Avila made a very good observation, but the facility is a very small oil field and, typically, only the larger sites have computerized systems, newer technology, and experienced environmental staff. The current site is a combination of older equipment and older control systems. Recently, instead of merely assessing monetary fines, we allowed \$200,000 in upgrades to their control systems. The reason they have shut down at this time is to assess equipment that would require modifications or installation of new technology.

Agenda Item #4 – Review of ASTM International Meeting

Mr. Brian Sinajon provided a review of the American Society for Testing and Materials (ASTM) meetings held in June 2013 and January 2014.

Ms. Maria Kennedy asked who is the person or entity that looks at environmental concerns. Mr. Sinajon replied that this is a sub-committee called DO1.08 and the main committee he is a member of is DO1.21. The meeting was a joint meeting with the sub-committee on environmental concerns. The topics discussed within this committee are typically environmental updates from the American Coatings Association, who summarizes activities from agencies across the U.S., and previews SCAQMD's upcoming proposed amended rules for information only.

Ms. Kennedy further asked whether the group or entity has a balance in the group. Mr. Sinajon indicated there are regulators with which he is involved in, a representative from the American Coatings Association, and there are manufacturers that generally discuss concerns about regulatory updates. Dr. Fine further indicated that there is a particular meeting at this Conference that is basically a regulatory update provided to industries regarding regulations that may be proposed in the future, and implications on how test methods being developed will be associated with some of these environmental regulations.

Ms. Loof asked who is sponsoring D01.21.66. Mr. Sinajon indicated the person presenting the studies is Dr. Dean Jones of Cal Poly Pomona. Ms. Loof further asked how D01.21.66 is different from D7767. Mr. Sinajon replied that the difference is D7767 is a bake and weigh method, and the D01.21.66 is an exploratory and instrumental method for analyzing fully formulated inks. Ms. Loof asked if it would be Gas Chromatography-Mass Spectrometry (GCMS)-based. Ms. Sinajon indicated it would be an instrumental GCMS-based method.

Mr. Blake asked if the radiation mentioned is infrared radiation. Mr. Sinajon indicated it would be energy, ultraviolet A (UVA) or ultraviolet B (UVB).

Agenda Item #5 – Proposed Amended Rule 1130 – Graphic Arts

Mr. Naveen Berry provided an overview of the proposed amendments to Rule 1130.

Ms. Loof indicated that the last amendment to this rule was in 1999, and asked if staff was going to survey the industry for Rule 1130. Mr. Berry replied that staff completed a thorough review of what local facilities submitted, which include technology and materials used by these facilities. This particular proposal is to review the 2012 AQMP, and the language and implementation of the rule. Staff wants to monitor how many businesses will take advantage of exemptions within the rule, revisit and analyze the results to determine whether the local printing industry is lowering its use, study the current effects, and establish solutions.

Ms. Loof asked if there are any data that can be shared, and regarding the measurements in the test method, she requested that the limit be set to 20 grams per liter (g/L) as opposed to 10 g/L since it cannot be measured accurately due to fluctuations in the test method. Mr. Berry indicated that staff received comments, which are still being reviewed.

Agenda Item #6 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 – Other Business

No comments.

Agenda Item #8 – Public Comment

No comments.

Adjournment

The meeting adjourned at 12:31 p.m.

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 22

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, May 9, 2014. The next Legislative Committee meeting is scheduled for Friday, June 13, 2014 at 9 a.m. in Conference Room CC8.

The Committee deliberated on the following agenda items for Board consideration and recommended the following actions:

Agenda Item	Recommendation Action
AB 1499 (Skinner) Electricity: Self-Generation Incentive Program	SUPPORT
AB 1624 (Gordon) Self-Generation Incentive Program	SUPPORT
SB 1265 (Hueso) State Vehicle Fleet Purchases: Minimum Fuel Economy Standard	SUPPORT
Principles Regarding SCAQMD's Position On Funding Related Issues	ADOPT
AB 1330 (Perez) Environmental Justice – Guidance on legislative language	APPROVAL IN CONCEPT

RECOMMENDED ACTION:

Receive, file this report, and approve agenda items as specified in this letter.

Josie Gonzales
Chair
Legislative Committee

LBS:GS:PFC:jf

Attendance [Attachment 1]

The Legislative Committee met on May 9, 2014. Committee Chair Supervisor Josie Gonzales was present at SCAQMD's Diamond Bar headquarters. Committee Members, Mayor Judy Mitchell, Supervisor Michael Antonovich, Councilmember Joe Buscaino and Dr. Clark E. Parker, Sr. attended via teleconference.

Update on Federal Legislative Issues

Mia O'Connell of the Carmen Group, SCAQMD federal legislative consultant, provided the Committee with updates on key Washington D.C. issues.

Ms. O'Connell reported that they have met with and briefed Congressional representatives regarding SCAQMD's legislative priorities relating to the surface transportation reauthorization bill (i.e. the successor to MAP-21), including possible rail provisions. These meetings included those with the offices of Congressmen Gary Miller, Duncan Hunter, and others in the delegation. Congressmen Miller and Hunter are two key members of the House Transportation and Infrastructure Committee's Highways and Transit subcommittee.

Ms. O'Connell also reported on the FY '15 House Appropriations bill relating to the U.S. Environmental Protection Agency (EPA) Diesel Emissions Reduction Act (DERA) Program. They have continued to work with Congressman Ken Calvert's office, following up on his support for EPA's DERA Program and his interest in ensuring that the South Coast Basin gets treated fairly in terms of resources in addressing air quality issues.

Recently the Administration released its proposed \$302 billion four-year bill for surface transportation reauthorization, entitled the GROW AMERICA ACT, which proposes to provide funding through corporate tax reform. However, since such reform will not happen right away, funding continues to be a big issue of debate. The Administration's bill includes various new proposed provisions -- including significantly increased spending in transit, rail and freight; a new grant program to incentivize best practices in reducing energy use, improving air quality and reducing carbon pollution; as well as provisions to improve the Congestion Management and Air Quality Improvement

(CMAQ) program by better targeting fine particle pollution and smog-forming emissions.

Finally, Ms. O'Connell provided information regarding an opportunity for EPA's FY '14 DERA funding. Recently, EPA announced the availability of \$9 million in grant funding under the DERA program, with approximately \$2.4 million available to Region 9. EPA has stated a preference for areas with the greatest pollution, and is seeking to fund applications that save fuel, reduce greenhouse gas emissions, and reduce pollution from diesel fuel vehicles. The closing date for receipt of proposals is June 17, 2014. SCAQMD staff is now reviewing this opportunity.

Mark Kadesh of Kadesh & Associates, SCAQMD federal legislative consultant, also updated the Committee on key Washington D.C. issues.

Mr. Kadesh reported that the Shaheen-Portman energy efficiency bill, on which SCAQMD has a support position, has been amended to include more provisions on energy efficiency. The bill has been called up to the U.S. Senate Floor; however, controversies regarding the bill may block any vote on it, despite broad bipartisan support.

The Senate Environment and Public Works Committee (EPW) is expected to release their draft surface transportation reauthorization bill on Monday, May 12, 2014, with a markup hearing expected later in the week. EPW Chair Senator Barbara Boxer has indicated that she is going to support a simple extension of the current surface transportation bill (MAP-21).

The Senate Finance Committee held a hearing recently on financing the next surface transportation reauthorization bill. Funding for the bill remains the key issue of contention. However, no funding proposals were endorsed by the Finance Committee. Also, the Senate Commerce Committee recently held a hearing on a number of rail and freight proposals in relation to the MAP-21 reauthorization; yet again, funding remained a major issue, and no consensus was reached.

Mr. Kadesh reported that zero emission goods movement FY '14 appropriations grant funding is currently available. SCAQMD and staff from the ports are exploring that opportunity. SCAQMD Executive Officer Dr. Barry Wallerstein wrote a letter of support for this program at the request of Senator Feinstein, and she is going to continue supporting this program with regard to the FY '15 Energy and Water appropriations bill which, as a consequence, is expected to include grant funding for zero-emissions goods movement.

Supervisor Gonzales requested the federal legislative consultants to prepare ideas for consideration by SCAQMD regarding possible funding options for the Highway Trust Fund/surface transportation reauthorization bill.

Update on Sacramento Legislative Issues

Will Gonzalez of Gonzalez, Quintana & Hunter, SCAQMD state legislative consultant, briefed the Committee on key Sacramento issues.

Mr. Gonzalez provided an update on various legislative proposals including:

- **SB 1275 (De Leon)** – This bill is entitled the “Charge Ahead Initiative” and its goal is to place a million electric or partial electric vehicles on California roads by 2023. While the bill has no funding, it seeks to direct a greater share of existing program dollars to low and moderate income households. In addition, there is the expectation that additional funding may be provided from the greenhouse gas cap and trade auction revenue. The bill has a large coalition of support and related funding issues will ultimately be decided in the state budget.
- **SB 1204 (Lara)** – This bill is meant to fund the clean truck, bus, and off-road equipment program to help with the development and deployment of zero and near zero emission medium duty vehicles. This bill is criticized as being too similar to the AB 118 program. There is also a focus to ensure that lower income communities are able to benefit from the clean vehicle program in the bill. No funding is in the bill; it is likely to receive its funding at the end of the state budget negotiations.
- **AB 2013 (Muratsuchi)** – This bill increases the number of stickers available for partial zero emission vehicles, allowing them to be driven in the High Occupancy Vehicle (HOV) lanes with only one occupant. The stickers would increase from 40,000 to 85,000. After some political delay, this bill has now passed through the Assembly and is headed to the Senate.
- **SB 1139 (Hueso)** – This recently amended bill deals with geothermal power. In addition to Renewable Portfolio Standard (RPS) requirements, this bill would additionally require public and private utilities in California to procure 500 megawatts of geothermal electric resources. The bill’s supporters include the Imperial Irrigation District and labor, who hope to further develop this form of energy and use the revenue stream to fund further Salton Sea mitigation. The bill passed through the Senate Energy Committee and is headed to the Senate Appropriations Committee for hearing on May 19th.

Mayor Mitchell made reference to the air pollution problem caused by the receding of the Salton Sea and inquired about SCAQMD’s interest in this issue. Dr. Wallerstein

responded that SCAQMD has a strong interest in the Salton Sea pollution issue, including particulate exposure and possible toxic air contaminants coming from toxics that derive from runoff from agricultural areas. There are also periodic releases of hydrogen sulfide that cause a toxic gas that has a rotten egg smell. Mayor Mitchell asked if these geothermal energy sources might be able to make up for shortfalls from the closure of the San Onofre Nuclear Generating Station. Dr. Wallerstein replied it would not but that many private R&D efforts were under way to explore a range of alternative energy resources, including ‘algae based fuel’ being studied in a project of test ponds.

Paul Gonsalves of Joe A. Gonsalves & Son, SCAQMD state legislative consultant, also briefed the Committee on key Sacramento issues.

Mr. Gonsalves provided an update on AB 1102 (Allen), which passed out of the Assembly in January. It is currently in the Senate Environmental Quality Committee and has not been set for a hearing date at this point, although June 4th is the anticipated hearing date.

For May, there are various legislative activities and deadlines, including the May Budget Revise which is expected to be released on May 14. Additionally, May 2nd was the deadline for policy committees to hear fiscal bills, May 9th is the last day for policy committees to hear non-fiscal bills, May 23rd is the last day for fiscal committees to hear bills, and May 30th is the last day for bills to be passed out of their house of origin. Further, June 15th is the deadline for adopting the state budget.

Mr. Gonsalves also reported that the Governor recently called for a special session on the “rainy day fund” as the Governor and legislative leadership reached an agreement on this issue. The agreement includes, increased deposits when the state experiences spikes in capital gains, allows for supplemental payments to accelerate payoff of the state’s debts, limiting the Legislature’s ability to rely on that fund when funding gets leaner, raises the size of the rainy day fund to 10% of the General Fund, and creates a Prop. 98 reserve for education. This issue is expected to be voted on the floor next week, and then placed on the ballot for voters to decide in November.

Finally, Mr. Gonsalves reported that the Assembly Speaker-elect Toni Atkins will become Speaker on May 12th. However, in the Senate, similar change in leadership, with Senator Kevin De Leon likely succeeding President pro tem Darrell Steinberg is not expected until later in the year.

In response to Dr. Wallerstein’s inquiry, Mr. Gonsalves clarified that no official leadership vote has happened yet in the Senate.

Long Term Cap-and-Trade Investment Strategy [Attachment 2]

Deputy Executive Officer Lisha B. Smith, in coordination with Mr. Gonzalez, presented President pro tem Darrell Steinberg's long-term investment strategy for cap-and-trade revenue. Ms. Smith stated that it is anticipated that President pro tem Steinberg's proposals will be incorporated into SB 1156.

Mr. Gonzalez reported that the cap-and-trade pool of money is expected to be about \$5 billion. The Steinberg proposals represent the emerging Senate plan on how cap-and-trade revenue should be spent, which will be used in negotiations with the Governor and other leaders.

Mr. Gonzalez reported that those involved in the Senate negotiations are President pro Tem Steinberg, Senator De Leon, Senator Jim Beall, Senator Ricardo Lara, Senator Fran Pavley, and Senator Hannah-Beth Jackson.

Mr. Gonzalez presented on the Senate proposal, including some corrected financial numbers based on recent negotiations, as well as notable differences with the Governor's cap-and-trade revenue plan:

- 40% of funding for affordable housing has changed to 20%, with the other 20% going to sustainable communities
- 30% for transit
- 20% for high speed rail (versus 30-40% proposed by the Governor)
- 10% for highway, road rehabilitation
- \$200 million annually – natural resource, water and waste
- \$200 million annually – climate dividend for transportation fuel consumers
- \$200 million annually – Charge Ahead Initiative
- \$10 million annually – green bank funding

Mr. Gonzalez mentioned that it may be difficult to establish a nexus between greenhouse gas emissions reduction and affordable housing.

Dr. Wallerstein asked what percentage of these funds will go towards reducing greenhouse gas emissions from stationary sources. Mr. Gonzalez did not have a response.

Recommend Position on Bills: [Attachment 3]

AB 1499 (Skinner) Electricity: Self-Generation Incentive Program

AB 1624 (Gordon) Self-Generation Incentive Program

Community Relations Manager Philip Crabbe presented AB 1499 (Skinner) and AB 1624 (Gordon) to the Committee.

AB 1499 (Skinner) would extend the authority of the Public Utilities Commission (PUC) to authorize electrical corporations to annually collect funds for the Self-Generation Incentive Program (SGIP) by three years, through December 31, 2017. The bill would also extend the PUC's administration of the SGIP by three years, to January 1, 2019.

AB 1624 (Gordon) would extend funding authorization of the SGIP for seven years, requiring the PUC to allocate up to \$83 million per year through 2021 from utility allowance revenues to fund rebate payments for eligible customer-owned distributed energy resource (DER) projects through 2021, including wind, advanced energy storage, and natural gas or renewable gas fuel cells and combined heat and power (CHP) combustion projects, per SGIP.

Both of these bills were amended (May 7th). AB 1499 (Skinner) incorporated the proposed author's amendments contained in the analysis, and both bills had other minor amendments made that primarily relate to adding metrics and verifications for the program.

Staff recommended a SUPPORT position on both AB 1499 and AB 1624.

Mayor Mitchell sought to clarify the funding sources for AB 1499 and AB 1624. Mr. Crabbe confirmed that AB 1499 funds are derived from collections from ratepayers and AB 1624 funds are from existing cap & trade utility allowance revenues.

The Legislative Committee approved staff's recommended position of SUPPORT on both AB 1499 and AB 1624.

AYES: Buscaino, Gonzales, Mitchell, and Parker

NOES: None.

SB 1265 (Hueso) State Vehicle Fleet Purchases: Minimum Fuel Economy Standard

Sr. Public Affairs Manager Guillermo Sanchez presented SB 1265 (Hueso) to the Committee.

This bill would require the Department of General Services (DGS) to include hybrid vehicles within the minimum fuel economy standard for the state fleet, thereby raising the fuel economy standard for future DGS fleet standards and further incentivizing the

deployment of cleaner fueled vehicles.

Staff recommended a SUPPORT position on SB 1265.

Mayor Mitchell asked whether a new statewide fuel mileage standard was created by this bill. Mr. Sanchez responded in the negative and clarified that the new standard in the bill only applies to state fleet purchases.

Dr. Parker asked if this bill's provisions apply to the SCAQMD. Mr. Sanchez responded that it does not.

The Legislative Committee approved staff's recommended position of SUPPORT on SB 1265.

AYES: Antonovich, Buscaino, Gonzales, Mitchell, and Parker

NOES: None.

AB 2242 (Perea) Air Quality Improvement Program [Attachment 4]

Dr. Wallerstein updated the Committee in regards to AB 2242 (Perea) presented the proposed "Principles Regarding SCAQMD's Position on Funding Related Issues."

Dr. Wallerstein reported that at this time, the bill author is no longer pursuing AB 2242 (Perea); however, it is possible that this could change before the end of the legislative session. In anticipation of potentially dealing with this bill and related funding issues, staff prepared proposed basic principles related to SCAQMD funding priorities, for consideration by the Committee, to provide guidance to staff.

The Legislative Committee approved staff's recommendation and ADOPTED the "Principles Regarding SCAQMD's Position on Funding Related Issues."

AYES: Antonovich, Gonzales, Mitchell, and Parker

NOES: None.

AB 1330 (John Pérez) Environmental Justice

SCAQMD Chief Deputy Counsel Barbara Baird provided an update on negotiations with Speaker Pérez's staff and interested stakeholders relating to AB 1330 and requested guidance regarding proposed bill language.

Ms. Baird stated that the author's office has not yet released to the public any new legislative language for this year's version of the bill, which seeks to deal with serious and serial violators of environmental rules. Staff is seeking guidance on two new proposals for legislative language, based on current staff proposals and input from Committee Members from the April Committee meeting as follows:

- 1) New proposed SCAQMD legislative language, discussed during the April Committee meeting, which gives the Air Pollution Control Officer of an air district the power to suspend an air quality permit immediately, on a temporary basis, for a period not to exceed 30 days, if there is sufficient threat of injury, pending a hearing. More specifically, if there is an existing release of air contaminants that has a substantial probability of causing injury, or a threatened release that is likely to cause great bodily injury, and if it is necessary to take immediate action to reduce or prevent that injury, then permit suspension can take place. Under the circumstances that such a suspension does take place, the legislation would require the SCAQMD to notify the suspended permittee what it needs to do to get the suspension lifted and the facts upon which the suspension is based. The suspension could not continue for more than 30 days unless the Hearing Board, after a hearing, determines that the basis for the suspension still continues. The legislation would also authorize SCAQMD to promulgate rules to carry out the purposes of the provision and spell out in greater detail situations that would warrant such an immediate suspension.
- 2) The new proposed SCAQMD legislative language would also allow the SCAQMD Hearing Board to issue an abatement order on only 24 hours notice, rather than the current 10 day notice minimum. The abatement order would continue until there was time for a fully noticed hearing.

Ms. Baird stated that these two provisions are focused on protecting public health when there is not time to go to a fully noticed Hearing Board hearing under current rules.

Mayor Mitchell suggested that in the scenario that a permit is temporarily suspended, that staff explore the possibility of shifting the burden of proof to the permittee to show that they did not commit wrongdoing. Ms. Baird responded that she could research this option. Dr. Wallerstein recounted a scenario involving a facility named Ridgeline in Santa Fe Springs which had a release of toxic gas, as an example of why the proposed provisions are needed. Mayor Mitchell suggested that the SCAQMD proposals include a requirement that a hearing occur within 30 days, in the case where a permittee's permit has been temporarily suspended. Ms. Baird stated that such a requirement can be included within SCAQMD's proposed legislative language. Dr. Parker cautioned that the proposals should not take a property interest away without due process.

Staff recommended that the requested Guidance on legislative language relating to AB 1330 (Perez) Environmental Justice, be APPROVED IN CONCEPT, including the suggestions made by Mayor Mitchell.

The Legislative Committee APPROVED IN CONCEPT staff's recommendation regarding the requested Guidance on legislative language relating to AB 1330 (Perez) Environmental Justice, including the suggestions made by Mayor Mitchell.

AYES: *Antonovich, Gonzales, Mitchell, and Parker*

NOES: *None.*

Report from SCAQMD Home Rule Advisory Group [Attachment 5]

Please refer to Attachment 5 for written report.

Other Business:

None

Public Comment Period:

No public comment.

Attachments

1. Attendance Record
2. Long Term Cap-and-Trade Investment Strategy
3. Bill and Bill Analyses
4. Principles Regarding SCAQMD's Position on Funding Related Issues
5. SCAQMD Home Rule Advisory Group Report

ATTACHMENT 1

ATTENDANCE RECORD –May 9, 2014

DISTRICT BOARD MEMBERS:

Supervisor Josie Gonzales
Supervisor Michael Antonovich (teleconference)
Councilmember Joe Buscaino (teleconference)
Mayor Judy Mitchell (teleconference)
Dr. Clark E. Parker, Sr. (teleconference)

STAFF TO COMMITTEE:

Lisha B. Smith, Deputy Executive Officer
Derrick Alatorre, Assistant Deputy Executive Officer/Public Advisor
Guillermo Sanchez, Senior Public Affairs Manager
Julie Franco, Senior Administrative Secretary

DISTRICT STAFF:

Barry R. Wallerstein, Executive Officer
Barbara Baird, Chief Deputy Counsel
Peter Greenwald, Senior Policy Advisor
Marc Carrel, Program Supervisor
Tina Cox, Senior Public Information Specialist
Philip Crabbe, Community Relations Manager
Philip Fine, Assistant Deputy Executive Officer
Laura Garrett, Telecommunications Technician II
Matt Miyasato, Deputy Executive Officer
Mohsen Nazemi, Deputy Executive Officer
Danielle Soto, Senior Public Information Specialist
Kim White, Public Affairs Specialist
Patti Whiting, Staff Specialist

OTHERS PRESENT:

Mark Abramowitz, Governing Board Member Consultant (Lyou)
Tricia Almiron, SANBAG
Frank Cardenas, Governing Board Member Consultant (Cacciotti)
Paul Gonsalves, Gonsalves & Son (teleconference)
Will Gonzalez, Gonzalez, Quintana & Hunter (teleconference)
Tom Gross, SCE
Stewart Harris, Carmen Group (teleconference)
Gary Hoitsma, Carmen Group (teleconference)
Mark Kadesh, Kadesh & Associates (teleconference)
Chris Kierig, Kadesh & Associates (teleconference)
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech
Debra Mendelsohn, Governing Board Assistant (Antonovich)
Peter Okurowski, California Environmental Associates
Mia O'Connell, Carmen Group (teleconference)
David Rothbart, Los Angeles County Sanitation Districts
Andy Silva, Governing Board Assistant (Gonzales)
Susan Stark, Tesor Consultant
Lee Wallace, So. Cal Gas
Warren Weinstein, Kadesh & Associates (teleconference)

A Long-Term Investment Strategy for Cap-and-Trade Revenue

INTRODUCTION

California has long been an international leader on clean energy and climate efforts through energy efficiency requirements, renewable energy standards, natural resource conservation, and greenhouse gas emission standards for passenger vehicles.

In 2006, California established the nation's benchmark for greenhouse gas emission reductions with the passage of AB32, the California Global Warming Solutions Act (Pavley). AB32 required the State Air Resources Board to develop a scoping plan, including direct regulations, performance-based standards, and market-based mechanisms to achieve this level of greenhouse gas emission reductions.

The State Air Resources Board has implemented a Cap-and-Trade program under the general authority granted under AB32 to implement market-based mechanisms. But full pollution reductions cannot be achieved without a long-term strategy for investing the program's revenues effectively and affordably.

SB 535 (De Leon 2011) built upon the CA climate program by recognizing the disproportionate impacts of greenhouse gases on disadvantaged and low-income communities in California including, for example, higher rates of respiratory illness, hospitalizations, and premature death from inordinately substandard air quality. It requires that 25 percent of cap and trade revenues be allocated to disadvantaged communities to reduce pollution.

Through SB 375 of 2008 (Steinberg), the legislature recognized that without improved land use and transportation policy, California will not be able to achieve the goals of AB 32 because the transportation sector remained the single largest contributor of greenhouse gases of any sector in the State of California.

This long-term investment strategy of Cap-and-Trade revenue is deliberately designed to achieve the objectives of AB32: a significant reduction in greenhouse gas emissions while mitigating a disproportionate impact of policies' strategy on California's low-income and disadvantaged communities.

Fundamentally, this long-term investment strategy embodies the objectives of Cap-and-Trade by ensuring that all expenditures are used to achieve maximum reductions in greenhouse gases. This long-term investment strategy is designed to curb human-induced global warming by reducing pollution from traffic and vehicle trips through retrofitting our communities with more affordable and efficient transit, housing, and land uses. In doing so, this long term investment strategy will improve public health

and help Californians save money with convenient and affordable alternatives to spending more of their family budgets on ever-increasing fuel costs at the pump.

The objectives of this strategy will not be met overnight. It will take time and a long term commitment to witness the environmental dividends of these investments. That is why it is imperative to act now.

###

FRAMEWORK

All investments must:

- Lead to reductions in greenhouse gas emissions, consistent with AB32 (Pavley) of 2006;
- Be subject to a competitive ranking process to ensure those projects providing maximum feasible reductions in greenhouse gases are funded;
- Meet all existing constitutional and statutory requirements for use and allocation of Cap-and-Trade funds, including, but not limited to:
 - California Constitution Article XIII,
 - SB375 (Steinberg) – The Sustainable Communities and Climate Protection Act of 2008, relating to transit-oriented development,
 - SB535 (De Leon) – The California Communities Healthy Air Revitalization Trust of 2011, relating to ensuring disadvantaged communities receive at least 25% of funds,
 - SB1018 (Budget Committee) of 2012, relating to agencies carefully reporting, documenting and justifying expenditures of funds to protect against lawsuits.

INVESTMENT STRATEGY

I. **A Permanent Source of Funding for Affordable Housing and Sustainable Communities (40%)**

- a. **Purpose:** Support regional sustainable communities strategies including investments in affordable housing, transit-oriented development, land use planning, , active transportation, high density mixed use development, transportation efficiency and demand management projects.
- b. **Parameters:** At least half of these funds (equivalent to at least 20% of total allocations) shall be used for affordable housing, centered in transit-oriented development and consistent with GHG reduction strategies.
- c. **Allocation method:** Distributed through SGC to regions and/or state agencies. Projects selected based on competitive GHG performance.

II. A Permanent Source of Funding for Transit (30%)

- a. **Purpose:** Transit construction and operations.
- b. **Parameters:**
 - i. At least 5% of the transit amount would have to be used for transit connectivity projects.
 - ii. At least 5% of the transit amount would have to be used for direct transit assistance to consumers (could be in the form of passes, additional access, etc.).
- c. **Allocation method:** Distributed based on GHG performance criteria

III. A Permanent Source of Funding for High Speed Rail (20%)

- a. **Purpose:** Ongoing source for construction of HSR.
- b. **Allocation method:** Continuously appropriated. Could be securitized.

IV. A Permanent Source of Funding for State Highway and Road Rehabilitation and for Complete Streets (10%)

- a. **Purpose:** Traffic management, repair, deferred maintenance, bikeways, and retrofits of roads and highways.
- b. **Allocation method:** distributed based on competitive GHG performance criteria.

V. Natural resource, water, and waste (\$200 million annually)

- a. **Purpose:** Water efficiency infrastructure projects, forestry and landscape issues, wetland development, waste diversion and recycling, energy efficiency, clean vehicles, and "black carbon" reduction.
- b. **Allocation method:** Subject to annual appropriation in the Budget Act.

VI. Climate dividend for transportation fuel consumers (\$200 million annually)

- a. **Purpose:** To use portion of cap-and-trade funds to show consumers that California's climate policies are generating new dollars for them.

- b. **Allocation method:** Several options, for example, a rebate check on monthly fuel bills; once per year rebate with motor vehicle registrations.

VII. “Charge Ahead” Electric Vehicle Deployment Program (\$200 million annually)

Purpose: Funding a comprehensive vision for cleaning up the state’s cars, trucks, buses, and freight movement to meet federally mandated clean air requirements and California’s long-term GHG goals.

- a. **Allocation Method.** Appropriated annually in the Budget Act.

VIII. Green Bank Funding (not less than \$10 million annually)

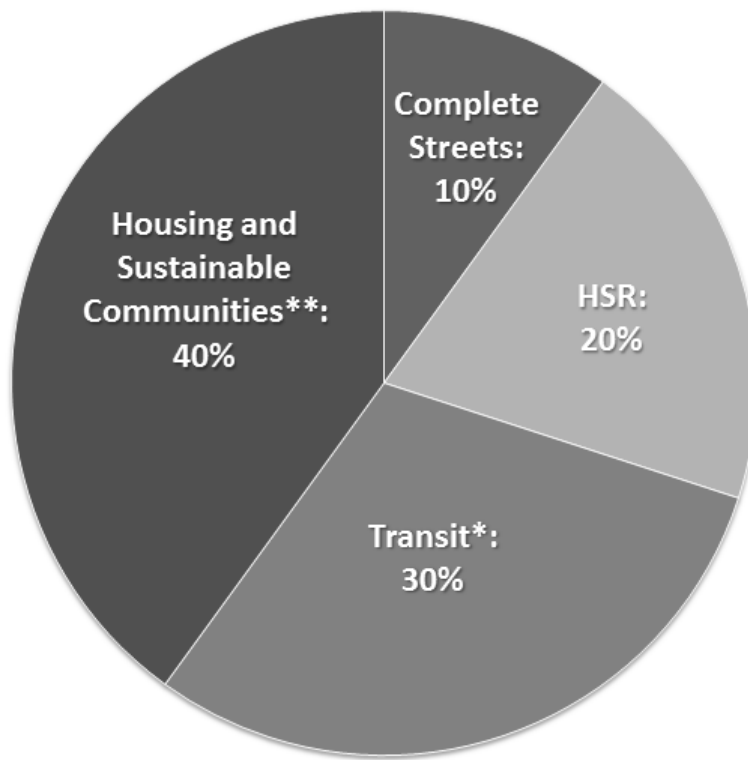
- a. **Purpose:** a state fund to assist the financing of clean energy and other environmentally sustainable projects.

- b. **Allocation method:** appropriated annually in the Budget Act.

VISUAL SUMMARY

- \$200 million for natural resource, water, and waste.
- \$200 million for climate dividend for consumers.
- \$200 million for electric vehicle deployment
- \$10 million for green bank funding

Remaining balance distributed as follows:



**Of Transit amount, at least 5% shall be used for transit connectivity projects and at least 5% shall be used for direct transit assistance to consumers.*

***Of the Housing and Sustainable Communities amount, at least half shall be used for affordable housing.*

FISCAL ILLUSTRATION

Distribution of Cap-and-Trade, assuming revenue of \$5 billion annually:

Category	Amount (millions)
I. Affordable Housing and Sustainable Communities	\$1,756
II. Transit	\$1,317
III. High Speed Rail	\$878
IV. Complete Streets	\$439
V. Natural Resource, Water, Waste	\$200
VI. Climate Dividend	\$200
VII. Electric Vehicle Deployment	\$200
VIII. Green Bank Funding	\$10
TOTAL	\$5,000

ATTACHMENT 3

AB 1499 (Skinner)

Electricity: self-generation incentive program.

Summary: This bill would extend the authority of the Public Utilities Commission (PUC) to authorize electrical corporations to annually collect funds for the Self-Generation Incentive Program (SGIP) by three years, through December 31, 2017. The bill would also extend the PUC’s administration of the SGIP by three years, to January 1, 2019.

Background: Under existing law, the PUC has regulatory authority over public utilities, including electrical corporations. Existing law requires the PUC to administer, until January 1, 2016, the SGIP for distributed generation resources and to separately administer solar technologies pursuant to the California Solar Initiative. The PUC, in consultation with the State Energy Resources Conservation and Development Commission (Commission), may authorize electrical corporations through 2014 to collect up to \$83 million per year from their customers through distribution rates to fund SGIP.

The SGIP was established in the wake of California’s energy crisis to encourage local (on-site) generation. Current law states legislative intent to have the SGIP increase deployment of distributed generation and energy storage systems to facilitate the integration of those resources into the electrical grid, improve efficiency and reliability of the distribution and transmission system, and reduce emissions of greenhouse gases (GHGs), peak demand, and ratepayer costs.

Proposed Author’s Amendments: Per the Assembly Natural Resources Committee analysis, the author proposes to add the following provisions, which are similar to provisions added to AB 1624 (Gordon) on April 21:

- 1) Clarify that eligible Distributed Energy Resource (DER) technologies must: be capable of reducing demand from the grid by offsetting onsite energy load, including peak demand; be commercially available; safely utilize the existing transmission and distribution system; reduce GHG emissions; and improve air quality by reducing criteria air pollutants.
- 2) Require the PUC to determine a capacity factor for distributed generation and energy storage systems.
- 3) Requires the PUC to evaluate SGIP based on specified performance measures: GHG emission reductions; criteria pollutant emission reductions measured in terms of avoided emissions and emissions credits secured for project approval; energy

reductions measured in energy value; reductions of aggregate non-coincident customer peak demand; capacity factor; value of avoided transmission and distribution costs, and; ability to improve onsite electricity reliability as compared to onsite electricity reliability before the SGIP technology was placed in service.

- 4) Require the PUC to evaluate both of the following:
 - a) The program’s progress toward reducing barriers to the adoption of DER, including, but not limited to, interconnection costs and the length of time to complete interconnection.
 - b) The program’s effectiveness in providing frequency regulation, voltage support, demand reduction, peak shaving, ramp rate control, and other wholesale ancillary and grid reliability services.

Status: 4/28/14 In committee: Hearing postponed by Assembly NAT. RES. committee.

Specific Provisions: Specifically, this bill would:

- 1) Extend the authority of the PUC to authorize electrical corporations to make annual collections of funds for the SGIP through December 31, 2017.
- 2) Extend the PUC’s administration of the SGIP to January 1, 2019.

Impacts on AQMD’s mission, operations or initiatives: This bill would extend an incentive program for utility customers to install clean energy generation and energy storage equipment at their homes and businesses.

The author argues that the SGIP is a critical program for emerging distributed energy technologies, such as micro-turbines and bio-gas fuel cells. Also, the SGIP is the only incentive program for energy storage projects, which play a critical role in reducing GHGs, increasing the stability and reliability of the electrical system (the “grid”), and delivering even more renewable energy to California residents. The author also contends that with continued authorization, SGIP will help California meet its goals for clean air and reduced GHG emissions, and will support that state’s clean energy economy. Moreover, SGIP re-authorization will continue to expand high-tech green job opportunities and private investment in California.

This bill would be in line with the South Coast AQMD’s policy priorities for reducing air pollution within the region, including through the promotion of renewable energy generation and energy storage equipment technology.

Recommended Position: SUPPORT (including proposed amendments)

Support:

AT&T
Advanced Energy Economy
American Vanadium
Association of California Water Agencies
Bergey Wind Power
Bioenergy Association of California
Bloom Energy
California Association of Sanitation Agencies
California Energy Storage Alliance
California Manufacturers & Technology Association
California State University
Capstone Turbine Corporation
ClearEdge Power
CODA Energy
Direct Access Customer Coalition
EDF Renewable Development
EnerVault
Environmental Defense Fund
EtaGen
EV Grid
Facebook
Fuel Cell and Hydrogen Energy Association
Fuel Cell Energy
Green Charge Networks
Inland Empire Utilities Agency
LightSail Energy
OutBack Power Technologies
Parker Hannifin Corporation Global Energy Grid Tie Division
Powertree Services
Primus Power
Providence Health & Services
Rosendin Electric
SEEO
Sierra Club California
SolarCity
Solar Energy Industries Association
Stem

South Coast Air Quality Management District
Legislative Analysis Summary – AB 1499 (Skinner)
Bill Version: As amended on May 7, 2014
PC – April 30, 2014

TechNet
West County Wastewater District
Yahoo!

Opposition:
The Utility Reform Network (TURN)

ATTACHMENT 3a

AMENDED IN ASSEMBLY MAY 7, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1499

Introduced by Assembly Member Skinner

January 9, 2014

An act to amend Section 379.6 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1499, as amended, Skinner. Electricity: self-generation incentive program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the Public Utilities Commission to administer, until January 1, 2016, a self-generation incentive program for distributed generation resources and to separately administer solar technologies pursuant to the California Solar Initiative. The Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, may authorize electrical corporations to annually collect not more than the amount authorized for the program in the 2008 calendar year through December 31, 2014.

This bill would extend the authority of the ~~PUC~~ *Public Utilities Commission* to authorize electrical corporations to continue making the annual collections through December 31, 2017. The bill would extend the Public Utilities Commission's administration of the program to January 1, 2019.

Existing law limits eligibility for incentives under the self-generation incentive program to distributed energy resources that the Public Utilities Commission, in consultation with the State Air Resources Board, determines will achieve reductions in emissions of greenhouse gases pursuant to the California Global Warming Solutions Act of 2006.

This bill would further limit eligibility for incentives under the self-generation incentive program to distributed energy resource technologies that the Public Utilities Commission determines meet specified additional requirements. The bill would require the commission to determine a capacity factor for each distributed energy resource technology.

This bill would require the Public Utilities Commission to evaluate the self-generation incentive program's overall success and impact based on specified performance measures and to evaluate the self-generation incentive program's progress toward reducing barriers to the adoption of distributed energy resources and the self-generation incentive program's effectiveness in providing certain capabilities generally related to grid reliability.

This bill would require the Public Utilities Commission, on or before July 1, 2015, to update the factor for avoided greenhouse gas emissions based on certain information. The bill would require the Public Utilities Commission, in allocating funds between eligible technologies, to consider the relative amount and cost of certain factors. The bill would require recipients of the self-generation incentive program funds to provide to the Public Utilities Commission and the State Air Resources Board relevant data and would subject them to inspection to verify equipment operation and performance.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the program that is extended under the provisions of this bill are within the act and a decision or order of the commission implements the program requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 379.6 of the Public Utilities Code is
2 amended to read:

3 379.6. (a) (1) It is the intent of the Legislature that the
4 self-generation incentive program increase deployment of
5 distributed generation and energy storage systems to facilitate the
6 integration of those resources into the electrical grid, improve
7 efficiency and reliability of the distribution and transmission
8 system, and reduce emissions of greenhouse gases, peak demand,
9 and ratepayer costs. It is the further intent of the Legislature that
10 the commission, in future proceedings, ~~commission~~ provide for an
11 equitable distribution of the costs and benefits of the program.

12 (2) The commission, in consultation with the Energy
13 Commission, may authorize the annual collection of not more than
14 the amount authorized for the self-generation incentive program
15 in the 2008 calendar year, through December 31, 2017. The
16 commission shall require the administration of the program for
17 distributed energy resources originally established pursuant to
18 Chapter 329 of the Statutes of 2000 until January 1, 2019. On
19 January 1, 2019, the commission shall provide repayment of all
20 unallocated funds collected pursuant to this section to reduce
21 ratepayer costs.

22 (3) The commission shall administer solar technologies
23 separately, pursuant to the California Solar Initiative adopted by
24 the commission in ~~Decision 06-01-024~~. *Decisions 05-12-044 and*
25 *06-01-024, as modified by Article 1 (commencing with Section*
26 *2851) of Chapter 9 of Part 2 of Division 1 of this code and Chapter*
27 *8.8 (commencing with Section 25780) of Division 15 of the Public*
28 *Resources Code.*

29 (b) (1) Eligibility for incentives under the program shall be
30 limited to distributed energy resources that the commission, in
31 consultation with the State Air Resources Board, determines will
32 achieve reductions of greenhouse gas emissions pursuant to the
33 California Global Warming Solutions Act of 2006 (Division 25.5
34 (commencing with Section 38500) of the Health and Safety Code).

1 (2) *On or before July 1, 2015, the commission shall update the*
2 *factor for avoided greenhouse gas emissions based on the most*
3 *recent data available to the State Air Resources Board for*
4 *greenhouse gas emissions from electricity sales in the*
5 *self-generation incentive program administrators' service areas*
6 *as well as current estimates of greenhouse gas emissions over the*
7 *useful life of the distributed energy resource, including*
8 *consideration of the effects of the California Renewables Portfolio*
9 *Standard.*

10 (c) Eligibility for the funding of any combustion-operated
11 distributed generation projects using fossil fuel is subject to all of
12 the following conditions:

13 (1) An oxides of nitrogen (NO_x) emissions rate standard of 0.07
14 pounds per megawatthour and a minimum efficiency of 60 percent,
15 or any other NO_x emissions rate and minimum efficiency standard
16 adopted by the State Air Resources Board. A minimum efficiency
17 of 60 percent shall be measured as useful energy output divided
18 by fuel input. The efficiency determination shall be based on 100
19 percent load.

20 (2) Combined heat and power units that meet the 60-percent
21 efficiency standard may take a credit to meet the applicable NO_x
22 emissions standard of 0.07 pounds per megawatthour. Credit shall
23 be at the rate of one megawatthour for each 3,400,000 British
24 thermal units (Btus) of heat recovered.

25 (3) The customer receiving incentives shall adequately maintain
26 and service the combined heat and power units so that, during
27 operation, the system continues to meet or exceed the efficiency
28 and emissions standards established pursuant to paragraphs (1)
29 and (2).

30 (4) Notwithstanding paragraph (1), a project that does not meet
31 the applicable NO_x emissions standard is eligible if it meets both
32 of the following requirements:

33 (A) The project operates solely on waste gas. The commission
34 shall require a customer that applies for an incentive pursuant to
35 this paragraph to provide an affidavit or other form of proof that
36 specifies that the project shall be operated solely on waste gas.
37 Incentives awarded pursuant to this paragraph shall be subject to
38 refund and shall be refunded by the recipient to the extent the
39 project does not operate on waste gas. As used in this paragraph,
40 "waste gas" means natural gas that is generated as a byproduct of

1 petroleum production operations and is not eligible for delivery
2 to the utility pipeline system.

3 (B) The air quality management district or air pollution control
4 district, in issuing a permit to operate the project, determines that
5 operation of the project will produce an onsite net air emissions
6 benefit, compared to permitted onsite emissions if the project does
7 not operate. The commission shall require the customer to secure
8 the permit prior to receiving incentives.

9 (d) In determining the eligibility for the self-generation incentive
10 program, minimum system efficiency shall be determined either
11 by calculating electrical and process heat efficiency as set forth in
12 Section 216.6, or by calculating overall electrical efficiency.

13 (e) *Eligibility for incentives under the program shall be limited*
14 *to distributed energy resource technologies that the commission*
15 *determines meet all of the following requirements:*

16 (1) *The distributed energy resource technology is capable of*
17 *reducing demand from the grid by offsetting some or all of the*
18 *customer's onsite energy load, including, but not limited to, peak*
19 *electric demand.*

20 (2) *The distributed energy resource technology is commercially*
21 *available.*

22 (3) *The distributed energy resource technology safely utilizes*
23 *the existing transmission and distribution system.*

24 (4) *The distributed energy resource technology improves air*
25 *quality by reducing criteria air pollutants.*

26 (f) *Recipients of the self-generation incentive program funds*
27 *shall provide relevant data to the commission and the State Air*
28 *Resources Board, upon request, and shall be subject to onsite*
29 *inspection to verify equipment operation and performance,*
30 *including capacity, thermal output, and usage to verify criteria*
31 *air pollutant and greenhouse gas emissions performance.*

32 (g) *In administering the self-generation incentive program, the*
33 *commission shall determine a capacity factor for each distributed*
34 *energy resource technology in the program.*

35 (e)

36 (h) (1) In administering the self-generation incentive program,
37 the commission may adjust the amount of rebates and evaluate
38 other public policy interests, including, but not limited to,
39 ratepayers, energy efficiency, peak load reduction, load
40 management, and environmental interests.

1 (2) *The commission shall consider the relative amount and the*
2 *cost of greenhouse gas emission reductions, peak demand*
3 *reductions, system reliability benefits, and other measurable factors*
4 *when allocating program funds between eligible technologies.*
5 ~~(f)~~
6 (i) The commission shall ensure that distributed generation
7 resources are made available in the program for all ratepayers.
8 ~~(g) (1)~~
9 (j) In administering the self-generation incentive program, the
10 commission shall provide an additional incentive of 20 percent
11 from existing program funds for the installation of eligible
12 distributed generation resources ~~from a California supplier~~
13 *manufactured in California.*
14 ~~(2) “California supplier” as used in this subdivision means any~~
15 ~~sole proprietorship, partnership, joint venture, corporation, or other~~
16 ~~business entity that manufactures eligible distributed generation~~
17 ~~resources in California and that meets either of the following~~
18 ~~criteria:~~
19 ~~(A) The owners or policymaking officers are domiciled in~~
20 ~~California and the permanent principal office, or place of business~~
21 ~~from which the supplier’s trade is directed or managed, is located~~
22 ~~in California.~~
23 ~~(B) A business or corporation, including those owned by, or~~
24 ~~under common control of, a corporation, that meets all of the~~
25 ~~following criteria continuously during the five years prior to~~
26 ~~providing eligible distributed generation resources to a~~
27 ~~self-generation incentive program recipient:~~
28 ~~(i) Owns and operates a manufacturing facility located in~~
29 ~~California that builds or manufactures eligible distributed~~
30 ~~generation resources.~~
31 ~~(ii) Is licensed by the state to conduct business within the state.~~
32 ~~(iii) Employs California residents for work within the state.~~
33 ~~(3) For purposes of qualifying as a California supplier, a~~
34 ~~distribution or sales management office or facility does not qualify~~
35 ~~as a manufacturing facility.~~
36 ~~(h)~~
37 (k) The costs of the program adopted and implemented pursuant
38 to this section shall not be recovered from customers participating
39 in the California Alternate Rates for Energy (CARE) program.

1 (l) (1) The commission shall evaluate the overall success and
2 impact of the self-generation incentive program based on the
3 following performance measures:

4 (A) The amount of reductions of emissions of greenhouse gases.

5 (B) The amount of reductions of emissions of criteria air
6 pollutants measured in terms of avoided emissions and reductions
7 of criteria air pollutants represented by emissions credits secured
8 for project approval.

9 (C) The amount of energy reductions measured in energy value.

10 (D) The amount of reductions of aggregate noncoincident
11 customer peak demand.

12 (E) The ratio of the electricity generated by distributed energy
13 resource projects receiving incentives from the program to the
14 electricity capable of being produced by those distributed energy
15 resource projects, commonly known as a capacity factor.

16 (F) The value to the electrical transmission and distribution
17 system measured in avoided costs of transmission and distribution
18 upgrades and replacement.

19 (G) The ability to improve onsite electricity reliability.

20 (2) In addition to evaluating the program based on the
21 performance measures specified in paragraph (1), the commission
22 shall also evaluate both of the following:

23 (A) The program's progress toward reducing barriers to the
24 adoption of distributed energy resources, including, but not limited
25 to, interconnection costs and the length of time to complete
26 interconnection.

27 (B) The program's effectiveness in providing frequency
28 regulation, voltage support, demand reduction, peak shaving, ramp
29 rate control, and other wholesale ancillary and grid reliability
30 services.

31 SEC. 2. No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 the only costs that may be incurred by a local agency or school
34 district will be incurred because this act creates a new crime or
35 infraction, eliminates a crime or infraction, or changes the penalty
36 for a crime or infraction, within the meaning of Section 17556 of
37 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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ATTACHMENT 3b

AB 1624 (Gordon)

Self-generation incentive program.

Summary: This bill would extend funding authorization of the Self-Generation Incentive Program (SGIP) for seven years, requiring the Public Utilities Commission (PUC) to allocate up to \$83 million per year through 2021 from utility allowance revenues to fund rebate payments for eligible customer-owned distributed energy resource (DER) projects through 2021, including wind, advanced energy storage, and natural gas or renewable gas fuel cells and combined heat and power (CHP) combustion projects, per SGIP.

Background: Under existing law, the PUC has regulatory authority over public utilities, including electrical corporations. Existing law requires the PUC to administer, until January 1, 2016, the SGIP for distributed generation resources and to separately administer solar technologies pursuant to the California Solar Initiative. The PUC, in consultation with the State Energy Resources Conservation and Development Commission (Commission), may authorize electrical corporations to collect up to \$83 million per year from their customers through distribution rates through 2014 to fund SGIP.

The SGIP was established in the wake of California’s energy crisis to encourage local (on-site) generation. Current law states legislative intent to have the SGIP increase deployment of distributed generation and energy storage systems to facilitate the integration of those resources into the electrical grid, improve efficiency and reliability of the distribution and transmission system, and reduce emissions of greenhouse gases (GHGs), peak demand, and ratepayer costs.

Status: 4/30/14 Re-referred to Assembly Com. on NAT. RES.

Specific Provisions: Specifically, this bill would:

- 1) Extend funding authorization of the SGIP for seven years, requiring the PUC to allocate up to \$83 million per year through 2021 from utility allowance revenues to fund rebate payments for eligible customer-owned DER projects through 2021, including wind, advanced energy storage, and natural gas or renewable gas fuel cells and combined heat and power (CHP) combustion projects, per SGIP.
- 2) Require the PUC to reduce annual funding by 10 percent in each of the last four years (2018-2021).
- 3) Clarify that eligible DER technologies must: be capable of reducing demand from the grid by offsetting onsite energy load, including peak demand; be commercially

available; safely utilize the existing transmission and distribution system; reduce GHG emissions, and; improve air quality by reducing criteria air pollutants.

- 4) Require the PUC to evaluate SGIP based on specified performance measures: GHG emission reductions; criteria pollutant emission reductions measured in terms of avoided emissions and emissions credits secured for project approval; energy reductions measured in energy value; reductions of aggregate non-coincident customer peak demand; capacity factor; value of avoided transmission and distribution costs, and; ability to improve onsite electricity reliability as compared to onsite electricity reliability before the SGIP technology was placed in service.
- 5) Require the PUC, beginning in 2017, to review annually the level of incentives and the cost of the technologies that are receiving incentives and add or remove technologies or reduce incentives according to certain criteria.

Impacts on AQMD’s mission, operations or initiatives: This bill would extend an incentive program for utility customers to install clean energy generation and energy storage equipment at their homes and businesses.

The author states that: SGIP, one of California’s first programs to provide incentives for the deployment of DER, creates an incentive for residential and commercial customers to reduce the upfront costs of onsite DER. The program assists a wide swath of ratepayers – from homeowners, multi-unit housing to large commercial facilities. SGIP complements the Renewable Portfolio Standard (RPS) and will help Investor Owned Utilities comply with the PUC’s Energy Storage Decision. SGIP also gives customers a choice about how to meet their electricity needs with secure, clean DER.

The author also states that this bill will permit the extension of a vital program for incentivizing the development of distributed on-site renewable energy facilities. The author argues that these are needed to meet increasing statewide demand for electricity, to reduce peak demand pressures on the grid and help meet California public policy goals of reducing GHG emissions and increasing the supply of clean renewable energy. Additionally, a variety of performance measures/metrics will be built into the program, through the bill, to ensure that utility ratepayers are being benefitted by the continuation of the SGIP.

This bill would be in line with the South Coast AQMD’s policy priority for reducing air pollution within the region, including through the promotion of renewable energy generation and energy storage equipment technology.

Recommended Position: SUPPORT

Support:

AT&T
Advanced Energy Economy
Bergey Wind Power
Bloom Energy
California Energy Storage Alliance
California Manufacturers & Technology Association (if amended)
California State University
Capstone Turbine Corporation
ClearEdge Power
Direct Access Customer Coalition
Environmental Defense Fund
EtaGen
Facebook
Fuel Cell and Hydrogen Energy Association
SolarCity
TechNet
Yahoo!

Opposition:

The Utility Reform Network (TURN)

ATTACHMENT 3c

AMENDED IN ASSEMBLY APRIL 29, 2014

AMENDED IN ASSEMBLY APRIL 24, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1624

Introduced by Assembly Member Gordon

February 10, 2014

An act to amend Section 379.6 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1624, as amended, Gordon. Self-generation incentive program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law, adopted during the energy crisis of 2000–01, required the Public Utilities Commission, in consultation with the Independent System Operator and the State Energy Resources Conservation and Development Commission, to adopt initiatives, on or before March 7, 2001, to reduce demand for electricity and reduce load during peak demand periods, including differential incentives for renewable or super clean distributed generation resources. Pursuant to this requirement, the commission adopted Decision 01-03-073, dated March 27, 2001, that established program incentives for demand-responsiveness and self-generation, *collectively known as the self-generation incentive program*, that were modified in later decisions.

Existing law authorizes the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to authorize the annual collection of not

more than the amount authorized for the self-generation incentive program in the 2008 calendar year, through December 31, 2014. Existing law requires the Public Utilities Commission to require electrical corporations to administer the program for distributed energy resources originally established pursuant to the above-described law until January 1, 2016, and to separately administer solar technologies pursuant to the California Solar Initiative. Existing law requires the Public Utilities Commission to provide repayment of all unallocated funds collected for the self-generation incentive program on January 1, 2016, to reduce ratepayer costs.

Existing law authorizes the Public Utilities Commission to allocate up to 15% of revenues received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to electrical distribution utilities for clean energy and energy efficiency projects that are administered by the electrical corporation and are not otherwise funded by ~~other~~ *another* funding source.

This bill would require the Public Utilities Commission to require electrical corporations to administer the program for distributed energy resources originally established pursuant to the above-described law through and including December 31, 2021. The bill would require the Public Utilities Commission to allocate \$83 million from the above-described greenhouse gas allowance revenues for the self-generation incentive program. *The bill would require the Public Utilities Commission to authorize the expenditure of unallocated funds collected from ratepayers before authorizing the expenditure of funds allocated from the greenhouse gas allowance revenues. The bill would require the Public Utilities Commission, beginning January 1, 2018, and each year thereafter until December 31, 2021, to reduce the total amount allocated to the program by 10% annually.* The bill would require the Public Utilities Commission to evaluate the self-generation incentive program's overall success and impact based on specified performance measures and to evaluate the self-generation incentive program's progress toward reducing barriers to the adoption of distributed energy resources and the self-generation incentive program's effectiveness in providing certain capabilities generally related to grid reliability. ~~The bill would require the commission, beginning March 1, 2017, and every year thereafter for as long as the program is providing incentives, to review the level of incentives and the costs of the technologies that are receiving incentives to ensure that the program is more likely to fund those technologies that will improve the~~

~~technologies' ability to reduce greenhouse gas emission reduction costs and produce electricity at a time and in a manner that reduces the peak demand for electricity.~~

Existing law limits eligibility for incentives under the self-generation incentive program to distributed energy resources that the Public Utilities Commission, in consultation with the State Air Resources Board, determines will achieve reductions in emissions of greenhouse gases pursuant to the California Global Warming Solutions Act of 2006.

This bill would further limit eligibility for incentives under the self-generation incentive program to distributed energy resource technologies that the Public Utilities Commission determines meet specified additional requirements. ~~The bill would require the commission to determine a capacity factor for each distributed generation system in the program and to define a capacity factor for energy storage systems in the program as the ratio of the total hours the energy storage system is used for charging and discharging throughout the year, as specified, to the total number of hours in the year.~~ *program. The bill would require the commission, beginning March 1, 2017, and every year thereafter for as long as the program is providing incentives, to review the level of incentives and the costs of the technologies that are receiving incentives to ensure that the program is more likely to fund those technologies that will meet the requirements of the program.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the program that is extended under the provisions of this bill is within the act and a decision or order of the commission implements the program requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 379.6 of the Public Utilities Code is
2 amended to read:

3 379.6. (a) (1) It is the intent of the Legislature that the
4 self-generation incentive program increase deployment of
5 distributed generation and energy storage systems to facilitate the
6 integration of those resources into the electrical grid, improve
7 efficiency and reliability of the distribution and transmission
8 system, and reduce emissions of greenhouse gases, peak demand,
9 and ratepayer costs. It is the further intent of the Legislature that
10 the commission, in future proceedings, provide for an equitable
11 distribution of the costs and benefits of the program.

12 (2) (A) The commission, in consultation with the Energy
13 Commission, may authorize the annual collection of not more than
14 the amount authorized for the self-generation incentive program
15 in the 2008 calendar year, through December 31, 2014.

16 (B) The commission shall require the administration of the
17 program for distributed energy resources originally established
18 pursuant to Chapter 329 of the Statutes of 2000 through and
19 including December 31, 2021.

20 (C) Beginning January 1, 2015, and each year thereafter until
21 December 31, 2021, the commission shall allocate up to
22 eighty-three million dollars (\$83,000,000) from the funds allocated
23 for clean energy programs pursuant to subdivision (c) of Section
24 748.5 for the self-generation incentive program.

25 (D) Beginning January 1, 2015, the commission shall authorize
26 the expenditure of unallocated funds collected pursuant to
27 subparagraph (A) before authorizing the expenditure of funds
28 allocated pursuant to subparagraph (C).

29 (E) *Beginning January 1, 2018, and each year thereafter until*
30 *December 31, 2021, the commission shall reduce the total amount*
31 *allocated for the program by 10 percent annually.*

32 ~~(E)~~

33 (F) On January 1, 2022, all unallocated funds allocated pursuant
34 to subparagraph (C) shall be subject to expenditure for the purposes
35 of subdivision (c) of Section 748.5.

36 (3) The commission shall administer solar technologies
37 separately, pursuant to the California Solar Initiative adopted by
38 the commission in Decisions 05-12-044 and 06-01-024, as modified

1 by Article 1 (commencing with Section 2851) of Chapter 9 of Part
2 2 of Division 1 of this code and Chapter 8.8 (commencing with
3 Section 25780) of Division 15 of the Public Resources Code.

4 (b) Eligibility for incentives under the program shall be limited
5 to distributed energy resources that the commission, in consultation
6 with the State Air Resources Board, determines will achieve
7 reductions in emissions of greenhouse gases pursuant to the
8 California Global Warming Solutions Act of 2006 (Division 25.5
9 (commencing with Section 38500) of the Health and Safety Code).

10 (c) Eligibility for the funding of any combustion-operated
11 distributed generation projects using fossil fuel is subject to all of
12 the following conditions:

13 (1) An oxides of nitrogen (NO_x) emissions rate standard of 0.07
14 pounds per megawatthour and a minimum efficiency of 60 percent,
15 or any other NO_x emissions rate and minimum efficiency standard
16 adopted by the State Air Resources Board. A minimum efficiency
17 of 60 percent shall be measured as useful energy output divided
18 by fuel input. The efficiency determination shall be based on 100
19 percent load.

20 (2) Combined heat and power units that meet the 60-percent
21 efficiency standard may take a credit to meet the applicable NO_x
22 emissions standard of 0.07 pounds per megawatthour. Credit shall
23 be at the rate of one megawatthour for each 3.4 million British
24 thermal units (Btus) of heat recovered.

25 (3) The customer receiving incentives shall adequately maintain
26 and service the combined heat and power units so that during
27 operation, the system continues to meet or exceed the efficiency
28 and emissions standards established pursuant to paragraphs (1)
29 and (2).

30 (4) Notwithstanding paragraph (1), a project that does not meet
31 the applicable NO_x emissions standard is eligible if it meets both
32 of the following requirements:

33 (A) The project operates solely on waste gas. The commission
34 shall require a customer that applies for an incentive pursuant to
35 this paragraph to provide an affidavit or other form of proof that
36 specifies that the project shall be operated solely on waste gas.
37 Incentives awarded pursuant to this paragraph shall be subject to
38 refund and shall be refunded by the recipient to the extent the
39 project does not operate on waste gas. As used in this paragraph,
40 “waste gas” means natural gas that is generated as a byproduct of

1 petroleum production operations and is not eligible for delivery
2 to the utility pipeline system.

3 (B) The air quality management district or air pollution control
4 district, in issuing a permit to operate the project, determines that
5 operation of the project will produce an onsite net air emissions
6 benefit, compared to permitted onsite emissions if the project does
7 not operate. The commission shall require the customer to secure
8 the permit prior to receiving incentives.

9 (d) In determining the eligibility for the self-generation incentive
10 program, minimum system efficiency shall be determined either
11 by calculating electrical and process heat efficiency as set forth in
12 Section 216.6, or by calculating overall electrical efficiency.

13 (e) In addition to the eligibility requirements specified in
14 subdivisions (b), (c), and (d), eligibility for incentives under the
15 program shall be limited to distributed energy resource technologies
16 that the commission determines meet all of the following
17 requirements:

18 (1) The distributed energy resource technology is capable of
19 reducing demand from the grid by offsetting some or all of the
20 customer's onsite energy load, including, but not limited to, peak
21 electric demand.

22 (2) The distributed energy resource technology is commercially
23 available.

24 (3) The distributed energy resource technology safely utilizes
25 the existing transmission and distribution system.

26 (4) The distributed energy resource technology reduces
27 emissions of greenhouse gases.

28 (5) The distributed energy resource technology improves air
29 quality by reducing criteria air pollutants.

30 (f) In administering the self-generation incentive program, the
31 commission shall ~~do both of the following:~~ *determine a capacity*
32 *factor for each distributed generation system in the program.*

33 ~~(1) Determine a capacity factor for each distributed generation~~
34 ~~system in the program.~~

35 ~~(2) Define a capacity factor for energy storage systems in the~~
36 ~~program as the ratio of the total hours the energy storage system~~
37 ~~is used for charging and discharging throughout the year, including~~
38 ~~the hours when the energy storage system is available for capacity~~
39 ~~applications even if not actively charging or discharging, to the~~
40 ~~total number of hours in the year.~~

1 (g) In administering the self-generation incentive program, the
2 commission may adjust the amount of rebates and evaluate other
3 public policy interests, including, but not limited to, ratepayers,
4 energy efficiency, peak load reduction, load management, and
5 environmental interests.

6 (h) The commission shall ensure that distributed generation
7 resources are made available in the program for all ratepayers.

8 (i) (1) In administering the self-generation incentive program,
9 the commission shall provide an additional incentive of 20 percent
10 from existing program funds for the installation of eligible
11 distributed generation resources from a California supplier.

12 (2) “California supplier” as used in this subdivision means any
13 sole proprietorship, partnership, joint venture, corporation, or other
14 business entity that manufactures eligible distributed generation
15 resources in California and that meets either of the following
16 criteria:

17 (A) The owners or policymaking officers are domiciled in
18 California and the permanent principal office, or place of business
19 from which the supplier’s trade is directed or managed, is located
20 in California.

21 (B) A business or corporation, including those owned by, or
22 under common control of, a corporation, that meets all of the
23 following criteria continuously during the five years prior to
24 providing eligible distributed generation resources to a
25 self-generation incentive program recipient:

26 (i) Owns and operates a manufacturing facility located in
27 California that builds or manufactures eligible distributed
28 generation resources.

29 (ii) Is licensed by the state to conduct business within the state.

30 (iii) Employs California residents for work within the state.

31 (3) For purposes of qualifying as a California supplier, a
32 distribution or sales management office or facility does not qualify
33 as a manufacturing facility.

34 (j) The costs of the program adopted and implemented pursuant
35 to this section shall not be recovered from customers participating
36 in the California Alternate Rates for Energy (CARE) program.

37 (k) (1) The commission shall evaluate the overall success and
38 impact of the self-generation incentive program based on the
39 following performance measures:

40 (A) The amount of reductions of emissions of greenhouse gases.

1 (B) The amount of reductions of emissions of criteria air
2 pollutants measured in terms of avoided emissions and reductions
3 of criteria air pollutants represented by emissions credits secured
4 for project approval.

5 (C) The amount of energy reductions measured in energy value.

6 (D) The amount of reductions of aggregate noncoincident
7 customer peak demand.

8 (E) The ratio of the electricity generated by distributed energy
9 resource projects receiving incentives from the program to the
10 electricity capable of being produced by those distributed energy
11 resource projects, commonly known as a capacity factor.

12 (F) The value to the electrical transmission and distribution
13 system measured in avoided costs of transmission and distribution
14 upgrades and replacement.

15 (G) The ability to improve onsite electricity reliability as
16 compared to onsite electricity reliability before the self-generation
17 incentive program technology was placed in service.

18 (2) In addition to evaluating the program based on the
19 performance measures specified in paragraph (1), the commission
20 shall also evaluate the program's effectiveness in providing
21 frequency regulation, voltage support, demand reduction, peak
22 shaving, ramp rate control, and other wholesale ancillary and grid
23 reliability services.

24 (l) To ensure that the self-generation incentive program is more
25 likely to fund those technologies that ~~will improve in their ability~~
26 ~~to reduce greenhouse gas emission reduction costs and produce~~
27 ~~electricity at a time and in a manner that reduces the peak demand~~
28 ~~for electricity, meet the requirements of this section, beginning in~~
29 March 1, 2017, and each year thereafter, as long as the ~~SGIP~~
30 ~~self-generation incentive~~ program is providing incentives, the
31 commission shall review the level of incentives and the cost of the
32 technologies that are receiving incentives and (1) allow incentive
33 eligibility for new ~~technologies~~ or *technologies*, (2) remove
34 incentive eligibility or ~~reduce incentives~~ for technologies that have
35 received incentives but have not ~~reduced greenhouse gas emission~~
36 ~~reduction costs or provided a ratepayer benefit. met the~~
37 *requirements of this section, or (3) to remove incentive eligibility*
38 *or reduce incentives for technologies that have received incentives*
39 *and have reduced the emissions of greenhouse gases, but have not*
40 *otherwise met other requirements of this section.*

1 SEC. 2. No reimbursement is required by this act pursuant to
2 Section 6 of Article XIII B of the California Constitution because
3 the only costs that may be incurred by a local agency or school
4 district will be incurred because this act creates a new crime or
5 infraction, eliminates a crime or infraction, or changes the penalty
6 for a crime or infraction, within the meaning of Section 17556 of
7 the Government Code, or changes the definition of a crime within
8 the meaning of Section 6 of Article XIII B of the California
9 Constitution.

O

ATTACHMENT 3d

Senate Bill 1265 (Hueso)

State vehicle fleet purchases: minimum fuel economy standard

Summary:

This bill requires the Department of General Services (DGS) to include hybrid vehicles within the minimum fuel economy standard for the state fleet.

Background:

Existing law requires the Department of General Services (DGS), in consultation with the State Energy Resources Conservation and Development Commission, to establish a minimum fuel economy standard for the purchase of passenger vehicles and light duty trucks for the state fleet that are powered solely by internal combustion engines utilizing fossil fuels. The state's current minimum fuel economy standards are 27.5 MPG for passenger vehicles and 22.2 MPG for light-duty trucks. These standards apply in all state agency light-duty fleet acquisitions.

In addition, in 2007, AB 236 (Lieu, Chapter 593, Statutes of 2007) established the goal of reducing or displacing the consumption of petroleum products by the state fleet when compared to the 2003 consumption levels based on the following schedule:

1. By January 1, 2012, a 10-percent reduction or displacement.
2. By January 1, 2020, a 20-percent reduction or displacement.

Due primarily to a reduction of the size of the state fleet, as of 2012, California's state fleet reduced its petroleum consumption by 13-percent and is on its way to meeting the 2020 goal of a 20-percent overall reduction.

In 2012 Governor Brown issued Executive Order B-16-12 to increase the number of zero emission vehicles in the state fleet. That Executive Order directed DGS to increase the number of zero-emission vehicles in California's state vehicle fleet through the normal course of fleet replacement so that at least 10 percent of fleet purchases of light-duty vehicles be zero-emission by 2015 and at least 25 percent of fleet purchases of light-duty vehicles be zero-emission by 2020. Combined with the AB 236 directive to reduce the state fleet's petroleum fuel consumption, the state may focus on replacing old vehicles with electric or other zero-emission vehicles.

Sponsored by the Department of General Services, the changes to existing law set forth in SB 1265 will allow DGS to include hybrid vehicles into its analysis and further the development of the state's minimum fuel economy standards. DGS states that, although there will be continued opportunities to reduce unneeded fleet vehicles, this strategy is largely exhausted given the significant reductions that have occurred within the state fleet over the last five years.

Consequently, it will require the state to maximize other strategies, such as purchasing higher efficiency vehicles, to meet the 20 percent petroleum reduction goal by 2020. Through the establishment of an increased fuel economy standard, state entities would essentially be required to purchase higher efficiency vehicles such as hybrid vehicles to meet compliance.

Status: Set for hearing on May 5, Senate Appropriations

Specific Provisions:

Specifically, this bill:

- 1) Requires DGS, in consultation with the Energy Commission, to include vehicles that are powered by more than one source, such as hybrid vehicles, but not to include plug-in electric vehicles.
- 2) Specifies that all new state vehicle purchases by DGS and any other state entities of passenger vehicles and light duty trucks that are powered solely by internal combustion engines utilizing fossil fuels, or that are powered by more than one source, such as hybrid vehicles, shall meet the minimum fuel economy standard. This standard would not apply to plug-in electric vehicles.

Impacts on SCAQMD’s Mission, Operations or Initiatives:

The current size of the state’s light duty vehicle fleet, which includes public safety vehicles, all fuel types, and including cars, trucks, vans and SUVs, is 17,528 vehicles. The fleet includes 23 zero emission battery electric vehicles (BEVs), 46 PHEVs (operate on electricity and gasoline) and 982 hybrid vehicles. As of mid-April, the state has purchased 260 hybrid vehicles in fiscal year 2013-14. Most state departments are headquartered out of Sacramento and the vast majority of their assets are registered to their Sacramento headquarters. A better indication of regional or local fleet operations is the point of sale fuel transaction at the local gas stations. DGS has indicated approximately 30% of the state’s fueling transactions occur in the South Coast Air Basin.

Not only would this legislation lead to emission reductions in the state fleet operating within the South Coast Basin, but this legislation would create one more market incentive for automobile manufacturers to increase the fuel efficiency of their vehicles, resulting in further reductions in criteria emissions in general.

Recommended Position:

SUPPORT

Support:

Department of General Services (sponsor)

Opposition:

None on file

ATTACHMENT 3e

AMENDED IN SENATE APRIL 21, 2014

SENATE BILL

No. 1265

Introduced by Senator Hueso

February 21, 2014

~~An act to add Section 14842.7 to the Government Code, relating to public contracts. An act to amend Section 25722.7 of the Public Resources Code, relating to state vehicles.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1265, as amended, Hueso. ~~Public contracts: small business participation: pilot program. State vehicle fleet purchases: minimum fuel economy standard.~~

Existing law requires the Department of General Services, in consultation with the State Energy Resources Conservation and Development Commission, to establish a minimum fuel economy standard for the purchase of passenger vehicles and light duty trucks for the state fleet that are powered solely by internal combustion engines utilizing fossil fuels. Existing law requires all new state fleet purchases of those vehicle types to meet that standard, with certain exemptions.

This bill would require the Department of General Services to include within the fuel economy standard passenger vehicles and light duty trucks that are powered by more than one source, such as hybrid vehicles, and would require new state vehicle fleet purchases of those vehicles to conform to that standard. These requirements would not apply to plug-in electric vehicles.

~~The Small Business Procurement and Contract Act permits a state agency to award a contract for goods, services, or information technology with a value of between \$5,000 and \$250,000 to a certified small business, including a microbusiness, or to a disabled veteran~~

~~business enterprise, without complying with specified competitive bidding requirements, as long as the state agency obtains price quotations from two or more certified small businesses or from two or more disabled veteran business enterprises.~~

~~This bill would require the Department of General Services to develop a pilot program to increase supplier competition for contracts under the act for the procurement of goods. The bill would require the department, in developing the pilot program, to ensure that a streamlined procurement process for contracts with state-certified small business or disabled veterans business enterprises continues, while increasing the opportunities for certified small businesses to compete for those contracting opportunities.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25722.7 of the Public Resources Code is
2 amended to read:
3 25722.7. (a) In order to further achieve the policy objectives
4 set forth in Sections 25000.5, 25722, and 25722.5, ~~on or before~~
5 ~~June 1, 2007~~, the Department of General Services ~~Services~~, in
6 consultation with the ~~State Energy Resources Conservation and~~
7 ~~Development Commission~~ *commission*, shall establish a minimum
8 fuel economy standard that is above the standard, as it ~~exists~~ *existed*
9 on January 1, 2007, established pursuant to Section 3620.1 of the
10 State Administrative Manual, for the purchase of passenger
11 vehicles and light duty trucks for the state fleet that are powered
12 solely by internal combustion engines utilizing fossil ~~fuels~~ *fuels*
13 *or that are powered by more than one source, such as hybrid*
14 *vehicles. The minimum fuel economy standard required by this*
15 *subdivision does not apply to plug-in electric vehicles.*
16 (b) ~~On or after January 1, 2008, all~~ All new state fleet purchases
17 *by the Department of General Services and any other state entities*
18 *of passenger vehicles and light duty trucks that are powered solely*
19 *by internal combustion engines utilizing fossil fuels, or that are*
20 ~~powered by the Department of General Services and any other~~
21 ~~state entities more than one source, such as hybrid vehicles~~, shall
22 meet the fuel economy standard established under subdivision (a).
23 *This subdivision does not apply to plug-in electric vehicles.*

1 (c) Authorized emergency vehicles, as defined in Section 165
2 of the Vehicle Code, and vehicles identified in paragraph (3) of
3 subdivision (a) of Section ~~25722.5~~ 25722.5, are exempt from this
4 section.

5 (d) Vehicles ~~purchased~~, that are *purchased and* modified for
6 the following ~~purposes~~, *purposes* are exempt from this ~~section~~.
7 *section*:

8 (1) To provide services by a state entity to an individual with a
9 disability or a developmental disability, as defined under the
10 statutes or regulations governing that state entity.

11 (2) As a reasonable accommodation for the known physical or
12 mental disability, as defined in Section 12926 of the Government
13 Code, of an employee.

14 (e) For purposes of this section, “state entities” includes all state
15 departments, boards, commissions, programs, and other
16 organizational units of the executive, legislative, and judicial
17 branches of state government, the California Community Colleges,
18 the California State University, and the University of California.

19 (f) No provision of this section shall apply to the University of
20 California except to the extent that the Regents of the University
21 of California, by appropriate resolution, make that provision
22 applicable.

23 ~~SECTION 1. Section 14842.7 is added to the Government~~
24 ~~Code, to read:~~

25 ~~14842.7. The department shall develop a pilot program to~~
26 ~~increase supplier competition for contracts under this chapter for~~
27 ~~the procurement of goods. The department, in developing the pilot~~
28 ~~program, shall ensure that the streamlined procurement process~~
29 ~~for contracts with state-certified small business or disabled veterans~~
30 ~~business enterprises, known as the SB/DVBE Option, continues,~~
31 ~~while increasing the opportunities for certified small businesses~~
32 ~~to compete for those contracting opportunities. As used in this~~
33 ~~section, “goods” excludes information technology.~~

ATTACHMENT 4

PRINCIPLES REGARDING SCAQMD's POSITION ON FUNDING RELATED ISSUES

1. SCAQMD shall engage in the public working group process called for in AB 8 (Perea, 2013) and SB 459 (De Leon, 2013) along with the California Air Resources Board, Bureau of Automotive Repair, and the California Air Pollution Control Officers Association to improve program outcomes for the Enhanced Fleet Modernization Program and the Carl Moyer Program. In regards to the Moyer Program, SCAQMD efforts will focus on identifying flexibility enhancements that can be adopted administratively.
2. On any legislation relating to incentive programs or other funding opportunities for air pollution reduction, improved air quality and public health benefits, staff shall work with the legislature and stakeholders to ensure that the region served by the Agency receives its fair share of funding. Specifically, funding should primarily, but not exclusively, be allocated based on the severity of air pollution and the number of people impacted, or in technical terms, the population weighted exposure to criteria air pollutants above federal standards for particulate matter (PM 2.5) and Ozone.
3. Given limited local and state resources with which to address multiple challenges, including those of mobility, goods movement, greenhouse gas and air pollution, SCAQMD staff will advocate that funding allocations give priority to those investments that best generate criteria pollution reduction co-benefits.

ATTACHMENT 5

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

LEGISLATIVE REPORT FROM HOME RULE ADVISORY GROUP MEETING OF APRIL 23, 2014

HRAG members present:

Dr. Joseph Lyou, Chairman

Dr. Elaine Chang, SCAQMD

Curt Coleman, Southern California Air Quality Alliance

Jayne Joy, Eastern Municipal Water District

Bill LaMarr, California Small Business Alliance

Joy Langford, Vasari Energy Capital

Rongsheng Luo, SCAG (participated by phone)

Art Montez, AMA International

Bill Quinn, CCEEB

Terry Roberts, American Lung Association of California

David Rothbart, Los Angeles County Sanitation Districts

Lee Wallace, So Cal Gas and SDG&E

Mike Wang, WSPA

Dan Weller on behalf of Chris Gallenstein, CARB (participated by phone)

SCAQMD staff: Marc Carrel, Amir Dejbakhsh, Bill Wong, and Marilyn Traynor

LEGISLATIVE UPDATE

Marc Carrel provided a report on items that were discussed at the Legislative Committee meeting on April 11, 2014.

Federal

The consultants mentioned that while Congress was on spring recess, Senator Boxer, Chair of the Senate Environment and Public Works Committee, along with several other Senators, announced that their goal was to do a simple long-term extension of the MAP-21 reauthorization bill with rail provisions possibly added, but not many more changes. Further, the consultants reported that Senate committee staff was working on the bill, but that it would not be taken up until the Water Resource Development Act (WRDA) was completed. The consultants also mentioned working with Senator Feinstein's office to continue a zero-emission grant program in the FY 2015 Energy and Water Appropriations Bill from which SCAQMD received an award in 2012. Mr. Carrel explained that the Washington consultants also reported on a compromise at the recent International Maritime Organization (IMO) meeting which preserves the rule requiring ships built as of 2016 to meet more stringent NOx emission requirements when sailing in the North American Emission Control Area (ECA) (extending 200 miles from the coast of the U.S. and Canada). Mr. Carrel also stated that the consultants reported that Representative Ken Calvert, who chairs the subcommittee overseeing funding for the Diesel Emissions Reduction Act (DERA), has stated he rejects the program being eliminated in the President's Budget proposal.

State

The consultants reported that the state legislature is currently on spring break recess, and committee hearings will resume when they return. Other bills that were discussed by the consultants were fracking and/or well stimulation bills [AB 2420 (Nazarian), SB 1132 (Mitchell), and SB 1281

(Pavley)]; HOV and alternate fuel vehicle bills; AB 1102 (Allen) dealing with fire pits; SB 1125 (Pavley); SB 1121 (De León); energy bills related to financing for residential and commercial property owners for renewable energy or energy efficiency; AB 1763 (Perea); and AB 1330 (Pérez). The consultants reported that the Democratic Caucus lost its supermajority as the result of the suspension of Senators Rod Wright, Ron Calderon, and Leland Yee. The Legislative Committee discussed and approved staff's recommendations on the following bills:

Bill	Action
AB 2013 (Muratsuchi) Vehicles: High-Occupancy Vehicle Lanes	Support
AB 2242 (Perea) Air Quality Improvement Program	Support with Amendments
SB 1204 (Lara and Pavley) California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program	Support
SB 1275 (De Leon) Vehicle Retirement and Replacement: Charge Ahead California Initiative	Support and Work with the Author
Proposed Federal Surface Transportation Law (MAP 21) Reauthorization Language	Approved Proposed Language with Amendments

Discussion on State Issues

Mr. Montez asked if there is any legislation requiring state and local governments to reduce petroleum consumption of their vehicle fleets. Mr. Carrel noted that the state has a requirement already to purchase cleaner vehicles for its fleet, and mentioned there was a federal bill, to require the U.S. Postal Service to improve the fuel efficiency of its fleet. (Note: Subsequent to the meeting, Mr. Carrel provided the following response: Representative Jared Huffman (D-CA) introduced H.R. 3963 (Fleet Act of 2014) on January 29, 2014. H.R. 3963 requires the U.S. Postal Service fleet to reduce its petroleum consumption by 2% each year over the next ten years. No action has been taken on H.R. 3963 to date.) Mr. Montez asked if staff has data on the number of vehicles in state and local government fleets. Mr. Carrel responded that the Department of General Services (DGS) is responsible for the state fleets and may have the number of vehicles in state fleets; however, they would not have that information for local governments. Mr. Montez suggested that the number could be derived from checking with DMV on how many license plates were issued to local governments for their fleets. Dr. Chang added that SCAQMD has data on the total number of heavy-duty government vehicles, and this information was included in paragraph one on page four of the March 18, 2014, HRAG meeting minutes.

Mr. Quinn emphasized that CCEEB is still interested in being included in the discussions with the air districts, stakeholders, and the Speaker's office on the AB 1330 bill language.

[↑ Back to Agenda](#)

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 23

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, May 16, 2014 in Palm Desert. Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Dennis Yates, Chair
Stationary Source Committee

MN:am

Attendance

The meeting began at 11:55 a.m., immediately following the Governing Board Retreat in Palm Desert. Present were Mayor Dennis Yates, Dr. Joseph Lyou, Mayor Pro Tem Ben Benoit and Mayor Judith Mitchell. Absent was Supervisor Shawn Nelson.

INFORMATIONAL ITEMS

1. 2016 AQMP Reasonably Available Control Technology Demonstration SIP

Joe Cassmassi, Planning and Rules Manager, provided the Committee with a summary of the Reasonably Available Control Technology (RACT) demonstration to be submitted as a required component of the 2016 AQMP to CARB and from CARB to U.S. EPA by July 20, 2012. The RACT demonstration examines existing SCAQMD rules and compares them to U.S. EPA guidance documents and existing rules elsewhere in California and the rest of the country to determine whether the most current control techniques are being implemented to maximize emissions reductions. Mr. Cassmassi indicated that staff's analysis conclude that SCAQMD rules meet RACT criteria. The RACT analysis commits to further evaluate SCAQMD rules for sources in six emissions categories relative to rules adopted by

other California agencies to provide clarity in rule interpretation and implementation practices. Dr. Joseph Lyou asked if the RACT analysis would incorporate amendments to tighten the rules governing oil production in light of issues at the AllenCo facility. Dr. Wallerstein commented that such action was being discussed by staff but was not a component of the RACT analysis. Dr. Lyou also asked if the RACT or RACM analysis would include a discussion of the San Joaquin Valley indirect source rule. Dr. Elaine Chang responded that the 2007 AQMP had included the measure but it had not been adopted by the Governing Board to date. Dr. Wallerstein concluded the discussion by stating that the 2016 AQMP would require analysis of all potential sources of emissions reduction to meet federal standards. He also restated that the RACT analysis was a requirement of the Clean Air Act and submission of the analysis would not be an impediment to development of new rules to be incorporated in the 2016 AQMP assessment.

2. 2013 Annual Report on AB 2588 Air Toxics Hot Spots Program

Susan Nakamura, Director of Strategic Initiatives, provided a summary of the AB 2588 annual report. Staff summarized key activities in 2013 and future activities for the AB 2588 program. Dr. Lyou asked if there is a toxic risk associated with periodic increase in VOC emissions from refineries. Barry Wallerstein replied that the VOC emissions were short-term. Dr. Lyou also asked about what toxic air contaminants are being measured from Carlton Forge. Dr. Wallerstein replied that the SCAQMD staff is still looking at the data and will return to the Stationary Source Committee to discuss the results.

3. Proposed Withdrawal of SIP Submittals for Select Rules and Regulations

Barbara Baird, Chief Deputy Counsel, presented this item. She explained that staff was trying to assist U.S. EPA in reducing its backlog of SIP submittals so they can concentrate on high-priority items. The items proposed for withdrawal from SIP submission generally fall in three categories. First, some of them refer to or rely on rules that have been repealed or expired, such as the 1500 series rules that refer to Rule 1501, which has been replaced by Rule 2202, regarding ridesharing programs. Second, there are the 500 series rules, which are the procedures for variances. U.S. EPA does not recognize variances except those issued under Rule 518.2, a separate rule which U.S. EPA has already approved. That rule contains all the federally-necessary procedures, so the other variance procedure rules are unnecessary and U.S. EPA would not approve them. Third, the 1700 series rules are the District's "Prevention of Significant Deterioration" (PSD) rules (new source review for attainment pollutants). The District currently implements PSD through a partial delegation agreement with U.S. EPA. These rules are not approvable by U.S. EPA in their current form. Staff has recently been in discussions with U.S. EPA to see if

there is a way for the rules to be amended so they could be approved. If so, the amended rules would be submitted.

Dr. Wallerstein added that this was part of a nationwide effort by EPA to reduce its SIP backlog in response to criticism from members of Congress.

Dr. Lyou asked whether Rule 518, which is proposed for withdrawal, is the same as Rule 518.2. Ms. Baird replied that Rule 518.2 is a separate rule that has been approved by EPA and is not proposed for withdrawal. Dr. Lyou indicated he may need more information before coming to a decision on this issue.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

PUBLIC COMMENTS

There were no public comments, so Mayor Yates adjourned the meeting. However, three members of Sierra Club arrived after the meeting was adjourned; therefore, Mayor Yates opened the meeting back up again to allow for public comments from Sierra Club members. The Sierra Club members recognized the progress made in cleaning the air, however, expressed concerns that our region still has some of the worst air quality in the nation and many children and adults living in this region suffer from asthma and other illnesses. They commented that clean energy is needed and urged the SCAQMD Board to continue to adopt rules and regulations to achieve further emission reductions in order to obtain clean air in this region.

Attachments

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
May 16, 2014
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Mayor Pro Tem Benoit	SCAQMD Governing Board
Mayor Judith Mitchell	SCAQMD Governing Board
Barry Wallerstein	SCAQMD Staff
Mohsen Nazemi	SCAQMD Staff
Philip Fine	SCAQMD Staff
Elaine Chang	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Bayron Gilchrist	SCAQMD Staff
Joe Cassmassi	SCAQMD Staff
Jill Whynot	SCAQMD Staff
Susan Nakamura	SCAQMD Staff
David Rothbart	LA County Sanitation District
Lee Wallace	Southern California Gas
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech International
Susan Stark	Tesoro
Peter Whittingham	Curt, Pringle & Assoc.
Patty Senecal	Western States Petroleum Assoc.

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 24

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on May 15, 2014. The MSRC's next meeting is scheduled for Thursday, June 19, 2014, at 2:00 p.m. in Conference Room CC8.

RECOMMENDED ACTION:

Receive and file.

Michael D. Antonovich
SCAQMD Representative on MSRC

MM:HH:DAH

Meeting Minutes Approved

The MSRC unanimously approved the minutes from its April 17, 2014 meeting. Those approved minutes are attached for your information (*Attachment 1*).

MSRC Chair Re-Appointed and New MSRC Vice-Chair Appointed

Annually the MSRC elects its chair and vice-chair. At its May 15, 2014 meeting, the MSRC unanimously re-appointed Greg Pettis as its chair for another one-year term. Mr. Pettis is a Council Member for the City of Cathedral City and represents the Riverside County Transportation Commission on the MSRC. This will be his second term as the MSRC chair. The MSRC also unanimously elected Larry McCallon as its new MSRC vice-chair. Mr. McCallon is Mayor Pro Tem for the City of Highland and represents the San Bernardino Associated Governments (SANBAG) on the MSRC.

Additional Alternative Fuel School Bus Incentives under FYs 2012-14 Work Program

The MSRC's FYs 2012-14 Work Program included \$2 million for an Alternative Fuel School Bus Incentives Program. Incentive levels were established at \$9,000 for Type C and \$31,000 for Type D natural gas school buses. A-Z Bus Sales, one of two vendors

approved by the MSRC to offer buy down incentives to qualifying school districts or private pupil transportation providers, requested a modification to increase the value of its contract by \$90,000 to provide incentives for 10 Type C propane buses ordered by Tumbleweed Transportation. At its May 15, 2014 meeting, the MSRC unanimously approved A-Z Bus Sale's request. There is still more than \$1.3 million available for this Program. The SCAQMD Board will consider this award at its June 6, 2014 meeting.

Traffic Signal Synchronization Program under FYs 2012-14 Work Program

The FYs 2012-14 Work Program included \$5 million for projects that improve traffic flow along corridors by coordinating traffic signals and associated signal control facilities. The Program was intended to work in partnership with each of the county transportation commissions in an effort to enhance or augment their existing signal synchronization efforts and leverage other sources of funding. A geographic minimum of \$1.25 million was set aside for each of the four counties and the MSRC issued an Invitation to Negotiate seeking responses from each county transportation commission. At its March 20, 2014 meeting, the MSRC unanimously made the following awards, which were subsequently approved by the SCAQMD Board: 1) \$1.25 million to the Los Angeles County Metropolitan Transportation Authority for three projects; 2) \$1.25 million to the Orange County Transportation Authority for six projects; and 3) \$939,625 to the Riverside County Transportation Commission (RCTC) for three projects, with a request to reserve the remaining \$310,375 allocated to them while they completed a Call for Projects in the Coachella Valley. Subsequently, SANBAG completed its Call for Projects, and submitted for the MSRC's consideration 7 of 14 proposals received which they felt would best be able to take advantage of the MSRC's cost-share and most cost effectively alleviate congestion. At its May 15, 2014 meeting, the MSRC unanimously awarded \$1.25 million to SANBAG for these seven projects. The SCAQMD Board will consider this award to SANBAG at its June 6, 2014 meeting. Additionally, RCTC has completed its Call for Projects in the Coachella Valley and it is anticipated the MSRC at its next meeting will consider additional awards for RCTC, subject to the SCAQMD Board's approval.

Regional Workshops for Development of FY 2014-15 Work Program

At its May 15, 2014 meeting, the MSRC authorized a task order for its Programmatic Outreach Coordinator, The Better World Group, to coordinate and implement up to six regional workshops to solicit input for development of the MSRC's FY 2014-15 Work Program. Every Work Program cycle, the MSRC convenes an offsite retreat to brainstorm ideas and concepts for its next Work Program; for the last two Work Programs, the MSRC also conducted a series of workshops throughout the region to solicit input from stakeholders and other interested parties on its next Work Program. The workshops were so successful and well received that the MSRC unanimously agreed to again conduct a series of workshops throughout the region for development of their next Work Program. It is anticipated that the workshops will be held throughout June and early July with the MSRC's retreat to follow in August or September. MSRC

staff will also explore teleconference networks to allow stakeholders flexibility in attending the workshops and potentially increase participation.

Received and Approved Final Reports

The MSRC received and unanimously approved two final report summaries this month as follows:

1. EDCO Disposal Corporation Contract #MS11011, which provided \$100,000 to construct a CNG fueling station, and
2. City of Los Angeles, Department of Transportation Contract #MS07008, which provided \$2,040,000 towards the purchase of 102 transit buses.

Contracts Administrator's Report

The MSRC's AB 2766 Contracts Administrator provides a written status report on all open contracts from FY 2004-05 through the present. The Contracts Administrator's Report for May 2014 is attached (*Attachment 2*) for your information.

Attachments

Attachment 1 – Approved April 17, 2014 Meeting Minutes

Attachment 2 – May 2014 Contracts Administrator's Report



**MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, APRIL 17, 2014 MEETING MINUTES**

21865 Copley Drive, Diamond, Bar, CA 91765- Conference Room CC-8

MEMBERS PRESENT:

(Chair) Greg Pettis, rep. RCTC (via v/c)
(Vice Chair) Steve Veres, rep. LA County MTA (via v/c)
Larry McCallon, representing SANBAG
April McKay (Alt.), representing LA County MTA (via v/c)
Ron Roberts, representing SCAG
Tim Shaw (Alt.), representing OCTA
Greg Winterbottom, representing OCTA
Earl Withycombe, representing CARB (via v/c)

MSRC MEMBERS ABSENT:

Michael Antonovich, representing SCAQMD (via v/c)

MSRC-TAC MEMBERS PRESENT:

(MSRC-TAC Chair) Gretchen Hardison, representing City of Los Angeles
Paula Carvajal, representing Regional Rideshare Agency
Rongsheng Luo (Alt.), representing SCAG
Kelly Lynn, representing SANBAG
Dean Saito, representing SCAQMD

OTHERS PRESENT:

Lauren Dunlap, Southern California Gas
Earl Elrod, SCAQMD Board Asst (Yates)
Debra Mendelsohn, SCAQMD Board Asst (Antonovich)
Ric Teano, OCTA

SCAQMD STAFF & CONTRACTORS

Ray Gorski, MSRC Technical Advisor-Contractor
Drue Hargis, Acting Senior Public Information Specialist
John Kampa, Financial Analyst
Matt MacKenzie, MSRC Contracts Assistant
Ana Ponce, MSRC Administrative Liaison
Cynthia Ravenstein, MSRC Contracts Administrator
Veera Tyagi, Senior Deputy District Counsel
Rachel Valenzuela, MSRC Contracts Assistant
Paul Wright, Audio-Visual Specialist

CALL TO ORDER

- Call to Order

MSRC Chair Greg Pettis called the meeting to order at 2 p.m.

PUBLIC COMMENT PERIOD

Public comments were allowed during the discussion of each agenda item. No comments were made on non-agenda items.

STATUS REPORTS

- Clean Transportation Policy Update
Cynthia Ravenstein, MSRC Contracts Administrator, reported on the Clean Transportation Policy Update on behalf of MSRC-TAC Chair Gretchen Hardison. Ms. Ravenstein referred to the handout that was distributed at the meeting. An email link will be sent to the Members so that they can access the links in the document. It contains a lot of updates on various state activities with regard to proposed modifications to rules, the Moyer Program, and proposed legislation

CONSENT CALENDAR (Items 1 through 6)**Receive and Approve Items****Agenda Item #1 – Minutes of the March 20, 2014 MSRC Meeting**

The minutes of the March 20, 2014 MSRC meeting were distributed at the meeting. Copies were made available to the public.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER RON ROBERTS, UNDER
APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 6, THE
MSRC VOTED UNANIMOUSLY TO APPROVE THE MARCH 20,
2014 MEETING MINUTES.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM,
WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: Staff will place the minutes on the MSRC's website.

Agenda Item #2 – Summary of Final Reports by MSRC Contractors

The agenda package included one final report summary for the City of Glendora, Contract #MS10021, which provided \$9,489 for the purchase of one bus equipped with an advanced natural gas engine.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO APPROVE THE FINAL REPORT ABOVE.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: MSRC staff will file the final report and release any retention on the contract.

Receive and File Items

Agenda Item #3 – MSRC Contracts Administrator’s Report

The MSRC AB 2766 Contracts Administrator’s Report for February 27 through March 26, 2014 was included in the agenda package.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR’S REPORT.FOR FEBRUARY 27 THROUGH MARCH 26, 2014.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: SCAQMD staff will include the MSRC Contracts Administrator’s Report in the MSRC Committee Report for the May 2, 2014 SCAQMD Board meeting.

Agenda Item #4 – Financial Report on AB 2766 Discretionary Fund

A financial report on the AB 2766 Discretionary Fund for the period ending March 31, 2014, was included in the agenda package.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE PERIOD ENDING MARCH 31, 2014.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: No further action is required.

For Approval - As Recommended**Agenda Item #5 – Consider Reduced Scope and Value, Vehicle Substitutions, and 30-Month Term Extension by City of Riverside, Contract #ML08040 (Purchase 16 Vehicles, Expand CNG Station, and Modify Maintenance Facility)**

The City of Riverside constructed a new CNG vehicle maintenance facility, so they request to remove tasks and funding associated with modifying the older facility. The City also requests to substitute a crane truck, a patch truck, and two refuse trucks for the four dump trucks specified. Lastly, the City requests a 30-month contract term extension. The MSRC-TAC unanimously recommends approval.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO APPROVE THE CITY OF RIVERSIDE'S REQUEST TO REMOVE TASKS AND FUNDING ASSOCIATED WITH FACILITY MODIFICATIONS, TO SUBSTITUTE A CRANE TRUCK, A PATCH TRUCK, AND TWO REFUSE TRUCKS FOR THE FOUR DUMP TRUCKS SPECIFIED; AS WELL AS A 30-MONTH CONTRACT TERM EXTENSION.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

For Approval - As Recommended**Agenda Item #6 – Consider Reduced Scope and Value by City of Baldwin Park, Contract #ML12050 (Install EV Charging Infrastructure)**

The City of Baldwin Park re-evaluated the projected demand for EV charging at the specified location and concluded that 10 stations would be sufficient to meet the anticipated demand. The City requests to reduce the number of stations to be installed from 24 to 10, and to reduce their contract value from \$463,650 to \$402,400. The MSRC-TAC unanimously recommends approval.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO APPROVE THE CITY OF BALDWIN PARK'S REQUEST TO REDUCE THE NUMBER OF STATIONS TO BE INSTALLED FROM 24 TO 10, AND TO REDUCE THEIR CONTRACT VALUE FROM \$463,650 TO \$402,400.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

ACTION CALENDAR (Items 7 and 8)**Agenda Item #7 – Consider Procurement of Promotional Materials for Conferences**

Cynthia Ravenstein, MSRC Contracts Administrator, reported that the Alternative Clean Transportation (ACT) Expo is being held at the beginning of May and once again the SCAQMD has generously offered to allow the MSRC to share some of the space in their booth at no cost to the MSRC. Staff started looking through their supply of promotional items, and everything is just about exhausted. The last items that the MSRC ordered were booklets with sticky notes, five years ago. There are just a few of those left. The MSRC staff does not attend conferences on a regular basis, but there needs to be something on-hand that can be handed out. Ms. Ravenstein is not 100 percent certain that the items ordered will be received in time for the ACT Expo, but there will be other conferences. Different options are being recommended. The MSRC may opt to order one or perhaps smaller quantities of a couple of items. Ms. Ravenstein passed around some samples for the MSRC to view.

- One option is a stress-reliever squeeze toy truck. These are on the higher cost end of the options being presented. The fewer items ordered, the higher the cost. These run \$2.44 each for 250; \$2.20 each for 500.
- A screen cleaning cloth for electronics. They do not come with a case; it's just a loose cloth. These are priced at \$1.59 each, for a quantity of 500.
- A mobile phone holder for iPhones. These are priced at \$1.15 each, for a quantity of 500.
- A tire gauge key chain which has an air quality connection because keeping proper tire pressure improves car performance and fuel economy. These are priced at \$1.09 each, for a quantity of 500.
- Lastly, a tape measure/level. These are priced at \$0.93 each, for a quantity of 500.

The MSRC logo would be included on all the items being recommended. The TAC recommended not exceeding a total budget of \$1,500. These quotes are just for the item itself. They do not include set-up charges for the graphics, which run about \$40-\$50 generally; tax; or shipping. Because there are so many options, Ms. Ravenstein didn't get a complete quote for every single one. As an example, for the cell phone holders, a quantity of 1,000 would be \$1,181, including tax and shipping.

MSRC Chair Greg Pettis asked how many people are expected to attend the ACT Expo. MSRC-TAC Member Dean Saito estimated at least 4,000.

MSRC Member Earl Withycombe asked to know who the target audience would be at the ACT Expo. Ms. Ravenstein replied that the target audience would be fleet managers.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER EARL WITHYCOMBE, THE
MSRC VOTED UNANIMOUSLY TO AUTHORIZE STAFF TO
SELECT A PROMOTIONAL ITEM FROM THE SEVEN OPTIONS
PRESENTED, NOT TO EXCEED A TOTAL OF \$1,500.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM,
WITHYCOMBE, MCKAY.

NOES: NONE.

MSRC Member Greg Winterbottom recommended not ordering multiple items. He also asked if the MSRC brochures and informational materials will be handed out at the conference. Ms. Ravenstein replied affirmatively.

Ms. Ravenstein added that MSRC staff will be manning the booth, as well as staff from The Better World Group.

ACTION: MSRC Staff will select a promotional item(s) and place the order.

FYs 2012-14 WORK PROGRAM

Agenda Item #8 – Consider Funding for Remaining Applications Received under the Local Government Match Program

Tim Shaw indicated that he is attending today's meeting as an MSRC Alternate Member for OCTA so he will not be voting, but noted for the record that one of the grantees of this item is the City of La Habra, of which he is a City Council Member.

Dean Saito, Chair/Local Government Match Program Subcommittee, reported that under the Local Government Match Program, to date the MSRC has awarded a total of \$11.4 million to 32 applications. The \$1.375 million per-county geographic minimums were not fully met by these awards for Orange, Riverside, and San Bernardino Counties. The remaining funds totaled \$667,022. A total of 45 eligible applications were received during the open solicitation period, inclusive of the 32 previously awarded funding. One application was later withdrawn. The total funding request was \$12.975 million. The TAC is recommending that the MSRC award funding for four Local Government Match applications totaling \$667,022. The four awards include: The City of La Habra, for a total award of \$52,340 for alternative fuel vehicles; the City of Beaumont for a total award of \$145,037 for alternative fuel infrastructure; the City of Rancho Cucamonga for a total award of \$365,245 for an enhanced bike path project and outreach; and the County of Los Angeles for a total award of \$104,400 for electric vehicle charging. This brings to a close the total allocated funding for the Local Government Match Program of \$12.076 million.

As depicted in Table 2, there is a back-up list with 10 projects. The Subcommittee has reviewed all 10 applications and determined that they met the criteria and, therefore, were placed on the back-up list for funding consideration by the MSRC. Mr. Saito noted that the City of La Habra and the City of Beaumont are both listed on Table 2 due to having

only previously received a partial award. If the MSRC decides to grant awards for the back-up list, they will receive the full requested amount under the Local Government Match Program.

The recommendation of the TAC is to award the four grants and to take into consideration funding the back-up list comprised of 10 applications.

MSRC Member Greg Winterbottom recommended funding the backup list. The MSRC has always done that, as long as there has been money. The MSRC would rather put the money on the street than hang on to it. He recommended approving the projects, including the 10 on the backup list.

Earl Withycombe asked what the total reserve is for the overage from which the \$899,000 would come. John Kampa, Financial Analyst, replied that the unreserved fund balance is \$1,190,450, and \$899,387 is being requested to fund the backup list. Mr. Withycombe asked if there are any other solicitations that are going to hit the street between now and the end of the fiscal year or any other foreseeable need for this unallocated reserve. Mr. Kampa replied no. Ray Gorski, MSRC Technical Advisor, added that staff is not aware of any others, at this point in time. Mr. Withycombe sought confirmation that this would take the unallocated remainder from \$1.1 million to \$300,000, if the MSRC approves this transfer. Mr. Kampa replied yes, but added that there is also a \$500,000 contingency still available that is not being tapped into at all.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER STEVE VERES, THE MSRC
UNANIMOUSLY VOTED TO APPROVE THE FOUR LOCAL
GOVERNMENT MATCH PROGRAM APPLICATIONS TOTALING
\$667,022, USING THE BALANCE OF FUNDS PREVIOUSLY
ALLOCATED, AND TO ALSO FUND THE 10 APPLICATIONS ON
THE BACK-UP LIST, TOTALING \$899,387, FROM THE
UNALLOCATED RESERVE FUND BALANCE.

AYES: PETTIS, VERES, MCCALLON, ROBERTS, WINTERBOTTOM,
WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: SCAQMD staff will request approval of these awards at the May 2, 2014 SCAQMD Board meeting.

OTHER BUSINESS

Item #9 – Other Business

- Cynthia Ravenstein indicated that, while work continues through the last parts of the 2012-2014 Work Program, the next Work Program development process is going to be kicked off. As in the last couple of times, there will be some workshops set up to gather input from interested parties and stakeholders. Members of the TAC from the four County Transportation Commissions have

volunteered to help to coordinate that work. Efforts are underway to determine available dates in June to start gathering input to inform the next program development process.

- Earl Withycombe indicated that the MSRC embarked on the two-year budget cycle to reduce the load on staff of having to be perpetually in solicitation development mode. He asked if the experiment of the two-year budget cycle has worked. Ray Gorski, MSRC Technical Advisor, responded that, in his opinion, it has worked. However, it is a double-edged sword. The majority of programs have been successfully implemented. However, there is a subset, specifically those which are technology-related that have been unable to be implemented due to issues surrounding the dovetailing of MSRC programs with current regulations and rules which are promulgated by the regulatory agencies. This was discussed last month with staff's recommendation to withdraw from MSRC consideration the off-road airport ground support equipment RFP. That is one of a few technology-related programs which, at this point in time, has been unable to move forward. It has not been identified, at least at this point in time, how to incentivize acceleration of clean technology without supporting an entity's obligations with existing rules; i.e., funding compliance with the laws. Discussions are being entered into with CARB management; as well as internally. The MSRC is not the only entity which is currently having these types of issues; for example, the SCAQMD's Carl Moyer program has to work within the same regulatory framework. In past work programs, it has not been much of an issue. With the advent of Statewide rules for on- and off-road vehicles, it is an issue. This is something that staff is hoping to make progress on such that they can bring forth solutions to the MSRC.
- MSRC Member Earl Withycombe asked if CARB should, in developing proposals for consideration by the TAC, plan on another two-year budget cycle. Mr. Gorski replied that that is, of course, at the pleasure of the MSRC. For the purpose of developing candidate programs, they can be done either in a one- or two-year work cycle. He would suggest that there be no hesitancy to put all the ideas on the table for consideration. The timing probably won't be decided until the MSRC meets for their offsite retreat.
- MSRC Member Greg Winterbottom asked how the retreat plans are coming along. Mr. Gorski indicated that normally the workshops are held first, and then a summary of the results will be brought to the MSRC at the retreat. In staff's view, if these workshops begin in the June timeframe, they should be able to wrap them up sometime in July. Then, by August, hopefully, staff can come back the MSRC with the results plus some ideas that are solicited from all the member agencies to give them options for consideration, including whether or not to have a two-year work program.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC MEETING
ADJOURNED AT 2:29 P.M.

NEXT MEETING:

Thursday, May 15, 2014, 2:00 p.m., Conference Room CC8

[Prepared by Ana Ponce]



MSRC Agenda Item No. 3

DATE: May 15, 2014

FROM: Cynthia Ravenstein

SUBJECT: AB 2766 Contracts Administrator's Report

SYNOPSIS: This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from March 27 through April 23, 2014.

RECOMMENDATION: Receive and file report

WORK PROGRAM IMPACT: None

Contract Execution Status

2012-14 Work Program

On April 5, 2013, the SCAQMD Governing Board approved three awards under the Event Center Transportation Program. These contracts are undergoing internal review or executed.

On July 5, 2013, the SCAQMD Governing Board approved an additional award to Orange County Transportation Authority under the Event Center Transportation Program. This contract is executed.

On September 6, 2013, the SCAQMD Governing Board approved an award to Transit Systems Unlimited under the Event Center Transportation Program. This contract is with the SCAQMD Board Chair for signature.

On November 1, 2013, the SCAQMD Governing Board approved two awards under the Event Center Transportation Program. These contracts are undergoing internal review or with the prospective contractor for signature.

On December 6, 2013, the SCAQMD Governing Board approved 25 awards under the Local Government Match Program, 12 awards under the Alternative Fuel Infrastructure Program, one award under the Alternative Fuel School Bus Incentives Program, and one award under the Event Center Transportation Program. These contracts are under development, undergoing internal review, with the prospective contractor for signature, with the SCAQMD Board Chair for signature, or executed.

On January 10, 2014, the SCAQMD Governing Board approved three awards under the Local Government Match Program and one award under the Alternative Fuel Infrastructure Program. These contracts are under development or undergoing internal review.

On February 7, 2014, the SCAQMD Governing Board approved two awards under the Local Government Match Program and one award under the Alternative Fuel Infrastructure Program. These contracts are under development.

2011-12 Work Program

On April 6, 2012, the SCAQMD Governing Board approved an award to the Los Angeles County Metropolitan Transportation Authority under the Event Center Transportation Program and an award to Mansfield Gas Equipment Systems under the Home Refueling Apparatus Purchase Incentive Program. The Event Center contract is executed. The award to Mansfield has been combined with SCAQMD funding and included in SCAQMD's contract, which is now executed.

On May 4, 2012, the SCAQMD Governing Board approved two awards to Orange County Transportation Authority under the Event Center Transportation Program. Both contracts are executed.

On June 1, 2012, the SCAQMD Governing Board approved nine awards under the Alternative Fuel Infrastructure Program and eleven awards under the Local Government Match Program. These contracts are executed.

On July 13, 2012, the SCAQMD Governing Board approved an award under the Alternative Fuel Infrastructure Program and twelve awards under the Medium-Duty and Medium-Heavy-Duty Vehicles Program. These contracts are executed.

On September 7, 2012, the SCAQMD Governing Board approved 23 awards under the Local Government Match Program; one award under the Alternative Fuel Engines for On-Road Heavy-Duty Vehicles Program; one award under the Alternative Fuel Infrastructure Program; two awards under the Bikeshare Program; and one award to develop and implement a "Rideshare Thursday" public awareness campaign. Except as further discussed below, these contracts are with the prospective contractor for signature or executed.

On October 5, 2012, the SCAQMD Governing Board approved one award under the Alternative Fuel Infrastructure Program and two awards under the Event Center Transportation Program. These contracts are executed.

On November 2, 2012, the SCAQMD Governing Board approved one award under the Local Government Match Program. This contract is executed.

On December 7, 2012, the SCAQMD Governing Board approved one award under the "Showcase III" Off-Road Emission Reduction Technology Program; three awards under the Event Center Transportation Program; 15 awards under the Alternative Fuel Infrastructure Program and one award under the Medium-Duty and Medium-Heavy-Duty Vehicles Program. Except as further discussed below, these contracts are either with the prospective contractor for signature or executed.

On February 1, 2013, the SCAQMD Governing Board approved three awards for the implementation of rideshare incentive programs to be implemented in conjunction with the Rideshare Thursday public awareness campaign. These contracts are executed.

Work Program Status

Contract Status Reports for work program years with open and pending contracts are attached. MSRC or MSRC-TAC members may request spreadsheets covering any other work program year.

FY 2004-05 Work Program Contracts

One contract from this work program year is open.

FY 2004-05 Invoices Paid

No invoices were paid during this period.

FY 2005-06 Work Program Contracts

4 contracts from this work program year are open; and 9 contracts are in "Open/Complete" status, having completed all obligations save ongoing operation. 2 contracts closed during this period: City of Santa Monica, Contract #ML06058 – Install CNG Station and Purchase Three Heavy-Duty CNG Trucks (replacement contract authorized by MSRC and pending execution); and City of Pasadena, Contract #ML06028 – Install CNG Station and Upgrade Maintenance Facility.

FY 2005-06 Work Program Invoices Paid

No invoices were paid during this period.

FY 2006-07 Work Program Contracts

7 contracts from this work program year are open; and 27 contracts are in "Open/Complete" status.

FY 2006-07 Invoices Paid

No invoices were paid during this period.

FY 2007-08 Work Program Contracts

12 contracts from this work program year are open; and 41 contracts are in "Open/Complete" status.

FY 2007-08 Invoices Paid

No invoices were paid during this period.

FY 2008-09 Work Program Contracts

7 contracts from this work program year are open; and 13 contracts are in "Open/Complete" status. 3 contracts closed during this period: Los Angeles County Department of Public Works, Contract #ML09024 – Maintenance Facility Modifications (replacement contract authorized by MSRC and pending execution); City of Los Angeles General Services Division, Contract #ML09030 – Remote Vehicle Diagnostics; and County of San Bernardino Public Works, Contract #ML09016 – Install New CNG Station.

FY 2008-09 Invoices Paid

One invoice in the amount of \$22,310.00 was paid during this period.

FY 2009-10 Work Program Contracts

8 regular contracts from this work program year are open; and 9 regular contracts are in "Open/Complete" status.

FY 2009-10 Invoices Paid

No invoices were paid during this period.

FY 2010-11 Work Program Contracts

44 contracts from this work program year are open; and 11 contracts are in “Open/Complete” status. One contract passed into “Open/Complete” status during this period: City of Anaheim, Contract #ML11022 – Purchase 5 Heavy-Duty Vehicles. One proposed contract with the County of Los Angeles Department of Public Works is still with them for signature; the County estimates it will be considered for approval by their Board in May or June 2014. One proposed contract with the Los Angeles Unified School District is with them for signature following MSRC approval of modifications. Lastly, one proposed contract with Ivanhoe Energy Services and Development is still with the prospective contractor for signature. Ivanhoe indicates that one of their supplier companies is undergoing a reorganization; Ivanhoe is waiting to learn whether they can move forward and will provide an answer by July 31, 2014.

FY 2010-11 Invoices Paid

One invoice in the amount of \$300.00 was paid during this period.

FY 2011-12 Work Program Contracts

66 contracts from this work program year are open, and 6 contracts are in “Open/Complete” status. One contract closed during this period: Orange County Transportation Authority, Contract #MS12065 – Ducks Express Service to Honda Center. Lastly, in September 2013 the MSRC approved a schedule change for the proposed contract with Valley Music Travel. Valley Music Travel did not secure buses meeting the criteria specified by the MSRC’s award. Rather than entertain another schedule change, MSRC staff will terminate negotiations and direct Valley Music Travel to submit a new proposal under the current opportunity.

FY 2011-12 Invoices Paid

9 invoices totaling \$313,945.84 were paid during this period.

FYs 2012-14 Work Program Contracts

6 contracts from this work program year are open.

FYs 2012-14 Invoices Paid

2 invoices totaling \$638,833.00 were paid during this period.

Administrative Scope Changes

2 administrative scope changes were initiated during the period of March 27 to April 23, 2014:

- MS07008 – City of Los Angeles, Department of Transportation (Purchase 102 Transit Buses) – Reduce number of buses from 102 to 95, reduce funding, and modify end date
- ML14011 (proposed) – City of Palm Springs (Bicycle Corrals, Racks and Education Program) - Substitute promotional items and modify proportion of bicycle rack types, keeping number of bike parking spaces constant

Infrastructure Throughput Resolution

Letters concerning the potential for negotiating alternative remedies were previously sent to all MSRC Infrastructure Program contractors who have open contracts and have received reimbursements for their projects (i.e. stations have commenced operation). During this reporting period:

- A tentative agreement has been negotiated with one contractor, and preparation of a corresponding contract modification is underway.

Attachments

- FY 2004-05 through FYs 2012-14 Contract Status Reports



AB2766 Discretionary Fund Program Invoices

March 27, 2014 to April 23, 2014

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2008-2009 Work Program</i>							
3/27/2014	4/2/2014	4/3/2014	4/4/2014	ML09030	City of Los Angeles GSD/Fleet Services	1-Final	\$22,310.00
Total: \$22,310.00							
<i>2010-2011 Work Program</i>							
4/22/2014	5/2/2014	5/2/2014		MS11001	Mineral LLC	100580	\$300.00
Total: \$300.00							
<i>2011-2012 Work Program</i>							
4/16/2014	4/17/2014	4/17/2014	4/18/2014	ML12021	City of Rancho Cucamonga	2	\$10,000.00
4/15/2014	4/17/2014	4/17/2014	4/18/2014	ML12042	City of Chino Hills	Final	\$87,500.00
4/15/2014	4/17/2014	4/17/2014	4/18/2014	MS12064	Anaheim Transportation Network	36850	\$3,167.32
4/15/2014	4/17/2014	4/17/2014	4/18/2014	MS12064	Anaheim Transportation Network	36849	\$5,808.92
4/15/2014	4/17/2014	4/17/2014	4/18/2014	MS12064	Anaheim Transportation Network	4/24/14	\$5,360.68
4/15/2014	4/17/2014	4/17/2014	4/18/2014	MS12064	Anaheim Transportation Network	36339	\$3,682.12
4/15/2014	4/17/2014	4/17/2014	4/18/2014	MS12064	Anaheim Transportation Network	36338	\$2,776.80
4/2/2014	4/2/2014	4/3/2014	4/4/2014	MS12087	Los Angeles County MTA	70056	\$120,650.00
3/27/2014	4/2/2014	4/3/2014	4/4/2014	MS12059	Orange County Transportation Authority	R136023-Fin	\$75,000.00
Total: \$313,945.84							
<i>2012-2014 Work Program</i>							
4/2/2014	4/2/2014	4/3/2014	4/4/2014	MS14002	Orange County Transportation Authority	FR136107	\$576,833.00
4/1/2014	4/2/2014	4/3/2014	4/4/2014	MS14048	BusWest	BW005261	\$62,000.00

Total: \$638,833.00

Total This Period: \$975,388.84

FYs 2004-05 Through 2012-14 AB2766 Contract Status Report

5/9/2014

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2004-2005 Contracts									
Open Contracts									
ML05014	Los Angeles County Department of	5/21/2007	11/20/2008	3/20/2016	\$204,221.00	\$0.00	Traffic Signal Synchronization	\$204,221.00	No
Total: 1									
Declined/Cancelled Contracts									
ML05005	City of Highland				\$20,000.00	\$0.00	2 Medium Duty CNG Vehicles	\$20,000.00	No
ML05008	Los Angeles County Department of				\$140,000.00	\$0.00	7 Heavy Duty LPG Street Sweepers	\$140,000.00	No
ML05010	Los Angeles County Department of				\$20,000.00	\$0.00	1 Heavy Duty CNG Bus	\$20,000.00	No
Total: 3									
Closed Contracts									
ML05006	City of Colton Public Works	7/27/2005	7/26/2006		\$30,000.00	\$30,000.00	3 Medium Duty CNG Vehicles	\$0.00	Yes
ML05011	Los Angeles County Department of	8/10/2006	12/9/2007	6/9/2008	\$52,409.00	\$51,048.46	3 Heavy Duty LPG Shuttle Vans	\$1,360.54	Yes
ML05013	Los Angeles County Department of	1/5/2007	7/4/2008	1/4/2013	\$313,000.00	\$313,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05015	City of Lawndale	7/27/2005	7/26/2006		\$10,000.00	\$10,000.00	1 Medium Duty CNG Vehicle	\$0.00	Yes
ML05016	City of Santa Monica	9/23/2005	9/22/2006	9/22/2007	\$350,000.00	\$350,000.00	6 MD CNG Vehicles, 1 LPG Sweep, 13 CNG	\$0.00	Yes
ML05017	City of Signal Hill	1/16/2006	7/15/2007		\$126,000.00	\$126,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05018	City of San Bernardino	4/19/2005	4/18/2006		\$40,000.00	\$40,000.00	4 M.D. CNG Vehicles	\$0.00	Yes
ML05019	City of Lakewood	5/6/2005	5/5/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05020	City of Pomona	6/24/2005	6/23/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05021	City of Whittier	7/7/2005	7/6/2006	4/6/2008	\$100,000.00	\$80,000.00	Sweeper, Aerial Truck, & 3 Refuse Trucks	\$20,000.00	Yes
ML05022	City of Claremont	9/23/2005	9/22/2006		\$20,000.00	\$20,000.00	2 M.D. CNG Vehicles	\$0.00	Yes
ML05024	City of Cerritos	4/18/2005	3/17/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05025	City of Malibu	5/6/2005	3/5/2006		\$10,000.00	\$10,000.00	1 Medium-Duty CNG Vehicle	\$0.00	Yes
ML05026	City of Inglewood	1/6/2006	1/5/2007	2/5/2009	\$60,000.00	\$60,000.00	2 CNG Transit Buses, 1 CNG Pothole Patch	\$0.00	Yes
ML05027	City of Beaumont	2/23/2006	4/22/2007	6/22/2010	\$20,000.00	\$20,000.00	1 H.D. CNG Bus	\$0.00	Yes
ML05028	City of Anaheim	9/8/2006	9/7/2007	5/7/2008	\$85,331.00	\$85,331.00	Traffic signal coordination & synchronization	\$0.00	Yes
ML05029	Los Angeles World Airports	5/5/2006	9/4/2007		\$140,000.00	\$140,000.00	Seven CNG Buses	\$0.00	Yes
ML05071	City of La Canada Flintridge	1/30/2009	1/29/2011		\$20,000.00	\$20,000.00	1 CNG Bus	\$0.00	Yes
ML05072	Los Angeles County Department of	8/24/2009	5/23/2010	1/23/2011	\$349,000.00	\$349,000.00	Traffic Signal Synchronization (LADOT)	\$0.00	Yes
Total: 19									
Closed/Incomplete Contracts									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML05007	Los Angeles County Dept of Beache	6/23/2006	6/22/2007	12/22/2007	\$50,000.00	\$0.00	5 Medium Duty CNG Vehicles	\$50,000.00	No
ML05009	Los Angeles County Department of	6/22/2006	12/21/2007	9/30/2011	\$56,666.00	\$0.00	2 Propane Refueling Stations	\$56,666.00	No
ML05012	Los Angeles County Department of	11/10/2006	5/9/2008	1/9/2009	\$349,000.00	\$0.00	Traffic Signal Synchronization (LADOT)	\$349,000.00	No
ML05023	City of La Canada Flintridge	3/30/2005	2/28/2006	8/28/2008	\$20,000.00	\$0.00	1 CNG Bus	\$20,000.00	No

Total: 4

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2005-2006 Contracts

Open Contracts

ML06031	City of Inglewood	4/4/2007	6/3/2013	9/3/2015	\$150,000.00	\$65,602.40	Purchase 4 H-D LPG Vehicles & Install LPG	\$84,397.60	No
ML06035	City of Hemet, Public Works	11/10/2006	12/9/2012	10/9/2014	\$414,000.00	\$175,000.00	7 Nat Gas Trucks & New Nat Gas Infrastruct	\$239,000.00	No
ML06054	Los Angeles County Department of	6/17/2009	6/16/2016		\$150,000.00	\$0.00	3 CNG & 3 LPG HD Trucks	\$150,000.00	No
ML06070	City of Colton	4/30/2008	2/28/2015	4/30/2015	\$50,000.00	\$0.00	Two CNG Pickups	\$50,000.00	No

Total: 4

Pending Execution Contracts

ML06071	City of Santa Monica				\$149,925.00	\$0.00	3 H.D. CNG Trucks & CNG Fueling Station	\$149,925.00	No
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Total: 1

Declined/Cancelled Contracts

ML06018	Los Angeles County Dept of Beache				\$375,000.00	\$0.00	New CNG Station & 2 CNG Dump Trucks	\$375,000.00	No
ML06019	Los Angeles County Dept of Beache				\$250,000.00	\$0.00	New CNG Station & 2 CNG Dump Trucks	\$250,000.00	No
ML06023	City of Baldwin Park	6/16/2006	9/15/2012		\$20,000.00	\$0.00	CNG Dump Truck	\$20,000.00	No
ML06024	City of Pomona	8/3/2007	7/2/2013	7/2/2014	\$286,450.00	\$0.00	New CNG Station	\$286,450.00	No
ML06030	City of Burbank	3/19/2007	9/18/2011		\$287,700.00	\$0.00	New CNG Fueling Station	\$287,700.00	No
ML06037	City of Lynwood				\$25,000.00	\$0.00	1 Nat Gas Dump Truck	\$25,000.00	No
ML06039	City of Inglewood	2/9/2007	2/8/2008	4/8/2011	\$50,000.00	\$0.00	Modify Maintenance Facility for CNG Vehicle	\$50,000.00	No
ML06055	City of Los Angeles, Dept. of Genera				\$125,000.00	\$0.00	5 Gas-Electric Hybrid Buses	\$125,000.00	No
ML06059	City of Fountain Valley				\$25,000.00	\$0.00	One H.D. CNG Truck	\$25,000.00	No
MS06009	Clean Energy Fuels Corp.	6/23/2006	12/22/2012		\$250,000.00	\$0.00	New CNG Station - Laguna Niguel	\$250,000.00	Yes
MS06040	Capistrano Unified School District				\$136,000.00	\$0.00	New CNG Fueling Station	\$136,000.00	No
MS06041	Clean Energy Fuels Corp.	12/1/2006	3/31/2013	6/18/2009	\$250,000.00	\$0.00	New CNG Station-Newport Beach	\$250,000.00	No
MS06046	City of Long Beach, Dept. of Public				\$250,000.00	\$0.00	LNG Fueling Station	\$250,000.00	No
MS06051	Menifee Union School District	3/2/2007	7/1/2014		\$150,000.00	\$0.00	CNG Fueling Station	\$150,000.00	No

Total: 14

Closed Contracts

ML06016	City of Whittier	5/25/2006	5/24/2012	11/24/2012	\$50,000.00	\$50,000.00	2 CNG Refuse Trucks	\$0.00	Yes
ML06017	City of Claremont	8/2/2006	4/1/2012		\$50,000.00	\$50,000.00	2 CNG Refuse Trucks	\$0.00	Yes
ML06021	Los Angeles World Airports	9/13/2006	5/12/2013		\$150,000.00	\$150,000.00	6 CNG Buses	\$0.00	Yes
ML06022	City of Los Angeles, Bureau of Sanit	5/4/2007	1/3/2014		\$1,250,000.00	\$1,250,000.00	50 LNG Refuse Trucks	\$0.00	Yes
ML06026	City of Cerritos	10/27/2006	9/26/2010		\$60,500.00	\$60,500.00	CNG Station Upgrade	\$0.00	Yes
ML06027	City of Redondo Beach	9/5/2006	5/4/2012	10/4/2012	\$50,000.00	\$50,000.00	2 Heavy-Duty CNG Trucks	\$0.00	Yes
ML06028	City of Pasadena	9/29/2006	11/28/2012	3/28/2014	\$245,000.00	\$245,000.00	New CNG Station & Maint. Fac. Upgrades	\$0.00	Yes
ML06029	City of Culver City Transportation De	9/29/2006	8/28/2012	12/28/2012	\$50,000.00	\$50,000.00	2 CNG Heavy-Duty Trucks	\$0.00	Yes
ML06032	City of Rancho Cucamonga	2/13/2007	3/12/2013	2/12/2014	\$237,079.00	\$237,079.00	New CNG Station & 2 CNG Dump Trucks	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML06033	City of Cathedral City	11/17/2006	12/16/2012	12/16/2013	\$125,000.00	\$125,000.00	5 Heavy-Duty CNG Trucks	\$0.00	Yes
ML06034	City of South Pasadena	9/25/2006	9/24/2012		\$16,422.42	\$16,422.42	2 Nat. Gas Transit Buses	\$0.00	Yes
ML06036	City of Riverside	3/23/2007	3/22/2013		\$200,000.00	\$200,000.00	8 Heavy-Duty Nat Gas Vehicles	\$0.00	Yes
ML06038	City of Los Angeles, Department of	5/21/2007	1/20/2014		\$625,000.00	\$625,000.00	25 CNG Street Sweepers	\$0.00	Yes
ML06044	City of Pomona	12/15/2006	3/14/2013		\$50,000.00	\$50,000.00	2 CNG Street Sweepers	\$0.00	Yes
ML06052	City of Hemet, Public Works	4/20/2007	2/19/2013		\$25,000.00	\$25,000.00	Purchase One CNG Dump Truck	\$0.00	Yes
ML06053	City of Burbank	5/4/2007	7/3/2013		\$125,000.00	\$125,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
ML06056	City of Los Angeles, Dept. of Genera	11/30/2007	11/29/2008		\$350,000.00	\$350,000.00	Maintenance Facility Mods.	\$0.00	Yes
ML06058	City of Santa Monica	7/12/2007	7/11/2013		\$149,925.00	\$0.00	3 H.D. CNG Trucks & CNG Fueling Station	\$149,925.00	No
ML06060	City of Temple City	6/12/2007	6/11/2013		\$31,885.00	\$0.00	Upgrade existing CNG infrastructure	\$31,885.00	No
ML06061	City of Chino Hills	4/30/2007	4/29/2013		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML06062	City of Redlands	5/11/2007	5/10/2013		\$100,000.00	\$100,000.00	4 H.D. LNG Vehicles	\$0.00	Yes
ML06063	City of Moreno Valley	3/23/2007	11/22/2012		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML06065	City of Walnut	6/29/2007	6/28/2013		\$44,203.00	\$44,203.00	Upgrade Existing CNG Infrastructure	\$0.00	Yes
ML06066	City of Ontario	5/30/2007	1/29/2013		\$125,000.00	\$125,000.00	5 H.D. CNG Vehicles	\$0.00	Yes
ML06068	City of Claremont	8/28/2007	6/27/2013		\$60,000.00	\$60,000.00	Expand existing CNG infrastructure	\$0.00	Yes
ML06069	City of Palos Verdes Estates	11/19/2007	11/18/2013		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
MS06001	Riverside County Transportation Co	8/3/2007	9/2/2011		\$825,037.00	\$825,037.00	New Freeway Service Patrol	\$0.00	Yes
MS06002	Orange County Transportation Autho	11/7/2007	11/6/2013		\$928,740.00	\$925,091.00	New Freeway Service Patrol	\$3,649.00	Yes
MS06003	San Bernardino Associated Govern	10/19/2006	6/18/2010		\$804,240.00	\$804,239.87	New Freeway Service Patrol	\$0.13	Yes
MS06004	Los Angeles County MTA	8/10/2006	7/9/2010		\$1,391,983.00	\$1,391,791.98	New Freeway Service Patrol	\$191.02	Yes
MS06010	US Airconditioning Distributors	12/28/2006	6/27/2012		\$83,506.00	\$83,506.00	New CNG Station - Industry	\$0.00	Yes
MS06011	County Sanitation Districts of L.A. C	6/1/2006	7/31/2012		\$150,000.00	\$150,000.00	New CNG Station - Carson	\$0.00	Yes
MS06042	Clean Energy Fuels Corp.	1/5/2007	1/4/2013		\$150,000.00	\$150,000.00	New CNG Station-Baldwin Park	\$0.00	Yes
MS06043X	Westport Fuel Systems, Inc.	2/3/2007	12/31/2010	9/30/2011	\$2,000,000.00	\$2,000,000.00	Advanced Natural Gas Engine Incentive Pro	\$0.00	Yes
MS06045	Orange County Transportation Autho	8/17/2007	12/16/2013		\$200,000.00	\$200,000.00	CNG Fueling Station/Maint. Fac. Mods	\$0.00	Yes
MS06047	Hemet Unified School District	9/19/2007	11/18/2013		\$125,000.00	\$125,000.00	CNG Refueling Station	\$0.00	Yes
MS06050	Rossmoor Pastries	1/24/2007	10/23/2012		\$18,750.00	\$14,910.50	CNG Fueling Station	\$3,839.50	Yes

Total: 37

Open/Complete Contracts

ML06020	Los Angeles Department of Water a	3/19/2007	9/18/2013	4/18/2014	\$25,000.00	\$25,000.00	CNG Aerial Truck	\$0.00	Yes
ML06025	City of Santa Monica	1/5/2007	11/4/2012	12/14/2014	\$300,000.00	\$300,000.00	12 H.D. CNG Vehicles	\$0.00	Yes
ML06057	City of Rancho Cucamonga	8/28/2007	6/27/2013	8/27/2014	\$100,000.00	\$100,000.00	4 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML06064	City of South Pasadena	1/25/2008	11/24/2013	11/24/2014	\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML06067	City of El Monte	3/17/2008	5/16/2014	11/16/2014	\$157,957.00	\$157,957.00	Upgrade existing CNG infrastructure	\$0.00	Yes
MS06012	Consolidated Disposal Service	7/14/2006	9/13/2012	9/13/2014	\$297,981.00	\$297,981.00	New LNG Station & Facility Upgrades	\$0.00	Yes
MS06013	City of Commerce	1/9/2008	7/8/2014	7/8/2015	\$350,000.00	\$350,000.00	New L/CNG Station - Commerce	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS06048	Newport-Mesa Unified School Distric	6/25/2007	8/24/2013	8/24/2014	\$50,000.00	\$50,000.00	CNG Fueling Station	\$0.00	Yes
MS06049	Clean Energy Fuels Corp.	4/20/2007	7/19/2013	11/30/2015	\$250,000.00	\$228,491.18	CNG Fueling Station - L.B.P.D.	\$21,508.82	Yes

Total: 9

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2006-2007 Contracts

Open Contracts

ML07044	City of Santa Monica	9/8/2008	3/7/2015	3/7/2017	\$600,000.00	\$50,000.00	24 H.D. Nat. Gas Vehicles	\$550,000.00	No
ML07045	City of Inglewood	2/6/2009	4/5/2015		\$75,000.00	\$25,000.00	3 H.D. Nat. Gas Vehicles	\$50,000.00	No
MS07008	City of Los Angeles, Department of T	9/18/2009	5/17/2020		\$2,040,000.00	\$1,710,000.00	Purchase 102 Transit Buses	\$330,000.00	No
MS07022	California State University, Los Ange	10/30/2009	12/29/2015	12/29/2016	\$250,000.00	\$0.00	New Hydrogen Fueling Station	\$250,000.00	No
MS07061	City of Los Angeles, Department of	10/31/2008	8/30/2010	2/28/2013	\$40,626.00	\$40,626.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	No
MS07070	Griffith Company	4/30/2008	2/28/2010	8/28/2012	\$168,434.00	\$125,504.00	Off-Road Diesel Equipment Retrofit Program	\$42,930.00	No
MS07080	City of Los Angeles, Bureau of Sanit	10/31/2008	8/30/2010	2/28/2015	\$63,192.00	\$62,692.00	Off-Road Diesel Equipment Retrofit Program	\$500.00	No

Total: 7

Declined/Cancelled Contracts

ML07031	City of Santa Monica				\$180,000.00	\$0.00	Upgrade N.G. Station to Add Hythane	\$180,000.00	No
ML07032	City of Huntington Beach Public Wor				\$25,000.00	\$0.00	One H.D. CNG Vehicle	\$25,000.00	No
ML07035	City of Los Angeles, General Service				\$350,000.00	\$0.00	New CNG Refueling Station/Southeast Yard	\$350,000.00	No
ML07038	City of Palos Verdes Estates				\$25,000.00	\$0.00	One H.D. LPG Vehicle	\$25,000.00	No
MS07010	Palos Verdes Peninsula Transit Auth				\$80,000.00	\$0.00	Repower 4 Transit Buses	\$80,000.00	No
MS07014	Clean Energy Fuels Corp.				\$350,000.00	\$0.00	New L/CNG Station - SERRF	\$350,000.00	No
MS07015	Baldwin Park Unified School District				\$57,500.00	\$0.00	New CNG Station	\$57,500.00	No
MS07016	County of Riverside Fleet Services D				\$36,359.00	\$0.00	New CNG Station - Rubidoux	\$36,359.00	No
MS07017	County of Riverside Fleet Services D				\$33,829.00	\$0.00	New CNG Station - Indio	\$33,829.00	No
MS07018	City of Cathedral City				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07021	City of Riverside				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07050	Southern California Disposal Co.				\$320,000.00	\$0.00	Ten Nat. Gas Refuse Trucks	\$320,000.00	No
MS07062	Caltrans Division of Equipment				\$1,081,818.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$1,081,818.00	No
MS07065	ECCO Equipment Corp.				\$174,525.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$174,525.00	No
MS07067	Recycled Materials Company of Calif				\$99,900.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$99,900.00	No
MS07069	City of Burbank	5/9/2008	3/8/2010	9/8/2011	\$8,895.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$8,895.00	No
MS07074	Albert W. Davies, Inc.	1/25/2008	11/24/2009		\$39,200.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$39,200.00	No
MS07081	Clean Diesel Technologies, Inc.				\$240,347.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$240,347.00	No
MS07082	DCL International, Inc.				\$153,010.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$153,010.00	No
MS07083	Dinex Exhausts, Inc.				\$52,381.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$52,381.00	No
MS07084	Donaldson Company, Inc.				\$42,416.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$42,416.00	No
MS07085	Engine Control Systems Limited				\$155,746.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$155,746.00	No
MS07086	Huss, LLC				\$84,871.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$84,871.00	No
MS07087	Mann+Hummel GmbH				\$189,361.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$189,361.00	No
MS07088	Nett Technologies, Inc.				\$118,760.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$118,760.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS07089	Rypos, Inc.				\$68,055.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$68,055.00	No
MS07090	Sud-Chemie				\$27,345.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$27,345.00	No

Total: 27

Closed Contracts

ML07025	City of San Bernardino	8/12/2008	7/11/2010		\$350,000.00	\$350,000.00	Maintenance Facility Modifications	\$0.00	Yes
ML07028	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Hollywood Yard	\$0.00	Yes
ML07029	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Venice Yard	\$0.00	Yes
ML07033	City of La Habra	5/21/2008	6/20/2014	11/30/2013	\$25,000.00	\$25,000.00	One H.D. Nat Gas Vehicle	\$0.00	Yes
ML07034	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Van Nuys Yard	\$0.00	Yes
ML07042	City of La Quinta	8/15/2008	9/14/2010		\$100,000.00	\$100,000.00	Street Sweeping Operations	\$0.00	Yes
ML07048	City of Cathedral City	9/19/2008	10/18/2010		\$100,000.00	\$84,972.45	Street Sweeping Operations	\$15,027.55	Yes
MS07001	A-Z Bus Sales, Inc.	12/28/2006	12/31/2007	2/29/2008	\$1,920,000.00	\$1,380,000.00	CNG School Bus Buydown	\$540,000.00	Yes
MS07002	BusWest	1/19/2007	12/31/2007	3/31/2008	\$840,000.00	\$840,000.00	CNG School Bus Buydown	\$0.00	Yes
MS07003	Westport Fuel Systems, Inc.	11/2/2007	12/31/2011	6/30/2013	\$1,500,000.00	\$1,499,990.00	Advanced Nat. Gas Engine Incentive Progra	\$10.00	Yes
MS07005	S-W Compressors	3/17/2008	3/16/2010		\$60,000.00	\$7,500.00	Mountain CNG School Bus Demo Program-	\$52,500.00	Yes
MS07006	Coachella Valley Association of Gov	2/28/2008	10/27/2008		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS07011	L A Service Authority for Freeway E	3/12/2010	5/31/2011	9/30/2011	\$700,000.00	\$700,000.00	"511" Commuter Services Campaign	\$0.00	Yes
MS07012	City of Los Angeles, General Service	6/13/2008	6/12/2009	6/12/2010	\$50,000.00	\$50,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS07019	City of Cathedral City	1/9/2009	6/8/2010		\$32,500.00	\$32,500.00	Maintenance Facility Modifications	\$0.00	Yes
MS07058	The Better World Group	11/17/2007	11/16/2009	11/16/2011	\$247,690.00	\$201,946.21	MSRC Programmatic Outreach Services	\$45,743.79	Yes
MS07059	County Sanitation Districts of L.A. C	9/5/2008	9/4/2010	7/14/2012	\$231,500.00	\$231,500.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07060	Community Recycling & Resource R	3/7/2008	1/6/2010	7/6/2011	\$177,460.00	\$98,471.00	Off-Road Diesel Equipment Retrofit Program	\$78,989.00	Yes
MS07063	Shimmick Construction Company, In	4/26/2008	2/25/2010	8/25/2011	\$80,800.00	\$11,956.37	Off-Road Diesel Equipment Retrofit Program	\$68,843.63	No
MS07064	Altfillisch Contractors, Inc.	9/19/2008	7/18/2010	1/18/2011	\$160,000.00	\$155,667.14	Off-Road Diesel Equipment Retrofit Program	\$4,332.86	Yes
MS07068	Sukut Equipment Inc.	1/23/2009	11/22/2010	5/22/2012	\$26,900.00	\$26,900.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07071	Tiger 4 Equipment Leasing	9/19/2008	7/18/2010	1/18/2013	\$210,937.00	\$108,808.97	Off-Road Diesel Equipment Retrofit Program	\$102,128.03	Yes
MS07072	City of Culver City Transportation De	4/4/2008	2/3/2010	8/3/2011	\$72,865.00	\$72,865.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07075	Dan Copp Crushing	9/17/2008	7/16/2010	1/16/2012	\$73,600.00	\$40,200.00	Off-Road Diesel Equipment Retrofit Program	\$33,400.00	No
MS07076	Reed Thomas Company, Inc.	8/15/2008	6/14/2010	3/14/2012	\$339,073.00	\$100,540.00	Off-Road Diesel Equipment Retrofit Program	\$238,533.00	No
MS07079	Riverside County Transportation Co	1/30/2009	7/29/2013	12/31/2011	\$20,000.00	\$15,165.45	BikeMetro Website Migration	\$4,834.55	Yes
MS07091	BusWest	10/16/2009	3/15/2010		\$33,660.00	\$33,660.00	Provide Lease for 2 CNG School Buses	\$0.00	Yes
MS07092	Riverside County Transportation Co	9/1/2010	10/31/2011		\$350,000.00	\$350,000.00	"511" Commuter Services Campaign	\$0.00	Yes

Total: 28

Closed/Incomplete Contracts

MS07004	BusWest	7/2/2007	7/1/2009		\$90,928.00	\$68,196.00	Provide Lease for 2 CNG School Buses	\$22,732.00	No
MS07066	Skanska USA Civil West California D	6/28/2008	4/27/2010	10/27/2010	\$111,700.00	\$36,128.19	Off-Road Diesel Equipment Retrofit Program	\$75,571.81	No
MS07073	PEED Equipment Co.	10/31/2008	8/30/2010		\$11,600.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$11,600.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 3									
Open/Complete Contracts									
ML07023	City of Riverside	6/20/2008	10/19/2014	7/19/2016	\$462,500.00	\$461,476.42	CNG Station Expansion/Purch. 14 H.D. Vehi	\$1,023.58	No
ML07024	City of Garden Grove	3/7/2008	9/6/2014	7/6/2016	\$75,000.00	\$75,000.00	Three H.D. CNG Vehicles	\$0.00	Yes
ML07026	City of South Pasadena	6/13/2008	6/12/2014		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML07027	Los Angeles World Airports	6/3/2008	7/2/2014		\$25,000.00	\$25,000.00	One H.D. LNG Vehicle	\$0.00	Yes
ML07030	County of San Bernardino Public Wo	7/11/2008	9/10/2015		\$200,000.00	\$200,000.00	8 Natural Gas H.D. Vehicles	\$0.00	Yes
ML07036	City of Alhambra	1/23/2009	2/22/2015		\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML07037	City of Los Angeles, General Service	10/8/2008	10/7/2015		\$255,222.00	\$255,222.00	Upgrade LNG/LCNG Station/East Valley Yar	\$0.00	Yes
ML07039	City of Baldwin Park	6/6/2008	6/5/2014	8/5/2015	\$50,000.00	\$50,000.00	Two N.G. H.D. Vehicles	\$0.00	Yes
ML07040	City of Moreno Valley	6/3/2008	9/2/2014		\$25,000.00	\$25,000.00	One Heavy-Duty CNG Vehicle	\$0.00	Yes
ML07041	City of La Quinta	6/6/2008	6/5/2014		\$25,000.00	\$25,000.00	One CNG Street Sweeper	\$0.00	Yes
ML07043	City of Redondo Beach	9/28/2008	7/27/2014	10/27/2016	\$125,000.00	\$125,000.00	Five H.D. CNG Transit Vehicles	\$0.00	Yes
ML07046	City of Culver City Transportation De	5/2/2008	5/1/2014		\$25,000.00	\$25,000.00	One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML07047	City of Cathedral City	6/16/2008	9/15/2014	3/15/2015	\$225,000.00	\$225,000.00	Two H.D. Nat. Gas Vehicles/New CNG Fueli	\$0.00	Yes
MS07007	Los Angeles World Airports	5/2/2008	11/1/2014		\$420,000.00	\$420,000.00	Purchase CNG 21 Transit Buses	\$0.00	Yes
MS07009	Orange County Transportation Autho	5/14/2008	4/13/2016		\$800,000.00	\$800,000.00	Purchase 40 Transit Buses	\$0.00	Yes
MS07013	Rainbow Disposal Company, Inc.	1/25/2008	3/24/2014	9/24/2014	\$350,000.00	\$350,000.00	New High-Volume CNG Station	\$0.00	Yes
MS07020	Avery Petroleum	5/20/2009	7/19/2015		\$250,000.00	\$250,000.00	New CNG Station	\$0.00	Yes
MS07049	Palm Springs Disposal Services	10/23/2008	11/22/2014	9/22/2016	\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07051	City of San Bernardino	8/12/2008	12/11/2014		\$480,000.00	\$480,000.00	15 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07052	City of Redlands	7/30/2008	11/29/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
MS07053	City of Claremont	7/31/2008	12/30/2014		\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07054	Republic Services, Inc.	3/7/2008	9/6/2014	9/6/2016	\$1,280,000.00	\$1,280,000.00	40 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07055	City of Culver City Transportation De	7/8/2008	9/7/2014		\$192,000.00	\$192,000.00	Six Nat. Gas Refuse Trucks	\$0.00	Yes
MS07056	City of Whittier	9/5/2008	3/4/2015		\$32,000.00	\$32,000.00	One Nat. Gas Refuse Trucks	\$0.00	Yes
MS07057	CR&R, Inc.	7/31/2008	8/30/2014	6/30/2015	\$896,000.00	\$896,000.00	28 Nat. Gas Refuse Trucks	\$0.00	No
MS07077	USA Waste of California, Inc.	5/1/2009	12/31/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks (Santa Ana)	\$0.00	Yes
MS07078	USA Waste of California, Inc.	5/1/2009	12/31/2014	12/31/2015	\$256,000.00	\$256,000.00	Eight Nat. Gas Refuse Trucks (Dewey's)	\$0.00	Yes
Total: 27									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2007-2008 Contracts

Open Contracts

ML08028	City of Santa Monica	9/11/2009	9/10/2016	5/10/2019	\$600,000.00	\$0.00	24 CNG Heavy-Duty Vehicles	\$600,000.00	No
ML08030	City of Azusa	5/14/2010	3/13/2016		\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08040	City of Riverside	9/11/2009	9/10/2016		\$505,500.00	\$28,124.80	16 CNG Vehicles, Expand CNG Station & M	\$477,375.20	No
ML08043	City of Desert Hot Springs	9/25/2009	3/24/2016		\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08080	City of Irvine	5/1/2009	5/31/2015		\$50,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$50,000.00	No
MS08001	Los Angeles County MTA	12/10/2010	6/9/2014		\$1,500,000.00	\$1,416,666.66	Big Rig Freeway Service Patrol	\$83,333.34	No
MS08007	United Parcel Service West Region	12/10/2008	10/9/2014	4/9/2019	\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08013	United Parcel Service West Region	12/10/2008	10/9/2014	3/9/2019	\$480,000.00	\$216,000.00	12 H.D. Nat. Gas Yard Tractors	\$264,000.00	No
MS08015	Yosemite Waters	5/12/2009	5/11/2015		\$180,000.00	\$117,813.60	11 H.D. Propane Vehicles	\$62,186.40	No
MS08018	Los Angeles County Department of	8/7/2009	10/6/2016	4/6/2018	\$60,000.00	\$0.00	3 CNG Vehicles	\$60,000.00	No
MS08058	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$160,000.00	New CNG Station - Ontario Airport	\$240,000.00	No
MS08068	Regents of the University of Californi	11/5/2010	11/4/2017	11/4/2019	\$400,000.00	\$0.00	Hydrogen Station	\$400,000.00	No

Total: 12

Declined/Cancelled Contracts

ML08032	City of Irvine	5/1/2009	8/31/2010		\$9,000.00	\$0.00	36 Vehicles (Diagnostic)	\$9,000.00	No
ML08041	City of Los Angeles, Dept of Transpo	8/6/2010	7/5/2011	12/5/2011	\$8,800.00	\$0.00	73 Vehicles (Diagnostic)	\$8,800.00	No
ML08049	City of Cerritos	3/20/2009	1/19/2015	2/19/2017	\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08051	City of Colton				\$75,000.00	\$0.00	3 CNG Heavy-Duty Vehicles	\$75,000.00	No
MS08002	Orange County Transportation Autho				\$1,500,000.00	\$0.00	Big Rig Freeway Service Patrol	\$1,500,000.00	No
MS08008	Diversified Truck Rental & Leasing				\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08010	Orange County Transportation Autho				\$10,000.00	\$0.00	20 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08011	Green Fleet Systems, LLC				\$10,000.00	\$0.00	30 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08052	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014	11/23/2015	\$100,000.00	\$0.00	New CNG Station - Fontana	\$100,000.00	No
MS08054	Clean Energy Fuels Corp.				\$400,000.00	\$0.00	New LNG Station - Fontana	\$400,000.00	No
MS08055	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$0.00	New LNG Station - Long Beach-Pier S	\$400,000.00	No
MS08059	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - San Bernardino	\$100,000.00	No
MS08060	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - Azusa	\$100,000.00	No
MS08062	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$0.00	New CNG Station - Rialto	\$400,000.00	No
MS08074	Fontana Unified School District	11/14/2008	12/13/2014		\$200,000.00	\$0.00	Expansion of Existing CNG station	\$200,000.00	No
MS08077	Hythane Company, LLC				\$144,000.00	\$0.00	Upgrade Station to Hythane	\$144,000.00	No

Total: 16

Closed Contracts

ML08023	City of Villa Park	11/7/2008	10/6/2012		\$6,500.00	\$5,102.50	Upgrade of Existing Refueling Facility	\$1,397.50	Yes
ML08027	Los Angeles County Department of	7/20/2009	1/19/2011	1/19/2012	\$6,901.00	\$5,124.00	34 Vehicles (Diagnostic)	\$1,777.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML08033	County of San Bernardino Public Wo	4/3/2009	2/2/2010		\$14,875.00	\$14,875.00	70 Vehicles (Diagnostic)	\$0.00	Yes
ML08035	City of La Verne	3/6/2009	11/5/2009		\$11,925.00	\$11,925.00	53 Vehicles (Diagnostic)	\$0.00	Yes
ML08036	City of South Pasadena	5/12/2009	7/11/2013		\$169,421.00	\$169,421.00	New CNG Station	\$0.00	Yes
ML08045	City of Santa Clarita	2/20/2009	6/19/2010		\$3,213.00	\$3,150.00	14 Vehicles (Diagnostic)	\$63.00	Yes
MS08003	A-Z Bus Sales, Inc.	5/2/2008	12/31/2008	2/28/2009	\$1,480,000.00	\$1,400,000.00	Alternative Fuel School Bus Incentive Progr	\$80,000.00	Yes
MS08004	BusWest	5/2/2008	12/31/2008		\$1,440,000.00	\$1,440,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS08016	TransVironmental Solutions, Inc.	1/23/2009	12/31/2010	9/30/2011	\$227,198.00	\$80,351.34	Rideshare 2 School Program	\$146,846.66	Yes
MS09002	A-Z Bus Sales, Inc.	11/7/2008	12/31/2009	12/31/2010	\$2,520,000.00	\$2,460,000.00	Alternative Fuel School Bus Incentive Progr	\$60,000.00	No
MS09004	A-Z Bus Sales, Inc.	1/30/2009	3/31/2009		\$156,000.00	\$156,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS09047	BusWest	7/9/2010	12/31/2010	4/30/2011	\$480,000.00	\$480,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes

Total: 12

Closed/Incomplete Contracts

ML08025	Los Angeles County Department of	10/30/2009	3/29/2011		\$75,000.00	\$0.00	150 Vehicles (Diagnostic)	\$75,000.00	No
MS08079	ABC Unified School District	1/16/2009	12/15/2009	12/15/2010	\$50,000.00	\$0.00	Maintenance Facility Modifications	\$50,000.00	No

Total: 2

Open/Complete Contracts

ML08024	City of Anaheim	7/9/2010	7/8/2017	1/8/2018	\$425,000.00	\$425,000.00	9 LPG Buses and 8 CNG Buses	\$0.00	No
ML08026	Los Angeles County Department of	7/20/2009	7/19/2016		\$250,000.00	\$250,000.00	10 LPG Heavy-Duty Vehicles	\$0.00	Yes
ML08029	City of Gardena	3/19/2009	1/18/2015		\$25,000.00	\$25,000.00	1 Propane Heavy-Duty Vehicle	\$0.00	Yes
ML08031	City of Claremont	3/27/2009	3/26/2013	3/26/2015	\$97,500.00	\$97,500.00	Upgrade of Existing CNG Station, Purchase	\$0.00	Yes
ML08034	County of San Bernardino Public Wo	3/27/2009	7/26/2015		\$150,000.00	\$150,000.00	8 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08037	City of Glendale	5/20/2009	5/19/2015		\$325,000.00	\$325,000.00	13 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08038	Los Angeles Department of Water a	7/16/2010	7/15/2017		\$1,050,000.00	\$1,050,000.00	42 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08039	City of Rancho Palos Verdes	6/5/2009	8/4/2015		\$50,000.00	\$50,000.00	2 LPG Transit Buses	\$0.00	Yes
ML08042	City of Ontario	5/1/2009	1/31/2016		\$175,000.00	\$175,000.00	7 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08044	City of Chino	3/19/2009	3/18/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08046	City of Paramount	2/20/2009	2/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08047	City of Culver City Transportation De	5/12/2009	8/11/2015		\$150,000.00	\$150,000.00	6 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08048	City of Santa Clarita	2/20/2009	6/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08050	City of Laguna Beach Public Works	8/12/2009	4/11/2016	10/11/2016	\$75,000.00	\$75,000.00	3 LPG Trolleys	\$0.00	Yes
MS08005	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Azusa	\$0.00	Yes
MS08006	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Saugus	\$0.00	Yes
MS08009	Los Angeles World Airports	12/24/2008	12/23/2014		\$870,000.00	\$870,000.00	29 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS08012	California Cartage Company, LLC	12/21/2009	10/20/2015	4/20/2016	\$480,000.00	\$480,000.00	12 H.D. Nat. Gas Yard Tractors	\$0.00	Yes
MS08014	City of San Bernardino	12/5/2008	6/4/2015		\$390,000.00	\$360,000.00	13 H.D. Nat. Gas Vehicles	\$30,000.00	Yes
MS08017	Omnitrans	12/13/2008	12/12/2015	12/12/2016	\$900,000.00	\$900,000.00	30 CNG Buses	\$0.00	Yes
MS08019	Enterprise Rent-A-Car Company of L	2/12/2010	7/11/2016		\$300,000.00	\$300,000.00	10 CNG Vehicles	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS08020	Ware Disposal Company, Inc.	11/25/2008	2/24/2016		\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08021	CalMet Services, Inc.	1/9/2009	1/8/2016	7/8/2016	\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08022	SunLine Transit Agency	12/18/2008	3/17/2015		\$311,625.00	\$311,625.00	15 CNG Buses	\$0.00	Yes
MS08053	City of Los Angeles, Bureau of Sanit	2/18/2009	12/17/2015		\$400,000.00	\$400,000.00	New LNG/CNG Station	\$0.00	Yes
MS08056	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New LNG Station - POLB-Anah. & I	\$0.00	Yes
MS08057	Orange County Transportation Autho	5/14/2009	7/13/2015		\$400,000.00	\$400,000.00	New CNG Station - Garden Grove	\$0.00	Yes
MS08061	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$400,000.00	New CNG Station - L.A.-La Cienega	\$0.00	Yes
MS08063	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$400,000.00	New CNG Station - Moreno Valley	\$0.00	Yes
MS08064	Hemet Unified School District	1/9/2009	3/8/2015		\$75,000.00	\$75,000.00	Expansion of Existing Infrastructure	\$0.00	Yes
MS08065	Pupil Transportation Cooperative	11/20/2008	7/19/2014		\$10,500.00	\$10,500.00	Existing CNG Station Modifications	\$0.00	Yes
MS08066	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Palm Spring Airport	\$0.00	Yes
MS08067	California Trillium Company	3/19/2009	6/18/2015		\$311,600.00	\$254,330.00	New CNG Station	\$57,270.00	Yes
MS08069	Perris Union High School District	6/5/2009	8/4/2015	8/4/2016	\$225,000.00	\$225,000.00	New CNG Station	\$0.00	Yes
MS08070	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Paramount	\$0.00	Yes
MS08071	ABC Unified School District	1/16/2009	1/15/2015		\$63,000.00	\$63,000.00	New CNG Station	\$0.00	Yes
MS08072	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$354,243.38	New CNG Station - Burbank	\$45,756.62	Yes
MS08073	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Norwalk	\$0.00	Yes
MS08075	Disneyland Resort	12/10/2008	2/1/2015		\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS08076	Azusa Unified School District	10/17/2008	11/16/2014	1/31/2017	\$172,500.00	\$172,500.00	New CNG station and maint. Fac. Modificati	\$0.00	Yes
MS08078	SunLine Transit Agency	12/10/2008	6/9/2015	2/9/2016	\$189,000.00	\$189,000.00	CNG Station Upgrade	\$0.00	Yes

Total: 41

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2008-2009 Contracts									
Open Contracts									
ML09009	City of South Pasadena	11/5/2010	12/4/2016	3/4/2019	\$137,500.00	\$0.00	CNG Station Expansion	\$137,500.00	No
ML09010	City of Palm Springs	1/8/2010	2/7/2016		\$25,000.00	\$0.00	1 Nat. Gas Heavy-Duty Vehicle	\$25,000.00	No
ML09023	Los Angeles County Department of	12/10/2010	12/9/2017		\$50,000.00	\$0.00	2 Heavy-Duty Alternative Fuel Transit Vehic	\$50,000.00	No
ML09026	Los Angeles County Department of	10/15/2010	10/14/2017	4/14/2019	\$150,000.00	\$0.00	3 Off-Road Vehicle Repowers	\$150,000.00	No
ML09032	Los Angeles World Airports	4/8/2011	4/7/2018		\$175,000.00	\$0.00	7 Nat. Gas Heavy-Duty Vehicles	\$175,000.00	No
ML09033	City of Beverly Hills	3/4/2011	5/3/2017	5/3/2018	\$550,000.00	\$100,000.00	10 Nat. Gas Heavy-Duty Vehicles & CNG St	\$450,000.00	No
ML09036	City of Long Beach Fleet Services B	5/7/2010	5/6/2017	5/6/2020	\$875,000.00	\$525,000.00	Purchase 35 LNG Refuse Trucks	\$350,000.00	No
Total: 7									
Pending Execution Contracts									
ML09047	Los Angeles County Department of				\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
Total: 1									
Declined/Cancelled Contracts									
ML09017	County of San Bernardino Public Wo	1/28/2010	7/27/2016		\$200,000.00	\$0.00	8 Nat. Gas Heavy-Duty Vehicles	\$200,000.00	No
ML09018	Los Angeles Department of Water a	7/16/2010	9/15/2012		\$850,000.00	\$0.00	Retrofit 85 Off-Road Vehicles w/DECS	\$850,000.00	No
ML09019	City of San Juan Capistrano Public	12/4/2009	11/3/2010		\$10,125.00	\$0.00	Remote Vehicle Diagnostics/45 Vehicles	\$10,125.00	No
ML09022	Los Angeles County Department of				\$8,250.00	\$0.00	Remote Vehicle Diagnostics/15 Vehicles	\$8,250.00	No
ML09025	Los Angeles County Department of	10/15/2010	12/14/2012	6/14/2013	\$50,000.00	\$0.00	Remote Vehicle Diagnostics/85 Vehicles	\$50,000.00	No
ML09028	Riverside County Waste Manageme				\$140,000.00	\$0.00	Retrofit 7 Off-Road Vehicles w/DECS	\$140,000.00	No
ML09039	City of Inglewood				\$310,000.00	\$0.00	Purchase 12 H.D. CNG Vehicles and Remot	\$310,000.00	No
ML09040	City of Cathedral City				\$83,125.00	\$0.00	Purchase 3 H.D. CNG Vehicles and Remote	\$83,125.00	No
ML09044	City of San Dimas				\$425,000.00	\$0.00	Install CNG Station and Purchase 1 CNG S	\$425,000.00	No
ML09045	City of Orange				\$125,000.00	\$0.00	Purchase 5 CNG Sweepers	\$125,000.00	No
MS09003	FuelMaker Corporation				\$296,000.00	\$0.00	Home Refueling Apparatus Incentives	\$296,000.00	No
Total: 11									
Closed Contracts									
ML09007	City of Rancho Cucamonga	2/26/2010	4/25/2012		\$117,500.00	\$62,452.57	Maintenance Facility Modification	\$55,047.43	Yes
ML09013	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$144,470.00	\$128,116.75	Traffic Signal Synchr./Moreno Valley	\$16,353.25	Yes
ML09014	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$113,030.00	\$108,495.94	Traffic Signal Synchr./Corona	\$4,534.06	Yes
ML09015	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$80,060.00	\$79,778.52	Traffic Signal Synchr./Co. of Riverside	\$281.48	Yes
ML09016	County of San Bernardino Public Wo	1/28/2010	3/27/2014		\$50,000.00	\$50,000.00	Install New CNG Station	\$0.00	Yes
ML09020	County of San Bernardino	8/16/2010	2/15/2012		\$49,770.00	\$49,770.00	Remote Vehicle Diagnostics/252 Vehicles	\$0.00	Yes
ML09021	City of Palm Desert	7/9/2010	3/8/2012		\$39,450.00	\$38,248.87	Traffic Signal Synchr./Rancho Mirage	\$1,201.13	Yes
ML09024	Los Angeles County Department of	10/15/2010	12/14/2012	6/14/2013	\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML09027	Los Angeles County Department of	7/23/2010	3/22/2012	6/22/2012	\$150,000.00	\$150,000.00	Freeway Detector Map Interface	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML09030	City of Los Angeles GSD/Fleet Servi	6/18/2010	6/17/2011		\$22,310.00	\$22,310.00	Remote Vehicle Diagnostics/107 Vehicles	\$0.00	No
MS09001	Administrative Services Co-Op/Long	3/5/2009	6/30/2012	12/31/2013	\$225,000.00	\$150,000.00	15 CNG Taxicabs	\$75,000.00	Yes
MS09005	Gas Equipment Systems, Inc.	6/19/2009	10/18/2010		\$71,000.00	\$71,000.00	Provide Temp. Fueling for Mountain Area C	\$0.00	Yes

Total: 12

Open/Complete Contracts

ML09008	City of Culver City Transportation De	1/19/2010	7/18/2016	7/18/2017	\$175,000.00	\$175,000.00	8 Nat. Gas Heavy-Duty Vehicles	\$0.00	No
ML09011	City of San Bernardino	2/19/2010	5/18/2016		\$250,000.00	\$250,000.00	10 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09012	City of Gardena	3/12/2010	11/11/2015		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09029	City of Whittier	11/6/2009	4/5/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09031	City of Los Angeles, Department of	10/29/2010	10/28/2017		\$825,000.00	\$825,000.00	33 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09034	City of La Palma	11/25/2009	6/24/2015		\$25,000.00	\$25,000.00	1 LPG Heavy-Duty Vehicle	\$0.00	Yes
ML09035	City of Fullerton	6/17/2010	6/16/2017	12/16/2018	\$450,000.00	\$450,000.00	2 Heavy-Duty CNG Vehicles & Install CNG	\$0.00	Yes
ML09037	City of Redondo Beach	6/18/2010	6/17/2016		\$50,000.00	\$50,000.00	Purchase Two CNG Sweepers	\$0.00	Yes
ML09038	City of Chino	9/27/2010	5/26/2017		\$250,000.00	\$250,000.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09041	City of Los Angeles, Bureau of Sanit	10/1/2010	9/30/2017		\$875,000.00	\$875,000.00	Purchase 35 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML09042	Los Angeles Department of Water a	12/10/2010	12/9/2017		\$1,400,000.00	\$1,400,000.00	Purchase 56 Dump Trucks	\$0.00	Yes
ML09043	City of Covina	10/8/2010	4/7/2017	10/7/2018	\$179,591.00	\$179,591.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09046	City of Newport Beach	5/20/2010	5/19/2016		\$162,500.00	\$162,500.00	Upgrade Existing CNG Station, Maintenance	\$0.00	Yes

Total: 13

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2009-2010 Contracts

Open Contracts

MS10003	City of Sierra Madre	5/11/2012	3/10/2018		\$13,555.00	\$0.00	Purchase 1 H.D. CNG Vehicle	\$13,555.00	No
MS10004	Linde LLC	3/2/2012	6/1/2018		\$56,932.00	\$0.00	Purchase 6 H.D. CNG Vehicles	\$56,932.00	No
MS10005	Domestic Linen Supply Company, In	10/8/2010	7/7/2016		\$47,444.00	\$0.00	Purchase 5 Gas-Electric Hybrid Vehicles	\$47,444.00	No
MS10006	Nationwide Environmental Services	11/19/2010	4/18/2017	9/18/2019	\$94,887.00	\$85,398.30	Purchase Three Street Sweepers	\$9,488.70	No
MS10012	Foothill Transit Agency	3/9/2012	3/8/2019		\$85,399.00	\$0.00	Purchase 9 H.D. Electric Vehicles	\$85,399.00	No
MS10015	County of Los Angeles Department o	3/14/2014	5/13/2016		\$37,955.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$37,955.00	No
MS10017	Ryder System Inc.	12/30/2011	6/29/2018	12/29/2018	\$651,377.00	\$0.00	Purchase 19 H.D. Natural Gas Vehicles	\$651,377.00	No
MS10021	City of Glendora	10/29/2010	11/28/2016		\$9,489.00	\$9,489.00	Purchase 1 H.D. CNG Vehicle	\$0.00	No

Total: 8

Declined/Cancelled Contracts

MS10013	City of San Bernardino				\$68,834.00	\$0.00	Purchase 9 H.D. LNG Vehicles	\$68,834.00	No
MS10014	Serv-Wel Disposal				\$18,977.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$18,977.00	No
MS10018	Shaw Transport Inc.				\$81,332.00	\$0.00	Purchase 6 H.D. LNG Vehicles	\$81,332.00	No
MS10022	Los Angeles World Airports				\$123,353.00	\$0.00	Purchase 13 H.D. CNG Vehicles	\$123,353.00	No
MS10023	Dix Leasing				\$105,000.00	\$0.00	Purchase 3 H.D. LNG Vehicles	\$105,000.00	No

Total: 5

Closed Contracts

MS10001	Los Angeles County MTA	3/19/2010	2/28/2011	4/28/2011	\$300,000.00	\$196,790.61	Clean Fuel Transit Bus Service to Dodger St	\$103,209.39	Yes
MS10002	Coachella Valley Association of Gov	6/18/2010	2/17/2011		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS10025	Elham Shirazi	2/18/2011	10/17/2012	2/17/2014	\$199,449.00	\$188,413.05	Telework Demonstration Program	\$11,035.95	No

Total: 3

Open/Complete Contracts

MS10007	Enterprise Rent-A-Car Company of L	7/15/2011	10/14/2017		\$18,976.00	\$18,976.00	Purchase 2 H.D. CNG Vehicles	\$0.00	No
MS10008	Republic Services, Inc.	12/10/2010	5/9/2017		\$123,354.00	\$123,354.00	Purchase 4 CNG Refuse Collection Vehicles	\$0.00	Yes
MS10009	Ware Disposal Company, Inc.	10/29/2010	3/28/2017		\$123,353.00	\$123,352.00	Purchase 4 CNG Refuse Trucks	\$1.00	No
MS10010	New Bern Transport Corporation	10/29/2010	3/28/2017		\$113,864.00	\$113,864.00	Repower 4 Heavy-Duty Vehicles	\$0.00	Yes
MS10011	Foothill Transit Agency	3/9/2012	2/8/2018		\$113,865.00	\$113,865.00	Purchase 12 H.D. CNG Vehicles	\$0.00	Yes
MS10016	Rio Hondo Community College	11/5/2010	5/4/2017		\$16,077.00	\$16,077.00	Purchase 1 CNG Shuttle Bus	\$0.00	Yes
MS10019	EDCO Disposal Corporation	11/19/2010	2/18/2017		\$379,549.00	\$379,283.81	Purchase 11 H.D. CNG Refuse Trucks	\$265.19	Yes
MS10020	American Reclamation, Inc.	5/6/2011	2/5/2018		\$18,977.00	\$18,977.00	Purchase 1 H.D. CNG Vehicle	\$0.00	Yes
MS10024	Frito-Lay North America	7/29/2011	9/28/2017		\$47,444.00	\$47,444.00	Purchase 5 Electric Vehicles	\$0.00	Yes

Total: 9

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2010-2011 Contracts									
Open Contracts									
ML11020	City of Indio	2/1/2013	3/31/2019		\$30,000.00	\$0.00	Retrofit one H.D. Vehicles w/DECS, repower	\$30,000.00	No
ML11021	City of Whittier	1/27/2012	9/26/2018		\$210,000.00	\$120,000.00	Purchase 7 Nat. Gas H.D. Vehicles	\$90,000.00	No
ML11023	City of Rancho Cucamonga	4/20/2012	12/19/2018		\$260,000.00	\$60,000.00	Expand Existing CNG Station, 2 H.D. Vehicl	\$200,000.00	No
ML11025	County of Los Angeles Department o	3/14/2014	9/13/2021		\$150,000.00	\$0.00	Purchase 5 Nat. Gas H.D. Vehicles	\$150,000.00	No
ML11027	City of Los Angeles, Dept. of Genera	5/4/2012	7/3/2015		\$300,000.00	\$0.00	Maintenance Facility Modifications	\$300,000.00	No
ML11029	City of Santa Ana	9/7/2012	3/6/2020		\$262,500.00	\$0.00	Expansion of Existing CNG Station, Install N	\$262,500.00	No
ML11032	City of Gardena	3/2/2012	9/1/2018		\$102,500.00	\$30,000.00	Modify Maint. Facility, Expand CNG station,	\$72,500.00	No
ML11034	City of Los Angeles, Department of	5/4/2012	1/3/2019		\$630,000.00	\$0.00	Purchase 21 H.D. CNG Vehicles	\$630,000.00	No
ML11036	City of Riverside	1/27/2012	1/26/2019		\$670,000.00	\$0.00	Install New CNG Station, Purchase 9 H.D. N	\$670,000.00	No
ML11038	City of Santa Monica	5/18/2012	7/17/2018		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML11040	City of South Pasadena	5/4/2012	1/3/2019		\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
ML11041	City of Santa Ana	9/7/2012	11/6/2018		\$265,000.00	\$34,651.86	Purchase 7 LPG H.D. Vehicles, Retrofit 6 H.	\$230,348.14	No
ML11042	City of Chino	2/17/2012	4/16/2018		\$35,077.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle, Repower	\$5,077.00	No
ML11043	City of Hemet Public Works	2/3/2012	2/2/2019		\$60,000.00	\$30,000.00	Purchase 2 H.D. Nat. Gas Vehicles	\$30,000.00	No
ML11045	City of Newport Beach	2/3/2012	8/2/2018	8/2/2019	\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
MS11001	Mineral LLC	4/22/2011	4/30/2013	4/30/2015	\$111,827.00	\$95,636.83	Design, Develop, Host and Maintain MSRC	\$16,190.17	No
MS11008	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$112,500.00	Expansion of Existing LCNG Station	\$12,500.00	No
MS11009	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$112,500.00	Expansion of Existing LCNG Station	\$12,500.00	No
MS11010	Border Valley Trading	8/26/2011	10/25/2017	10/25/2018	\$150,000.00	\$0.00	New LNG Station	\$150,000.00	No
MS11011	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$90,000.00	New CNG Station - Signal Hill	\$10,000.00	No
MS11016	CR&R Incorporated	4/12/2013	10/11/2019		\$100,000.00	\$0.00	New CNG Station - Perris	\$100,000.00	No
MS11019	City of Corona	11/29/2012	4/28/2020		\$225,000.00	\$0.00	Expansion of Existing CNG Station	\$225,000.00	No
MS11055	KEC Engineering	2/3/2012	8/2/2018		\$250,000.00	\$135,000.00	Repower 5 H.D. Off-Road Vehicles	\$115,000.00	No
MS11056	The Better World Group	12/30/2011	12/29/2013	12/29/2015	\$196,836.00	\$98,273.25	Programmatic Outreach Services	\$98,562.75	No
MS11058	L A Service Authority for Freeway E	5/31/2013	4/30/2014		\$123,395.00	\$0.00	Implement 511 "Smart Phone" Application	\$123,395.00	No
MS11060	Rowland Unified School District	8/17/2012	1/16/2019	1/16/2020	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11061	Eastern Municipal Water District	3/29/2012	5/28/2015		\$11,659.00	\$1,450.00	Retrofit One Off-Road Vehicle under Showc	\$10,209.00	No
MS11062	Load Center	9/7/2012	1/6/2016		\$194,319.00	\$45,433.00	Retrofit Six Off-Road Vehicles under Showc	\$148,886.00	No
MS11064	City of Hawthorne	7/28/2012	8/27/2018	8/27/2019	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11065	Temecula Valley Unified School Distr	8/11/2012	1/10/2019		\$50,000.00	\$0.00	Expansion of Existing CNG Station	\$50,000.00	No
MS11066	Torrance Unified School District	11/19/2012	9/18/2018		\$42,296.00	\$0.00	Expansion of Existing CNG Station	\$42,296.00	No
MS11067	City of Redlands	5/24/2012	11/23/2018	11/23/2019	\$85,000.00	\$0.00	Expansion of Existing CNG Station	\$85,000.00	No
MS11068	Ryder System Inc.	7/28/2012	10/27/2018		\$175,000.00	\$157,500.00	New Public Access L/CNG Station (Fontana	\$17,500.00	No
MS11069	Ryder System Inc.	7/28/2012	8/27/2018		\$175,000.00	\$157,500.00	New Public Access L/CNG Station (Orange)	\$17,500.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS11071	City of Torrance Transit Department	12/22/2012	1/21/2019		\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11076	SA Recycling, LLC	5/24/2012	9/23/2015		\$424,801.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$424,801.00	No
MS11079	Bear Valley Unified School District	2/5/2013	10/4/2019		\$175,000.00	\$157,500.00	New Limited Access CNG Station	\$17,500.00	No
MS11081	Metropolitan Stevedore Company	9/7/2012	1/6/2016		\$45,416.00	\$0.00	Install DECS on Two Off-Road Vehicles	\$45,416.00	No
MS11082	Baumot North America, LLC	8/2/2012	12/1/2015		\$65,958.00	\$0.00	Install DECS on Four Off-Road Vehicles	\$65,958.00	No
MS11085	City of Long Beach Fleet Services B	8/23/2013	12/22/2016		\$159,012.00	\$0.00	Retrofit Seven H.D. Off-Road Vehicles Unde	\$159,012.00	No
MS11086	DCL America Inc.	6/7/2013	10/6/2016		\$500,000.00	\$0.00	Retrofit Eight H.D. Off-Road Vehicles Under	\$500,000.00	No
MS11087	Cemex Construction Material Pacific,	10/16/2012	2/15/2016		\$448,766.00	\$448,760.80	Retrofit 13 H.D. Off-Road Vehicles Under Sh	\$5.20	No
MS11091	California Cartage Company, LLC	4/5/2013	8/4/2016		\$55,000.00	\$0.00	Retrofit Two H.D. Off-Road Vehicles Under	\$55,000.00	No
MS11092	Griffith Company	2/5/2013	6/4/2016		\$390,521.00	\$0.00	Retrofit 18 H.D. Off-Road Vehicles Under Sh	\$390,521.00	No

Total: 44

Pending Execution Contracts

ML11024	County of Los Angeles, Dept of Publi				\$90,000.00	\$0.00	Purchase 3 Nat. Gas H.D. Vehicles	\$90,000.00	No
MS11073	Los Angeles Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS11084	Ivanhoe Energy Services and Develo				\$66,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$66,750.00	No

Total: 3

Declined/Cancelled Contracts

MS11013	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Huntington Beach	\$150,000.00	No
MS11014	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Santa Ana	\$150,000.00	No
MS11015	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Inglewood	\$150,000.00	No
MS11046	Luis Castro				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11047	Ivan Borjas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11048	Phase II Transportation				\$1,080,000.00	\$0.00	Repower 27 Heavy-Duty Vehicles	\$1,080,000.00	No
MS11049	Ruben Caceras				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11050	Carlos Arrue				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11051	Francisco Vargas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11053	Jose Ivan Soltero				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11054	Albino Meza				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11059	Go Natural Gas				\$150,000.00	\$0.00	New Public Access CNG Station - Paramou	\$150,000.00	No
MS11063	Standard Concrete Products				\$310,825.00	\$0.00	Retrofit Two Off-Road Vehicles under Show	\$310,825.00	No
MS11070	American Honda Motor Company				\$100,000.00	\$0.00	Expansion of Existing CNG Station	\$100,000.00	No
MS11072	Trillium USA Company DBA Californi				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS11077	DCL America Inc.				\$263,107.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$263,107.00	No
MS11083	Cattrac Construction, Inc.				\$500,000.00	\$0.00	Install DECS on Eight Off-Road Vehicles	\$500,000.00	No
MS11088	Diesel Emission Technologies				\$32,750.00	\$0.00	Retrofit Three H.D. Off-Road Vehicles Under	\$32,750.00	No
MS11089	Diesel Emission Technologies				\$9,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$9,750.00	No
MS11090	Diesel Emission Technologies				\$14,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$14,750.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 20									
Closed Contracts									
ML11007	Coachella Valley Association of Gov	7/29/2011	7/28/2012		\$250,000.00	\$249,999.96	Regional PM10 Street Sweeping Program	\$0.04	Yes
ML11035	City of La Quinta	11/18/2011	11/17/2012		\$25,368.00	\$25,368.00	Retrofit 3 On-Road Vehicles w/DECS	\$0.00	Yes
MS11002	A-Z Bus Sales, Inc.	7/15/2011	12/31/2011	6/30/2013	\$1,705,000.00	\$1,705,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS11003	BusWest	7/26/2011	12/31/2011	12/31/2012	\$1,305,000.00	\$1,305,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS11004	Los Angeles County MTA	9/9/2011	2/29/2012		\$450,000.00	\$299,743.34	Clean Fuel Transit Service to Dodger Stadiu	\$150,256.66	Yes
MS11006	Orange County Transportation Autho	10/7/2011	2/29/2012	8/31/2012	\$268,207.00	\$160,713.00	Metrolink Service to Angel Stadium	\$107,494.00	Yes
MS11018	Orange County Transportation Autho	10/14/2011	1/31/2012		\$211,360.00	\$211,360.00	Express Bus Service to Orange County Fair	\$0.00	Yes
MS11052	Krisda Inc	9/27/2012	6/26/2013		\$120,000.00	\$120,000.00	Repower Three Heavy-Duty Vehicles	\$0.00	Yes
MS11057	Riverside County Transportation Co	7/28/2012	3/27/2013		\$100,000.00	\$89,159.40	Develop and Implement 511 "Smart Phone"	\$10,840.60	Yes
MS11074	SunLine Transit Agency	5/11/2012	7/31/2012		\$41,849.00	\$22,391.00	Transit Service for Coachella Valley Festival	\$19,458.00	Yes
MS11080	Southern California Regional Rail Au	4/6/2012	7/31/2012		\$26,000.00	\$26,000.00	Metrolink Service to Auto Club Speedway	\$0.00	Yes
Total: 11									
Open/Complete Contracts									
ML11022	City of Anaheim	3/16/2012	7/15/2018		\$150,000.00	\$150,000.00	Purchase of 5 H.D. Vehicles	\$0.00	No
ML11026	City of Redlands	3/2/2012	10/1/2018		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11028	City of Glendale	1/13/2012	5/12/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. CNG Vehicles	\$0.00	Yes
ML11030	City of Fullerton	2/3/2012	3/2/2018		\$109,200.00	\$109,200.00	Purchase 2 Nat. Gas H.D. Vehicles, Retrofit	\$0.00	Yes
ML11031	City of Culver City Transportation De	12/2/2011	12/1/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML11033	City of Los Angeles, Bureau of Sanit	3/16/2012	1/15/2019		\$1,080,000.00	\$1,080,000.00	Purchase 36 LNG H.D. Vehicles	\$0.00	Yes
ML11037	City of Anaheim	12/22/2012	12/21/2019		\$300,000.00	\$300,000.00	Purchase 12 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11039	City of Ontario	1/27/2012	9/26/2018		\$180,000.00	\$180,000.00	Purchase 6 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11044	City of Ontario	1/27/2012	6/26/2019		\$400,000.00	\$400,000.00	Expand Existing CNG Station	\$0.00	Yes
MS11012	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Buena Park	\$0.00	Yes
MS11017	CR&R, Inc.	3/2/2012	2/1/2018		\$100,000.00	\$100,000.00	Expansion of existing station - Garden Grov	\$0.00	Yes
Total: 11									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2011-2012 Contracts									
Open Contracts									
ML12013	City of Pasadena	10/19/2012	3/18/2015		\$200,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$200,000.00	No
ML12014	City of Santa Ana	11/8/2013	8/7/2020		\$384,000.00	\$4,709.00	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$379,291.00	No
ML12015	City of Fullerton	4/25/2013	11/24/2020		\$40,000.00	\$0.00	HD CNG Vehicle, Expand CNG Station	\$40,000.00	No
ML12016	City of Cathedral City	1/4/2013	10/3/2019		\$60,000.00	\$0.00	CNG Vehicle & Electric Vehicle Infrastructur	\$60,000.00	No
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020		\$950,000.00	\$0.00	32 H.D. Nat. Gas Vehicles	\$950,000.00	No
ML12018	City of West Covina	10/18/2013	10/17/2020		\$300,000.00	\$0.00	Expansion of Existing CNG Station	\$300,000.00	No
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$0.00	EV Charging Infrastructure	\$38,000.00	No
ML12020	City of Los Angeles, Department of	9/27/2012	3/26/2019		\$450,000.00	\$0.00	15 H.D. Nat. Gas Vehicles	\$450,000.00	No
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$30,000.00	Four Medium-Duty Nat. Gas Vehicles	\$10,000.00	No
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$0.00	2 Medium-Duty and Three Heavy-Duty CNG	\$110,000.00	No
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$0.00	EV Charging Infrastructure	\$250,000.00	No
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$0.00	Three Heavy-Duty Nat. Gas Vehicles	\$90,000.00	No
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	10/3/2015		\$68,977.00	\$0.00	EV Charging Infrastructure	\$68,977.00	No
ML12043	City of Hemet	6/24/2013	9/23/2019		\$60,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$60,000.00	No
ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020		\$400,000.00	\$0.00	Install New CNG Station	\$400,000.00	No
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12048	City of La Palma	1/4/2013	11/3/2018		\$20,000.00	\$0.00	Two Medium-Duty LPG Vehicles	\$20,000.00	No
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$463,650.00	\$0.00	EV Charging Infrastructure	\$463,650.00	No
ML12051	City of Bellflower	2/7/2014	2/6/2016		\$270,000.00	\$0.00	EV Charging Infrastructure	\$270,000.00	No
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	No
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$0.00	EV Charging Infrastructure	\$77,385.00	No
ML12057	City of Coachella	8/28/2013	8/27/2019		\$57,456.00	\$0.00	Purchase One Nat. Gas H.D. Vehicle/Street	\$57,456.00	No
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$0.00	Electric Vehicle Charging Infrastructure	\$5,900.00	No
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$0.00	Clean Fuel Transit Service to Dodger Stadiu	\$300,000.00	No
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$0.00	Construct New Limited-Access CNG Station	\$175,000.00	No
MS12008	Bonita Unified School District	7/12/2013	12/11/2019		\$175,000.00	\$0.00	Construct New Limited-Acess CNG Station	\$175,000.00	No
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$0.00	Construct New Public-Access CNG Station	\$150,000.00	No
MS12010	Murrieta Valley Unified School Distric	4/5/2013	9/4/2019		\$242,786.00	\$218,507.40	Construct New Limited-Access CNG Station	\$24,278.60	No
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	6/13/2020	\$150,000.00	\$0.00	Construct New Public-Access CNG Station -	\$150,000.00	No
MS12012	Rim of the World Unified School Dist	12/20/2012	5/19/2014		\$75,000.00	\$0.00	Vehicle Maintenance Facility Modifications	\$75,000.00	No
MS12024	Southern California Gas Company	6/13/2013	12/12/2019		\$150,000.00	\$0.00	Construct New Public-Access CNG Station -	\$150,000.00	No
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$317,743.43	Purchase 23 Medium-Heavy Duty Vehicles	\$182,256.57	No
MS12027	C.V. Ice Company, Inc.	5/17/2013	11/16/2019		\$75,000.00	\$0.00	Purchase 3 Medium-Heavy Duty Vehicles	\$75,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12029	Community Action Partnership of Or	11/2/2012	11/1/2018		\$25,000.00	\$14,850.00	Purchase 1 Medium-Heavy Duty Vehicle	\$10,150.00	No
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$100,000.00	\$29,201.40	Purchase 4 Medium-Heavy Duty Vehicles	\$70,798.60	No
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	No
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018		\$500,000.00	\$21,735.00	Purchase 20 Medium-Heavy Duty Vehicles	\$478,265.00	No
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018		\$133,070.00	\$74,763.00	Purchase 8 Medium-Heavy Duty Vehicles	\$58,307.00	No
MS12059	Orange County Transportation Autho	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	No
MS12060	City of Santa Monica	4/4/2014	8/3/2017		\$500,000.00	\$0.00	Transit-Oriented Bicycle Sharing Program	\$500,000.00	No
MS12061	Orange County Transportation Autho	3/14/2014	3/13/2017		\$224,000.00	\$0.00	Transit-Oriented Bicycle Sharing Program	\$224,000.00	No
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$964,687.47	Develop & Implement "Rideshare Thursday"	\$33,981.53	No
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$0.00	Install New Limited Access CNG Station	\$100,000.00	No
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$46,944.56	Implement Anaheim Circulator Service	\$80,351.44	No
MS12067	Leatherwood Construction, Inc.	11/8/2013	3/7/2017		\$122,719.00	\$0.00	Retrofit Six Vehicles w/DECS - Showcase III	\$122,719.00	No
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$19,125.00	Expansion of Existing CNG Station	\$2,125.00	No
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$0.00	Construct New CNG Station	\$100,000.00	No
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$0.00	Construct New CNG Station	\$150,000.00	No
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS12075	CR&R Incorporated	7/27/2013	1/26/2021		\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS12076	City of Ontario	3/8/2013	4/7/2015		\$75,000.00	\$0.00	Maintenance Facilities Modification	\$75,000.00	No
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Vernon	\$75,000.00	No
MS12079	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Boyle H	\$75,000.00	No
MS12080	City of Pasadena	11/8/2013	8/7/2020		\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Santa A	\$75,000.00	No
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021		\$175,000.00	\$0.00	Install New CNG Infrastructure	\$175,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$67,500.00	Maintenance Facility Modifications	\$7,500.00	No
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$0.00	Purchase 23 Medium-Heavy Duty Vehicles	\$225,000.00	No
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$120,650.00	Implement Rideshare Incentives Program	\$4,350.00	No
MS12088	Orange County Transportation Autho	12/6/2013	3/5/2016		\$125,000.00	\$0.00	Implement Rideshare Incentives Program	\$125,000.00	No
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$250,000.00	\$0.00	Implement Rideshare Incentives Program	\$250,000.00	No
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	No

Total: 65

Pending Execution Contracts

ML12049	City of Rialto Public Works				\$30,432.00	\$0.00	EV Charging Infrastructure	\$30,432.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No
MS12083	Brea Olinda Unified School District				\$59,454.00	\$0.00	Install New CNG Infrastructure	\$59,454.00	No

Total: 3

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Declined/Cancelled Contracts									
ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte Transit				\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12044	County of San Bernardino Public Wo				\$250,000.00	\$0.00	Install New CNG Station	\$250,000.00	No
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Access CNG Station	\$100,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
Total: 6									
Closed Contracts									
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
MS12002	Orange County Transportation Autho	9/7/2012	4/30/2013		\$342,340.00	\$333,185.13	Express Bus Service to Orange County Fair	\$9,154.87	Yes
MS12003	Orange County Transportation Autho	7/20/2012	2/28/2013		\$234,669.00	\$167,665.12	Implement Metrolink Service to Angel Stadiu	\$67,003.88	Yes
MS12005	USA Waste of California, Inc.	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12006	Waste Management Collection & Re	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12065	Orange County Transportation Autho	7/27/2013	11/30/2013		\$43,933.00	\$14,832.93	Ducks Express Service to Honda Center	\$29,100.07	Yes
MS12068	Southern California Regional Rail Au	3/1/2013	9/30/2013		\$57,363.00	\$47,587.10	Implement Metrolink Service to Autoclub Sp	\$9,775.90	Yes
MS12069	City of Irvine	8/11/2013	2/28/2014		\$45,000.00	\$26,649.41	Implement Special Transit Service to Solar	\$18,350.59	Yes
Total: 9									
Open/Complete Contracts									
ML12042	City of Chino Hills	1/18/2013	3/17/2017		\$87,500.00	\$87,500.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12055	City of Manhattan Beach	3/1/2013	12/31/2018		\$10,000.00	\$10,000.00	One Medium-Duty Nat. Gas Vehicle	\$0.00	Yes
MS12025	Silverado Stages, Inc.	11/2/2012	7/1/2018		\$150,000.00	\$150,000.00	Purchase Six Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12028	Dy-Dee Service of Pasadena, Inc.	12/22/2012	1/21/2019		\$45,000.00	\$40,000.00	Purchase 2 Medium-Duty and 1 Medium-He	\$5,000.00	Yes
MS12035	Disneyland Resort	1/4/2013	7/3/2019		\$25,000.00	\$18,900.00	Purchase 1 Medium-Heavy Duty Vehicle	\$6,100.00	Yes
MS12036	Jim & Doug Carter's Automotive/VS	1/4/2013	11/3/2018		\$50,000.00	\$50,000.00	Purchase 2 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12058	Krisda Inc	4/24/2013	1/23/2019		\$25,000.00	\$25,000.00	Repower One Heavy-Duty Off-Road Vehicle	\$0.00	Yes
Total: 7									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2012-2014 Contracts

Open Contracts

MS14002	Orange County Transportation Autho	9/6/2013	4/30/2014		\$576,833.00	\$576,833.00	Clean Fuel Transit Service to Orange Count	\$0.00	No
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$0.00	Implement Metrolink Service to Angel Stadiu	\$194,235.00	No
MS14004	Orange County Transportation Autho	9/24/2013	4/30/2014		\$36,800.00	\$35,485.23	Implement Express Bus Service to Solar De	\$1,314.77	No
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014		\$160,000.00	\$36,000.00	Alternative Fuel School Bus Incentive Progr	\$124,000.00	No
MS14047	Southern California Regional Rail Au	3/7/2014	9/30/2014		\$49,203.00	\$0.00	Special Metrolink Service to Autoclub Speed	\$49,203.00	No
MS14048	BusWest	3/14/2014	12/31/2014		\$62,000.00	\$62,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	No

Total: 6

Pending Execution Contracts

ML14010	City of Cathedral City				\$140,000.00	\$0.00	Medium & H.D. Vehicles, EV Charging, Bike	\$140,000.00	No
ML14011	City of Palm Springs				\$79,000.00	\$0.00	Install Bicycle Racks	\$79,000.00	No
ML14012	City of Santa Ana				\$244,000.00	\$0.00	EV Charging and 7 H.D. LPG Vehicles	\$244,000.00	No
ML14013	City of Los Angeles, Bureau of Sanit				\$3,840,000.00	\$0.00	Purchase 128 H.D. Nat. Gas Vehicles	\$3,840,000.00	No
ML14014	City of Torrance				\$56,000.00	\$0.00	EV Charging Infrastructure	\$56,000.00	No
ML14015	Coachella Valley Association of Gov				\$250,000.00	\$0.00	Street Sweeping Operations	\$250,000.00	No
ML14016	City of Anaheim				\$380,000.00	\$0.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$380,000.00	No
ML14017	City of Palm Springs				\$25,000.00	\$0.00	Bicycle Outreach & Education	\$25,000.00	No
ML14018	City of Los Angeles, Department of				\$810,000.00	\$0.00	Purchase 27 H.D. Nat. Gas Vehicles	\$810,000.00	No
ML14019	City of Corona Public Works				\$178,263.00	\$0.00	EV Charging, Bicycle Racks, Bicycle Locker	\$178,263.00	No
ML14020	County of Los Angeles Dept of Publi				\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improvem	\$150,000.00	No
ML14021	Riverside County Regional Park and				\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14022	County of Los Angeles Department o				\$300,000.00	\$0.00	Purchase 10 H.D. Nat. Gas Vehicles	\$300,000.00	No
ML14023	County of Los Angeles Department o				\$230,000.00	\$0.00	Maintenance Fac. Modifications-Westcheste	\$230,000.00	No
ML14024	County of Los Angeles Department o				\$230,000.00	\$0.00	Maintenance Fac. Modifications-Baldwin Par	\$230,000.00	No
ML14025	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Malibu	\$500,000.00	No
ML14026	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Castaic	\$500,000.00	No
ML14027	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Downey	\$500,000.00	No
ML14028	City of Fullerton				\$126,950.00	\$0.00	Expansion of Existing CNG Infrastructure	\$126,950.00	No
ML14029	City of Irvine				\$90,500.00	\$0.00	Bicycle Trail Improvements	\$90,500.00	No
ML14030	County of Los Angeles Internal Servi				\$425,000.00	\$0.00	Bicycle Racks, Outreach & Education	\$425,000.00	No
ML14031	Riverside County Waste Manageme				\$90,000.00	\$0.00	Purchase 3 H.D. CNG Vehicles	\$90,000.00	No
ML14032	City of Rancho Cucamonga				\$226,770.00	\$0.00	Expansion of Existing CNG Infras., Bicycle L	\$226,770.00	No
ML14033	City of Irvine				\$60,000.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$60,000.00	No
ML14034	City of Lake Elsinore				\$56,700.00	\$0.00	EV Charging Stations	\$56,700.00	No
ML14049	City of Moreno Valley				\$105,000.00	\$0.00	One HD Nat Gas Vehicle, EV Charging, Bicy	\$105,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML14050	City of Yucaipa				\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14051	City of Brea				\$450,000.00	\$0.00	Installation of Bicycle Trail	\$450,000.00	No
ML14054	City of Torrance				\$350,000.00	\$0.00	Upgrade Maintenance Facility	\$350,000.00	No
ML14055	City of Highland				\$500,000.00	\$0.00	Bicycle Lanes and Outreach	\$500,000.00	No
ML14056	City of Redlands				\$125,000.00	\$0.00	Bicycle Lanes	\$125,000.00	No
MS14001	Los Angeles County MTA				\$1,227,450.00	\$0.00	Clean Fuel Transit Service to Dodger Stadium	\$1,227,450.00	No
MS14005	Transit Systems Unlimited, Inc.				\$515,200.00	\$0.00	Provide Expanded Shuttle Service to Hollywood	\$515,200.00	No
MS14007	Orange County Transportation Authority				\$208,520.00	\$0.00	Implement Special Metrolink Service to Ang	\$208,520.00	No
MS14008	Orange County Transportation Authority				\$601,187.00	\$0.00	Implement Clean Fuel Bus Service to Orange	\$601,187.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valley	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirada	\$75,000.00	No
MS14037	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Carson	\$75,000.00	No
MS14038	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Fontana	\$75,000.00	No
MS14039	Waste Management Collection and				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Irvine	\$75,000.00	No
MS14040	Waste Management Collection and				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Santa Ana	\$75,000.00	No
MS14041	USA Waste of California, Inc.				\$175,000.00	\$0.00	Limited-Access CNG Station, Vehicle Maint.	\$175,000.00	No
MS14042	Grand Central Recycling & Transfer				\$150,000.00	\$0.00	Expansion of Existing CNG Station	\$150,000.00	No
MS14044	TIMCO CNG Fund I, LLC				\$150,000.00	\$0.00	New Public-Access CNG Station in Santa Ana	\$150,000.00	No
MS14045	TIMCO CNG Fund I, LLC				\$150,000.00	\$0.00	New Public-Access CNG Station in Inglewood	\$150,000.00	No
MS14046	Ontario CNG Station Inc.				\$150,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$150,000.00	No
MS14052	Arcadia Unified School District				\$78,000.00	\$0.00	Expansion of an Existing CNG Fueling Station	\$78,000.00	No
MS14053	Upland Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS14057	Los Angeles County MTA				\$1,250,000.00	\$0.00	Implement Various Signal Synchronization Programs	\$1,250,000.00	No
MS14058	Orange County Transportation Authority				\$1,250,000.00	\$0.00	Implement Various Signal Synchronization Programs	\$1,250,000.00	No
MS14059	Riverside County Transportation Co				\$939,625.00	\$0.00	Implement Various Signal Synchronization Programs	\$939,625.00	No

Total: 51

Declined/Cancelled Contracts

MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
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Total: 1

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 25

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on May 22, 2014 in Sacramento. The following is a summary of this meeting.

RECOMMENDED ACTION:
Receive and file.

Judith Mitchell, Member
SCAQMD Governing Board

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The Air Resources Board's (ARB or Board) May meeting was held on May 22 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

1. First Update to the Climate Change Scoping Plan

The Board approved the First Update to the Climate Change Scoping Plan and the accompanying Environmental Analysis. The update describes California's progress toward the 2020 greenhouse gas emissions goal, defines climate change priorities for the next five years, and outlines actions the State will take to continue reducing greenhouse gas emissions. Actions include the development of a comprehensive greenhouse gas reduction program for California's electrical and energy utilities by 2016, continued implementation of policies that cut greenhouse gas and air pollution emissions across the transportation sector, and development of a plan to reduce emissions of short-lived climate pollutants such as methane and black carbon.

2. Update on the Development of Sustainable Communities Strategies in the San Joaquin Valley

The Board heard an informational update on the draft San Joaquin Valley Sustainable Communities Strategies (SCSs), developed by the eight San Joaquin Valley metropolitan planning organizations (MPOs) in fulfillment of Senate Bill 375 requirements, and recently released for public review. Representatives of the four largest Valley MPOs presented an overview of the strategies in their draft SCSs. Later this year, the Board will review the MPO determinations that the adopted SCSs of six of the Valley MPOs would meet the targets set by the Board.

3. Mobile Source Measurements Showcase

The Board viewed a display of various mobile source emission measurement instruments used to support ARB's on- and off-road regulatory programs. The displays included emissions measurement systems for on- and off-road vehicles, after market diesel particulate filters, and the ARB mobile fuels analysis laboratory.

Consent Items

1. Public Meeting to Consider Six Research Proposals

The Board approved six research proposals based on the Fiscal Year 2014-2015 research plan. The goals of the funded projects include enhancing scientific understanding of the climate impacts of urban air pollution, evaluating the effectiveness of diesel engine after treatment technologies, and improving the characterization of indoor air pollution, among others.

2. Public Meeting to Consider the Regional Haze Mid-Course Review

The Board approved the California Regional Haze Plan 2014 Progress Report. The Report shows that visibility is improving in California due to continuing reductions in emissions of air pollutants that contribute to impaired visibility.

Attachment

CARB May 22, 2014 Meeting Agenda

LOCATION:

Air Resources Board
Byron Sher Auditorium, Second Floor
1001 I Street
Sacramento, California 95814
<http://www.calepa.ca.gov/EPAbldg/location.htm>

PUBLIC MEETING AGENDA

Thursday, May 22, 2014

[Webcast](#)
[Board Book](#)

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**Thursday
May 22, 2014
9:00 a.m.**

CONSENT CALENDAR:

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak on it.

Consent Item #

14-4-1: Public Meeting to Consider Six Research Proposals

Staff will seek Board approval of research proposals that were developed based on the Board-approved Fiscal Year 2014-2015 Annual Research Plan.

- 1) "Characterizing the Climate Impacts of Brown Carbon," University of California, San Diego, \$452,500, Proposal No. 2769-278.

[More Information](#)

[Proposed Resolution](#)

- 2) "Evaluation of the Feasibility, Cost-effectiveness, and Necessity of Equipping Small Off-Road Diesel Engines with Advanced PM and/or NOx Aftertreatment," University of California, Riverside, \$800,000, Proposal No. 2770-278.

[More Information](#)

[Proposed Resolution](#)

- 3) "Characterizing Formaldehyde Emissions from Home Central Heating and Air-Conditioning Filters," Lawrence Berkeley National Laboratory, \$350,000, Proposal No. 2771-278.

[More Information](#)

[Proposed Resolution](#)

- 4) "Protocol Developments for Vehicle Emission Toxicity Testing for Particulate Matter," University of California, Davis, \$100,000, Proposal No. 2772-278.

[More Information](#)

[Proposed Resolution](#)

- 5) *"Improving DNDC Modeling Capability to Quantify Mitigation Potential of Nitrous Oxide from California Agricultural Soils," University of New Hampshire, \$199,797, Proposal No. 2773-278.*

[More Information](#)

[Proposed Resolution](#)

- 6) *"Evaluation of the Impacts of Emissions Averaging and Flexibility Programs for All Tier 4 Final Off-Road Diesel Engines," University of California, Riverside, \$300,000, Proposal No. 2774-278.*

[More Information](#)

[Proposed Resolution](#)

14-4-2: Public Meeting to Consider the Regional Haze Mid-Course Review

Staff will seek Board approval to submit the California Regional Haze Plan 2014 Progress Report to the United States Environmental Protection Agency. The 2014 Progress Report shows that visibility is improving throughout California due to continuing reductions in emissions of air pollutants that contribute to impaired visibility.

[More Information](#)

[Proposed Resolution](#)

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

14-4-3: Public Meeting to Consider Proposed First Update to the Climate Change Scoping Plan

Staff will present the Final Proposed First Update to the Climate Change Scoping Plan for consideration for approval along with the Environmental Analysis (EA) prepared for the Update and written responses to environmental comments received on the EA. The Proposed Update describes the State's progress toward the 2020 Greenhouse Gas Emissions (GHG) goal and describes additional actions the State will take to maintain GHG emission reductions. These actions include the development of a plan to reduce emissions of short-lived climate pollutants, such as methane and black carbon.

[More Information](#)

[Staff Presentation](#)

14-4-4: Mobile Source Measurements Showcase

Staff will present an informational item describing the range of mobile source emission measurement methods and tools that support the Board's on- and off-road regulatory programs. Staff will describe how these methods and tools have improved since the 1960s to address ARB's changing mobile source program priorities and how they will need to continue to evolve to meet air quality and climate challenges in the coming decades. As part of this Board item, a number of different instruments will be on display in and adjacent to the California Environmental Protection Agency Building to demonstrate how these tools are being used to measure emissions of air and climate pollution from a variety of on- and off-road vehicles.

[Staff Presentation](#)

14-4-5: Public Meeting to Update the Board on San Joaquin Valley Sustainable Communities Strategy Development

Staff will present an informational update to the Board on the San Joaquin Valley Metropolitan Planning Organizations' (MPO) development of their Sustainable Communities Strategies (SCS). Under Senate Bill 375, the Sustainable Communities and Climate Protection Act of 2008, each of the California MPOs is required to prepare and adopt a regional transportation plan with an SCS that includes a forecasted development pattern for the region that is integrated with the transportation network, measures, and policies that could, if feasible, meet the greenhouse gas emission reduction targets set by the Air Resources Board. Each of the eight San Joaquin Valley MPOs has published their draft SCSs for public review. This informational update will provide an overview of the measures and policies that are reflected in these published SCSs.

[More Information](#)

[Staff Presentation](#)

CLOSED SESSION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation, and as authorized by Government Code section 11126(a):

POET, LLC, et al. v. Corey, et al., Superior Court of California (Fresno County), Case No. 09CECG04850; plaintiffs' appeal, California Court of Appeal, Fifth District, Case No. F064045; California Supreme Court, Case No. S213394.

Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; ARB interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 09-CV-02234; petition for certiorari, U.S. Supreme Court, Case No. 13-1148.

American Fuels and Petrochemical Manufacturing Associations, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; ARB's interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 10-CV-00163; petition for certiorari, U.S. Supreme Court, Case No. 13-11490.

California Dump Truck Owners Association v. Nichols, U.S. District Court (E.D. Cal. Sacramento), Case No. 2:11-CV-00384-MCE-GGH; plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 13-15175.

Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2010-00082774; ARB's appeal, California Court of Appeal, Third District, Case No. C071891.

Truck and Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2013-00150733.

Alliance of Automobile Manufacturers v. California Air Resources Board; Sacramento Superior Court, Case No. 34-2013-00152974.

Citizens Climate Lobby and Our Children's Earth Foundation v. California Air Resources Board, San Francisco Superior Court, Case No. CGC-12-519554, plaintiffs' appeal, California Court of Appeal, First District, Case No. A138830.

California Chamber of Commerce et al. v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2012-80001313; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075930.

Morning Star Packing Company, et al. v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2013-800001464; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075954.

Delta Construction Company, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 11-1428.

City of Los Angeles through Department of Water and Power v. California Air Resources Board, et al., Los Angeles Superior Court, Case No. BS140620 (transferred to Sacramento Superior Court, Case No. 34-2013-80001451-CU-WM-GDS).

Alliance for California Business v. Nichols et al., Glenn County Superior Court, Case No. 13CV01232.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283.

Owner-Operator Independent Drivers Association Inc. et al. v. Richard W. Corey et al., U.S. District Court, (E.D. Cal. Fresno) Case No. 1:13-CV-01998-LJO-SAB (transferred by court to E.D.Cal. Sacramento, Case No. 2:14-CV-00186-MCE-AC).

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:

1001 I Street, 23rd Floor, Sacramento, California 95814

(916) 322-5594

ARB Homepage: www.arb.ca.gov

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 26

PROPOSAL: Approve Proposed SCAQMD Drought Management & Water Conservation Plan

SYNOPSIS: On January 17, 2014, Governor Edmund G. Brown proclaimed a Drought State of Emergency in California and requested all necessary actions be taken to prepare for drought conditions. The proposed Drought Management & Water Conservation Plan includes a list of measures to be implemented by SCAQMD to assist parties who are impacted by drought conditions. This action is to approve the proposed Drought Management & Water Conservation plan to help address the drought conditions in SCAQMD.

COMMITTEE: No Committee Review

RECOMMENDED ACTION/S:

Adopt the attached Resolution and Approve the Proposed SCAQMD Drought Management & Water Conservation Plan/Action Items

Barry R. Wallerstein, D.Env.
Executive Officer

MN:CS

Background

Although the State of California has experienced extended periods of drought in recent years, substantial declines in the annual mountain snowpack and limited rainfall made 2013 the driest year on record. The annual snowpack has traditionally provided, on average, a third of the water consumed by California's cities and farms; yet in May 2014 the California Department of Water Resources (DWR) issued their final snowpack

measurements and determined that this year the snowpack water content was only 18% of the average amount of snowpack water content.

Earlier this year, on January 17, 2014, Governor Edmund G. Brown proclaimed a Drought State of Emergency in California. At that time the Governor requested all necessary actions be taken to prepare for drought conditions. Some of these measures include:

- Expedited processing of water transfers by DWR and the State Water Resources Control Board (SWRCB).
- Implementation by local agencies of local water storage contingency plans.
- A moratorium on new non-essential landscaping projects at State facilities and on State highways and roads.
- Voluntary per capita reduction of individual water use by 20%.

By April 2014, the state of the drought had not improved and the entire state was impacted by either moderate (76%) or exceptional (24%) drought conditions. As a result, on April 25, 2014, Governor Brown issued an Executive Order that called for the redoubling of efforts to mitigate the drought impacts. Amongst the measures included in the Executive Order, the Governor paved the way for streamlined contracting for equipment purchases by the Governor's Office of Emergency Services (OES) and CALFIRE to clear brush and dead trees to help prevent wildfires, and provided a limited waiver of CEQA requirements through the end of 2014 for actions that would limit harm caused by drought conditions. The Governor further called for limited lawn watering and car washing, and limited use of potable water for irrigation at schools, parks, golf courses, and other public venues.

Local impacts of drought conditions include possible water shortages due to the extremely low levels of snowpack and disruptions in water delivery systems. Consequences include limited potable and non-potable water supplies for use by individuals, schools, hospitals, agriculture and other commercial activities, and an increased risk of wildfire resulting in damage to structures, power lines, and equipment. Without adequate water for control of fugitive dust in the South Coast Air Basin (Rule 403) and the Coachella Valley (Rule 403.1), or control of particulate matter from other operations such as aggregate-type operations (Rule 1157), the region may have possible increased concentrations of airborne particulate matter. Although the major impact of the drought is water shortage, the increased chance of occurrence of wild fires and potential exposure to smoke and increased levels in particulate matter, will not only impact air quality, but may also impact public health for the population living and working in this region.

Proposal

In response to these concerns, staff has prepared a proposed Drought Management and Water Conservation Plan intended to facilitate the demand for certain types of equipment, mitigate the potential impacts of excess dust, and increase the efficient use of water at SCAQMD headquarters. Key elements of this plan include:

- Expediting permit processing without charging expedited permit processing fees for equipment used in response to emergency drought conditions.
- Expanding the allowable use of CARB-registered or SCAQMD-permitted portable engines and equipment used to address the drought.
- Exercising Executive Officer discretion to surpass certain operating limits set for in SCAQMD rules and regulations or permit conditions and/or issuing Executive Orders in the case of emergency pursuant to SCAQMD Rule 118.
- Providing for localized power generation to support the grid and avoid power shortages as being developed in the proposed Rule 1304.2.
- Promoting the use of water-sparing alternatives to dust controls, such as:
 - Paving unpaved roadways and using vacuum sweepers instead of water to remove dust from paved areas.
 - Increasing reliance on non-toxic chemical dust suppressants to stabilize soils.
 - Increasing use of physical/mechanical barriers to contain or limit transport of fugitive dust.
- Evaluating alternatives to the use of water-intensive equipment in various industrial applications and settings (e.g., wet cooling towers, water screen spray booths, etc.)
- Facilitate projects such as drought related water movement projects for water agencies; and infrastructure projects to use reclaimed water, instead of potable water, for irrigation and other purposes.
- Implement water conservation measures at SCAQMD headquarters, which may include the followings:
 - Switching existing urinals to waterless urinals, or flush urinals; and converting existing faucets in the rest rooms and kitchens/copy rooms to hands-free water faucets.
 - Evaluate possible reductions in the use of water for air conditioning.

- Posting signage for water conservations throughout the facility, expanding the use of drought-tolerant plants for landscaping, and evaluating the use of water-sparing alternatives for water delivery and use.
- Considering other potential water conservation measures.

Resource Impacts

Immediate resource impacts would be associated with staff time to expedite drought related permits and the purchase and installation of water-sparing fixtures for bathrooms and kitchen/copy rooms at SCAMQ headquarters. The request for approval of purchase and installation of such water saving equipment will be included in a proposal and taken to the Administrative Committee for approval. Some of the costs could be offset by the possible cost savings due to reduced water usage for air conditioning and other potential water conservation measures identified by staff.

Attachments

Resolution

ATTACHMENT
RESOLUTION NO. 14-_____

A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board Adopting a Drought Management and Water Conservation Plan/Action Items.

WHEREAS on January 17, 2014 the Governor of the State of California proclaimed a State of Emergency to exist in the State of California due to severe drought conditions; and

WHEREAS state government is taking expedited actions as directed in that Proclamation to minimize harm from the drought; and

WHEREAS California's water supplies continue to be severely depleted because of limited amount of rainfall and snowfall in January 2014, with very limited snowpack in the Sierra Nevada mountains, decreased water levels in California's reservoirs, and reduced flows in the state's rivers; and

WHEREAS on April 25, 2014 the Governor of the State of California issued an Executive Order that called for the redoubling of efforts to mitigate the drought impacts; and

WHEREAS drought conditions have persisted for the last three years and the duration of this drought is unknown; and

WHEREAS the severe drought conditions continue to present urgent challenges: water shortages in communities across the state, greatly increased wildfire activity, diminished water for agricultural production, and additional water scarcity if drought conditions continue into 2015; and

WHEREAS additional expedited actions are needed to reduce the harmful impacts from the drought as the state heads into several months of typically dry conditions;

NOW, THEREFORE BE IT RESOLVED, that the SCAQMD Governing Board does hereby find and determine that the adoption of a Drought Management and Water Conservation Plan/Action Items is necessary to help address the impacts from the drought conditions and to ensure the prudent use of water resources through its jurisdiction;

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby adopt the following Draft Management and Water Conservation Plan/Action Items; and

BE IT FURTHER RESOLVED, the SCAQMD Governing Board directs staff to implement the measures listed below to help address impacts associated with the drought conditions:

- Expediting permit processing without charging expedited permit processing fees for equipment used in response to emergency drought conditions.
- Expanding the allowable use of CARB-registered or SCAQMD-permitted portable engines and equipment used to address the drought.
- Exercising Executive Officer discretion to surpass certain operating limits set for in SCAQMD rules and regulations or permit conditions and/or issuing Executive Orders in the case of emergency pursuant to SCAQMD Rule 118.
- Providing for localized power generation to support the grid and avoid power shortages as being developed in the proposed Rule 1304.2.
- Promoting the use of water-sparing alternatives to dust controls, such as:
 - Paving unpaved roadways and using vacuum sweepers instead of water to remove dust from paved areas.
 - Increasing reliance on non-toxic chemical dust suppressants to stabilize soils.
 - Increasing use of physical/mechanical barriers to contain or limit transport of fugitive dust.
- Evaluating alternatives to the use of water-intensive equipment in various industrial applications and settings (e.g., wet cooling towers, water screen spray booths, etc.)
- Facilitate projects that would allow the movement of water around to address the drought, or to develop infrastructure or other means to use more reclaimed water, instead of potable water, for irrigation and other purposes.
- Implement water conservation measures at SCAQMD headquarters, which may include the followings:
 - Switching existing urinals to waterless urinals, or flush urinals; and converting existing faucets in the rest rooms and kitchens/copy rooms to hands-free water faucets.
 - Evaluate possible reductions in the use of water for air conditioning.

- Posting signage for water conservations throughout the facility, expanding the use of drought-tolerant plants for landscaping, and evaluating the use of water-sparing alternatives for water delivery and use.
- Considering other potential water conservation measures.

DATE: _____

CLERK OF THE BOARDS

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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 27

PROPOSAL: Adopt Executive Officer's FY 2014-15 SCAQMD Budget and Work Program

SYNOPSIS: The Executive Officer's Budget for FY 2014-15 represents the input over the past several months from Board members, staff, and the public. This year's process included meetings of the Budget Advisory Committee; a public hearing on April 4, 2014 to receive input on the SCAQMD's Goals and Priority Objectives; and two budget workshops, one for the public held on April 11, 2014 and one for the Board held on April 25, 2014. This submittal transmits the required appropriations and reserves necessary to adopt the proposed budget. The proposed budget incorporates the CPI adjustment pursuant to Rule 320 as well as an additional 3% increase to Annual Operating Permit Renewal and Permit Processing Fees to better align program costs with revenues.

COMMITTEE: Administrative, May 9, 2014; Recommended for Approval

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2013-14 Budget;
2. Approve appropriations in the Major Objects for FY 2014-15 of:

Salary and Employee Benefits	\$106,539,331
Services and Supplies	24,618,243
Capital Outlays	<u>1,062,500</u>
Total	<u>\$132,220,074</u>

3. Approve a projected June 30, 2015 Fund Balance of the following:

Reserve ¹ for Encumbrances	\$6,947,000
Reserve for Inventory of Supplies	80,000
Designated for Enhanced Compliance Activities	883,018
Designated for Litigation/Enforcement	1,600,000
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Designated for Permit Streamlining	288,385
Designated for Self-Insurance	2,000,000
Designated for Unemployment Claims	80,000
Total Reserves and Designations	\$14,830,899
Undesignated Fund Balance	\$23,103,647

4. Approve revenues for FY 2014-15 of \$132,220,074;
5. Approve the addition of one net authorized/funded position as detailed in the FY 2014-15 Draft Budget;
6. Approve the SCAQMD FY 2014-15 Goals and Priority Objectives as previously discussed and included in the FY 2014-15 Draft Budget;
7. Increase the FY 2013-14 General Fund revenue budget and approve the transfer of \$5 million from the Undesignated Fund Balance to the Debt Service Fund;
8. Increase the FY 2013-14 General Fund revenue budget by \$219,181;
9. Approve a minimum Unreserved Fund Balance Reserve Policy of 20% of General Fund revenues; and
10. Convene Permit Work Group to discuss permit streamlining measures.

Barry R. Wallerstein, D.Env.
Executive Officer

MBO:lg

¹ The terms Reserve, Designated, and Undesignated are terms established by the Government Accounting Standards Board.

Background

The Executive Officer's Budget for FY 2014-15 represents the input over the past several months from staff, Board members, and the public. This year's process included meetings with the Budget Advisory Committee; a public hearing held on April 4, 2014 to take input on the SCAQMD's FY 2014-15 Program Goals and Priority Objectives (included on pages 47 – 50 of the budget document); and two budget workshops, one held for the public on April 11, 2014 and one held for the Governing Board on April 25, 2014.

This year's budget proposal includes 798 positions, a 31% (365 FTEs) reduction from FY 1991-92 levels. Using inflation adjusted dollars, this year's proposed expenditures of \$132,220,074 are 25% less than the budget approved in FY 1991-92.

Proposal

The proposed FY 2014-15 budget is a balanced budget request based on the Goals and Priority Objectives presented to the Governing Board at the April 4, 2014 meeting.

The proposed FY 2014-15 budget represents an increase of \$3,017,146 (2%) in total expenditures from the budget adopted by the Board in May 2013. Staff is proposing the addition of one net position for FY 2014-15 with a reduction in the vacancy rate to 8% from the FY 2013-14 budgeted level of 9%. The addition of one net position is for an additional Supervising Payroll Technician necessary for training purposes along with a corresponding deletion of a Supervising Payroll Technician position in FY 2015-16. In Services and Supplies, the proposal for FY 2014-15 is 4% above the FY 2013-14 adopted budget mainly due to increases in building operations costs while Capital Outlays are decreasing 31% from the FY 2013-14 adopted budget.

Also included is a proposed increase in the General Fund revenue budget from unexpected one-time revenues and a transfer of \$5 million from the General Fund Undesignated Fund Balance to the Debt Service Fund to provide funding for the debt service payments related to outstanding Pension Obligation Bonds over Fiscal Years 2015-16 through 2019-20. The result will be an annual General Fund budget expenditure reduction of \$1 million during each of these fiscal years.

A General Fund revenue budget increase of \$219,181 is proposed to reflect additional unexpected one-time revenues that will be received before the end of the fiscal year. This revenue budget increase offsets, or funds, prior Governing Board action that transferred monies from the General Fund to the Infrastructure Improvement Fund.

As part of the FY 2014-15 budget, Staff is also proposing that the Governing Board adopt a minimum Unreserved General Fund Balance Reserve Policy of 20% of General Fund revenues. GFOA Recommended Best Practices prescribe a minimum 17% reserve

amount plus an additional amount based on the organization's reliance on revenue over which it has no control. The proposed 20% reserve amount is derived from the minimum 17% plus an additional 3% to account for SCAQMD's reliance on state subvention (\$4M), U.S. EPA Section 103/105 grants (\$5M), and one-time penalties and settlements (\$5M).

In addition, the proposal includes convening a Permit Work Group to discuss and implement the streamlining of permit processing to gain efficiencies over current processes.

Resource Impacts

The FY 2014-15 Budget assumes a 1.6% fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 and allows for an increase of fees based on the change in the California Consumer Price Index. In accordance with Rule 320, the Draft Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase was made available to the public on March 15, 2014 and public comments and responses, along with recommendations by the Budget Advisory Committee, were provided to the Board by the April 15 deadline. The FY 2014-15 Budget also includes a 3% increase above CPI for Annual Operating Permit Renewal and Permit Processing Fees to better align program costs with revenues. The staff proposal for amending fee rules is also available on the SCAQMD's website under Proposed Rules.

Copies of the Draft Budget and Work Program for FY 2014-15 have been transmitted to the Board under separate cover. Copies for public review are available in the SCAQMD Library and the document is also available via SCAQMD's web site at <http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2014-15/draft-budget.pdf>. Budget abstracts are available by request from the Public Information Center (909) 396-3600.

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 28

PROPOSAL: Amend Regulation III - Fees

SYNOPSIS: Staff is proposing a 1.6 % Consumer Price Index adjustment to most of the current Regulation III – Fees for FY 2014-15 to keep pace with inflation and address revenue shortfall from legally mandated programs. Staff is also proposing an additional 6% increase in permit processing and annual operating renewal fees over the next two fiscal years, (3% in FY 2014-15 and an additional 3% in FY 2015-16), to recover the cost of specific programs and services.

COMMITTEE: Board Budget Workshop, April 25, 2014, Reviewed

RECOMMENDED ACTION:

Adopt the attached resolution:

1. Certifying the Notice of Exemption for Proposed Amended Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI and Regulation XXV, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal.
2. Amending Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI and Regulation XXV, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Regulation III – Fees, establishes the fee rates and schedules associated with permitting, annual renewals, emissions, and other activities that help fund most of the SCAQMD's Permitted Source Program. The regulatory activities and services of the Permitted Source Program is primarily supported by three fees that provide over 60% of the SCAQMD budget, namely permit processing fees, annual operating permit renewal fees, and annual operating emission fees contained in Rule 301. In addition, the Permitted Source Program includes other activities for which fees are charged separately, such as source testing, hearing board variances, and permit appeals. Also included in the permit related fee program are filing fees and plan fees under Rule 306, since filings and plans are similar to permits for the sources to which they apply. Regulation III – Fees also establishes fees for other programs that are unrelated to the Permitted Source Program, such as transportation programs and area source (architectural coatings).

Due to declining revenues, the SCAQMD began experiencing significant shortfalls in its budget in the 1990's that threatened the continuity of its many programs and services. Shortfalls continue despite the significant budget reductions adopted, increasing staff vacancy rates, and continuous improvements in performance and efficiency. In the upcoming years, the SCAQMD will also face many challenges, including higher operating costs due to increased contributions to the retirement system, streamlining operations while meeting program commitments and uncertainties in the business environment as the economy tries to reverse the economic downturn of the past several years. These uncertainties also lie in the performance of the financial markets over the next few years, which in turn will determine the performance of the SCAQMD's retirement system and other investments.

To address the remaining shortfall in revenues from legally mandated programs and to keep pace with inflation, staff recommends that for FY 2014-15, the current Regulation III fees be adjusted by 1.6% in accordance with the Consumer Price Index (CPI) set for calendar year (CY) 2013 pursuant to Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III - Fees. Staff further recommends that permit processing and annual operating renewal (equipment-based) fees be adjusted by an additional 6% phased in over the next two fiscal years (3% in FY 2014-15 and an additional 3% in FY 2015-16) to recover the cost of specific programs and services within the Permitted Source Program that have never been fully recovered, and whose funding shortfall has escalated due to factors such as increased retirement rates and the economic downturn of recent years. It is expected that an automatic CPI adjustment according to the CY 2014 CPI would also affect the fee rates in FY 2015-16.

While the specific permit related fee adjustment above the CPI rate is necessary to better recover the reasonable regulatory costs of mandated services and programs provided, it is also equitable since these services confer a commensurate benefit directly to the beneficiaries (including but not limited to providing permits to construct/operate source

equipment, annual compliance audits and inspections, and case-by-case source review). Furthermore these costs are also allocated based on the relative burden placed on the permitted source programs.

Staff's proposal has been incorporated into the FY 2014-15 Draft Budget and Work Program. It is projected that the proposed 3% fee increase for FY 2014-15 will allow the SCAQMD to avoid further staff reductions this year and together with the additional 3% for 2015-2016, for future years.

Despite the proposed fee amendments, staff currently projects a \$4.7 million deficit in programs covered by permit processing fees even after annual operating fee revenues cover associated overhead costs. Factors impacting budget shortfalls include legally mandated funding for the San Bernardino County Employee Retirement Association, decreasing annual operating emissions fees revenues, flat revenues from permit processing and annual permit renewal fees, and declining emissions fees at rates exceeding annual CPI rates as a result of declining emissions.

Proposal

For FY 2014-15, proposed amendments to Regulation III - Fees include: (1) a CPI adjustment to most fees in Regulation III and (2) an additional 6% adjustment to permit processing and annual operating renewal fees, implemented over FY 2014-2015 and 2015-2016.

CPI ADJUSTMENT

Staff recommends that for FY 2014-15, the current Regulation III - Fees be adjusted by 1.6% in accordance with the CPI set for CY 2013 per Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees, excluding the following fees:

- 1) The returned check service fee in various rules (currently set by state law at \$25)
- 2) Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP fees since they are set by the state)
- 3) Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only (since these fees are set by the state)
- 4) Rule 311(c) – Air Quality Investment Program (AQIP)

PERMIT PROCESSING AND ANNUAL RENEWAL FEE ADJUSTMENT

Staff proposes that in addition to the 1.6% CPI adjustment, permit processing and annual operating renewal fees in Regulation III be increased by 6% phased in over the next two fiscal years, (3% in FY 2014-15 and an additional 3% in FY

2015-16). Note that fees excluded from the 1.6 % CPI adjustment are also excluded from the proposed 6% increase.

Revenue Impacts

The 1.6% CPI adjustments to most Regulation III - Fees will result in \$1.4 million partial cost recovery for FY 2014-15. The proposed additional 6% adjustment in permit processing and annual operating renewals fees, implemented over the next two fiscal years (3% in FY 2014-15 and 3% in FY 2015-16) will result in an additional 1.7 million for FY 2014-15 and a total \$3.5 million for FY 2015-16.

California Environmental Quality Act

Since the proposed amendments to Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315) involves fees adjustment by public agencies for the purpose of meeting operating expenses and financial reserve requirements, it is statutorily exempt from CEQA, pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges. A Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following adoption of the proposed amended rules.

Socioeconomic Assessment

The socioeconomic assessment analyzing the impacts of the 1.6% CPI adjustment to most Regulation III - Fees is included as Attachment H to the staff report. Although nearly all facilities regulated by the SCAQMD would be affected by the proposed CPI increase, the compliance costs are projected to be limited.

In addition, a socioeconomic impact report for the proposed 6% fee increase in permit processing and annual operating renewal fees, implemented over the next two years, is also included as Attachment I to the staff report. Nearly all facilities regulated by the SCAQMD would be affected by this proposed fee adjustment, while the manufacturing sector is the largest contributor to both the permit processing fees (39 percent) and annual permit renewal fees (38 percent).

Resource Impacts

No additional resource impacts are expected.

Attachments

- A. Summary of Proposals
- B. Abstract of FY 2014-15 Draft Budget and Work Program
- C. Rule Development Process
- D. Key Contacts
- E. Resolution
- F. Proposed Rule Language
- G. Staff Report

- H. Socioeconomic Assessment For Automatic CPI Increase
- I. Socioeconomic Assessment For PAR III – Fees
- J. Notice of Exemption

ATTACHMENT A SUMMARY OF PROPOSALS

A. CPI ADJUSTMENT

For FY 2014-15, staff is recommending that all Regulation III - Fees be allowed to adjust, pursuant to the automatic action of Rule 320, by the 1.6% adjustment commensurate with the change in the CY 2013 CPI, excluding the following fees:

- 1) The returned check service fee in various rules (currently set by state law at \$25),
- 2) Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (or PERP fees; since these fees are set by the state),
- 3) Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only (since these fees are set by the state), and
- 4) Rule 311(c) Air Quality Investment Program Fees.

B. PERMIT PROCESSING AND ANNUAL RENEWAL FEES

The following tables summarize specific permit processing and annual operating renewal fees that would be subject to the additional 6% increase, phased in over two years (H&SC Section 40510.5(b)):

1) *Permit Processing Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-15 and an additional 3% for FY 2015-16):*

301(c)(1)(J)	Standard Streamlined Permits
301(c)(3)(A)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(B)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(C)	Change of Operating Condition, Alteration/Modification/Addition
301(e)(9)	Request to Amend Emissions Report and Refund of Emission Fees
301(g)	Reinstating Expired Applications or Permits; Surcharge
301(j)(1)(A)	CEQA Document Preparation
301(j)(1)(B)	CEQA Document Assistance
301(j)(4)	Payment for Public Notice

301(j)(5)(B)	Modification of an Existing Certified CEMS, FSMS, or ACEMS
301(j)(5)(C)	Modification of CEMS, FSMS, or ACEMS Monitored Equipment
301(j)(5)(D)	Periodic Assessment of an Existing RECLAIM CEMS/FSMS/ACEMS
301(j)(5)(E)	CEMS, FSMS, or ACEMS Change of Ownership
301(j)(7)	Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs
301(l)(4)	Facility Permit Fees (RECLAIM)
301(l)(5)	Facility Permit Fees Amendment (RECLAIM)
301(l)(13)	Breakdown Emission Report Evaluation Fee (RECLAIM)
301(l)(15)	Mitigation of Non-Tradeable Allocation Credits (RECLAIM)
301(l)(16)	Evaluation Fee to Increase an Annual Allocation (RECLAIM)
301(m)(3)(A)	Title V Facilities Initial Fee
301(m)(3)(B)	Title V Facilities Final Fee
301(m)(6)	Administrative Permit Revision Fee (Title V)
301(m)(7)	Permit Revision Fee (Title V)
301(m)(9)	Public Notice Fee (Title V)
301(m)(10)	Public Hearing Fees (Title V)
301(n)(5)	Fee for Change of Operator
301(q)	NESHAP Evaluation Fee
301(u)(1)	Initial Filing Fee (Rule 222)
301(u)(2)	Change of Operator/Location (Rule 222)
301(v)(1)	Permit Processing Fee (Expedited Processing)
301(v)(2)	CEQA Fee (Expedited Processing)
301(v)(3)	CEMS, FSMS, and ACEMS Fee (Expedited Processing)
301(v)(4)	Air Dispersion Modeling, HRA, Source Test & Report Fees (Expedited Processing)
301(v)(5)	ERC/STC Application Fees (Expedited Processing)
301 Table	Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification
301 Table	Summary of ERC Processing Rates
301 Table	Summary of Permit Fee Rates Change of Operator
301 Table IIA	Special Processing Fees – AQ Analysis/HRA

301 Table IIC FOOTNOTES ONLY	CEMS, FSMS And ACEMS Fee Schedule
301 Table VII	Summary of RECLAIM and Title V Fees
306(c)	Plan Filing Fee
306(d)	Plan Evaluation Fee
306(e)	Duplicate Plan Fee
306(f)	Inspection Fee (Plans)
306(g)	Change of Condition Fee (Plans)
306(i)(1)	Payment of Fees - Plan Filing or Submittal Fee
306(l)	Plan Application Cancellation Fee
306(m)	Protocol/Report Evaluation Fees
306(q)	Optional Expedited Protocol/Report Evaluation Processing Fee

2) *Annual Renewal Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-15 and an additional 3% for FY 2015-16):*

301(d)(2)	Annual Operating Fees
301(d)(3)	Credit for Solar Energy Equipment
301(l)(10)(E)	RECLAIM Pollutant Emission Fee (Special operating fee for refineries)
301(m)(8)	Renewal Fees (Title V)
301(u)(3)	Annual Renewal Fee (Non-permitted Emission Sources Subject to Rule 222)
306(h)	Annual Review/Renewal Fee (Plans)

* These fees may also be adjusted by the change in the CY 2014 CPI for FY 2015-16.

ATTACHMENT B

Abstract of Fiscal Year 2014-15 Draft Budget and Draft Work Program
of the
South Coast Air Quality Management District

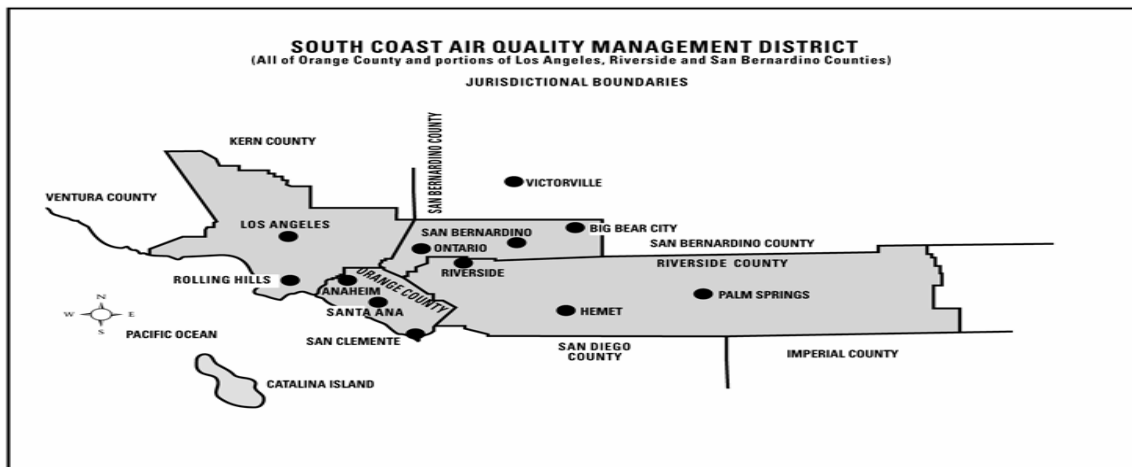
SUMMARY

Preface

This document represents the proposed FY 2014-15 Draft Budget and Work Program of the South Coast Air Quality Management District (SCAQMD). The proposed budget is available for public review and comment during the month of April. Two workshops are scheduled to discuss the budget, one for the public on April 11, 2014 and one for the Governing Board on April 25, 2014. A final Draft Budget and Work Program, which may include changes based on input from the public and Board, will be presented for adoption at a public hearing on June 6, 2014.

Introduction

The South Coast Air Quality Management District (SCAQMD) began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. The SCAQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties. It succeeded the Southern California Air Pollution Control District (APCD) and its predecessor four county APCDs, of which the Los Angeles County APCD was the oldest in the nation, having been formed in 1947. The SCAQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in SCAQMD's jurisdiction, six members appointed by cities in the SCAQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside, and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions and one member representing the City of Los Angeles.



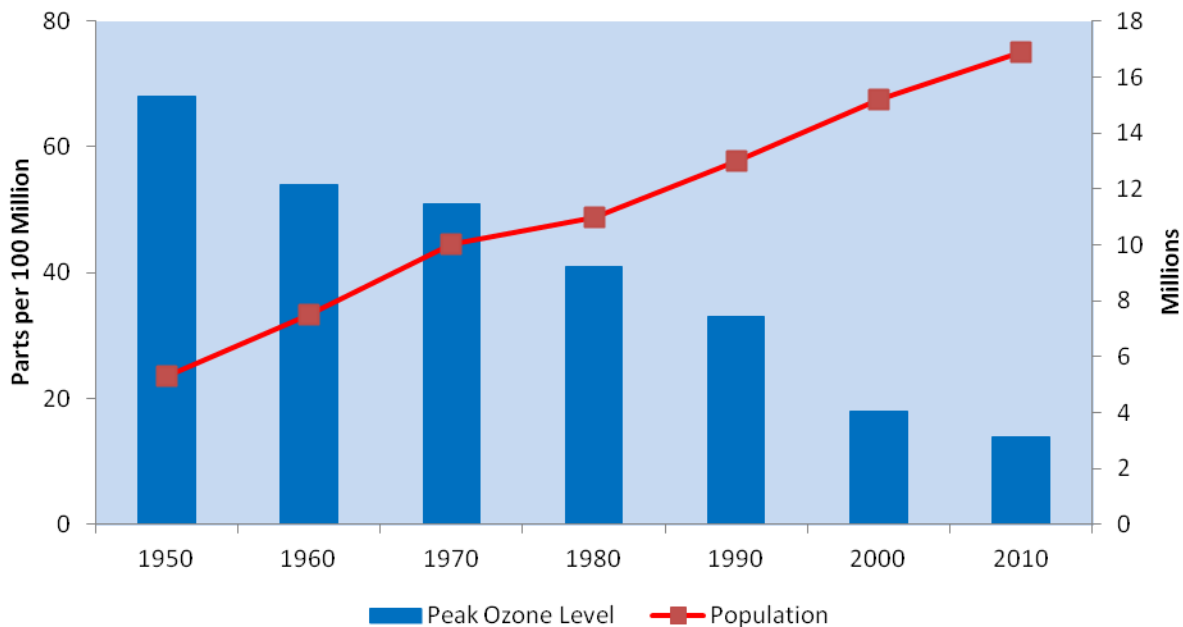
Air Quality History

The South Coast Air Basin has suffered unhealthy air since its rapid population growth and industrialization during World War II. While air quality has improved, the residents of the Basin still breathe some of the most polluted air in the nation.

The 66-year history of the region's air pollution control efforts is, in many ways, one of the world's key environmental success stories. Peak ozone levels have been cut by almost three-fourths since air monitoring began in the 1950s. Population exposure was cut in half during the 1980s alone.

Since the late 1940s when the war on smog began, the region's population has more than tripled from 4.8 million to over 16.4 million; the number of motor vehicles has increased over five-fold from 2.3 million to over 12.3 million; and the area has grown into one of the most prosperous regions of the world. This phenomenal economic growth illustrates that pollution control and strong economic growth can coincide.

60 Years of Progress in Reducing Ozone Levels



Mission

The SCAQMD believes all residents have a right to live and work in an environment of clean air and is committed to undertaking all necessary steps to protect public health from air pollution, with sensitivity to the impacts of its actions on the community and businesses. This mission is

pursued through a comprehensive program of planning, regulation, education, enforcement, compliance incentives, technical innovation and promoting public understanding of air quality issues. The SCAQMD has implemented a policy of working with regulated businesses to ensure their participation in making the rules which will impact them. This cooperative approach has resulted in greater business support for air that is more healthful to breathe.

To carry out its mission the SCAQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented at a public hearing. The following Goals have been established for FY 2014-15:

- I. Ensure expeditious progress toward meeting clean air standards and protecting public health.
- II. Enhance public education and ensure equitable treatment for all communities.
- III. Operate efficiently and in a manner sensitive to public agencies, businesses, the public and SCAQMD staff.

These goals are the foundation for the SCAQMD's Work Program. Each goal is supported by multiple activities, which target specific areas of program performance. A public hearing to receive input on the Goals and Priority Objectives for FY 2014-15 will be held on April 4, 2014.

Air Quality

Overview

The four-county Southern California region, designated for air quality purposes as the South Coast Air Basin, has some of the highest air pollution levels in the United States. The federal government has designated seven pollutants that are pervasive enough across the nation to warrant national health standards. Called "criteria pollutants," these are: ozone (O₃); nitrogen dioxide (NO₂); particulates (PM₁₀); fine particulates (PM_{2.5}); carbon monoxide (CO); lead (Pb); and sulfur dioxide (SO₂).

In addition, the State of California through the California Air Resources Board (CARB) sets ambient air quality standards for these same pollutants. California's standards are in some cases tighter than the federal Environmental Protection Agency's (EPA) standards, reflecting the conclusion on CARB's part that some of the federal standards are not adequate to protect public health in this region. Toxic compounds also are a potential problem. More toxic pollution is emitted into the air in the South Coast Basin than in any other region in California. The Basin's large number of vehicles and small sources—including small businesses and households using ozone-forming consumer products and paints—compounds the problem.

Air Quality Trends

Ozone levels have fallen by about three-quarters since peaks in the mid-1950s. Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels have gone down from nonattainment to full

attainment of federal health standards. In November 2008, EPA revised the lead standard from a 1.5 $\mu\text{g}/\text{m}^3$ quarterly average to a 0.15 $\mu\text{g}/\text{m}^3$ rolling 3-month average and added new near-source monitoring requirements. The Los Angeles County portion of the Basin has since been designated non-attainment for lead due to monitored concentrations near one facility. However, the most recent preliminary 2013 data shows that the Basin meets the current lead standard. EPA revised the 8-hour ozone standard, effective May 2008, from concentrations exceeding 0.08 ppm to concentrations exceeding 0.075 ppm. In 2013, the current federal 8-hour ozone standard was exceeded on 94 days, the lowest number of exceedance days so far, based on preliminary 2013 data. The federal ozone standard was exceeded on 111 days in 2012 and 106 days in 2011. The maximum observed ozone levels show some year-to-year variability, but have generally been decreasing over the years. The highest 8-hour ozone level in the 2013 preliminary data was 0.112 ppm in 2013, compared to 0.112 ppm and 0.136 ppm in 2012 and 2011 respectively.

In 2007, EPA formally re-designated the Basin from nonattainment to full attainment of the federal health standard for carbon monoxide. Basin-wide maximum levels of carbon monoxide have been consistently measured at more than 30% below the federal standard since 2004. In 2010, EPA established a new NO_2 1-hour standard at a level of 100 ppb (0.100ppm) and SO_2 1-hour standard at a level of 75 ppb (0.075 ppm). In 2013, no sites exceeded the 1-hour NO_2 standard in the preliminary data.

In 2006, EPA rescinded the annual federal standard for PM_{10} but retained the 24-hour standard. Ambient levels of PM_{10} in the Basin meet the federal 24-hour PM_{10} standard. EPA has re-designated the Basin as attainment of the health based standard for PM_{10} . $\text{PM}_{2.5}$ levels have decreased dramatically in the Basin since the beginning of the decade; however, concentrations are still slightly above the federal annual and 24-hour standards at one monitoring station. While our air quality continues to improve, the South Coast Air Basin remains one of the most unhealthful areas in the nation in terms of air quality.

Mandates

The SCAQMD is governed and directed by several state laws and a comprehensive federal law which provide the regulatory framework for air quality management in this Basin. These laws require the SCAQMD to take prescribed steps to improve air quality.

Generally speaking, SCAQMD is responsible for stationary sources such as factories and businesses. The CARB is primarily responsible for motor vehicles. The SCAQMD and CARB share responsibilities with respect to area sources. The SCAQMD and Southern California Association of Governments (SCAG) share some responsibilities with CARB regarding some aspects of mobile source emissions. Control of emissions from sources such as airports, harbors, and trains is shared by the federal EPA, CARB and the SCAQMD.

Under state law, the SCAQMD must periodically develop and submit to the state an Air Quality Management Plan (AQMP) demonstrating how the region will achieve state and federal ambient air quality standards, or at a minimum demonstrate that all feasible measures are

being carried out to meet state air quality standards. Each iteration of the plan is an update of the previous plan. To date, the SCAQMD's Governing Board has adopted such plans demonstrating attainment in 1989, 1991, 1994, 1997, 1999 (amendments to plan adopted in 1997), 2003, 2007 and 2012. Earlier plans in 1979 and 1982 did not show attainment and predicted continued unhealthful air well into this century. The current 2012 AQMP demonstrates attainment of the federal 24-hour PM_{2.5} standard by 2014. Revisions to the federal annual PM_{2.5} standard, adopted by EPA to further protect public health, will extend the projected attainment of the new annual PM_{2.5} standard to the 2020-2025 timeframe. The revised 2008 federal 8-hour ozone standard is projected to extend attainment to 2032. Determination of the final attainment date will be part of the 2016 AQMP already under development.

State Laws include:

- California Clean Air Act (AB 2595) requires air districts in California to adopt plans to expeditiously meet state ambient air quality standards. It mandates that SCAQMD's attainment plans meet several specific requirements including:
 - ◆ a 5% per year reduction in emissions (the plan can achieve less than 5% annual reduction if it includes every feasible measure and an expeditious adoption schedule);
 - ◆ Best Available Control Technology (BACT) for new and modified sources;
 - ◆ Best Available Retrofit Control Technology (BARCT) for existing sources.
- Lewis-Presley Air Quality Management Act (SB 151) specifies additional, more stringent requirements for air quality plans in the South Coast area. It specifies that SCAQMD has responsibility to prepare the plan in conjunction with SCAG, which must prepare the portions of the plan relating to demographic projections, land use, and transportation programs.
- Air Toxics "Hot Spots" Information & Assessment Act (AB 2588) requires facilities that emit significant quantities of pollutants to prepare health risk assessments describing the impact of toxic contaminants on neighboring areas. If the SCAQMD determines that the toxic emissions create a significant risk, the public must be notified, and facilities must reduce emissions to below significant levels.
- Tanner Air Toxics Process (AB 1807) requires CARB to adopt air toxic control measures to limit emissions of toxic air contaminants from classes of industrial facilities. Local air districts are required to enforce these regulations or adopt equally stringent regulations of their own.

State law also includes the following measures:

- authorizes SCAQMD to adopt market incentives such as the emissions trading program known as RECLAIM as long as the emitters achieve reductions equivalent to command-and-control regulations;
- requires SCAQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels;

- requires SCAQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

Under the Federal Clean Air Act, the SCAQMD must develop and submit to CARB for review, followed by submittal to the EPA, an element of the State Implementation Plan (SIP) demonstrating how the region will achieve federal ambient air quality standards. In the case of ozone, the plan was required to be submitted by November 15, 1994 and for fine particulates, PM₁₀, the plan was required to be submitted by February 8, 1997. Plans for other pollutants were submitted in earlier years. In 1997, EPA adopted new ambient air quality standards for PM_{2.5} and replaced the 1-hour ozone standard with the new standard measured over an eight-hour period. Plans to attain these federal standards were submitted to EPA in November, 2007. The plan to attain the 24-hour PM_{2.5} standard by 2014 was submitted in early 2013. The Federal Clean Air Act mandates that sanctions be imposed on an area if a suitable plan is not adopted. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for SCAQMD's AQMP include stringent requirements plus Lowest Achievable Emission Rate (LAER) and offsets for major new sources. Federal law also requires an operating permit program for major stationary sources, known as Title V, which must be supported by permit fees. Also, air toxics regulations adopted by EPA pursuant to Title III must be implemented by SCAQMD.

Air Quality Control

Developing solutions to the air quality problem involve highly technical processes and a variety of resources and efforts to meet the legal requirements of California and federal laws.

Monitoring: The first step is to determine the smog problem by measuring air pollution levels. SCAQMD operates 41 monitoring stations throughout its four-county jurisdiction. These range from full-service stations that measure all criteria pollutants, as well as some toxic pollutant levels, to those which measure specific pollutants in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and for planning efforts to address the problem.

Pollution Sources: The SCAQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a small portion of the emissions and must be considered. In general, the SCAQMD estimates stationary and natural sources of emissions, SCAG develops the information necessary to estimate population and traffic, and CARB develops the information necessary to estimate mobile and area source emissions using the SCAG traffic data. This data is then pulled together in the AQMP for use in developing the necessary control strategies.

Air Quality Modeling: Using air quality, meteorological and emissions models, SCAQMD planners simulate air pollution to demonstrate attainment of the air quality standards and the impacts of sources to local and regional air quality. Due to the nature of air pollution, air quality models can be very complex. Some pollutants are not emitted directly into the air but

are products of photochemical reactions in the atmosphere. For example, VOCs mix with nitrogen dioxide (NO₂) and react in sunlight to form ozone; similarly, nitrogen oxide gases from tailpipes and smokestacks can be transformed into nitrates or particulates (PM_{2.5} and PM₁₀). The planners thus must take into account transport, land use characteristics and chemical reactions of emissions in the atmosphere to evaluate air quality impacts. Using model output, planners can look at different control scenarios to determine the best strategies to reduce air pollution for the lowest cost.

The considerable data required for these analyses is collected on an ongoing basis by SCAQMD staff. Modeling data is prepared and delivered using a geographic information system (GIS). GIS capability is used to prepare and produce data and spatial analysis maps for rulemaking, Environmental Impact Report (EIR) development and for other Offices within SCAQMD.

Planning: With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. The SCAQMD focuses most of its effort on stationary source controls. As mentioned earlier, for the most part, strategies to reduce driving are developed by SCAG, while mobile source control standards are developed by CARB.

Once a plan of emission controls to achieve federal standards is outlined, SCAQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. The SCAQMD also conducts a socioeconomic analysis of the strategies. The SCAQMD maintains an ongoing and independent advisory group of outside experts for both its air quality modeling and socioeconomic assessment methodologies.

To meet federal air quality standards, the 2007 AQMP called for significant reductions from projected baseline emissions (2015 for annual PM_{2.5} and 2024 for eight-hour ozone). These combined reductions, while meeting federal standards, will still not result in attainment of all California air quality standards since these are more stringent than federal standards. The 2012 AQMP addresses the 24-hour PM_{2.5} standard, demonstrating attainment by 2014 primarily through enhancements to existing episodic mandatory burn restrictions. The SCAQMD is working on improving the emissions inventory and modeling techniques to address the new federal annual PM_{2.5} and 8-hour ozone air quality standards for the next AQMP revision, the 2015 AQMP.

Rulemaking: The regulatory process, known as rulemaking, takes the concepts of control measures outlined in the AQMP and turns them into proposed rule language. This process involves the following: extensive research on technology; site inspections of affected industries to determine feasibility; typically a year or more of public task force and workshop meetings; in-depth analyses of environmental, social and economic impacts; and thorough review with appropriate Governing Board Committees.

This extensive process of public and policymaker participation encourages consensus in development of rule requirements so that affected sources have an opportunity for input into the rules which will regulate their operations. Once the requirements are developed, the proposed rule, along with an environmental impact report and a socioeconomic report, is

presented to SCAQMD's Governing Board at a public hearing. Public testimony is presented and considered by the Board before any rule is adopted. The adopted or amended rules are then submitted to CARB and EPA for their approval. It is not uncommon that rulemaking will include follow-up implementation studies. These studies may extend one or more years past rule adoption/amendment and prior to rule implementation. Such studies are typically submitted to the Governing Board or appropriate Governing Board Committees.

Enforcement and Education: The SCAQMD issues permits to construct and operate equipment to companies to ensure equipment is operated in compliance with adopted rules. Follow-up inspections are made to ensure that equipment is being operated under permit conditions.

Technical Innovation: In the late 1980s, SCAQMD recognized that technological innovation, as well as rule enforcement, would be necessary to achieve clean air standards. Thus the Technology Advancement Office was created to look for and encourage technical innovation to reduce emissions. The California State Legislature supported this effort by providing a \$1 surcharge on every DMV registration fee paid within the SCAQMD. These funds have been matched at a ratio of approximately three-to-one with funds from the private sector to develop new technologies such as low-emission vehicles, low-NO_x burners for boilers and water heaters, zero-pollution paints and solvents, fuel cells and other innovations.

An additional \$4 vehicle registration fee was authorized by the state legislature in 1990. These fees are administered through the SCAQMD with \$1.20 going to the SCAQMD for mobile source emissions reductions, \$1.60 subvended directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Reduction Review Committee (MSRC). The MSRC is an outside panel established by state law whose function is to make the decisions on the actual projects to be funded from that portion of the revenue.

Public Education: In the end, SCAQMD's efforts to clean up the air will be successful only to the extent that the public understands air quality issues and supports and participates in our cleanup effort. Thus, the SCAQMD strives to involve and inform the public through the Legislative and Public Affairs office, public meetings, publications, the press, and public service announcements.

Budget Synopsis

The SCAQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30 of the following year. The period covered by the FY 2014-15 budget is from July 1, 2014 to June 30, 2015. The General Fund budget is the agency's operating budget and is structured by Office and account. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a work program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed for each work

program which identifies performance goals, measureable outputs, legal mandates, activity changes and revenue categories.

The annual budget is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year end to the extent that they have not been expended or encumbered. Budgeted revenues are projected to be collected during the fiscal year. Throughout the year, budget amendments may be necessary to accommodate additional revenue streams and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by SCAQMD's Governing Board. They are submitted to the Governing Board for approval at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of the additional revenue or funding for the expenditure. Budget amendments resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

SCAQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. All transactions in Special Revenue Funds are approved by the Governing Board.

Budget Process

The SCAQMD budget process begins by establishing Goals and Priority Objectives for the fiscal year. The proposed annual budget and multi-year forecast is then developed by the Offices, Finance, Executive Council, and the Executive Officer based on the Goals and Priority Objectives as well as guidelines issued by the Executive Officer. Each Office submits requests for staffing, select Salary accounts, Services and Supplies accounts, and the Capital Outlays account. The remaining salary and benefit costs are developed by Finance. Capital expenditure requests are reviewed by an in-house committee who prioritizes the requests. Revenue projections are developed by Finance based on input received from the appropriate Offices and incorporating any proposed changes to the fee schedules. This information is integrated into an initial budget request, including a top-level multi-year forecast, and then fine-tuned under the direction of the Executive Officer to arrive at a proposed budget. The public, business community, and other stakeholders have several opportunities to participate in the budget process, up to and at the budget adoption hearing by the Governing Board, including:

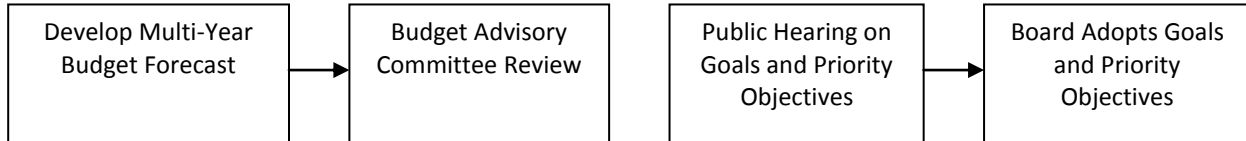
- two meetings of the Budget Advisory Committee whose members include various stakeholder representatives
- a public workshop to discuss proposed changes to the fee schedules and to discuss the proposed budget
- two public hearings, including one on the Goals and Priority Objectives and one on the proposed budget

The proposed budget is presented to SCAQMD's Governing Board at a budget workshop and to SCAQMD's Administrative Committee. Any public comment and Budget Advisory Committee

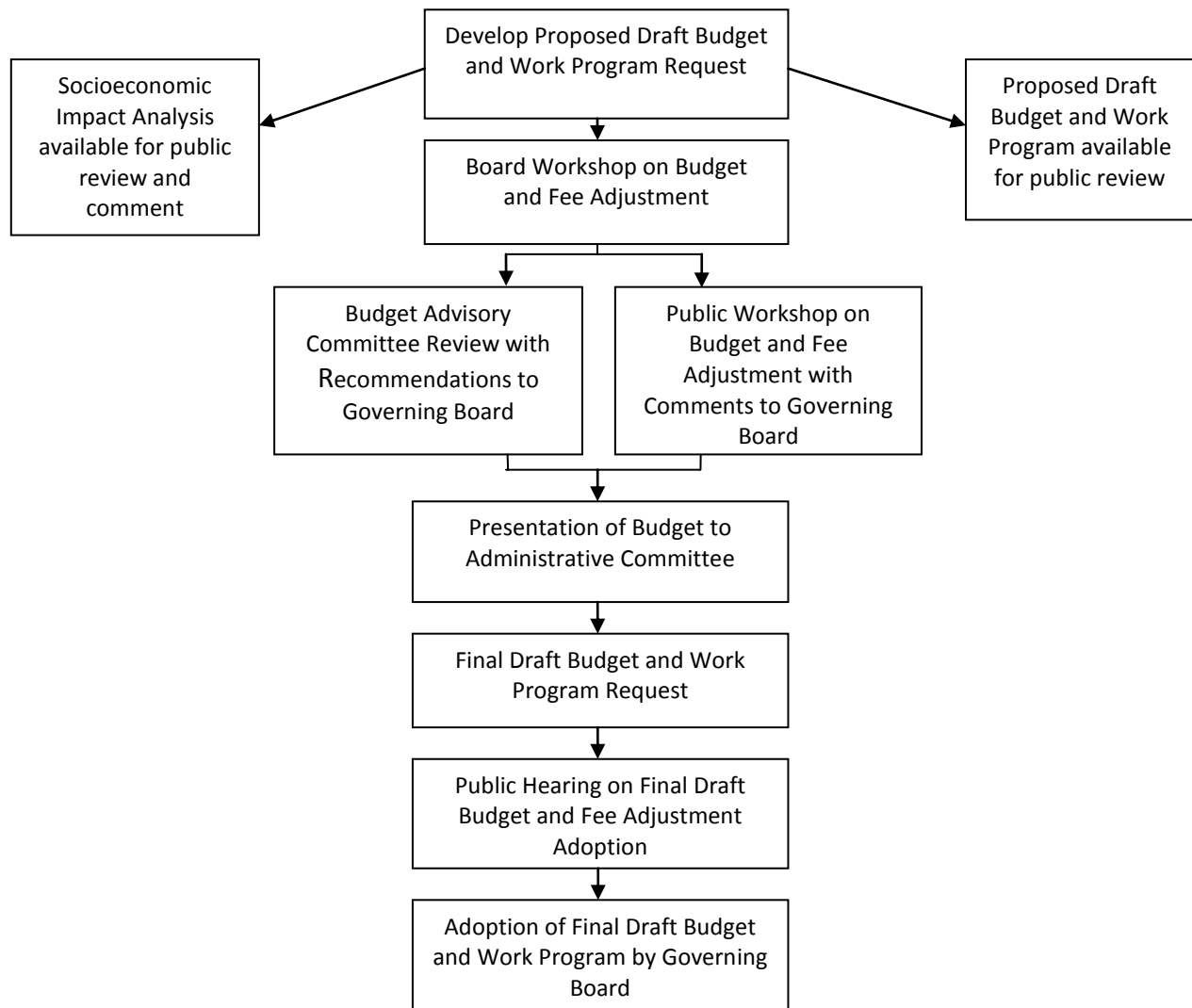
recommendations are also submitted to the Governing Board. The final proposed budget, including final fee schedules, is adopted by the Governing Board and is in place on July 1 for the start of the new fiscal year.

The following flow charts represent the major milestones and processes that take place in the development of the SCAQMD budget:

Preliminary Budget Process



Annual Budget Process



Budget Timeline	
Budget packages distributed to Offices	Mid November
Budget submissions received from Offices	Mid January
Budget Advisory Committee meeting	Mid January
Proposed budget available for public review	April
Public Hearing on Goals & Priority Objectives	April
Budget Advisory Committee meeting on proposed budget	April
Public Workshop on proposed budget	April
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April
Governing Board budget workshop	April
Budget presented to Administrative Committee	May
Public Hearing & Governing Board adoption of budget	June

Proposed Draft Budget & Work Program

Budget Overview

The proposed budget for FY 2014-15 is a balanced budget with expenditures and revenues of \$132.2 million. To compare against prior years, the following table shows SCAQMD amended budget and actual expenditures for FY 2012-13, adopted and amended budgets (as of March 2014) for FY 2013-14 and proposed budget for FY 2014-15.

Description	FY 2012-13 Amended	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Amended¹	FY 2014-15 Budget
Revenue/Transfers In	\$133.7	\$135.2	\$129.2	\$134.2	\$132.2
Program Costs/Transfers Out	\$150.3	\$144.1	\$129.2	\$134.2	\$132.2

¹ Includes Board approved changes through March 2014

This budget reflects a decrease of approximately \$2 million in expenditures from the FY 2013-14 amended budget and a \$3 million increase in expenditures from the budget adopted for FY 2013-14. The increase in expenditures from the FY 2013-14 adopted budget can be attributed to increases in retirement, building operations, and infrastructure improvement costs. The FY 2014-15 proposed budget increases the funded staffing level by 1 position (from 797 to 798) from the FY 2013-14 adopted budget.

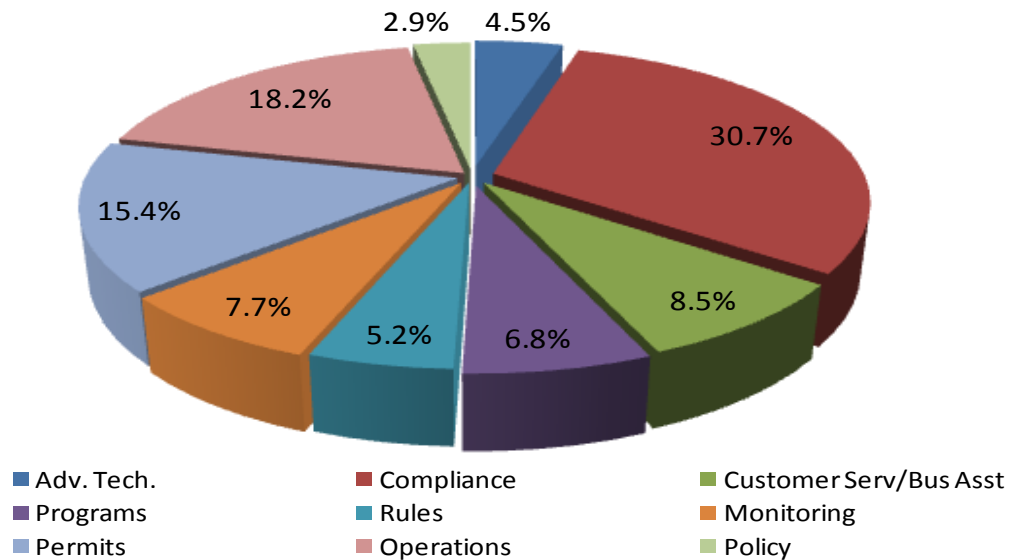
Expenditures

Work Program

SCAQMD expenditures are organized into nine Work Program Categories: Advance Clean Air Technology; Ensure Compliance with Clean Air Rules; Customer Service and Business Assistance; Develop Programs to Achieve Clean Air; Develop Rules to Achieve Clean Air; Monitoring Air Quality; Operational Support; Timely Review of Permits; and Policy Support. Each category consists of a number of Work Programs, or activities, which are classified according to the nature of the activity being performed.

Each Work Program ties to the goals and objectives of the agency and identifies resources, performance measures/outputs and legal mandates. A complete description of each program category along with a detailed work program sort by program is included in the Work Program section. The pie chart that follows represents the budgeted expenditures by Program Category for FY 2014-15.

Work Program Category Expenditures



The following table compares SCAQMD Work Program expenditures by category for the FY 2013-14 adopted budget and FY 2014-15 proposed budget.

Work Program Categories	FY 2013-14 Adopted Budget	FY 2014 -15 Proposed Budget
Advance Clean Air Technology	\$ 5,779,722	\$ 5,943,279
Ensure Compliance with Clean Air Rules	38,125,605	40,595,094
Customer Service and Business Assistance	10,537,656	11,257,410
Develop Programs to Achieve Clean Air	9,845,401	9,001,281
Develop Rules to Achieve Clean Air	6,539,563	6,937,646
Monitoring Air Quality	11,197,603	10,159,755
Operational Support	23,237,586	24,127,044
Timely Review of Permits	19,923,476	20,331,852
Policy Support	4,016,316	3,866,713
Total	\$ 129,202,928	\$ 132,220,074

Account Categories

The following table compares the FY 2013-14 adopted budget to the proposed budget for FY 2014-15 by account category. The middle column is the FY 2013-14 amended budget that includes the Board-approved mid-year adjustments through March 2014.

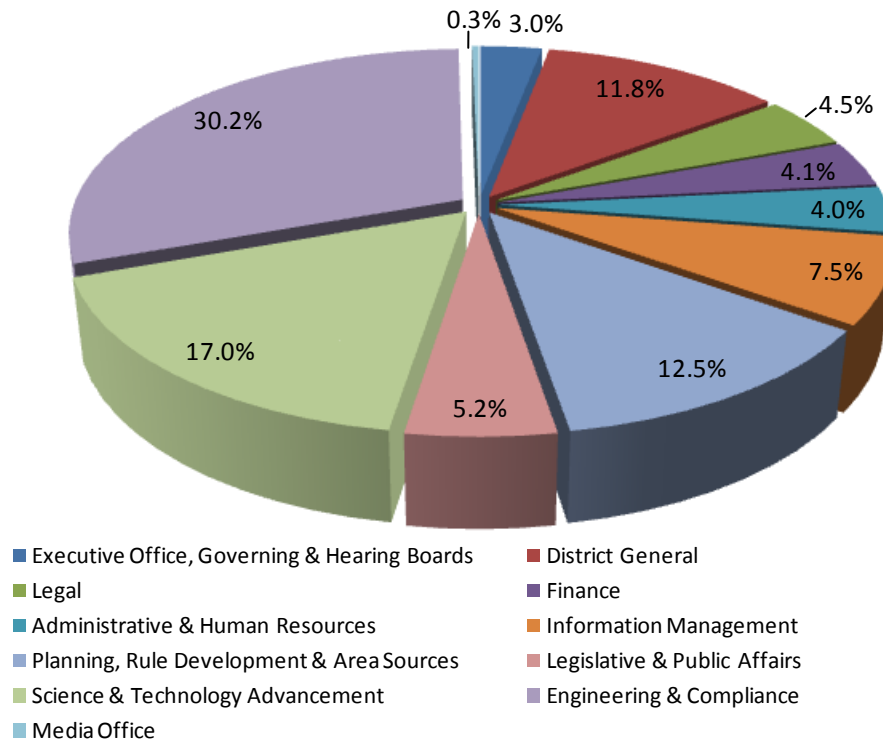
Account Description	FY 2013-14 Adopted Budget	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget
Salaries/Benefits	\$ 103,992,299	\$ 103,654,844	\$ 106,539,331
Insurance	1,097,400	1,121,249	1,317,400
Rents	424,780	666,506	431,234
Supplies	2,443,780	3,047,249	2,449,483
Contracts and Services	7,121,050	9,786,534	7,116,845
Maintenance	1,456,619	1,771,176	1,977,611
Travel/Auto Expense	696,502	891,039	693,502
Utilities	1,591,881	1,652,098	1,766,989
Communications	620,226	683,226	626,226
Capital Outlay	1,537,500	2,513,250	1,062,500
Other	1,004,850	1,166,,978	1,002,575
Debt Service	7,216,041	7,216,041	7,236,378
Total	\$ 129,202,928	\$ 134,153,937	\$ 132,220,074

As mentioned previously, the proposed budget for FY 2014-15 represents an approximately \$2 million decrease in expenditures from the FY 2013-14 amended budget. The FY 2013-14 amended budget includes mid-year increases associated with the purchase of hydrogen sulfide analyzer systems, software development work, the MATES IV study, the purchase of a PM_{2.5} monitor, implementation costs for the Low Emissions Hearth Product Incentive Voucher Program as well as grant related expenditures offset by revenue.

Office Categories

The following pie chart represents budgeted expenditures by Office for FY 2014-15

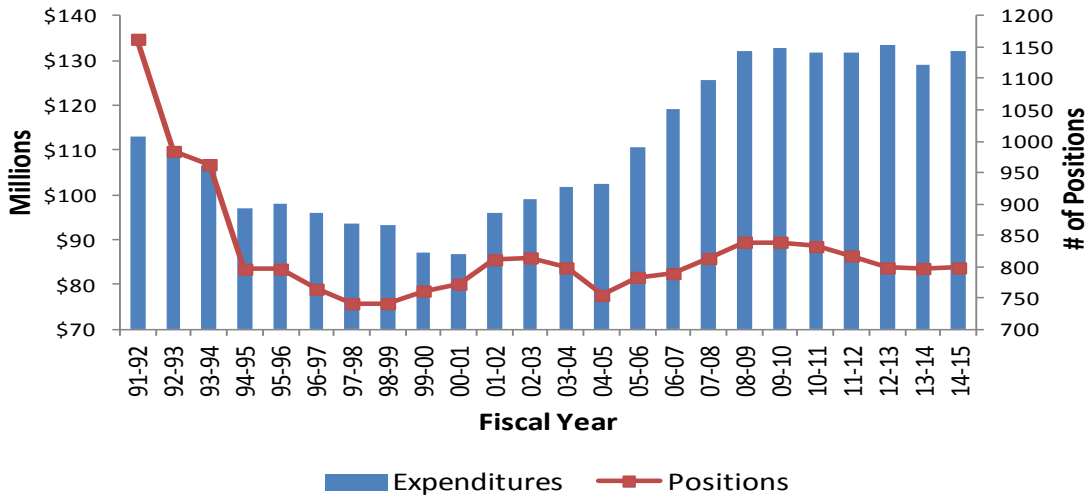
Expenditures by Office



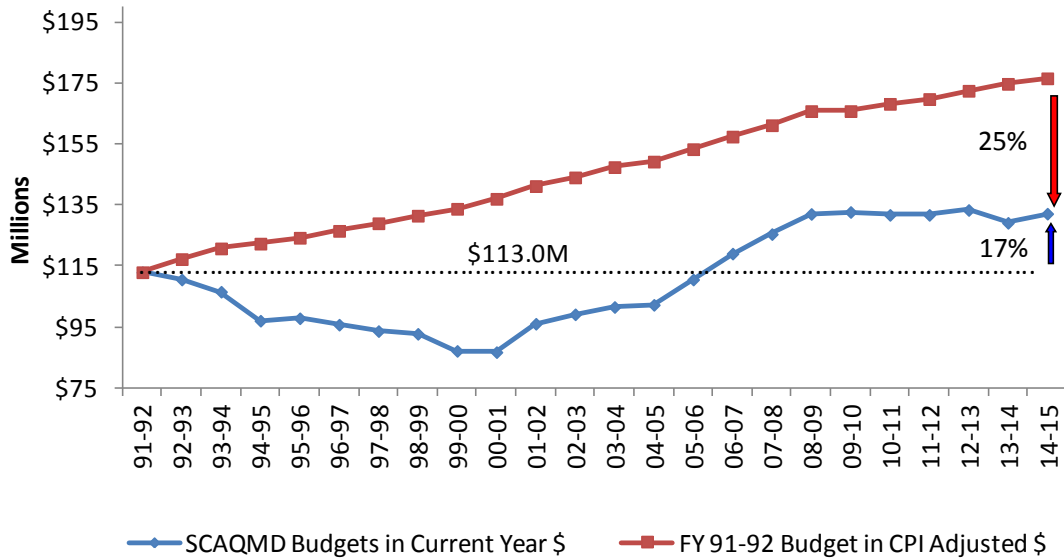
Budget Changes

Over the years, SCAQMD has focused on streamlining many of its operations while still meeting its program commitments, despite new federal and state mandates and increased workload complexity. The focus has been on reducing expenditures in the Major Object of Services and Supplies and maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted or be unfunded. This effort has resulted in reduced program costs and is reflected in the following charts showing SCAQMD's staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2014-15 reflects a staffing level of 798 FTEs. This level is 31% (365 FTEs) below the FY 1991-92 level. The FY 2014-15 proposed budget when compared to the FY 1991-92 adopted budget of \$113M is only 17% higher. After adjusting the FY 1991-92 adopted budget for CPI over the last 23 years, the FY 14-15 proposal is 25% lower.

Changes in Expenditure Budget



Inflation Impact on SCAQMD Budgets FY 1991-92 through FY 14-15

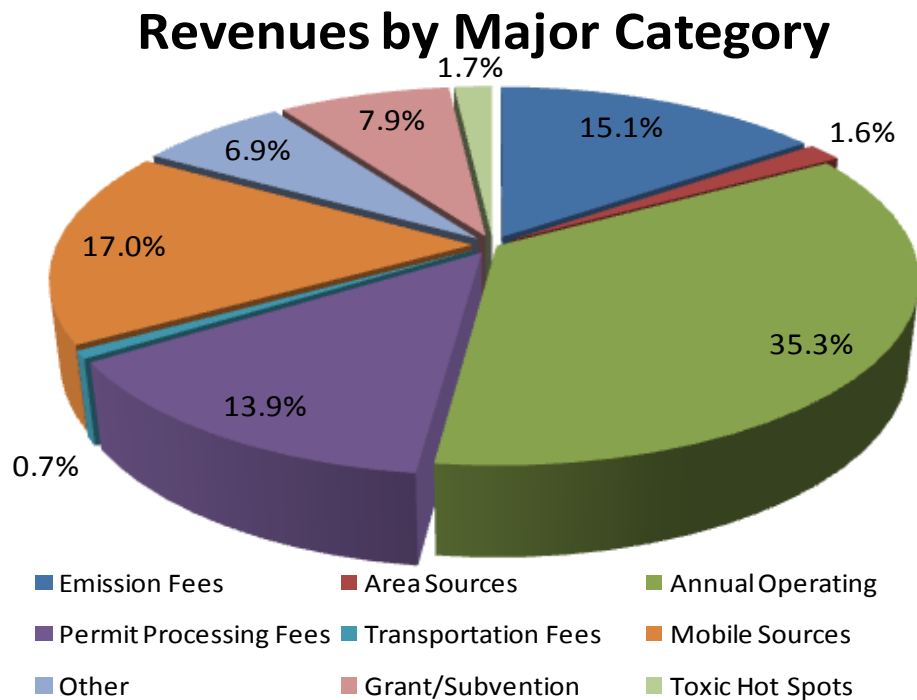


CPI adjustment based on California Consumer Price Index for preceding CY

Revenues

Revenue Categories

Each year, in order to meet its financial needs, the SCAQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, processing fees, toxic “hot spots” fees, area sources fees, and transportation plan fees which are estimated to generate approximately \$90 million or about 68% of SCAQMD revenues. Other sources, which include penalties/settlements, interest, and miscellaneous income, generate approximately 7% of total revenues. The remaining 25% of revenue are projected to be received in the form of federal grants, California Air Resource Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning with its Fiscal Year 1978-79 Budget, the SCAQMD became a fee supported agency no longer receiving financial support from property taxes. The revenue budget includes a proposed CPI fee adjustment of 1.6% plus an additional fee adjustment of 3% in FY 2014-15 and an additional 3% in FY 2015-16 for Annual Operating Permit Renewal and Permit Processing Fees to better align program costs with revenues.



The following table compares the FY 2013-14 adopted revenues to the proposed revenues for FY 2014-15. The middle column is the adjusted revenues for FY 2013-14 that include Board-approved mid-year changes through March 2014.

Revenue Description	FY 2013-14 Adopted Budget	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget
Annual Operating Emission Fees	\$ 20,381,603	\$ 20,381,603	\$ 19,907,239
Annual Operating Permit Renewal Fees	43,077,692	43,077,692	45,519,161
Permit Processing Fees	18,199,082	18,199,082	18,340,435
Portable Equip Registration Prgm	745,780	745,780	1,184,169
Area Sources	2,040,720	2,040,720	2,133,600
Grant/Subvention	10,515,776	13,738,771	10,429,152
Mobile Sources	22,469,606	24,027,106	22,452,611
Transportation Program	954,037	954,037	894,080
Toxic Hot Spots	2,151,776	2,151,776	2,291,515
Other ¹	8,666,856	8,837,370	9,068,112
Total	\$ 129,202,928	\$ 134,153,937	\$ 132,220,074
¹ Includes revenues from Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Interest, Subscriptions, Transfers In, and Other.			

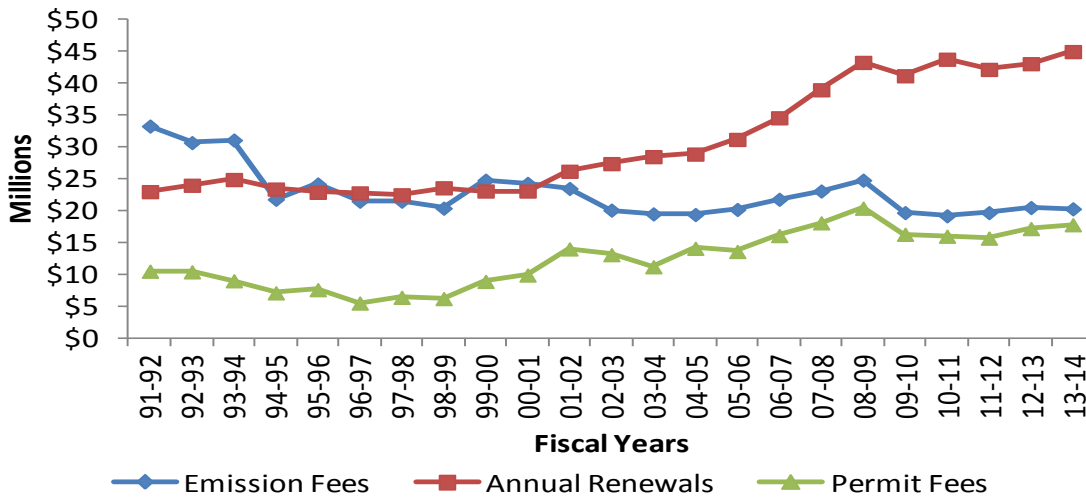
Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions based fees) collected from stationary sources has increased by about 24% from \$66.8 million in FY 1991-92 to \$83.1 million (estimated) in FY 2013-14. When adjusted for inflation however, stationary source revenues have decreased by 20% over this same period.

Mobile source revenues that are subvended to the SCAQMD by the Department of Motor Vehicles (DMV) are projected to stay flat from the FY 2013-14 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects incentive programs (Clean Fuels, Carl Moyer, and Prop 1B) whose contract activities and revenues are recorded in special revenue funds outside the General Fund. These incentive program costs are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected in the FY 2013-14 Amended Budget under the Mobile Source revenue category.

Revenues from the federal government, (Environmental Protection Agency, Department of Homeland Security, and Department of Energy) are projected to stay flat in FY 2014-15 from FY 2013-14 budgeted levels reflecting the anticipated amount of federal dollars from other one-

time and on-going grants in support of air quality efforts. State Subvention funding is expected to remain at the current level (reduced approximately 33% from FY 2001-02) for FY 2014-15. The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on SCAQMD fee authority) to estimated revenues for FY 2013-14.

Stationary Source Fees



Debt Structure

Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the SCAQMD in December 1995. In June 2004 the SCAQMD went out separately and issued pension obligation bonds to refinance its respective obligation to the San Bernardino County Employee's Retirement Association for certain amounts arising as a result of retirement benefits accruing to members of the Association.

The annual payment requirements under these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 3,159,384	\$ 4,031,994	\$ 7,191,378
2016	3,235,598	3,954,554	7,190,152
2017-2018	6,763,808	7,620,198	14,384,006
2019-2023	18,867,074	14,029,476	32,896,550
2024	4,010,000	118,897	4,128,897
Total	\$ 36,035,864	\$ 29,755,119	\$ 65,790,983

Fund Balance

The SCAQMD is projecting an Unreserved Undesignated Fund Balance for June 30, 2015 of \$23,103,647 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2014-15.

Classification	Reserve/Unreserved Designation	Amount
Committed	Reserve for Encumbrances	\$ 6,947,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Litigation/Enforcement	1,600,000
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	288,385
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserves & Unreserved Designations		\$ 14,830,899

Reserves represent portions of the fund balance set aside for future use and are therefore not available for appropriation. These reserves are made-up of encumbrances which represent the estimated amount of current and prior years' unperformed purchase orders and contract commitments at year-end; and inventory which represents the value at cost of office, computer, cleaning and laboratory supplies on hand at year-end.

Designations in the fund balance indicate plans for use of financial resources in future years. The SCAQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment. The Designation for Litigation/Enforcement provides funding for outside legal support. The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. The Designation for Enhanced Compliance Activities provides funding for inspection/compliance efforts. The Designation for Other Post Employment Benefit Obligations (OPEB) provides funding to cover the current actuarial valuation of the inherited OPEB obligation for long-term healthcare costs from the County of Los Angeles resulting from the consolidation of the four county Air Pollution Control Districts (APCDs).

Long-Term Projection

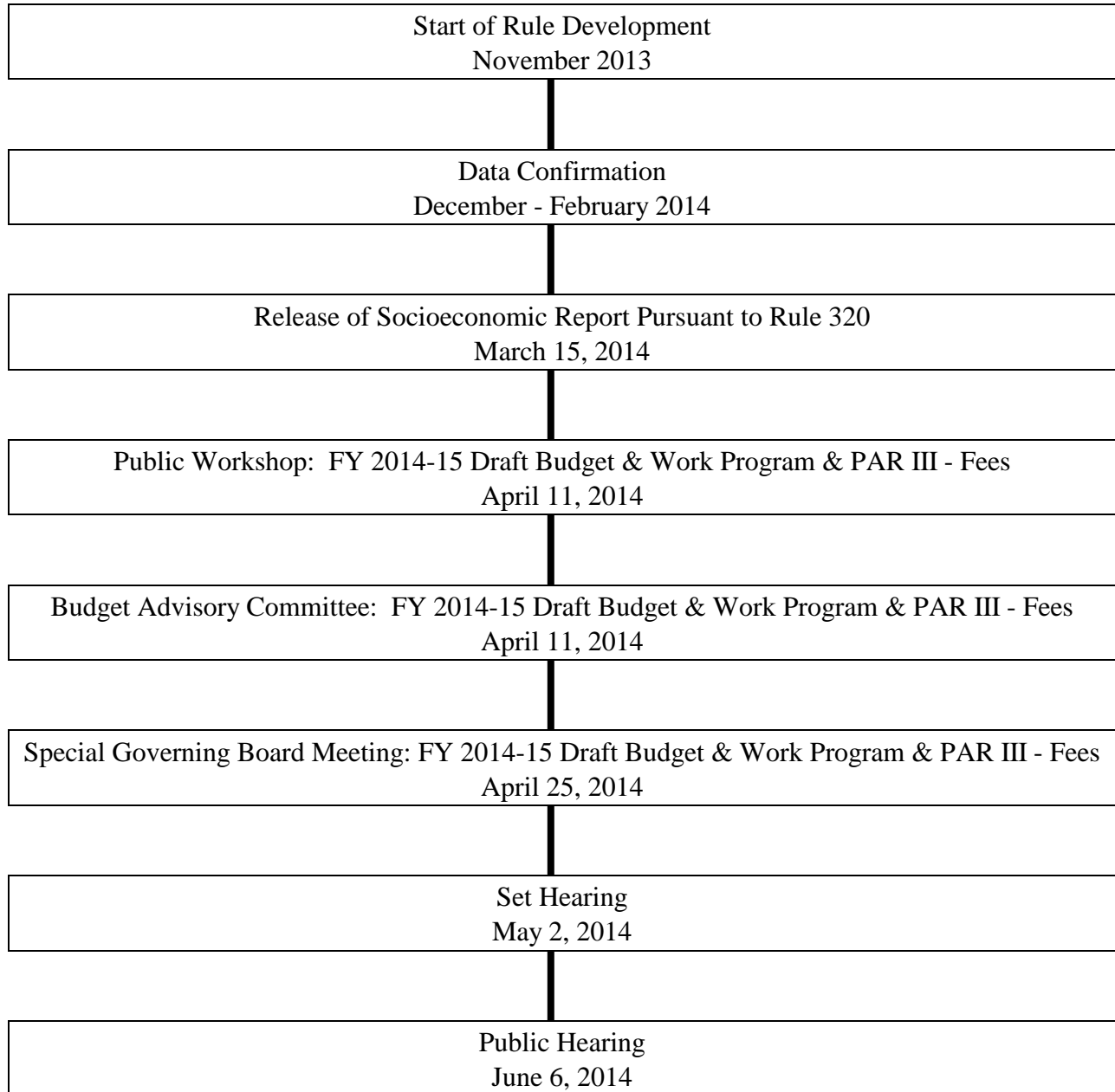
The SCAQMD continues to face a number of challenges in the upcoming years, including higher operating costs due to the market losses incurred by the retirement system and the need for major infrastructure improvement projects for an aging headquarters building, streamlining operations while meeting program commitments and uncertainties in the business environment as the economy overcomes the economic downturn of the past several years. A primary uncertainty is the degree of fluctuations the financial markets will take over the next few years which will determine the performance of our retirement investments and other investments. Another uncertainty is any legislative action that may impact the level of federal and state funding from grant awards and subvention funds. Cost recovery within the constraints of Prop 26 is a third uncertainty as SCAQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, SCAQMD has a five year plan in place that provides for critical infrastructure improvement projects, maintains a stable vacancy rate in order to maximize cost efficiency, and sets the percentage of unreserved fund balance to revenue above the Governing Board mandate of 20%. In addition, the Governing Board approved a transfer of \$5 million from the General Fund Undesignated Fund Balance to the Debt Service Fund to provide funding for the debt service payments related to outstanding Pension Obligation Bonds over Fiscal Years 2015-16 through 2019-20.

The following chart, outlining SCAQMD’s financial projection over this time period, shows the agency’s commitment to meet these challenges and uncertainties while protecting the health of the residents within the SCAQMD boundaries and remaining sensitive to business.

Fiscal 2013-14 Estimate and Five Year Projection						
(\$ in Millions)						
	FY 13-14 Estimate	FY 14-15 Proposed	FY 15-16 Projected	FY 16-17 Projected	FY 17-18 Projected	FY 18-19 Projected
STAFFING	797	798	797	797	797	797
REVENUES*/TRANSFERS IN	\$136.2	\$132.2	\$133.7	\$135.2	\$135.4	\$137.5
EXPENDITURES/TRANSFERS OUT	\$132.2	\$132.2	\$133.7	\$135.2	\$135.4	\$136.3
Change in Fund Balance	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.2
UNRESERVED FUND BALANCE (at year-end)	\$35.9	\$30.9	\$30.9	\$30.9	\$30.9	\$32.1
% of REVENUE	26.4%	23.4%	23.1%	22.9%	22.8%	23.3%
*Includes projected CPI fee increase of 1.6% for FY 2014-15, 2.1% for FY 2015-16, and 2.2% for FY 2016-17, FY 2017-18 and FY 2018-19. In FY 2014-15 & FY 2015-16 an additional 3% increase to Permit and Annual Operating revenue is being proposed.						

ATTACHMENT C RULE DEVELOPMENT PROCESS



Time Spent in Rule Development: 8 months

ATTACHMENT D KEY CONTACTS

Ed Camarena	SCAQMD Hearing Board (Budget Advisory Committee)
Ben Clymer	
Bryan Clymer	
Curtis Coleman	Southern California Air Quality Alliance (Budget Advisory Committee)
Randy Guttera	Walgreens
Bill Lamar	Center for Strategic and Budgetary Assessments (Budget Advisory Committee)
Baldomero Lopez	
Bill Quinn	California Council for Environmental and Economic Balance (Budget Advisory Committee)
Patrick Griffith	Los Angeles County Sanitation Districts
Xuyen Trieu	
Lee Wallace	Southern California Gas Company (Budget Advisory Committee)

**ATTACHMENT E
RESOLUTION NO. 14-**

A Resolution of the Governing Board of the South Coast Air Quality Management District (SCAQMD) certifying that proposed amendments to Regulation III – Fees, including Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials, and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI and Regulation XXV, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal, are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the Governing Board of the SCAQMD amending Regulation III – Fees, including Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials, and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI and Regulation XXV, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal.

WHEREAS, the SCAQMD staff reviewed the proposed project and determined that it is statutorily exempt from the requirements of CEQA pursuant to CEQA Guidelines §15273; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Sections 40000, 40001, 40440, 40500, 40500.1, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, 40725 through 40728, 41512, and 44380 of the California Health and Safety Code; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 to fund the Fiscal Year (FY) 2014-15 and FY 2015-16 budgets; and

WHEREAS, the SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed to be amended, are written or displayed so that their meaning can be easily understood by the persons directly affected by them; and

WHEREAS, the SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed to be amended, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, a public hearing has been properly noticed in accordance with the provisions of Health and Safety Code Section 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD Governing Board, in amending these rules, references the following statutes which the AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40500, 40500.1, 40506, 40510, 40510.5, 40512, 40522, 40522.5 40523, 41512, and 44380; and

WHEREAS, the SCAQMD Governing Board has determined that Health and Safety Code Section 40920.6 is not applicable to Regulation III – Fees, Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed, since the rules in Regulation III - Fees are not Best Available Retrofit Control Technology rules and do not regulate air contaminants; and

WHEREAS, the SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed, do not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the District; and

WHEREAS, the SCAQMD Governing Board has determined that the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 for recovering specific program costs are necessary to better recover the costs of these specific programs for the SCAQMD FY 2014-15 and FY 2015-16 budgets; and

WHEREAS, the SCAQMD Governing Board specifies the manager of Proposed Amended Regulation III – Fees, as the custodian of the documents or other materials which constitute the record of the proceedings upon which the adoption of this proposed amended regulation is based which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California 91765; and

WHEREAS, the proposed amendments to Regulation III - Fees will not be submitted for inclusion into the State Implementation Plan; and

NOW, THEREFORE, BE IT RESOLVED, that the SCAQMD Governing Board does hereby certify the Notice of Exemption for Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed, completed in compliance with CEQA Guidelines Sections 15002(k)(1), 15061(b)(1), and 15273, and that it was presented to the Governing Board, whose members reviewed, considered, and approved the information therein before acting on Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed, establish fees charged for the purposes of meeting operating expenses, including employee wages and fringe benefits; purchasing and leasing supplies, equipment and materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain mandated services, all of which are necessary to carry out SCAQMD’s programs; and the SCAQMD Governing Board hereby incorporates by reference the proposed FY 2014-2015 Budget as setting forth the bases for these findings; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds, based on the evidence in the rule making record, that the increase in fees that exceed the CPI for 2013 are necessary to carry out SCAQMD programs and are equitably apportioned; and the Governing Board hereby incorporates by reference the explanation in the accompanying Staff Report, pages 40 through 44 and Sections III D and E, pages 12 through 16, as setting forth the bases for these findings and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby approve the Socioeconomic Impact Assessment; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby amend Regulation III – Fees, including Rules pursuant to the authority by law, as set forth in the attached and incorporated herein by this reference.

DATE: _____

CLERK OF THE BOARD

ATTACHMENT F

(Adopted Feb. 4, 1977)(Amended May 27, 1977)(Amended Jan. 6, 1978)(Amended June 16, 1978)
(Amended April 4, 1980)(Amended Sept. 5, 1980)(Amended June 5, 1981)(Amended July 9, 1982)
(Amended Dec. 3, 1982)(Amended June 3, 1983)(Amended May 4, 1984)(Amended July 6, 1984)
(Amended Nov. 2, 1984)(Amended Dec. 6, 1985)(Amended May 1, 1987)(Amended June 3, 1988)
(Amended December 2, 1988)(Amended January 6, 1989)(Amended June 2, 1989)
(Amended June 1, 1990) (Amended June 7, 1991)(Amended December 6, 1991)
(Amended June 5, 1992) (Amended July 10, 1992)(Amended June 11, 1993)
(Amended October 8, 1993)(Amended June 10, 1994)(Amended May 12, 1995)
(Amended October 13, 1995)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended June 12, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)(Amended May 7, 2010)
(Amended May 6, 2011) (Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)

CPI increase to be effective on July 1, 2013

PROPOSED AMENDED RULE 301. PERMITTING AND ASSOCIATED FEES

(a) Applicability

California Health and Safety Code Section 40510 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the issuance of permits to cover the cost of evaluation, planning, inspection, and monitoring related to that activity. This rule establishes such a fee schedule and requires that fees be paid for:

- (1) Permit processing for Facility Permits [see subdivisions ~~(k)~~~~(l)~~ and (m)], Facility Registrations [see subdivision (r)], and Permits to Construct and/or Permits to Operate equipment (submitted pursuant to Regulation II) that may cause air pollution or equipment intended to control air pollution [see subdivision (c)].
- (2) Processing of applications for banking emission reduction credits; change of title of emissions reduction credits; alteration/modification of emission reduction credits; or conversion of emissions reduction credits, mobile source credits, or area source credits to short term emission reduction credits, pursuant to Regulation XIII [see paragraph (c)(4)].
- (3) Annual operating permit renewal fee [see subdivision (d)].
- (4) Annual operating permit emissions fee [see subdivision (e)] or Regional Clean Air Incentives Market (RECLAIM) Trading Credits (RTCs) [see subdivision ~~(k)~~].
- (5) Duplicate and reissued permits [see subdivision (f)].
- (6) Reinstating expired applications or permits [see subdivision (g)].

- (7) Reinstating revoked permits [see subdivision (h)].
- (8) RECLAIM Transaction Registration Fee [see subdivision (~~k~~)].
- (9) Non-Tradeable Allocation Credit Mitigation Fee [see subdivision (~~k~~)].
- (10) Environmental Impact Analysis, Air Quality Analysis, Health Risk Assessment, Public Notification on Significant Projects and Emission Reduction Credits (pursuant to Regulation XIII - New Source Review) [see paragraph (c)(4) and subdivision (i) of this rule].
- (11) Asbestos demolition and renovation activities [see subdivision (n)].
- (12) Lead abatement activities [see subdivision (o)].
- (13) Evaluation of permit applications submitted for compliance under a National Emission Standard for Hazardous Air Pollutants (NESHAP) [see subdivision (p)].
- (14) Certification of Clean Air Solvents [see subdivision (q)].

(b) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) ALTERATION or MODIFICATION means any physical change, change in method of operation of, or addition to, existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
 - (A) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
 - (B) An increase in the hours of operation.
- (2) ALTERNATIVE OPERATING CONDITION is an order established by the Hearing Board pursuant to subdivision (e) of this rule which, if recognized by the United States Environmental Protection Agency, authorizes a source to be operated in a specified manner that would otherwise not comply with an applicable requirement of the State Implementation Plan or a permit term or condition based on any such applicable requirement.
- (3) BANKING means the process of recognizing and certifying emission reductions and registering transactions involving emission reduction credits.

- (4) CANCELLATION is an administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (5) CERTIFIED EQUIPMENT PERMIT means a permit issued to a manufacturer or distributor for a specific model or series of models of equipment. By this permit, the District certifies that the equipment meets all District rules and Best Available Control Technology (BACT) requirements under a set of conditions. Eligibility for the certification process shall be limited to equipment for which the following conditions exist, as determined by the Executive Officer:
 - (A) Equipment operation and emission characteristics will be applicable to a number of identical pieces of equipment;
 - (B) Permitting can be accomplished through the use of identical permit conditions for each piece of equipment regardless of use or location;
 - (C) The equipment is exempt from emission offsets as defined in Rule 1304(a)(4) or Rule 1304(a)(5); or the emissions of each criteria pollutant, except lead, are determined to be less than the limits listed in Rule 1303, Appendix A, Table A-1; and
 - (D) The equipment does not emit lead or the toxic emissions do not result in a Maximum Individual Cancer Risk (MICR) equal to or greater than one in a million as calculated according to Rule 1401.

Certified Equipment Permit shall be valid for one year, and shall be renewed annually if the Executive Officer determines the equipment meets all District rules and BACT requirements. Certification shall not relieve the person constructing, installing or operating the equipment from the requirement to obtain all necessary permits to construct and permits to operate, or from compliance with any other District rule including the requirements of Regulation XIII.

- (6) CHANGE OF CONDITION means a change of a current permit condition that will not result in an emission increase. Any request for a Change in Condition to a previously enforceable permit condition that will result in an emission increase subject to the New Source Review Rules in Regulation XIII, XIV, or XX will be considered a change in the method of operation and processed as an Alteration or Modification.
- (7) CLEAN AIR SOLVENT is as defined in Rule 102 as “Clean Air Solvent”.

- (8) CLEAN AIR SOLVENT CERTIFICATE is as defined in Rule 102 as “Clean Air Solvent Certificate”.
- (9) CONFINED ANIMAL FACILITY (CAF) means a source or group of sources of air pollution at an agricultural source for the raising of 3,360 or more fowl or 50 or more animals, including but not limited to, any structure, building, installation, farm, corral, coop, feed storage area, milking parlor, or system for the collection, storage, or distribution of solid and liquid manure; if domesticated animals, including but not limited to, cattle, calves, horses, sheep, goats, swine, rabbits, chickens, turkeys, or ducks corralled, penned, or otherwise caused to remain in restricted areas for commercial agricultural purposes and feeding is by means other than grazing.
- (10) CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS) is a system comprised of components that continuously measure all parameters necessary to determine pollutant concentration or pollutant mass emissions, pursuant to a District rule or regulation.
 - (A) For the purpose of this rule, a CEMS includes, but is not limited to, the following analyzers, monitors, components, systems, or equipment:
 - (i) Pollutant concentration analyzer(s) (e.g., NO_x, SO_x, CO, Total Sulfur) and associated sample collection, transport, and conditioning equipment, and data acquisition and logging systems,
 - (ii) Diluent gas analyzer (O₂ or CO₂),
 - (iii) Flow monitor (direct in-stack measurement or indirectly calculated from fuel usage or other process parameters approved by the Executive Officer), and
 - (iv) Other equipment (e.g., moisture monitor) as required to comply with monitoring requirements.
 - (B) For the purpose of this rule, a “time-shared CEMS” means a CEMS as described in subparagraph (7)(A) which is common to several sources of emissions at the same facility.
 - (C) For the purpose of this rule, a “Fuel Sulfur Monitoring System” or “FSMS” may be used as an alternative to a CEMS SO_x monitoring requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. An FSMS is a total sulfur

monitoring system configured similar to the CEMS described in subparagraph (7)(A) but, as an alternative to directly monitoring SO_x emissions at sources required to have SO_x CEMS (at the same facility), SO_x emission information at each affected source is determined “indirectly” by monitoring the sulfur content of the fuel gas supply firing the affected sources.

- (D) For the purpose of this rule, an “Alternative Continuous Emissions Monitoring System” or “ACEMS” (also known as a “Predictive or Parametric Emissions Monitoring System” or “PEMS”) may be used as an alternative to a CEMS pollutant monitoring requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. Instead of directly monitoring the pollutant emissions at a source required to have a CEMS as in subparagraph (7)(A), emission information is “predicted” by the ACEMS or PEMS by monitoring key equipment operating parameters (e.g., temperature, pressure) at the affected source, irrespective of exhaust gas or fuel supply analysis.
- (11) EMISSION FACTOR means the amount of air contaminant emitted per unit of time or per unit of material handled, processed, produced, or burned.
- (12) EMISSION REDUCTION CREDIT (ERC) means the amount of emissions reduction which is verified and determined by the Executive Officer to be eligible for credit in an emissions reduction bank.
- (13) EMISSION SOURCE is any equipment or process subject to Rule 222. The source does not require a permit, but the owner/operator is required to file information pursuant to Rule 222 and Rule 301(t).
- (14) EQUIPMENT means any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
- (A) Requires a permit pursuant to Rules 201 and/or 203; or
 - (B) Is in operation pursuant to the provisions of Rule 219
- (15) EXPIRATION means the end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (16) FACILITY means any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical

contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control) or an outer continental shelf (OCS) source as defined in 40 CFR § 55.2. Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility. Equipment or installations involved in crude oil and gas production in Southern California coastal or OCS waters, and transport of such crude oil and gas in Southern California coastal or OCS waters, shall be included in the same facility which is under the same ownership or use entitlement as the crude oil and gas facility on-shore.

- (17) FACILITY PERMIT is a permit which consolidates existing equipment permits and all new equipment at a facility, into one permit. A facility permit may be issued pursuant to Regulation XX and/or XXX.
- (18) FACILITY REGISTRATION is a permit which consolidates existing equipment permits and all new equipment at a facility into one permit. A Facility Registration may be issued at District discretion to any facility not subject to Regulation XX or XXX.
- (19) GREENHOUSE GAS or “GHG” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs).
- (20) IDENTICAL EQUIPMENT means any equipment which is to be operated by the same operator, and have the same equipment address, and have the same operating conditions and processing material to the extent that a single permit evaluation would be required for the set of equipment. Portable equipment, while not operating at the same location, may qualify as identical equipment.
- (21) NON-ROAD ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to be a Non-Road Engine regulated by U.S. EPA pursuant to 40 CFR Part 89.
- (22) PREMISES means one parcel of land or contiguous parcels of land under the same ownership or entitlement to use, not including the parcels which are remotely located and connected only by land carrying a pipeline.
- (23) QUALIFYING PORTABLE ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to meet all the requirements of Non-Road Engine of 40 CFR Part 89 except date of

manufacture, and has been demonstrated to meet the emission limitations of 40 CFR Section 89.112-96.

- (24) RECLAIM TRADING CREDITS (RTCs) means the amount of emissions credit available to a facility for use at the facility for transfer or sale to another party. Each RTC has a denomination of one pound of RECLAIM pollutant and a term of one year, and can be issued as part of a facility's Annual Allocation or alternatively in the form of an RTC certificate.
- (25) REGISTRATION PERMIT means a permit to construct or permit to operate issued to an owner/operator of equipment which has previously been issued a Certified Equipment Permit by the District. The owner/operator shall agree to operate under the conditions specified in the Certified Equipment Permit.
- (26) RELOCATION means the removal of an existing source from one parcel of land in the District and installation on another parcel of land where the two parcels are not in actual physical contact and are not separated solely by a public roadway or other public right-of-way.
- (27) REVOCATION is an action taken by the Hearing Board following a petition by the Executive Officer which invalidates a Permit to Construct or a Permit to Operate.
- (28) SMALL BUSINESS is as defined in Rule 102 as "Small Business."
- (29) SPECIFIC ORGANIC GASES are any of the following compounds:
 - trifluoromethane (HFC-23)
 - chlorodifluoromethane (HCFC-22)
 - dichlorotrifluoroethane (HCFC-123)
 - tetrafluoroethane (HFC-134a)
 - dichlorofluoroethane (HCFC-141b)
 - chlorodifluoroethane (HCFC-142b)
 - 1,1,1-trifluoroethane (HFC-143a)
 - 1,1-difluoroethane (HFC-152a)
 - cyclic, branched, or linear, completely fluorinated alkanes
 - cyclic, branched, or linear, completely fluorinated ethers with no unsaturations
 - cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations
 - sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.

- (30) SOURCE means any grouping of equipment or other air contaminant-emitting activities which are located on parcels of land within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person or by persons under common control. Such above-described groupings, if remotely located and connected only by land carrying a pipeline, shall not be considered one stationary source. (Under RECLAIM, a SOURCE is any individual unit, piece of equipment or process which may emit an air contaminant and which is identified, or required to be identified, in the RECLAIM Facility Permit)
 - (31) STREAMLINED STANDARD PERMIT means a permit issued for certain types of equipment or processes commonly permitted by SCAQMD with pre-set levels of controls and emissions. The operating conditions and other qualifying criteria are pre-determined by the SCAQMD and provided to the permit applicant in the permit application package for concurrence.
 - (32) STATEWIDE EQUIPMENT is equipment with a valid registration certificate issued by CARB for the Statewide Portable Equipment Registration Program.
 - (33) TEMPORARY PERMIT TO OPERATE represents interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to Rule 202.
- (c) Fees for Permit Processing
- (1) Permit Processing Fee
 - (A) Permit Processing Fee Applicability

Except as otherwise provided in this rule, every applicant who files an application for a Permit to Construct, Permit to Operate, Facility Permit, court judgments in favor of the District and administrative civil penalties or a revision to a Facility Permit, shall, at the time of filing, pay all delinquent fees associated with the facility and shall pay a permit processing fee.

 - (i) Except as otherwise provided in this paragraph, the permit processing fee shall be determined in accordance with the

schedules (set forth in the Summary Permit Fee Rates tables at the time the application is deemed complete.

- (ii) A person applying for permits for relocation of equipment shall pay fees in accordance with the schedules set forth in the Summary Permit Fee Rates tables at the time the application is deemed complete. All fees due, within the past 3 years, from the previous facility for equipment for which a Change of Location application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Location application is accepted.
- (iii) A person applying for permits for any equipment/process not otherwise listed in Table I shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.
- (iv) For applications submitted prior to July 1, 1990, the applicant shall pay a permit processing fee as specified in the Summary Permit Fee Rates tables, less any previously paid filing fees not to exceed the amount due. These fees are due and payable within thirty (30) days of receipt of notification.
- (v) In the event a Permit to Construct expires under the provisions of Rule 205, and the applicable rules, regulations, and BACT for that particular piece of equipment have not been amended since the original evaluation was performed, the permit processing fee for a subsequent application for a similar equipment shall be the fee established in the Summary Permit Fee Rates - Change of Operator table according to the applicable schedule under the Change of Operator category, provided the subsequent application is submitted within one (1) year from the date of expiration of either the Permit to Construct, or an approved extension of the Permit to Construct.

(B) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail

and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. Nonpayment of the fee within this period of time will result in expiration of the application and voiding of the Permit to Construct or Permit to Operate. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid. If an application is canceled, a permit processing fee will be charged if evaluation of the application has been initiated.

- (C) **Payment for Permit Processing of Equipment Already Constructed**
In the case of application for a Permit to Operate equipment already constructed, or where a Permit to Construct was granted prior to August 1, 1982, the applicant shall pay the permit processing fee within thirty (30) days of receipt of notification. In the case where a portion of the permit evaluation fee was paid when a Permit to Construct was granted, the amount paid shall be credited to the amount due for permit processing in accordance with the Summary Permit Fee Rates tables, and shall be due within thirty (30) days of receipt of notification. In both cases, payment shall be as specified in subparagraph (c)(1)(B) of this rule. If, at the time the Permit to Operate is granted or denied, it is determined that any annual operating permit fee as provided in subdivision (d) of this rule had been based on incorrect information, the applicant will be billed for or credited with the difference, as appropriate.
- (D) **Higher Fee for Failing to Obtain a Permit**
- (i) When equipment is operated, built, erected, installed, altered, or replaced (except for replacement with identical equipment) without the owner/operator first obtaining a required Permit to Construct or Permit to Operate, the

permit processing fee shall be 150 percent (150%) of the amount set forth in the Summary Permit Fee Rates tables of this rule unless the applicant is a Small Business as defined in this provision and the facility has no prior permit applications, Permit to Construct or Permit to Operate (as evidenced by a facility identification number) with the District in which case the permit processing fee shall be the amount set forth in the Summary Permit Fee Rates tables of this rule. If a facility has been issued a Notice of Violation (NOV), there shall be no waiver of the higher fee. The applicant shall also remit annual operating fees for the source for a full three (3) years, or the actual years of operation if less than three (3) years. The assessment of such fee shall not limit the District's right to pursue any other remedy provided for by law. Fees are due and payable within thirty (30) days of receipt of notification. [See subparagraph (c)(2)(B).] However, the higher fee shall be waived if the application is being submitted for equipment that was previously permitted (issued either a Permit to Construct or a Permit to Operate) but had expired due to non-payment of fees, provided the application is submitted within one (1) year of the expiration date, and that permit is reinstatable under subdivision (g) of this rule.

- (ii) For purposes of assessing a higher fee for failing to obtain a permit only, small business shall be defined as a business which is independently owned and operated and not an affiliate of a non-small business entity and meets the following criteria:
 - (A) If a non-manufacturer, the number of employees is 25 or less and the total gross annual receipts are \$1,000,000 or less; or
 - (B) If a manufacturer, the number of employees is 50 or less and the total gross annual receipts are \$5,000,000 or less, or
 - (C) Is a not-for-profit training center.

- (E) **Small Business**
When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(H)(i), (c)(1)(D) or paragraph (c)(3) for a small business, the fees assessed shall be fifty percent (50%) of the amount set forth in the Summary Permit Fee Rates - Permit Processing, Change of Conditions, Alteration/Modifications table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification and Conversion to Short Term Credits table.
- (F) **Fees for Permit Processing for Identical Equipment and Processing of Applications for Short Term Emission Reduction Credits**
When applications are submitted in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(D), (c)(1)(E), (c)(1)(I), paragraphs (c)(3) or (c)(4) concurrently for identical equipment, or for change of title or alteration/modification of short term emission reduction credits, full fees for the first application, and fifty percent (50%) of the applicable processing fee for each additional application shall be assessed. The provisions of this subparagraph do not apply to Certified Equipment Permits, Registration Permits, and the exceptions mentioned in paragraphs (c)(3)(A), (c)(3)(B), and (c)(3)(C). This subparagraph shall, upon request of the applicant, apply to applications which have been received before July 1, 1996, but not yet been processed or which have not received final determination regarding applicable permit processing fees.
- (G) **Discounts for Small Business and Identical Equipment**
Applications qualifying with the provisions of both subparagraph (c)(1)(E) and (c)(1)(F) shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.
- (H) **Fees for Permit Processing for Certified Equipment Permits and Registration Permits**
(i) Persons applying for a Certified Equipment Permit shall pay a one-time permit processing fee for each application. The fee shall be determined in accordance with the

Summary Permit Fee Rates tables of this rule. No annual operating permit renewal fee shall be charged.

- (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of the Summary Permit Fee Rates table shall be assessed to a person applying for a Change of Operator for a Certified Equipment Permit.
- (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of the Summary Permit Fee Rates table shall be charged to a person applying for a Registration Permit to Construct and Permit to Operate for certified equipment. Annual operating permit renewal fees shall be paid pursuant to subdivision (d).
- (iv) When certified equipment is built, erected, installed, or replaced (except for identical replacement) without the owner/operator obtaining a required Rule 201 Permit to Construct, the permit processing fee assessed shall be 150 percent (150%) of the amount set forth in subparagraph (c)(1)(H)(iii) of Rule 301.

(I) Applications Submitted for Equipment Previously Exempted by Rule 219

When applications for equipment are submitted within one year after the adoption of the most recent amendment to Rule 219 and are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(F), paragraphs (c)(2), or (c)(3) and require a permit, solely due to the most recent amendments to Rule 219, the permit processing fees assessed shall be in accordance with Schedule A.

(J) Standard Streamlined Permits

The Streamlined Standard Permit application processing fee shall be ~~\$725.03~~\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter, except that the fee shall not exceed the applicable permit processing fee including small business discount if applicable. There shall be no small business discount on the basic fee of ~~\$725.03~~\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter. Applications submitted for existing equipment which is operating and qualifies for a Streamlined Standard Permit shall be

assessed an application processing fee in accordance with the provisions of subparagraph 301(c)(1)(D). Standard Streamlined Permits may be issued for the following equipment or processes: Replacement dry-cleaning equipment and Lithographic printing equipment.

(2) Fee for Change of Operator or Additional Operator

Under Rule 209 (Transfer and Voiding of Permits), a permit granted by the District is not transferable. Every applicant who files an application for a change of operator or additional operator with the same operating conditions of a Permit to Operate shall be subject to a permit processing fee as follows:

(A) The permit processing fee shall be as established in the Summary Permit Fee Rates - Change of Operator table for equipment at one location so long as the new operator files an application for a Permit to Operate within one (1) year from the last renewal of a valid Permit to Operate and does not change the operation of the affected equipment. All fees billed from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the operator will not be billed for any additional fees billed to the previous operator.

(B) If an application for change of operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous operator, the new operator shall submit an application for a new Permit to Operate, along with the permit processing fee as prescribed in subparagraph (c)(1)(A). A higher fee, as described in subparagraph (c)(1)(D), shall apply.

(3) Change of Operating Condition, Alteration/Modification/Addition

All delinquent fees, and court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Change of Operating Condition, Alteration/Modification

/Addition application will be accepted. When an application is filed for a permit involving change of operating conditions, and/or a permit involving proposed alterations/modifications or additions resulting in a change to any existing equipment for which a Permit to Construct or a Permit to Operate was granted and has not expired in accordance with these rules, the permit processing fee shall be the amount set forth in the Summary Permit Fee Rates tables. The only exceptions to this fee shall be:

- (A) Permits that must be reissued with conditions prohibiting the use of toxic materials and for which no evaluation is required, no physical modifications of equipment are made, and the use of substitute materials does not increase Volatile Organic Compounds (VOC) by more than 0.5 pound in any one day. When an application is filed for a modification described by this exception, the permit processing fee shall be ~~\$725.03~~**\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter.**
- (B) Permits that must be reissued to reflect the permanent removal of a standby fuel supply, or to render equipment non-operational, which:
 - (i) Do not result in a new source review emission adjustment. A reissue permit fee of ~~\$530.89~~**\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter** pursuant to Rule 301(f) shall be charged per equipment/reissued permit; or
 - (ii) Result in a new source review emission adjustment. A reissued permit fee of ~~\$1,391.92~~**\$1,456.62 for FY 14-15 and \$1,500.32 for FY 15-16 and thereafter** per equipment shall be charged.
- (C) Permits reissued for an administrative change in permit description, for splitting a permit into two or more permits based on Equipment/Process listed in Table IA or IB (an application is required for each Equipment/Process) or for a change in permit conditions based on actual operating conditions and which do not require any engineering evaluation and do not cause a change in emissions, shall be charged a fee according to the following schedule:

Schedule	Re-Issuance Fee for FY 08-09 and Thereafter
A	\$530.89 <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>
A1	\$530.89 <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>
B	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
B1	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
C	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
D	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
E	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
F	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
G	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
H	\$725.03 <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>

(D) For permits reissued because of Rule 109 or Rule 109.1, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in the Summary Permit Fee Rules tables.

(4) Fee for Evaluation of Applications for Emission Reductions
 Every applicant who files an application for banking of emission reduction credits; change of title of emission reduction credits; alteration/modification of emission reduction credits; or conversion of emission reduction credits, mobile source credits, or area source credits to short term emission reduction credits, as described in paragraph (a)(2) of this rule shall, at the time of filing, pay a processing fee in accordance with Schedule I in the Summary Permit Fee Rates tables. Additionally, the applicant shall, if required by Rule 1310(c), either:

- (A) Pay a fee for publication of public notice, as specified in Table II (B) and a preparation fee as per Rule 301(i)(4), or
- (B) arrange publication of the public notice independent of the District option and provide to the Executive Officer a copy of the proof of publication.

(d) Annual Operating Permit Renewal Fee

(1) Renewal of Permit to Operate

All Permits to Operate (including temporary Permits to Operate pursuant to Rule 202) for equipment on the same premises shall be renewed on the annual renewal date set by the Executive Officer. A Permit to Operate is renewable if the permit is valid according to the District's Rules and

Regulations and has not been voided or revoked and if the annual operating permit fee is paid within the time and upon the notification specified in paragraph (d)(8) of this rule and if all court judgments in favor of the District and administrative civil penalties associated with the facility are paid.

(2) Annual Operating Fees

The annual operating permit renewal fee shall be assessed in accordance with the following schedules:

Equipment/Process Schedules	Annual Operating Permit Renewal Fee
Equipment/Processes appearing in Tables IA and IB as Schedule A1	\$158.23 \$165.58 for FY 14-15 and \$170.55 for FY 15-16 and thereafter
Equipment/Processes appearing in Tables IA and IB as Schedules A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$317.07 \$331.81 for FY 14-15 and \$341.76 for FY 15-16 and thereafter
Equipment/Processes appearing in Tables IA and IB as Schedules C and D	\$1,135.61 \$1,188.39 for FY 14-15 and \$1,224.04 for FY 15-16 and thereafter
Equipment/Processes appearing in Tables IA and IB as Schedules E, F, G, and H	\$2,726.74 \$2,853.48 for FY 14-15 and \$2,939.08 for FY 15-16 and thereafter
Rule 461 liquid fuel dispensing system	\$93.74 \$98.10 for FY 14-15 and \$101.04 for FY 15-16 and thereafter per product dispensed per nozzle

Addition to the annual operating permit renewal fees based on equipment/process, each RECLAIM/Title V facility shall pay the additional fee of:

Title V Facility	\$459.69 \$481.06 for FY 14-15 and \$495.49 for FY 15-16 and thereafter per facility
RECLAIM Facility	\$762.81 \$798.27 for FY 14-15 and \$822.22 for FY 15-16 and thereafter per Major Device
	\$152.57 \$159.66 for FY 14-15 and \$164.45 for FY 15-16 and thereafter per Large Device
	\$152.57 \$159.66 for FY 14-15 and \$164.45 for FY 15-16 and thereafter per Process Unit Device
RECLAIM and Title V Facility	RECLAIM fee + Title V fee

*For FY 2010-2011, the amount of the CPI increase will be rebated

- (3) Credit for Solar Energy Equipment
- Any permittee required to pay an annual operating permit renewal fee shall receive an annual fee credit for any solar energy equipment installed at the site where the equipment under permit is located. Solar energy projects that receive grant funding from the Rule 1309.1 – Priority Reserve account shall not be eligible for this annual fee credit.
- (A) Computation
- The design capacity of the solar energy equipment expressed in thousands of British Thermal Units (Btu) per hour shall be used to determine the fee credit calculated at ~~\$1.76~~\$1.79 per 1,000 Btu.
- (B) Limitation
- The solar energy credit shall not exceed the annual operating permit renewal fee for all permits at the site where the solar energy equipment is located.
- (4) Renewal of Temporary Permit to Operate New Equipment
- A Permit to Construct, which has not expired or has not been canceled or voided, will be considered a temporary Permit to Operate on the date the applicant completes final construction and commences operation, pursuant to subdivision (a) of Rule 202. For the purposes of this paragraph, the date specified as the estimated completion date on the application for Permit to Construct will be considered the date of commencement of operation, unless the applicant notifies the District in writing that operation will commence on another date, or unless the equipment already has been placed in operation. Such temporary Permit to Operate shall be valid for the period of time between commencement of operation and the applicant's next annual renewal date following commencement of operation and shall be subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2). The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee for the temporary Permit to Operate shall be due in the amount prescribed in paragraph (d)(2).

(5) Renewal of Temporary Permit to Operate Existing Equipment

In the case of equipment operating under a temporary Permit to Operate issued pursuant to subdivision (c) of Rule 202, where a Permit to Construct was not issued, the company is immediately subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2) following the submission of the completed application for Permit to Operate. The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee shall be due in the amount prescribed in paragraph (d)(2). If no annual renewal date has been established, the Executive Officer shall set one upon receipt of the application.

(6) Annual Renewal Date

If, for any reason, the Executive Officer determines it is necessary to change the annual renewal date, all annual operating permit renewal fees shall be prorated according to the new annual renewal date.

(7) Annual Renewal Date for Change of Operator

The same annual renewal date shall apply from one change of operator to another.

(8) Notice of Amount Due and Effect of Nonpayment

At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. The annual operating permit renewal fee for each permit shall be in the amount described in paragraph (d)(2). If the annual operating permit renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In the case of a RECLAIM facility, if the individual device fee(s) are not paid, the application(s) associated with the device(s) shall expire and no longer be valid. For a Title V facility, if the Title V facility fee, which is not based on any specific equipment but applies to the whole facility, is not paid, the Title V facility permit shall expire. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit, as

required by Rule 203 (Permit to Operate). For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday with the same effect as if it had been postmarked on the expiration date.

(9) Annual Operating Fees for Redundant Emission Controls

Any person holding permits to operate for two or more emission controls applicable to the same equipment who establishes that any of the emission controls is redundant, i.e., not necessary to assure compliance with all applicable legal requirements, shall not be required to pay annual operating permit renewal fees under subdivision (d) for the redundant equipment. The Executive Officer may reinstate the obligation to pay such fees at any time upon determination that operating the control is or has become necessary to assure compliance with any applicable legal requirements.

(e) Annual Operating Emissions Fee

(1) Annual Operating Emission Fee Applicability

In addition to the annual operating permit renewal fee, the owner/operator of all equipment operating under permit shall pay an annual emissions fee based on the total weight of emissions of each of the contaminants specified in Table III from all equipment used by the operator at all locations, including total weight of emissions of each of the contaminants specified in Table III resulting from all products which continue to passively emit air contaminants after they are manufactured, or processed by such equipment, with the exception of such product that is shipped or sold out of the District so long as the manufacturer submits records which will allow for the determination of emissions within the District from such products.

(2) Emissions Reporting and Fee Calculation

For the reporting period July 1, 2000 to June 30, 2001, and all preceding reporting periods, emissions from equipment not requiring a written permit pursuant to Regulation II shall be reported but not incur a fee for

emissions so long as the owner/operator keeps separate records which allow the determination of emissions from such non-permitted equipment. Notwithstanding the above paragraph, for the purposes of Rule 317 – Clean Air Act Non-Attainment Fees, all major stationary sources of NOx and VOC, as defined in Rule 317, shall annually report and pay the appropriate clean air act non-attainment fees for all actual source emissions including but not limited to permitted, unpermitted, unregulated and fugitive emissions. Beginning with the reporting period of July 1, 2001 to June 30, 2002, and for subsequent reporting periods, each facility with total emissions including emissions from equipment or processes not requiring a written permit pursuant to Regulation II greater than or equal to the threshold amount of contaminants listed in paragraph (e)(5) shall report all emissions and incur an emissions fee as prescribed in Table III. Non-permitted emissions which are not regulated by the District shall not be reported and shall be excluded from emission fees if the facility provides a demonstration that the emissions are not regulated and maintains sufficient records to allow the accurate demonstration of such non-regulated emissions.

(3) Exception for the Use of Clean Air Solvents

An owner/operator shall not pay a fee for emissions from the use of Clean Air Solvents issued a valid Certificate from the District so long as the facility submits separate records which allow the determination of annual emissions, usage, and identification of such products. A copy of the Clean Air Solvent certificate issued to the manufacturer or distributor shall be submitted with the separate records.

(4) Flat Annual Operating Emission Fee

The owner/operator of all equipment operating under at least one permit (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of ~~\$117.87~~**\$119.76**.

(5) Emission Fee Thresholds

Each facility with emissions greater than or equal to the threshold amount of the contaminant listed below shall be assessed a fee as prescribed in Table III. For the six-month transitional reporting period pursuant to subparagraph (e)(8)(B) (July 1, 2007 through December 31, 2007), the fee shall be assessed on emissions greater than or equal to one-half (1/2) of the threshold amount listed below.

TABLE III

Air Contaminant(s)	Annual Emissions Threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥4 TPY
Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28))	≥4 TPY
Specific organic gases	≥4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥4 TPY
Total particulate matter	≥4 TPY
Carbon monoxide	≥100 TPY

(6) Clean Fuels Fee Thresholds

Each facility emitting 250 tons or more per year (≥250 TPY) of any of the above referenced contaminants shall pay an annual clean fuels fee as prescribed in Table V (California Health and Safety Code Section 40512).

(7) Fees for Toxic Air Contaminants or Ozone Depleters

Each facility emitting a toxic air contaminant or ozone depleter greater than or equal to the annual thresholds listed in Table IV shall be assessed an annual emissions fee as indicated therein. For the six-month transitional reporting period pursuant to subparagraph (e)(8)(B) (July 1, 2007 through December 31, 2007), the fee shall be assessed on emissions greater than or equal to one-half (1/2) of the threshold amount listed in Table IV. The annual emissions fee for toxic air contaminants and ozone depleters shall be based on the total weight of emissions of these contaminants associated with all equipment and processes including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks).

(A) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene or less than one (1) ton per year for the six-month transitional reporting period from July 1, 2007 through December 31, 2007, and qualifies as a small business as defined in the general definition of Rule 102, shall be exempt from fees listed

in Table IV. This provision shall be retroactive to include the July 10, 1992, rule amendment which included perchloroethylene in Table IV.

- (B) Any facility that emits less than two (2) tons per year, or less than one (1) ton per year for the six-month transitional reporting period from July 1, 2007 through December 31, 2007 of formaldehyde, perchloroethylene, or methylene chloride, may petition the Executive Officer, at least thirty (30) days prior to the official submittal date of the annual emissions report as specified in paragraph (e)(10), for exemption from formaldehyde, perchloroethylene, or methylene chloride fees as listed in Table IV. Exemption from emissions fees shall be granted if the facility demonstrates that no alternatives to the use of these substances exist, no control technologies exist, and that the facility qualifies as a small business as defined in the general definition of Rule 102.
- (8) Reporting of Total Emissions from Preceding Reporting Period and Unreported or Under-reported Emissions from Prior Reporting Periods
- (A) The owner/operator of equipment subject to paragraph (e)(1), (e)(2), (e)(5), (e)(6), and (e)(7) shall report to the Executive Officer the total emissions for the immediate preceding reporting period of each of the air contaminants concerned from all equipment. The report shall be made at the time and in the manner prescribed by the Executive Officer. The permit holder shall report the total emissions for the twelve (12) month period reporting for each air contaminant concerned from all equipment or processes, regardless of the quantities emitted.
 - (B) During the period of July 1, 1994, through December 31, 2007, the reporting period for annual operating emissions fees shall be from July 1 of a given year through June 30 of the following year. A six-month emissions report and fees will be due for the reporting period from July 1, 2007 through December 31, 2007. Beginning January 1, 2008, the reporting period for annual operating emissions fees shall be from January 1 through December 31 of each year.
 - (C) The Executive Officer will determine default emission factors applicable to each piece of permitted equipment or group of

permitted equipment, and make them available to the owner/operator in a manner specified by the Executive Officer and provide them to the owner/operator upon request. In determining emission factors, the Executive Officer will use the best available data. A facility owner/operator can provide alternative emission factors that more accurately represent actual facility operations subject to the approval of the Executive Officer.

- (D) A facility owner/operator shall report to the Executive Officer, in the same manner, and quantify any emissions of air contaminants in previous reporting periods which had not been reported correctly and should have been reported under the requirements in effect in the reporting period in which the emissions occurred.
- (9) Request to Amend Emissions Report and Refund of Emission Fees
 - (A) A facility owner/operator shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted annual emissions reports. Amendment requests with no fee impact, submitted after one (1) year and sixty (60) days from the official due date (July 1 or January 1 as applicable) of the subject annual emissions report shall include a non-refundable standard evaluation fee of ~~\$289.97~~**\$303.45 for FY 14-15 and \$312.55 for FY 15-16 and thereafter** for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and sixty (60) days from the official due date (July 1 or January 1 as applicable) of a previously submitted annual emissions report shall not incur any such evaluation fees. The Amendment Request shall include all supporting documentation and copies of revised applicable forms.
 - (B) A facility owner/operator shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted annual emissions reports and request a refund of overpaid emission fees. Refund Requests must be submitted within one (1) year and sixty (60) days from the official due date (July 1 or January 1 as applicable) of the subject annual emissions report to be considered

valid. The Refund Request shall include all supporting documentation and copies of revised applicable forms. If the Refund Request is submitted within one (1) year and sixty (60) days from the official due date (July 1 or January 1 as applicable) of the subject annual emissions report, and results in no fee impact, then the facility owner/operator shall be billed for the evaluation fee pursuant to subparagraph (e)(9)(A).

(10) Notice to Pay and Late Filing Surcharge

(A) A notice to report emissions and pay the associated emission fees will be mailed annually to the owners/operators of all equipment (as shown in District records) to which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be mailed to facilities which in the preceding reporting year emitted any air contaminant equal to or greater than the emission thresholds specified in subparagraph (e)(11)(A). Emissions reports and fee payments are the responsibility of the owner/operator regardless of whether the owner/operator was notified. The due dates to submit the emissions fees and reports for:

- (i) Semi-annual reports are January 1 for fiscal year reporting during July 1, 1994 through December 31, 2007, and July 1 for calendar year reporting beginning January 1, 2008 and after.
- (ii) Annual reports are July 1 for fiscal year reporting during July 1, 1994 through December 31, 2007, and January 1 for calendar year reporting beginning January 1, 2008 and after.

If both the fee payment and the completed emissions report are not received by the sixtieth (60th) day following January 1 or July 1 as applicable (for semi-annual reports), or July 1 or January 1 as applicable (for annual reports), they shall be considered late, and surcharges for late payment shall be imposed as set forth in subparagraph (e)(10)(B). For the purpose of this subparagraph, the emissions fee payment and the emissions report shall be considered to be timely received by the District if it is postmarked on or before the sixtieth (60th) day following the official due date

(July 1 or January 1 as applicable). If the sixtieth (60th) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on the sixtieth (60th) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A), a surcharge shall be assessed and added to the original amount of the emission fee due according to the following schedule:

Less than 30 days	5% of reported amount
30 to 90 days	15% of reported amount
91 days to 1 year	25% of reported amount
More than 1 year	(See subparagraph (e)(10)(D))

- (C) If an emission fee is timely paid, and if, within one year after the sixtieth (60th) day from the official due date is determined to be less than ninety percent (90%) of the full amount that should have been paid, a fifteen percent (15%) surcharge shall be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid, to be referred to as underpayment. If payment was ninety percent (90%) or more of the correct amount due, the difference or underpayment shall be paid but with no surcharges added. The fee rate to be applied shall be the fee rate in effect for the year in which the emissions actually occurred. If the underpayment is discovered after one (1) year and sixty (60) days from the official fee due date, fee rates and surcharges will be assessed based on subparagraph (e)(10)(D).
- (D) The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(D) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and further increased by fifty percent (50%). The fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported, and not the fee rate in effect for the year the emissions actually occurred.

- (E) If one hundred twenty (120) days have elapsed since January 1st, July 1st, or as applicable, and all emission fees including any surcharge have not been paid in full, the Executive Officer may take action to revoke all Permits to Operate for equipment on the premises, as authorized in Health and Safety Code Section 42307.
- (11) Semi-Annual Emissions Fee Payment
 - (A) For facilities emitting the threshold amount of any contaminant listed below, the Executive Officer will estimate one half (1/2) of the previous annual emission fees and request that the permit holder pay such an amount as the first installment on annual emission fees for the current reporting period. The installment payment for calendar year 2008 annual emission fees will be based on one half (1/2) of the emissions reported for fiscal year 2006-2007.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28))	≥10 TPY
Specific organic gases	≥10 TPY
Oxides of nitrogen (expressed as nitrogen dioxide)	≥10 TPY
Total particulate matter	≥10 TPY
Carbon monoxide	≥100 TPY

- (B) In lieu of payment of one half the estimated annual emission fees, the owner/operator may choose to report and pay on actual emissions for the first six months (July 1 through December 31 for fiscal year reporting prior to January 1, 2008 or January 1 through June 30 for calendar year reporting beginning January 1, 2008 and thereafter). By July 1 or January 1 as applicable, the permit holder shall submit a final Annual Emission Report together with the payment of the balance; the annual emission fees less the installment previously paid. For fiscal year reporting prior to

January 1, 2008, the report shall contain an itemization of emissions from July 1 through June 30 of the applicable year. For calendar year reporting beginning January 1, 2008 and thereafter, the report shall contain an itemization of emissions for the preceding twelve (12) months of the reporting period (January 1 through December 31.)

(C) An installment fee payment is considered late and is subject to a surcharge if not received within sixty (60) days of the due date (July 1 or January 1 as applicable) pursuant to paragraph (e)(10).

(12) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

(13) Exempt Compounds

Emissions of acetone, ethane, methyl acetate, parachlorobenzotrifluoride (PCBTF), and volatile methylated siloxanes (VMS), shall not be subject to the requirements of Rule 301(e).

(14) Reporting Emissions and Paying Fees

For the six-month reporting period of July 1, 2007 through December 31, 2007 and calendar year 2008, emission fees shall be determined in accordance with fee rates specified in Tables III, IV and V, and paragraph (e)(2). Installment fees that have been paid for Semi-Annual Emission Fees by March 1, 2008 shall not be subject to this provision.

(15) Deadline for Filing Annual Emissions Report and Fee Payment

The deadline for filing annual emissions reports and fee payments is as follows:

(A) Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period of July 1, 2007 through December 31, 2007, the fee payment and the completed annual emissions report shall be received by the District, or postmarked, on or before September 1, 2008 to avoid any late payment surcharges specified in subparagraph (e)(10)(B), or

(B) The deadline for filing the calendar year 2008 Annual Emissions Report and fee payment shall be March 2nd, 2009. For any facility that is subject to the Regulation for the Mandatory Reporting of Greenhouse Gas (GHG) emissions adopted by the CARB on

December 6, 2007, or subsequent revisions that voluntarily elects to report the GHG emissions to the District in the manner prescribed by the Executive Officer, the deadline for filing Annual Emissions Reports and fee payments shall coincide with the deadlines set forth in the Regulation for the Mandatory Reporting of GHG emissions adopted by the CARB on December 6, 2007, or subsequent revisions.

(16) Reporting GHG Emissions and Paying Fees

A facility that is subject to the California Air Resources Board (CARB)'s mandatory reporting of Greenhouse Gas (GHG) emissions may request District staff to review and verify the facility's GHG emissions. The fee for review and verification for each GHG emissions report shall consist of an initial submittal fee of ~~\$121.44~~**\$123.38** in addition to a verification fee assessed at ~~\$125.68~~**\$127.69** per hour or prorated portion thereof.

(f) Certified Permit Copies and Reissued Permits

A request for a certified permit copy shall be made in writing by the permittee after the destruction, loss, or defacement of a permit. A request for a permit to be reissued shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay the fees to cover the cost of the certified permit copy or reissued permit as follows:

(1) A fee of ~~\$24.96~~**\$25.36** shall be paid for a certified permit copy.

(2) A fee of ~~\$193.31~~**\$196.40** shall be paid for a reissued permit.

No fee shall be assessed to reissue a permit to correct an administrative error by District staff.

(g) Reinstating Expired Applications or Permits; Surcharge

An application or a Permit to Operate which has expired due to nonpayment of fees or court judgments in favor of the District or administrative civil penalties associated with the facility may be reinstated by submitting a request for reinstatement of the application or Permit to Operate accompanied by a reinstatement surcharge and payment in full of the amount of monies due at the time the application or Permit to Operate expired. The reinstatement surcharge shall be fifty percent (50%) of the amount of fees due per equipment at the time

the application or Permit to Operate expired, or the following amount, whichever is lower:

Facility Permit Holders	\$193.34 \$202.30 for FY 14-15 and \$208.37 for FY 15-16 and thereafter per equipment
Other Permit Holders	\$193.34 \$202.30 for FY 14-15 and \$208.37 for FY 15-16 and thereafter per equipment

Such request and payment shall be made within one (1) year of the date of expiration. An application or Permit to Operate which has expired due to nonpayment of fees shall not be reinstated if the affected equipment has been altered since the expiration of the application or Permit to Operate. If the period of expiration has exceeded one (1) year or the affected equipment has been altered, operation of the equipment shall require a new Permit to Operate and the application shall be subject to Rule 1313(b).

(h) Reinstating Revoked Permits

If a Permit to Operate is revoked for nonpayment of annual permit fees based on emissions or fees on non-permitted emissions, it may be reinstated upon payment by the permit holder of such overdue fees and accrued surcharge in accordance with (e)(9).

(i) Clean Air Act Non-Attainment Fees

Any fees remitted to the District pursuant to Rule 317 – Clean Air Act Non-attainment Fees shall be held in escrow accounts unique to each source. Fees accrued in such escrow accounts may be used for either of the following at the discretion of the source’s owner or operator.

- (1) Creditable up to the amount of fees due by the same source during the calendar year or subsequent calendar year(s) for annual emissions fees due pursuant to Rule 301(e)(2), (4), (6), (7) and (11) and annual operating permit renewal fees due pursuant to Rule 301(d)(1), (2) and (4). In no case shall the credit be greater than the fees paid; or
- (2) use by the owner or operator for VOC and NOx reduction programs at their source that are surplus to the State Implementation Plan according to the following prioritization:
 - (A) at the source; or
 - (B) use within another facility under common ownership; or

- (C) use in the community adjacent to the facility; or
- (D) other uses to reduce emissions.

Up to five percent of funds can be used by the South Coast Air Quality Management District for administrative support for items in paragraph (i)(2).

(j) Special Permit Processing Fees - California Environmental Quality Act (CEQA) Assistance, Air Quality Analysis, Health Risk Assessment, and Public Notice on Significant Projects

(1) Payment for CEQA Assistance

(A) CEQA Document Preparation

When a determination is made by the Executive Officer that the District is the Lead Agency for a project, pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq. and state CEQA Guidelines (14 California Code of Regulations section 15000 et seq.), the project applicant may be required to pay a review fee (based on a staff rate of ~~\$145.01~~\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour) when a 400-CEQA form requires the CEQA staff to review for CEQA applicability. If preparation of CEQA documentation is deemed necessary, the applicant shall pay an initial fee for the preparation of necessary CEQA documentation according to the following schedule:

Notice of Exemption (upon applicant request)	\$290.01 <u>\$303.49 for FY 14-15 and \$312.59 and thereafter for FY 15-16</u>
Negative Declaration	\$4,373.26 <u>\$4,576.53 for FY 14-15 and \$4,713.83 for FY 15-16 and thereafter</u>
Mitigated Negative Declaration	\$4,373.26 <u>\$4,576.53 for FY 14-15 and \$4,713.83 for FY 15-16 and thereafter</u>
Environmental Impact Report (EIR)	\$5,830.98 <u>\$6,102.00 for FY 14-15 and \$6,285.06 for FY 15-16 and thereafter</u>
Supplemental or Subsequent EIR	\$5,830.98 <u>\$6,102.00 for FY 14-15 and \$6,285.06 for FY 15-16 and thereafter</u>
Addendum to EIR	\$3,021.94 <u>\$3,162.40 for FY 14-15 and \$3,257.27 for FY 15-16 and thereafter</u>

If the Executive Officer determines that the District's CEQA preparation costs (may include, but not limited to, mailing, noticing, publications, et cetera) and staff time (based on the rate of ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour) exceed the initial fee the project applicant, upon notification from the District, shall make periodic payment of the balance due. The Executive Officer shall determine the amount and timing of such periodic payments, based upon the level of CEQA analysis and the amount of monies needed to offset the actual preparation costs.

(B) CEQA Document Assistance

When the District is not the Lead Agency for a project and a request is made by: another public agency; a project proponent; or any third party, for staff assistance with any of the following tasks including, but not limited to: reviewing all or portions of a CEQA document and air quality analysis protocols for emissions inventories and air dispersion modeling prior to its circulation to the public for review pursuant to Public Resources Code §21092; assisting lead agencies with developing and implementing mitigation measures, the requestor may be required to pay a fee for staff time at the rate of ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour. This fee shall not apply to review of CEQA documents prepared by other public agencies that are available for public review pursuant to Public Resources Code §21092 and is part of the District's intergovernmental review responsibilities under CEQA.

(2) Payment for Air Quality Analysis

When a determination is made by the Executive Officer that an air quality analysis of the emissions from any source is necessary to predict the extent and amount of air quality impact prior to issuance of a permit, the Executive Officer may order air quality simulation modeling by qualified District personnel. Alternatively, the Executive Officer may require (or the owner/operator of the source may elect) that modeling be performed by the owner/operator or an independent consultant.

Where modeling is performed by the owner/operator or an independent consultant, the Executive Officer may require that the results be verified

by qualified District personnel. The owner/operator of the source shall provide to the Executive Officer a copy of the final modeling report including all input data, description of methods, analyses, and results. The owner/operator of the source modeled by District personnel shall pay a fee as specified in Table IIA to cover the costs of the modeling analysis. A fee, as specified in Table IIA, shall be charged to offset the cost of District verification of modeling performed by an independent consultant.

(3) Payment for Health Risk Assessment

(A) When a determination is made by the Executive Officer that any source being evaluated for a Permit to Construct or a Permit to Operate may emit toxic or potentially toxic air contaminants, the Executive Officer may order a Health Risk Assessment be conducted by qualified District personnel or by a qualified consultant, as determined by the Executive Officer, engaged by the District under a contract. Alternatively, the Executive Officer may require (or owner/operator of the source may elect) that the assessment be performed by the owner/operator or an independent consultant engaged by the owner/operator. The Health Risk Assessment shall be performed pursuant to methods used by the California EPA's Office of Environmental Health Hazard Assessment.

(B) For a Health Risk Assessment conducted by the owner/operator of the source or the owner/operator's consultant, the Executive Officer may require that the results be verified by qualified District personnel or by a qualified consultant engaged by the District. The owner/operator of the source shall provide to the Executive Officer a copy of the final Health Risk Assessment including all input data, and description of methods, analyses, and results. The owner/operator of the source for which a Health Risk Assessment is conducted or is evaluated and verified by District personnel or consultant shall pay the fees specified in Table IIA to cover the costs of an Air Quality Analysis and Health Risk Assessment analysis, evaluation, or verification. When the Health Risk Assessment is conducted or is evaluated and verified by a consultant engaged by the District, or District personnel, the fees charged will be in addition to all other fees required.

(C) When a Health Risk Assessment is evaluated by the California EPA, pursuant to Health and Safety Code Sections 42315, 44360, 44361 or 44380.5, or by a consultant engaged by the California EPA, or when the District consults with the California EPA regarding the Health Risk Assessment, any fees charged by the California EPA to the District will be charged to the person whose Health Risk Assessment is subject to the review, in addition to other fees required.

(4) Payment for Public Notice

An applicant for a significant project, as defined in Rule 212(c) or for emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c), or the operator of a facility requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs), or for significant permit revision of a Title V permit shall be assessed a fee of ~~\$845.30~~**\$884.59 for FY 14-15 and \$911.13 for FY 15-16 and thereafter** for preparation of the notice required by the rules. The notice preparation fee is waived for existing dry cleaning operations at the same facility that install, modify or replace dry cleaning equipment to comply with Rule 1421 provided there is a concurrent removal from service of the perchloroethylene equipment. Eligibility includes converting from perchloroethylene to non-toxic alternative solvents, including non-toxic hydrocarbon solvents. In addition, an applicant for a project subject to the requirements of Rule 212(g) shall either:

- (A) pay a fee, as specified in Table IIB, for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or
- (B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located. Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.

(5) Payment for Review of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS), and Alternative Continuous Emissions Monitoring System (ACEMS)

(A) New Application for Process Equipment Requiring CEMS or, Alternatively, an FSMS or ACEMS to Comply with the CEMS Requirement

When a determination is made by the Executive Officer that a Continuous Emissions Monitoring System (CEMS) is required in order to determine a source's compliance with a District rule or regulation, the applicant shall:

- (i) Apply for the use of a CEMS and pay a basic processing fee as specified in Table IIC at the time of filing.
- (ii) Apply for the use of an FSMS or ACEMS in lieu of a CEMS and pay a basic processing fee as specified in Table IIC at the time of filing.

(B) Modification of an Existing Certified CEMS, FSMS, or ACEMS

If a certified CEMS, FSMS, or ACEMS is modified in a manner (excluding routine replacement or servicing of CEMS or FSMS components for preventive or periodic maintenance according to established quality assurance guidelines, or CEMS or FSMS components designated by the Executive Officer as "standardized" or direct replacement-type components) determined by the Executive Officer to compromise a source's compliance with a District rule or regulation, the applicant shall pay a processing fee covering the evaluation of the modification and recertification, if necessary, as follows:

- (i) If one or more CEMS or FSMS components (excluding additional pollutant monitors) are replaced, modified, or added, the applicant shall pay a minimum processing fee of ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter**; and additional fees will be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter**.

(ii) If one or more pollutant monitors are added to a CEMS or FSMS (and one or more of its components are concurrently replaced, modified, or added), the applicant shall pay a minimum processing fee as specified in Table IIC, based on the number of CEMS or FSMS pollutant monitors and components added.

(iii) If one or more pollutant emission sources at a facility are added to an FSMS, a time-shared CEMS, or a SO_x CEMS which is specifically used to “back-calculate” fuel sulfur content for these sources, the applicant shall pay a minimum processing fee as specified in Table IIC, based on the number of CEMS or FSMS monitors and components added.

(iv) If one or more ACEMS (or PEMS) components are replaced, modified, or added, the applicant shall pay a minimum processing fee of ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter**; and additional fees will be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter**.

(C) Modification of CEMS, FSMS, or ACEMS Monitored Equipment
For any RECLAIM or non-RECLAIM equipment monitored or required to be monitored by a CEMS, FSMS, or ACEMS, that is modified in a manner determined by the Executive Officer to compromise a source’s compliance with a District CEMS-, FSMS-, or ACEMS-related rule or regulation, or requires an engineering evaluation, or causes a change in emissions; the applicant shall pay a minimum processing fee of ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter**, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum

total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter.**

- (D) Periodic Assessment of an Existing RECLAIM CEMS, FSMS, or ACEMS

An existing RECLAIM CEMS, FSMS, or ACEMS, which undergoes certification as in (i)(5)(A), must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District Regulation XX. The applicant shall pay a minimum processing fee of ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter** for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter.**

- (E) CEMS, FSMS, or ACEMS Change of Ownership

Every applicant who files an application for a change of operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$230.67~~**\$241.39 for FY 14-15 and \$248.63 for FY 15-16 and thereafter** for the first CEMS, FSMS, or ACEMS, plus ~~\$46.01~~**\$48.15 for FY 14-15 and \$49.59 for FY 15-16 and thereafter** for each additional CEMS, FSMS, or ACEMS.

- (6) Payment for Review and Certification of Barbecue Charcoal Igniter Products

- (A) Certification of Barbecue Charcoal Igniter Products

Pursuant to the requirements of District Rule 1174, manufacturers, distributors, and/or retailers of applicable barbecue charcoal igniter products shall perform the required testing and shall submit a formal report for review by SCAQMD staff for product compliance and certification. For each product evaluated, the applicant shall pay a minimum processing fee of ~~\$607.10~~**\$616.81** per product certified, and additional fees will be assessed at the rate of ~~\$121.44~~**\$123.38** per hour for time spent on the evaluation/certification process in excess of 5 hours.

(B) Repackaging of Certified Barbecue Charcoal Igniter Products

When a currently certified barbecue charcoal igniter product is repackaged for resale or redistribution, the manufacturer, distributor, and/or retailer shall submit the required documentation to SCAQMD staff for evaluation and approval. For each product or products evaluated, the applicant shall pay a processing fee of ~~\$303.56~~**\$308.42** for the first certificate issued, and additional fees will be assessed at the rate of ~~\$121.44~~**\$123.38** per hour for the time spent in excess of 3 hours for the first certificate issued. Additional certificates for the same product or products shall be assessed at the rate of ~~\$60.69~~**\$61.66** per each additional certificate issued.

(7) Fees for Inter-basin, Inter-district, or Interpollutant Transfers of Emission Reduction Credits

An applicant for inter-basin, inter-district, or interpollutant transfer of ERCs shall file an application for ERC Change of Title and pay fees as listed in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification Table. Additional fees shall be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for the time spent on review and evaluation of inter-basin, inter-district, and interpollutant transfers of ERCs pursuant to Rule 1309 subdivisions (g) and (h).

(8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities

A fee of ~~\$305.64~~**\$310.53** shall be submitted by any individual, business or agency requesting the District to conduct a grid search to identify all facilities with the potential to emit hazardous air pollutants located within one-quarter mile of a proposed school boundary.

Failure to pay the fees described in this subdivision within thirty (30) days after their due date(s) shall result in expiration of pending applications, and no further applications will be accepted from the applicant until the fees have been paid in full.

(k) Government Agencies

All applicants and permittees, including federal, state, or local governmental agencies or public districts, shall pay all fees.

(l) RECLAIM Facilities

(1) For RECLAIM facilities, this subdivision specifies additional conditions and procedures for assessing the following fees:

- (A) Facility Permit;
 - (B) Facility Permit Amendment;
 - (C) Change of Operating Condition;
 - (D) Change of Operator;
 - (E) Annual Operating Permit;
 - (F) Transaction Registration;
 - (G) RECLAIM Pollutant Emission;
 - (H) Duplicate Permits;
 - (I) Reissued Permits;
 - (J) RECLAIM Breakdown Emissions; and
 - (K) Non-Tradeable Allocation Credit Mitigations.
- (2) RECLAIM Fees Applicability
All RECLAIM Facility Permit holders shall be subject to this subdivision.
- (3) Rule 301 - Permit Fees Applicability
Unless specifically stated, all RECLAIM Facility Permit holders shall be subject to all other provisions of Rule 301 - Permit Fees.
- (4) Facility Permit Fees
- (A) Existing facilities entering the RECLAIM program after initial implementation of the RECLAIM program will pay 10 percent of the sum of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit, with a minimum fee of ~~\$483.47~~**\$505.94 for FY 14-15 and \$521.12 for FY 15-16 and thereafter.**
 - (B) New facilities with new equipment entering the RECLAIM program will pay a Facility Permit Fee equal to the sum total of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit.
- (5) Facility Permit Amendment
At the time of filing an application for a Facility Permit Amendment, a Facility Permit Amendment Fee shall be paid and an application for such amendment shall be submitted. The Facility Permit Amendment Fee for an application that requires an engineering evaluation or cause a change in emissions shall be ~~\$912.44~~**\$954.85**

~~for FY 14-15 and \$983.50 for FY 15-16 and thereafter~~
~~(\$1,824.90\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and~~
~~thereafter~~ if both RECLAIM and Title V facility), plus the sum of applicable fees assessed for each application required for affected equipment as specified in the Summary Permit Fee Rate tables. The Facility Permit Amendment Fee for an application that does not require an engineering evaluation or causes a change in emissions shall be ~~\$912.44\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and~~
~~thereafter~~ (~~\$1,824.90\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and thereafter~~ if both a RECLAIM and Title V facility) plus the applicable administrative permit change fee based on the equipment schedule as set forth in Rule 301(c)(3)C) for each application required for affected equipment. All delinquent fees, court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Facility Permit Amendment application will be accepted.

(6) Change of Operating Condition

At the time of filing an application for a Change of Operating Conditions that requires engineering evaluation or causes a change in emissions, a Change of Condition Fee shall be paid. Such fee shall be equal to the sum of fees assessed for each equipment subject to the change of condition as specified in the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table. All delinquent fees associated with the affected facility subject to the change of condition must be paid before a Change of Operating Conditions application will be accepted.

(7) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a RECLAIM facility permit shall be determined from the Table Summary of Permit Fee Rates – Change of Operator, Non-Small Business. In addition, a Facility Permit Amendment fee as specified in paragraph ~~(k)~~(5) shall be assessed. All fees, billed within the past 3 years from the date of application submittal that are, associated with the facility for equipment for which a Change of Operator or Additional

Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely the new operator will not be billed for any additional fees billed to the previous operator.

- (8) Annual Operating Permit Renewal Fee
 - (A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).
 - (B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable permit renewal fees specified in paragraph (d)(2).
 - (C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday as if it had been postmarked on the expiration date.
- (9) Transaction Registration Fee

The transferor and transferee of an RTC shall jointly register the transaction with the District pursuant to District Rule 2007 – Trading Requirements. The transferee shall pay a Transaction Registration Fee of ~~\$145.01~~\$147.33 at the time the transaction is registered with the District.

(10) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(B), RECLAIM facilities shall pay a RECLAIM Pollutant Emission Fee based on the facilities' total certified RECLAIM pollutant emissions. For facilities emitting ten (10) tons per year or more of any contaminant the previous year, the Facility Permit holders shall pay a semi-annual installment equal to one half (1/2) of the total estimated fee with final balance due at the end of the reporting period.

(A) The Facility Permit Holder shall pay emission fees according to the provisions of subdivision (e) for all emissions that are not accounted for with RECLAIM pollutant emissions. The Facility Permit holder shall add non-RECLAIM emissions to applicable RECLAIM emissions to determine the appropriate fee rate from Table III fee rate per ton of emissions.

(B) Facility Permit Holders shall pay RECLAIM Pollutant Emission Fees according to the provisions of subdivision (e), except that:

- (i) Fees based on emissions of RECLAIM pollutants as defined in Rule 2000(c)(58) for annual payments shall be calculated based on certified emissions as required by paragraph (b)(2) or (b)(4) of Rule 2004, as applicable;
- (ii) RECLAIM Pollutant Emission Fees shall be due as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities;
- (iii) Facilities emitting ten (10) tons per year or more of a RECLAIM pollutant during the previous annual reporting period, shall also pay a semi-annual installment based on

either (a) one-half (1/2) of the facility's RECLAIM pollutant fees for the previous annual reporting period; or (b) emissions certified pursuant to paragraph (b)(2) and (b)(4) of Rule 2004 in the two (2) quarters falling in the time period that coincides with the first six (6) months of the current reporting period, by the deadline as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities.

- (iv) A fee payment is considered late and subject to the late payment surcharge of paragraph (e)(10) if not received within sixty (60) days of the due date specified in this paragraph.
- (C) If the Executive Officer determines that the APEP emissions reported by a Facility Permit Holder are less than the amount calculated as specified in Rule 2004(b)(2) and (b)(4), the Facility Permit Holder shall pay RECLAIM Pollutant Emission Fees on the difference between the APEP total as determined by the Executive Officer and the reported APEP total as specified in subparagraph ~~(e)(10)~~(10)(A).
- (D) In the event that certified emissions determined pursuant to Rule 2004(b)(2) and (b)(4), for compliance year beginning January 1, 1995 and after, include emissions calculated using missing data procedures, and these procedures were triggered pursuant to Rule 2011(c)(3) or 2012(c)(3) solely by a failure to electronically report emissions for major sources due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder, such portion of the emissions may be substituted by valid emission data monitored and recorded by a certified CEMS, for the purpose of RECLAIM pollutant emission fee determination only, provided that a petition is submitted to the Executive Officer with the appropriate processing fee by the Facility Permit holder. The petition must be made in writing and include all relevant data to clearly demonstrate that the

valid emission data were recorded and monitored by a certified CEMS as required by Rules 2011 and 2012 and the only reason for missing data procedures being triggered was due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder. In addition to the RECLAIM pollutant emission fee, the petitioner shall pay a minimum processing fee of ~~\$565.39~~\$591.67 for FY 14-15 and \$609.42 for FY 15-16 and thereafter and additional fees will be assessed at a rate of ~~\$145.04~~\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour for time spent on evaluation in excess of 3 hours.

- (E) The Executive Officer may establish a special operating fee for petroleum refineries (Standard Industrial Classification No. 2911) up to an amount based on \$0.07 per pound in FY 07-08 and \$0.07 per pound in FY 08-09 of the initial SOx RECLAIM allocation (initial allocation of the original operator if a change of operator has occurred since the assignment of the initial allocation) to cover the cost of a technology assessment to reduce SOx emissions from the RECLAIM universe. Fee payment is due upon notification by the Executive Officer. If the fee payment is not received by the sixtieth (60th) day following the due date a surcharge shall be added to the original amount according to the schedule in subparagraph (e)(10)(B).

(11) Certified Permits Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time the written request is submitted, pay ~~\$24.96~~\$25.36 for the first page and ~~\$1.76~~\$1.79 for each additional page in the Facility Permit.

(12) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time the written request is submitted, pay ~~\$193.34~~\$196.40 for the first page plus

~~\$1.76~~**\$1.79** for each additional page in the facility permit.

(13) Breakdown Emission Report Evaluation Fee

The Facility Permit Holder, submitting a Breakdown Emission Report to seek exclusion of excess emissions from the annual allocations pursuant to Rule 2004 - Requirements, shall pay fees for the evaluation of a Breakdown Emission Report. The Facility Permit Holder shall pay a filing fee of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** at the time of filing of a Breakdown Emission Report, and shall be assessed an evaluation fee at the rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour.

(14) Breakdown Emission Fee

At the end of the time period from July 1 through June 30, the Facility Permit holder shall pay a Breakdown Emission Fee for excess emissions determined pursuant to District Rule 2004 - Requirements. The Facility Permit Holder shall include excess emissions to the total certified RECLAIM emissions to determine the appropriate RECLAIM Pollutant Emission Fee.

(15) Mitigation of Non-Tradeable Allocation Credits

Upon submitting a request to activate non-tradeable allocation credits pursuant to District Rule 2002(h), the RECLAIM Facility Permit Holder shall pay a mitigation fee of ~~\$9,676.31~~**\$10,126.06 for FY 14-15 and \$10,429.84 for FY 15-16 and thereafter** per ton of credits requested plus a non-refundable ~~\$96.45~~**\$100.93 for FY 14-15 and \$103.96 for FY 15-16 and thereafter** processing fee.

(16) Evaluation Fee to Increase an Annual Allocation to a Level Greater than a Facility's Starting Allocation Plus Non-Tradable Credits

The Facility Permit Holder submitting an application to increase an annual Allocation to a level greater than the facility's starting allocation plus non-tradable credits pursuant to Rule 2005 - New Source Review shall pay fees for the evaluation of the required demonstration specified in Rule 2005(c)(3). The Facility Permit Holder shall pay an evaluation fee at the rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour.

(m) Title V Facilities

(1) Applicability

The requirements of this subdivision apply only to facilities that are subject to the requirements of Regulation XXX - Title V Permits.

(2) Rule 301 Applicability

All Title V facilities shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Permit Processing Fees for Existing Facilities with Existing District Permits Applying for an Initial Title V Facility Permit

(A) The applicant shall pay the following initial fee when the application is submitted:

Title V INITIAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Applications submitted on or after July 1, 2005 through June 30, 2006	\$1,089.56	\$3,486.95	\$7,845.97	\$13,294.75
	<u>\$1,140.20 for FY 14-15 and</u>	<u>\$3,649.02 for FY 14-15 and</u>	<u>\$8,210.65 for FY 14-15 and</u>	<u>\$13,912.69 for FY 14-15 and</u>
	<u>\$1,174.41 for FY 15-16 and</u>	<u>\$3,758.49 for FY 15-16 and</u>	<u>\$8,456.97 for FY 15-16 and</u>	<u>\$14,330.07 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>
Applications submitted on or after July 1, 2006 through June 30, 2007	\$1,198.52	\$3,835.66	\$8,630.59	\$14,624.22
	<u>\$1,254.23 for FY 14-15 and</u>	<u>\$4,013.94 for FY 14-15 and</u>	<u>\$9,031.74 for FY 14-15 and</u>	<u>\$15,303.95 for FY 14-15 and</u>
	<u>\$1,291.86 for FY 15-16 and</u>	<u>\$4,134.36 for FY 15-16 and</u>	<u>\$9,302.69 for FY 15-16 and</u>	<u>\$15,763.07 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>
Applications submitted on or after July 1, 2007 through June 30, 2008	\$1,318.37	\$4,219.22	\$9,493.63	\$16,078.17
	<u>\$1,379.65 for FY 14-15 and</u>	<u>\$4,415.33 for FY 14-15 and</u>	<u>\$9,934.89 for FY 14-15 and</u>	<u>\$16,825.48 for FY 14-15 and</u>
	<u>\$1,421.04 for FY 15-16 and</u>	<u>\$4,547.79 for FY 15-16 and</u>	<u>\$10,232.94 for FY 15-16 and</u>	<u>\$17,330.24 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>
Applications submitted on or after July 1, 2008	\$1,450.21	\$4,641.13	\$10,443.00	\$17,695.31
	<u>\$1,517.62 for FY 14-15 and</u>	<u>\$4,856.85 for FY 14-15 and</u>	<u>\$10,928.39 for FY 14-15 and</u>	<u>\$18,517.79 for FY 14-15 and</u>
	<u>\$1,563.15 for FY 15-16 and</u>	<u>\$5,002.56 for FY 15-16 and</u>	<u>\$11,256.24 for FY 15-16 and</u>	<u>\$19,073.32 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>

To determine the initial fee when the number of devices is not available, the applicant may substitute the number of active equipment. This fee will be adjusted when the Title V permit is issued and the correct number of devices are known.

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)

(B) The applicant shall, upon notification by the District of the amount due when the permit is issued, pay the following final fee based on the time spent on the application:

Title V FINAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Time Spent in Excess of:	8 Hours	30 Hours	70 Hours	120 Hours
On or after July 1, 2005 through June 30, 2006	\$108.95	\$108.95	\$108.95	\$108.95
	<u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of <u>\$13,300.33</u>	<u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of <u>\$26,600.65</u>	<u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of <u>\$65,501.60</u>	<u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of <u>\$99,752.43</u>
On or after July 1, 2006 through June 30, 2007	\$119.84	\$119.84	\$119.84	\$119.84
	<u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of	<u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of	<u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of	<u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u> per hour; up to a maximum total fee of

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)

	\$14,630.38 \$15,310.40 for FY 14-15 and \$15,769.71 for FY 15-16 and thereafter	\$29,260.71 \$30,620.75 for FY 14-15 and \$31,539.37 for FY 15-16 and thereafter	\$73,151.76 \$76,551.85 for FY 14-15 and \$78,848.41 for FY 15-16 and thereafter	\$130,039.65 \$136,083.89 for FY 14-15 and \$140,166.41 for FY 15-16 and thereafter
On or after July 1, 2007 through June 30, 2008	\$131.83 \$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$16,093.40 \$16,841.42 for FY 14-15 and \$17,346.66 for FY 15-16 and thereafter	\$131.83 \$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$32,186.79 \$33,682.83 for FY 14-15 and \$34,693.31 for FY 15-16 and thereafter	\$131.83 \$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$80,466.93 \$84,207.03 for FY 14-15 and \$86,733.24 for FY 15-16 and thereafter	\$131.83 \$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$120,700.45 \$126,310.61 for FY 14-15 and \$130,099.93 for FY 15-16 and thereafter
On or after July 1, 2008	\$145.01 \$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$17,702.74 \$18,525.56 for FY 14-15 and \$19,081.33 for	\$145.01 \$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$35,405.45 \$37,051.10 for FY 14-15 and \$38,162.63 for	\$145.01 \$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour; up to a maximum total fee of 8 \$90,631.83 \$94,844.40 for FY 14-15 and \$97,689.73 for	\$145.01 \$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour; up to a maximum total fee of \$132,770.48 \$138,941.65 for FY 14-15 and \$143,109.90 for

	<u>FY 15-16 and thereafter</u>	<u>FY 15-16 and thereafter</u>	<u>FY 15-16 and thereafter</u>	<u>FY 15-16 and thereafter</u>
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For applicants that did not pay the correct initial fee based on the actual number of devices, the fee when the permit is issued shall be equal to the correct initial fee less the initial fee actually paid, plus the final fee.

Applications submitted on or prior to January 15, 1998 shall not be subject to the final fee.

- (C) If the facility requests revisions to the existing permit terms or conditions, including permit streamlining, an alternative operating scenario or a permit shield, the facility shall submit additional applications with the applicable fees in subdivisions (c) and (i) for each piece of equipment for which a revision is requested. Evaluation time spent on these additional applications shall be excluded from the time calculated for the billing for initial permit issuance in subparagraph ~~(4m)~~(3)(B).

(4) Permit Processing Fee Applicability

The permit processing fee for a new facility required to obtain a Title V facility permit to construct shall be the sum of all the applicable fees in subdivisions (c) and (i) for all equipment at the facility.

(5) Rule 301 Fee Applicability

The permit processing fee for a facility required to obtain a Title V facility permit because of a modification, pursuant to paragraph (c)(2) of Rule 301, shall be those specified in paragraph ~~(4m)~~(3) plus the sum of all the applicable fees in subdivisions (c) and (i) for all new and modified equipment at the facility.

(6) Administrative Permit Revision Fee

Notwithstanding paragraphs ~~(k1)~~(6), ~~(k1)~~(9), and (m)(3), and except as provided in paragraphs ~~(k1)~~(5), ~~(k1)~~(7), ~~(k1)~~(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of ~~\$912.44~~\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter.

(7) Permit Revision Fee

The permit processing fees for a minor permit revision, de minimis significant permit revision, or significant permit revision shall be

~~\$912.44~~**\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter** plus the applicable fee in paragraphs (k)(5), (k)(6), (m)(3), and (m)(4). RECLAIM facilities shall only pay the fee specified in paragraph (k)(5).

(8) **Renewal Fees**

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, shall be an initial processing fee of ~~\$2,072.50~~**\$2,168.83 for FY 14-15 and \$2,233.89 for FY 15-16 and thereafter** to be paid when the application is submitted; and a final fee of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the application in excess of 8 hours, due upon notification by the District of the amount due when the permit is issued.

(9) **Public Notice Fees**

The holder of, or applicant for, a Title V permit shall either:

- (A) pay a fee, as specified in Table IIB, for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or
- (B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located.

Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.

(10) **Public Hearing Fees**

The holder of, or applicant for, a Title V permit shall, upon notification by the District of the amount due, pay fees of ~~\$2,902.72~~**\$3,037.64 for FY 14-15 and \$3,128.77 for FY 15-16 and thereafter** plus ~~\$902.50~~**\$944.45 for FY 14-15 and \$972.78 for FY 15-16 and thereafter** per hour for a public hearing held on a permit action.

(11) **Application Cancellation**

If a Title V permit application is canceled, the applicant shall pay, upon notification of the amount due, a final fee in accordance with this subdivision. The District shall refund the initial fee only if evaluation of the application has not been initiated.

(12) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. Nonpayment of the fee within this period of time will result in permit expiration or revocation of the subject permit(s) in accordance with subdivision (f) of Rule 3002. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid.

(13) Exclusion Requests

The fees for requesting exclusion or exemption from the Title V program shall be calculated in accordance with Rule 306 – Plan Fees.

(n) All Facility Permit Holders

(1) Applicability

The requirements of this subdivision apply to all non-RECLAIM holders of a Facility Permit.

(2) Rule 301 Applicability

All non-RECLAIM Facility Permit holders or applicants shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Facility Permit Revision

Except as provided in paragraphs ~~(4m)~~(7) and ~~(4m)~~(8), the permit processing fee for an addition, alteration or revision to a Facility Permit that requires engineering evaluation or causes a change in emissions shall be the sum of applicable fees assessed for each affected equipment as specified in subdivisions (c) and (i).

(4) Change of Operating Condition

The permit processing fee for a Change of Operating Condition that requires engineering evaluation or causes a change in emissions shall be

the sum of fees assessed for each equipment or process subject to the change of condition as specified in subdivisions (c) and (i).

(5) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a facility permit shall be determined from the Table Summary of Permit Fee Rates – Change of Operator, Non-Small Business. In addition, an administrative permit revision fee of ~~\$912.44~~**\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter** shall be assessed.

All fees billed within the past 3 years from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new operator will not be billed for any additional fees billed the previous operator.

(6) Annual Operating Permit Renewal Fee

(A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).

(B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable annual operating permit renewal fees specified in paragraph (d)(2).

(C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal Fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District

Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday as if it had been postmarked on the expiration date.

(7) Certified Permit Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay ~~\$24.96~~**\$25.36** for the first page and ~~\$1.76~~**\$1.79** for each additional page in the facility permit.

(8) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay ~~\$193.31~~**\$196.40** for the first page plus ~~\$1.76~~**\$1.79** for each additional page in the Facility Permit.

(o) Asbestos Fees

Any person who is required by District Rule 1403 - Asbestos Emissions from Demolition/Renovation Activities to submit a written notice of intention to demolish or renovate shall pay at the time of delivery of notification, the Asbestos and Lead Fees specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

For all requests of pre-approved Procedure 5 plans submitted in accordance with Rule 1403(d)(1)(D)(i)(V)(2), the person shall pay the full fee for the first

evaluation and shall pay fifty percent (50%) of the applicable fee for each subsequent pre-approved Procedure 5 plan evaluation.

(p) **Lead Abatement Notification Fees**

A person who is required by a federal or District rule to submit written notice of intent to abate lead shall, at the time of delivery of notification, pay the appropriate renovation and abatement fee specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

(q) **NESHAP Evaluation Fee**

(1) At the time of filing an application for a Change of Operating Conditions submitted solely to comply with the requirements of a NESHAP, a NESHAP Evaluation Fee shall be paid. The fee shall be ~~\$293.38~~**\$307.02** ~~for FY 14-15 and \$316.23 for FY 15-16 and thereafter.~~ Additional fees shall be assessed at a rate of ~~\$145.01~~**\$151.75** ~~for FY 14-15 and \$156.30 for FY 15-16 and thereafter~~ per hour for time spent in the evaluation in excess of two (2) hours, to a maximum total fee not to exceed the applicable Change of Conditions Fees listed for each affected piece of equipment as specified in the Summary Permit Fee Rates - Permit Processing, Change of Conditions, Alteration /Modification table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.

(2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fees within this time period will result in expiration of the permit. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state

holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday, with the same effect as if it had been postmarked on the expiration date. No further applications will be accepted until such time as all overdue fees have been fully paid.

(r) Fees for Certification of Clean Air Solvents

Persons applying for Clean Air Solvent certification shall pay the following fee for each product to be certified:

Gas Chromatograph/Mass Spectrometry Analysis	\$345.18 <u>\$350.70</u> for five or fewer compounds \$32.03 <u>\$32.54</u> for each additional compound
Density measurement	\$129.45 <u>\$131.52</u>
Time and material	\$121.44 <u>\$123.38</u> per person per hour or prorated portion thereof
Clean Air Solvent Certificate	\$176.59 <u>\$179.42</u>

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$772.63~~**\$784.99** for each product to be tested. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Clean Air Solvent Certificate shall be valid for five (5) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) containing a Clean Air Solvent continue(s) to meet Clean Air Solvent criteria, and has not been reformulated.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

Persons applying for certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities shall pay the following fee for each product to be certified:

Gas Chromatograph/Mass Spectrometry Analysis	\$345.18 <u>\$350.70</u> for five or fewer compounds \$32.03 <u>\$32.54</u> for each additional compound
Time and material	\$121.44 <u>\$123.38</u> per person per hour or prorated portion thereof
Clean Air Choices Cleaner Certificate	\$176.59 <u>\$179.42</u>

At the time of filing for certification of any Consumer Cleaning Products Used at Institutional and Commercial Facilities, the applicant shall submit a fee of ~~\$813.98~~**\$827.00** for each product to be tested. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Consumer Cleaning Products Used at Institutional and Commercial Facilities Certificate shall be valid for three (3) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) certified as a Consumer Cleaning Products Used at Institutional and Commercial Facilities continue(s) to meet Consumer Cleaning Products Used at Institutional and Commercial Facilities criteria, and has not been reformulated.

(t) All Facility Registration Holders

(1) Applicability

The requirements of this subdivision apply to all holders of a Facility Registration.

(2) Rule 301 Applicability

Unless specifically stated otherwise, all Facility Registration holders shall be subject to all other provisions of Rule 301 - Permit Fees.

(3) Fee Applicability to Existing Facilities

Existing facilities entering the Facility Registration Program shall pay no fee if no changes are initiated by actions of the permittee to the existing permit terms or conditions or to the draft Facility Registration prepared by the District.

(4) Duplicate of Facility Registrations

A request for a duplicate of a Facility Registration shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay ~~\$24.96~~**\$25.36** for the first page and ~~\$1.76~~**\$1.79** for each additional page in the Facility Registration.

(5) Reissued Facility Registrations

A request for a reissued Facility Registration shall be made in writing by the permittee where there is a name or address change without a change of operator or location, or for an administrative change in permit description or a change in permit conditions to reflect actual operating conditions, which do not require any engineering evaluation, and do not cause a change in emissions. The permittee shall, at the time a written request is

submitted, pay ~~\$193.31~~**\$196.40** for the first equipment listed in the Facility Registration plus ~~\$1.76~~**\$1.79** for each additional equipment listed in the Facility Registration.

(u) Fees for Non-permitted Emission Sources Subject to Rule 222

(1) Initial Filing Fee

Prior to the operation of the equipment, the owner/operator of an emission source subject to Rule 222 shall pay to the District an initial non-refundable non-transferable filing and processing fee of ~~\$177.03~~**\$185.26 for FY 14-15 and \$190.82 for FY 15-16 and thereafter** for each emission source.

(2) Change of Operator/Location

If the owner/operator or the location of an emission source subject to Rule 222 changes, the current owner/operator must file a new application for Rule 222 and pay to the District an initial non-refundable non-transferable filing and processing fee of ~~\$177.03~~**\$185.26 for FY 14-15 and \$190.82 for FY 15-16 and thereafter** for each emission source.

(3) Annual Renewal Fee

On an annual re-filing date set by the Executive Officer the owner/operator of a source subject to Rule 222 shall pay a renewal fee of ~~\$177.03~~**\$185.26 for FY 14-15 and \$190.82 for FY 15-16 and thereafter** (except for non-retrofitted boilers). At least thirty (30) days before such annual re-filing date, all owners/operators of emission sources subject to Rule 222 will be notified by either electronic or regular mail of the amount to be paid and the due date for the annual re-filing fee.

(4) Notification of Expiration

If the annual re-filing fee is not paid within thirty (30) days after the due date, the filing will expire and no longer be valid. In such case, the owner/operator will be notified by either electronic or regular mail of the expiration and the consequences of operating equipment without a valid Rule 222 filing.

(5) Reinstating Expired Filings

To re-establish expired filings, the owner/operator of a source subject to Rule 222 shall pay a reinstatement fee of fifty percent (50%) of the

amount of fees due per emission source. Payment of all overdue fees shall be made in addition to the reinstatement surcharge. Payment of such fees shall be made within one year of the date of expiration. If the period of expiration has exceeded one year or the affected equipment has been altered, the owner/operator of an emission source subject to Rule 222 shall file a new application and pay all overdue fees.

(v) Fees for Expedited Processing Requests

An applicant has the option to request expedited processing for an application for a permit, CEQA work, an application for an ERC/STC, Air Dispersion Modeling, HRA, Source Test Protocols and Report Fees and Asbestos Procedure 4&5 notifications. A request for expedited processing pursuant to this section shall be made upon initial application submittal. Expedited processing is intended to be performed by District Staff strictly during overtime work. Approval of such a request is contingent upon the District having necessary procedures in place to implement an expedited processing program and having available qualified staff for overtime work to perform the processing requested. The applicant shall be notified whether or not the request for expedited processing has been accepted within 30 days of submittal of the request. If the request for expedited processing is not accepted by the District, the additional fee paid for expedited processing will be refunded to the applicant.

(1) Permit Processing Fee

Fees for requested expedited processing of permit applications will be an additional fee of fifty percent (50%) of the applicable base permit processing fee (after taking any discounts for identical equipment but not the higher fee for operating without a permit) by equipment schedule. For schedule F and higher, expedited processing fees will include an additional hourly fee when the processing time exceeds times as indicated in column 1 below; but not to exceed the total amounts in column 4, based on the applicable schedule as follows:

Processing Time Exceeding	Schedule	Added Base Hourly Fee \$	Maximum Added Base Cap Fee \$
99 hours	F	\$217.52 <u>\$227.63 for FY 14-15 and \$234.46 for FY 15-16</u>	\$40,885.07 <u>\$42,785.41 for FY 14-15 and \$44,068.97 for FY 15-16</u>

Proposed Amended Rule 301 (Cont.) (Updated July 1, 2013 Amended June 6, 2014)

		<u>and thereafter</u>	<u>and thereafter</u>
117 hours	G	<u>\$217.52\$227.63 for FY 14-15 and \$234.46 for FY 15-16 and thereafter</u>	<u>\$70,045.73\$73,301.46 for FY 14-15 and \$75,500.50 for FY 15-16 and thereafter</u>
182 hours	H	<u>\$217.52\$227.63 for FY 14-15 and \$234.46 for FY 15-16 and thereafter</u>	<u>\$89,062.98\$93,202.63 for FY 14-15 and \$95,998.71 for FY 15-16 and thereafter</u>

(2) CEQA Fee

Fees for requested expedited CEQA work will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff’s hourly rate of \$145.01\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter plus \$75.21\$78.71 for FY 14-15 and \$81.07 for FY 15-16 and thereafter per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301(i) shall be paid at the time of filing with the additional overtime costs billed following permit issuance. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. This proposal is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(3) CEMS, FSMS, and ACEMS Fee

Fees for requested expedited processing of CEMS, FSMS, and ACEMS applications will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff’s hourly rate of \$145.01\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter plus \$75.21\$78.71 for FY 14-15 and \$81.07 for FY 15-16 and thereafter per hour (one half of hourly plus mileage). The established “Basic Fee” schedule found in the CEMS, FSMS, and ACEMS Fee Schedule in TABLE IIC shall be paid at the time of filing with the additional overtime costs billed following project completion. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. A request for expedited CEMS, FSMS, and ACEMS application work can

only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

- (4) Air Dispersion Modeling, HRA, Source Test Protocols and Reports Fees
Fees for requested expedited review and evaluation of air dispersion modelings, health risk assessments, source test protocols and source test reports will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter** plus ~~\$62.99~~**\$65.92 for FY 14-15 and \$67.90 for FY 15-16 and thereafter** per hour (one half of hourly plus mileage).

- (5) ERC/STC Application Fees
Fees for requested expedited review and evaluation of ERC/STC application fees will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** plus ~~\$75.24~~**\$78.71 for FY 14-15 and \$81.07 for FY 15-16 and thereafter** per hour (one half of hourly plus mileage).

- (6) Procedure 4 & 5 Evaluation
Fees for requested expedited reviews and evaluation of Procedure 4 or 5 plans per Rule 301(n) Asbestos Fees will be an additional fee of fifty percent (50%) of the Procedure 4 & 5 plan evaluation fee.

- (w) Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP)

- (1) Registered Portable Equipment Unit Inspection Fee
Registered portable equipment units are those which emit PM10 in excess of that emitted by an associated engine alone. An hourly fee of \$98.00 shall be assessed for a triennial portable equipment unit inspection, including the subsequent investigation and resolution of violations, if any, of applicable state and federal requirements, not to exceed \$500.00 per unit.
- (2) Registered Tactical Support Equipment (TSE) Inspection Fee
Registered TSE includes registered equipment using a portable engine, including turbines, that meet military specifications, owned by the U.S. Department of Defense, the U.S. military services, or its allies, and used in

combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(A) To determine compliance with all applicable state and federal requirements, each registered TSE unit will be inspected once per calendar year.

(i) For registered TSE units determined to be in compliance with all applicable state and federal requirements during the annual inspection:

(a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of \$75.00.

(b) A fee for annual inspection of two or more registered TSE units at a single location shall be assessed at the lesser of the following costs:

(1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or

(2) A unit cost of \$75.00 per registered TSE unit inspected.

(ii) For registered TSE units determined to be out of compliance with one or more applicable state or federal requirements during the annual inspection, fees for the annual inspection (including the subsequent investigation and resolution of the violation) shall be assessed at the lesser of the following costs:

(1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or

(2) A unit cost of \$75.00 per registered TSE unit inspected.

(3) Off-hour Inspection Fee

In addition to the inspection fees stated above, any arranged inspections requested by the holder of the registration that are scheduled outside of District normal business hours may be assessed an additional off-hour inspection fee of \$40.96 per hour for the time necessary to complete the inspection.

(4) Notice to Pay and Late Payment Surcharge

A notice to pay the inspection fees will be mailed to the registration holder. Fees are due and payable immediately upon receipt of the notice to pay. All inspection fees required under this section are due within 30 days of the

invoice date. If fee payment is not received by the thirtieth (30th) day following the date of the notice to pay, the fee shall be considered late and, a late payment surcharge of \$70.11 per portable engine or equipment unit shall be imposed, not to exceed \$138.73 for any notice to pay. For the purpose of this subparagraph, the inspection fee payment shall be considered to be timely received by the District if it is postmarked by the United States Postal Service on or before the thirtieth (30th) day following the date of the notice to pay. If the thirtieth (30th) day falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the thirtieth (30th) day. Failure to pay the inspection fees and any late payment surcharge within 120 days of the date of the initial notice to pay may result in the suspension or revocation of the registration by CARB. Once a registration has been suspended, CARB will not consider reinstatement until all fees due, including late payment surcharge fees, have been paid in full.

(x) Rules 1149 and Rule 1166 Notification Fees

Any person who is required by the District to submit a written notice pursuant to Rule 1149, Rule 1166 or for soil vapor extraction projects shall pay a notification fee of ~~\$56.28~~\$57.18 per notification.

(y) Fees for the Certification of Equipment Subject to the Provisions of Rules 1111, 1121 and 1146.2

(1) Initial Certification Fee

Any person requesting certification pursuant to rules 1111, 1121 or 1146.2 shall pay a fee of ~~\$518.74~~\$527.01 per certification letter for each family of model series certified. This fee shall be paid in addition to the fees paid to review any associated source test report(s).

(2) Additional Fees for Modification or Extension of Families to Include a New Model(s)

Any person requesting a modification or extension of a certification already issued to include a new model(s) shall pay an additional fee of ~~\$259.37~~\$263.52 for certification of new models added by extension to the previously certified model series per request.

(3) Failure to pay all certification fees shall result in the revocation of each certified piece of equipment that was evaluated for which fee payment has not been received within 30 days after the due date.

(z) “No Show” Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing

(1) Reverification, and Performance Testing

If a testing company does not show for a Reverification test, or Performance test within one hour of its original scheduled time, and an SCAQMD inspector arrives for the inspection, a “No Show” fee of ~~\$381.41~~**\$387.51** shall be charged to the testing company.

(2) Pre-Backfill Inspection

If a contracting company is not ready for a Pre-Backfill inspection of its equipment at the original scheduled time, and/or did not notify the SCAQMD inspector of postponement/cancellation at least three hours prior to the scheduled time, a “No Show” fee of ~~\$381.41~~**\$387.51** shall be charged to the contracting company.

(aa) Defense of Permit

Within 10 days of receiving a complaint or other legal process initiating a challenge to the SCAQMD’s issuance of a permit, the SCAQMD shall notify the applicant or permit holder in writing. The applicant or permit holder may, within 30 days of posting of the notice, request revocation of the permit or cancellation of the application. An applicant or permit holder not requesting revocation or cancellation within 30 days of receipt of notice from the District shall be responsible for reimbursement to the District for all reasonable and necessary costs to defend the issuance of a permit or permit provisions against a legal challenge, including attorney’s fees and legal costs. The Executive Officer will invoice the applicant or permit holder for fees and legal costs at the conclusion of the legal challenge. The SCAQMD and the applicant or permit holder will negotiate an indemnity agreement within 30 days of the notice by SCAQMD to the facility operator. The agreement will include, among other things, attorneys’ fees and legal costs. The Executive Officer or designee may execute an indemnity agreement only after receiving authorization from the Administrative Committee. The Executive Officer may in his discretion, waive all or any part of such costs upon a determination that payment for such costs would impose an unreasonable hardship upon the applicant or permit holder.

(ab) Temporary Rebate of CPI Adjustment

For FY 2010-2011, owners or operators subject to and paying fees pursuant to the following paragraphs –

(d)(2) Annual Operating Fees

(e)(1) Annual Operating Emission Fee Applicability

(e)(4) Flat Annual Operating Emission Fee

(e)(7) Fee for Toxic Air contaminants or Ozone Depleters

shall be rebated the fee increase corresponding to the 2.1% CPI adjustment.

**SUMMARY PERMIT FEE RATES -
PERMIT PROCESSING, CHANGE OF CONDITIONS,
ALTERATION/MODIFICATION**

Schedule	Permit Processing Fee	Change of Condition	Alteration/ Modification
A	\$1,391.92 <u>\$1,456.62</u> for FY 14-15 and \$1,500.32 for FY 15-16 and thereafter	\$725.03 <u>\$758.73</u> for FY 14-15 and \$781.49 for FY 15-16 and thereafter	\$1,391.92 <u>\$1,456.62</u> for FY 14-15 and \$1,500.32 for FY 15-16 and thereafter
A1	\$1,391.92 <u>\$1,456.62</u> for FY 14-15 and \$1,500.32 for FY 15-16 and thereafter	\$725.03 <u>\$758.73</u> for FY 14-15 and \$781.49 for FY 15-16 and thereafter	\$1,391.92 <u>\$1,456.62</u> for FY 14-15 and \$1,500.32 for FY 15-16 and thereafter
B	\$2,218.39 <u>\$2,321.50</u> for FY 14-15 and \$2,391.15 for FY 15-16 and thereafter	\$1,098.98 <u>\$1,150.06</u> for FY 14-15 and \$1,184.56 for FY 15-16 and thereafter	\$2,218.39 <u>\$2,321.50</u> for FY 14-15 and \$2,391.15 for FY 15-16 and thereafter
B1	\$3,508.86 <u>\$3,671.95</u> for FY 14-15 and \$3,782.11 for FY 15-16 and thereafter	1,901.97 <u>\$1,990.37</u> for FY 14-15 and \$2,050.08 for FY 15-16 and thereafter	\$3,508.86 <u>\$3,671.95</u> for FY 14-15 and \$3,782.11 for FY 15-16 and thereafter
C	\$3,508.86 <u>\$3,671.95</u> for FY 14-15 and \$3,782.11 for FY 15-16 and thereafter	1,901.97 <u>\$1,990.37</u> for FY 14-15 and \$2,050.08 for FY 15-16 and thereafter	\$3,508.86 <u>\$3,671.95</u> for FY 14-15 and \$3,782.11 for FY 15-16 and thereafter
D	\$4,842.82 <u>\$5,067.91</u> for FY 14-15 and \$5,219.95 for FY 15-16 and thereafter	\$3,252.87 <u>\$3,404.06</u> for FY 14-15 and \$3,506.18 for FY 15-16 and thereafter	\$4,842.82 <u>\$5,067.91</u> for FY 14-15 and \$5,219.95 for FY 15-16 and thereafter
E	\$5,567.77 <u>\$5,826.56</u> for FY 14-15 and \$6,001.36 for FY 15-16 and thereafter	\$4,776.01 <u>\$4,998.00</u> for FY 14-15 and \$5,147.94 for FY 15-16 and thereafter	\$5,567.77 <u>\$5,826.56</u> for FY 14-15 and \$6,001.36 for FY 15-16 and thereafter
F	\$13,992.14 <u>\$14,642.49</u> for FY 14-15 and \$15,081.76 for FY 15-16 and thereafter +T&M	\$6,972.66 <u>\$7,296.75</u> for FY 14-15 and \$7,515.65 for FY 15-16 and thereafter	\$11,092.01 <u>\$11,607.57</u> for FY 14-15 and \$11,955.80 for FY 15-16 and thereafter +T&M
G	\$16,515.06 <u>\$17,282.68</u> for FY 14-15 and \$17,801.16 for FY 15-16 and thereafter +T&M	\$11,832.14 <u>\$12,382.10</u> for FY 14-15 and \$12,753.56 for FY 15-16 and thereafter	\$13,614.93 <u>\$14,247.75</u> for FY 14-15 and \$14,675.18 for FY 15-16 and thereafter +T&M
H	\$25,591.65 <u>\$26,781.15</u> for FY 14-15 and \$27,584.58 for FY 15-16 and thereafter +T&M	\$15,002.18 <u>\$15,699.48</u> for FY 14-15 and \$16,170.46 for FY 15-16 and thereafter	\$22,691.52 <u>\$23,746.22</u> for FY 14-15 and \$24,458.61 for FY 15-16 and thereafter +T&M

F: T&M = Time and Material charged at ~~\$145.01~~\$151.75 for FY 14-15 and ~~\$156.30~~ for FY 15-16 and thereafter per hour above 99 hours; not to exceed ~~\$27,256.72~~\$28,523.61 for FY 14-15 and ~~\$29,379.32~~ for FY 15-16 and thereafter.

G: T&M = Time and Material charged at ~~\$145.01~~\$151.75 for FY 14-15 and ~~\$156.30~~ for FY 15-16 and thereafter per hour above 117 hours; not to exceed ~~\$46,697.13~~\$48,867.61 for FY 14-15 and ~~\$50,333.64~~ for FY 15-16 and thereafter.

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)

H: T&M = Time and Material charged at ~~\$145.01~~\$151.75 for FY 14-15 and ~~\$156.30~~\$156.30 for FY 15-16 and thereafter per hour above 182 hours; not to exceed ~~\$59,375.32~~\$62,135.08 for FY 14-15 and ~~\$63,999.13~~\$63,999.13 for FY 15-16 and thereafter.

SUMMARY OF ERC PROCESSING RATES, BANKING, CHANGE OF TITLE, ALTERATION/MODIFICATION, and CONVERSION TO SHORT TERM CREDITS

Schedule	Banking Application	Change of Title	Alteration/Modification	Conversion to Short Term Credits	Re-issuance of Short Term Credits
I	\$3,591.71 <u>\$3,758.65</u> for FY 14-15 and \$3,871.41 <u>\$3,871.41</u> for FY 15-16 and thereafter	\$634.46 <u>\$663.95</u> for FY 14-15 and \$683.87 <u>\$683.87</u> for FY 15-16 and thereafter	\$634.46 <u>\$663.95</u> for FY 14-15 and \$683.87 <u>\$683.87</u> for FY 15-16 and thereafter	\$634.46 <u>\$663.95</u> for FY 14-15 and \$683.87 <u>\$683.87</u> for FY 15-16 and thereafter	\$634.46 <u>\$663.95</u> for FY 14-15 and \$683.87 <u>\$683.87</u> for FY 15-16 and thereafter

**SUMMARY OF PERMIT FEE RATES
CHANGE OF OPERATOR^a**

Small Business	Non-Small Business
\$193.31 <u>\$202.30</u> for FY 14-15 and \$208.37 <u>\$208.37</u> for FY 15-16 and thereafter	\$530.89 <u>\$555.57</u> for FY 14-15 and \$572.24 <u>\$572.24</u> for FY 15-16 and thereafter

^a The change of operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$6,603.20~~\$6,910.12 for FY 14-15 and ~~\$7,117.42~~\$7,117.42 for FY 15-16 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$13,206.39~~\$13,820.22 for FY 14-15 and ~~\$14,234.83~~\$14,234.83 for FY 15-16 and thereafter per facility.

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Abatement System/HEPA, Asbestos, Lead	B
Activated Carbon Adsorber, Venting Single Source (s.s.=single source)	B
Activated Carbon Adsorber, Venting Multiple Source (m.s.=multiple sources)	C
Activated Carbon Adsorber, Other	D
Activated Carbon Adsorber, Drum Venting Toxic Source (t.s = toxic source)	C
Activated Carbon Adsorber, with regeneration	E
Afterburner (<=1 MMBTU/hr, venting s.s.)	B
Afterburner (<1 MMBTU/hr, venting m.s.)	C
Afterburner, Catalytic for Bakery Oven	C
Afterburner, Direct Flame	D
Afterburner/Oxidizer: Regenerative Ceramic/Hot Rock Bed Type, Recuperative Thermal	D
Afterburner/Oxidizer, Catalytic	D
Air Filter, Custom	C
Amine (or DEA) Regeneration Unit ¹	D
Amine Treating Unit ¹	D
Baghouse, Ambient (<= 100 FT ²)	A
Baghouse, Ambient (> 100 - 500 FT ²)	B
Baghouse, Ambient (> 500 FT ²)	C
Baghouse, Hot (>350 F)	D
Biofilter (<= 100 cfm)	B
Biofilter (> 100 cfm)	C
Boiler as Afterburner	D
CO Boiler	F
Condenser	C
Control Systems, two in series	C
Control Systems, three in series	D
Control Systems, four or more in series	E
Control Systems, Venting Plasma Arc Cutters	B1
Cyclone	B
Dry Filter (<= 100 FT ²)	A
Dry Filter (>100 - 500 FT ²)	B
Dry Filter (>500 FT ²)	C

Equipment/Process	Schedule
Dust Collector/HEPA, other Rule 1401 toxics	C
Electrostatic Precipitator, Restaurant	B
Electrostatic Precipitator, Asphalt Batch Equipment	C
Electrostatic Precipitator, Extruder	B
Electrostatic Precipitator, < 3000 CFM	B
Electrostatic Precipitator, => 3000 CFM	D
Electrostatic Precipitator for Fluid Catalytic Cracking Unit (FCCU)	H
Ethylene Oxide Sterilization, Control, Hospital	B
Flare, Landfill/Digester Gas, Enclosed	E
Flare, Landfill/Digester Gas, Open	C
Flare, Portable	B
Flare System, Refinery ²	F
Flare Other	C
Flue Gas Desulfurization ¹	D
Gas Absorption Unit ³	D
Gas Scrubbing System ¹	F
Incinerator, Afterburner	D
Mesh pads, for toxics gas stream	C
Mesh pads, for other acid mists	B
Mist Control	B
Mist Eliminator with HEPA	C
Negative Air Machine/HEPA, Asbestos, Lead	A
Non-Selective Catalytic Reduction	B
Odor Control Unit	D
Relief and Blowdown System ⁴	D
Scrubber, Biofiltration	C
Scrubber Controlling NO _x venting	D
Scrubber Controlling SO _x venting	D
Scrubber Controlling HCL or NH ₃ venting s.s.	B
Scrubber Controlling HCL or NH ₃ venting m.s.	C
Scrubber, NO _x , multistage	D
Scrubber, NO _x , single stage	C
Scrubber, Odor, <5000 cfm	C
Scrubber, Other venting s.s.	B
Scrubber, Other venting m.s.	C

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Scrubber, Other Chemical venting s.s.	B
Scrubber, Other Chemical venting m.s.	D
Scrubber, Particulates venting s.s.	B
Scrubber, Particulates venting m.s.	C
Scrubber, Particulates venting t.s.	D
Scrubber, Restaurant	B
Scrubber, Toxics venting	D
Scrubber, Venturi venting s.s.	B
Scrubber, Venturi venting m.s.	C
Scrubber, Venturi venting t.s.	C
Scrubber, Water (no packing)	B
Selective Catalytic Reduction (SCR)	C
Settling Chamber	B
Ship Hold Hatch Cover	A
Slop Oil Recovery System	D
Sour Water Oxidizer Unit ⁵	D
Sour Water Stripper ⁶	D
Sparger	B
Spent Acid Storage & Treating Facility ⁷	E
Spent Carbon Regeneration System	D
Spent Caustic Separation System ⁸	D
Spray Booth/Enclosure, Other	B
Spray Booth/Enclosure, Powder Coating System with single or multiple APC for particulates	B
Spray Booth, Metallizing	C
Spray Booth with Carbon Adsorber (non-regenerative)	C
Spray Booths (multiple) with Carbon Adsorber (non-regenerative)	D
Spray Booth(s) with Carbon Adsorber (regenerative)	E
Spray Booth(s) (1 to 5) with Afterburner/Oxidizer (Regenerative/Recuperative)	D
Spray Booths (>5) with Afterburner/Oxidizer (Regenerative/Recuperative)	E
Spray Booth, Automotive, with Multiple VOC Control Equipment	C
Spray Booth with Multiple VOC Control	D
Spray Booths (multiple) with Multiple VOC Control Equipment	E

Storm Water Handling & Treating System ⁹	E
Equipment/Process	Schedule
Sulfur Recovery Equipment ¹	H
Tail Gas Incineration	D
Tail Gas Unit ¹⁰	H
Storage Tank, Degassing Unit	D
Ultraviolet Oxidation	D
Vapor Balance System ¹¹	B
Vapor Recovery, Serving Crude Oil Production ¹¹	D
Vapor Recovery, Serving Refinery Unit ¹¹	E
Waste Gas Incineration Unit	E

¹ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels

² Including, but not limited to, all or part of the following: Flare, Compressors, Drums, Knock Out Pots, Pots, Vessels

³ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels

⁴ Including, but not limited to, all or part of the following: Compressors, Drums, Knock Out Pots, Pots

⁵ Including, but not limited to, all or part of the following: Accumulators, Columns, Drums, Knock Out Pots, Tanks, Vessels

⁶ Including, but not limited to, all or part of the following: Condensers, Coolers, Drums, Sumps, Vessels

⁷ Including, but not limited to, all or part of the following: Accumulators, Clarifier, Columns, Compressors, Condensers, Drums, Filters, Filter Presses, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels

⁸ Including, but not limited to, all or part of the following: Process Tanks, Separators, Tanks

⁹ Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units,

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

Filter Presses, Clarifiers, Settling Tanks, Waste
Water Separators, Tanks

¹⁰ Including, but not limited to, all or part of the
following: Absorbers, Condensers, Coolers,
Drums, Heat Exchangers, Knock Out Pots,
Reactors, Tanks, Vessels

¹¹ Including, but not limited to, all or part of the
following: Absorbers, Compressors, Condensers,
Knock Out Pots, Pumps, Saturators

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Abatement System, Asbestos, Lead	B
Abrasive Blasting (Cabinet, Mach., Room)	B
Abrasive Blasting (Open)	A
Absorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Absorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Acetylene Purification System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Acid Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Adhesives Organic Additions Including, but not limited to, all or part of the following: Reactors, Mixers, Process Tanks, Vessels	C
Adsorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Adsorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Adsorption, Other	B
Aeration Potable Water	C
Aggregate, Tank Truck Loading/Conveying Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Weigh Stations	B
Aggregate Production, with Dryer Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	E

Equipment/Process	Schedule
Aggregate Production/Crushing (<5000 tpd) Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	C
Aggregate Production/Crushing (=>5000 tpd) Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	D
Aggregate Screening Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Cyclones, Screens, Weigh Stations	C
Air Strippers	C
Aircraft Fueling Facility Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
Alkylation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Ammonia Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Ammonia Vaporization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders	C
Anodizing (sulfuric, phosphoric)	B
Aqueous Ammonia Transfer & Storage	C
Aromatics Recovery Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Asphalt Air Blowing	B
Asphalt Blending/Batching Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Cyclones, Dryers, Feeders, Hoppers, Knock Out Pots, Mixers, Screens, Tanks, Weigh Stations	E
Asphalt Coating	C
Asphalt Day Tanker/Tar Pot	A
Asphalt Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters	C
Asphalt Roofing Saturator	D
Asphalt-Rubber Spraying	B
Auto Body Shredding	C
Autoclave, Non-sterilizing Type	B
Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Benzene/Toluene/Xylene Production Equip. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses,	C
Bleach Manufacturing Including, but not limited to, all or part of the following: Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Tanks, Towers, Vessels	B
Blending, Other	B
Boiler/hot water heater, various locations, diesel/oil fired (<300,000 BTU/hr)	A
Boiler/hot water heater, single facility, portable, diesel/oil fired (<600,000 BTU/hr)	A
Boiler, Landfill/Digester Gas (< 5 MMBTU/hr)	B
Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr)	C
Boiler, Landfill/Digester Gas (>20 to 50 MMBTU/hr)	D
Boiler, Landfill/Digester Gas (>50 MMBTU/hr)	F
Boiler, Natural gas-fired, 5 – 20 MM BTU/hr	C
Boiler, Other Fuel (<5MMBTU/hr)	B
Boiler, Other Fuel (5 - 20 MMBTU/hr)	C
Boiler, Other Fuel (>20 - 50 MMBTU/hr)	D
Boiler, Other Fuel (> 50 MMBTU/hr)	E
Boiler, Utility (> 50 MW)	H
Brake Shoes, Grinding, Bonding and Debonding, Deriveter	B
Bulk Chemical Terminal	B
Bulk Loading/Unloading Stn (< 50,000 GPD)	B
Bulk Loading/Unloading Rack (50,000 - 200,000 GPD)	D
Bulk Loading/Unloading Rack (> 200,000 GPD)	E
Bulk Loading/Unloading	C

Equipment/Process	Schedule
Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears	D
Catalyst Handling System Including, but not limited to, all or part of the following: Centrifuge, Bins, Conveyors, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	C
Catalyst Mfg./Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	D
Catalyst Storage (Hoppers)	C
Catalytic Reforming Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Caustic Treating Unit Including, but not limited to, all or part of the following: Knock Out Pots, Tanks, Towers, Vessels	E
Cement Marine Loading & Unloading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading & Unloading Arms, Weigh Stations	E
Cement Packaging Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Cement Truck Loading	C
Charbroiler, Eating Establishment	A
Charbroiler with Integrated Control	B
Charbroiler, Food Manufacturing	C
Chemical Additive Injection System Including, but not limited to, all or part of the following: Injectors, Compressors, Pumps	C
Chip Dryer	D
Circuit Board Etchers	B
Cleaning, Miscellaneous	B

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Coal Bulk Loading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	E
Coal Research Pilot / Equip (0-15 MMBTU/hr)	C
Coal Research Pilot / Equip (>15 MMBTU/hr)	D
Coal Tar Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Coating & Drying Equipment, Continuous Organic, Web Type Including, but not limited to, all or part of the following: Coater Operations, Process Tanks, Dryers	C
Coffee Roaster < 50 lbs capacity with integrated afterburner	B
Coffee Roasting, (11-49 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	A
Coffee Roasting, 50-99 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	B
Coffee Roasting, 100 lb or more roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C
Coke Handling & Storage Facility Including, but not limited to, al or part of the following: Centrifuge, Bins, Conveyors, Clarifier, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	E
Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Concrete/Asphalt Crushing Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Screens, Vibrating Grizzlies, Weigh Stations	C
Concrete Batch Equipment Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	C
Confined Animal Facility	A
Container Filling, Liquid	B
Conveying, Other	B
Cooling Tower, Petroleum Operations	C
Cooling Tower, Other	B
Core Oven	B
Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers	D
Crankcase Oil, Loading and Unloading	C
Crematory	C
Crude Oil, Cracking Catalytic Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	G
Crude Oil, Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Crude Oil/Gas/Water Separation System (< 30 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	C

Equipment/Process	Schedule
Crude Oil/Gas/Water Separation System, (=> 30 BPD & < 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	C
Crude Oil/Gas/Water Separation System, (=> 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	E
Decorating Lehr	C
Decorator	B
Deep-Fat Fryer	C
Dehydration Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Degreaser, Cold Solvent Dipping	B
Degreaser, Cold Solvent Spray	C
Degreaser, (<= 1 lb VOC/day)	B
Degreaser (> 1 lb VOC/day)	B
Degreaser, (VOCw/Toxics)	C
Delayed Coking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Deposition on Ceramics (< 5 pieces)	B
Deposition on Ceramics (5 or more pieces)	C
Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels	C
Die Casting Equipment	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Digester Gas Desulfurization System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers, Vessels	C
Dip Tank, Coating	B
Dip Tank, (<=3 gal/day)	B
Distillation, Other Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Drilling Rig, Crude Oil Prod.	C
Drop Forge	B
Dry Cleaning & Associated Control Equipment	A
Dryer for Organic Material	C
Drying/Laundry	A
Drying, Other	B
Emission Reduction Credits [Rule 301(c)(4)]	I
End Liner, Can	B
Ethylene Oxide Sterilization, Hospital	B
Evaporation, Toxics	C
Evaporator, Other	B
Extraction - Benzene Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Extruder	B
Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders	C
Fatty Acid Mfg.	C
Feathers, Size Classification	A
Feed Handling (combining conveying and loading)	D

Equipment/Process	Schedule
Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles	C
Fertilizer, Natural, Packaging/ Processing Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	B
Fertilizer, Synthetic, Production Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Mixers, Dryers, Process Tanks, Reactors, Hoppers, Loading Arms, Weigh Stations	C
Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters	C
Filament Winder, Rule 1401 Toxics	C
Filament Winder, Other	B
Filling Machine, Dry Powder	C
Film Cleaning Machine	B
Flour Handling (combining conveying, packaging, and loadout)	E
Flour Manufacturing (combining milling and conveying)	E
Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations	D
Flow Coater	B
Fluid Catalytic Cracking Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	H
Fluid Elimination, Waste Water	B
Foam-in-Place Packaging	A
Food Processing Grinding, Blending, Packaging, Conveying, Flavoring	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Fruit and Vegetable Treating	A
Fuel Gas Mixer	C
Fuel Gas, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels	D
Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A
Fumigation	A
Furnace, Arc	D
Furnace, Burn-Off, Armature	C
Furnace, Burn-Off, Drum	D
Furnace, Burn-Off, Engine Parts	C
Furnace, Burn-Off, Paint	C
Furnace, Burn-Off, Wax	C
Furnace, Burn-Off, Other	C
Furnace, Cupola	D
Furnace, Electric, Induction and Resistance	C
Furnace, Frit	C
Furnace, Galvanizing	C
Furnace, Graphitization and Carbonization	C
Furnace, Heat Treating	B
Furnace, Other Metallic Operations	C
Furnace, Pot/Crucible	C
Furnace, Reverberatory	D
Furnace, Wire Reclamation	C
Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters	C

Equipment/Process	Schedule
Gas Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Re-generators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Gas Turbine, Landfill/Digester Gas, <0.3MW	B
Gas Turbine, Landfill/Digester Gas, =>0.3 MW	E
Gas Turbine, <=50 MW, other fuel	D
Gas Turbine, >50 MW, other fuel	G
Gas Turbine, Emergency, <0.3 MW	A
Gas Turbine, Emergency, =>0.3 MW	C
Gas Turbines (Microturbines only)	A
Gas-Oil Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Gasoline, In-line Blending Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Gasoline, Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Gasoline, Separation - Liquid Production Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
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Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks	C
Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations	E

Equipment/Process	Schedule
Gasoline, Vapor Gathering System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Gasoline Blending Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels	E
Gasoline Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment)	
Glass Forming Machine	C
Glass Furnace < 1TPD	B
Glass Furnace, > 1 - 50 TPD Pull	D
Glass Furnace, > 50 TPD Pull	E
Grain Cleaning Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Screens, Weigh Stations	C
Grain Handling (combining storage and cleaning)	E
Grain Storage	C
Grinder, Size Reduction	B

Equipment/Process	Schedule
Halon/Refrigerants, Recovery and Recycling Equipment	A1
Heater, (<5 MMBTU/hr)	B
Heater, (5 - 20 MMBTU/hr)	C
Heater, (>20-50 MMBTU/hr)	D
Heater, (>50 MMBTU/hr)	E
Hot End Coating, (Glass Mfg. Plant)	B
Hydrant Fueling, Petrol. Middle Distillate Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
Hydrocarbons, Misc., Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Hydrogen Desulfurization (HDS) Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Hydrogen Production Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Hydrotreating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
IC Engine, (51-500 HP) Cogeneration	B
IC Engine, (> 500 HP) Cogeneration	C
IC Engine, Emergency, 51 - 500 HP	B

Equipment/Process	Schedule
IC Engine, Emergency, (> 500 HP)	B
IC Engine, Landfill/Digester Gas	D
IC Engine, Other, 51-500 HP	B
IC Engine, Other, >500 HP	C
Impregnating Equipment	C
Incineration, Hazardous Waste	H
Incinerator, < 300 lbs/hr, Non-Hazardous	E
Incinerator, >=300 lbs/hr, Non-Hazardous	F
Indoor Shooting Range	B
Ink Mfg./Blending Including, but not limited to, all or part of the following: Process Tanks, Mixers	B
Inorganic Chemical Mfg. Including, but not limited to, all or part of the following: Process Tanks, Mixers, Reactors	D
Insecticide Separation/Mfg Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Iodine Reaction Including, but not limited to, all or part of the following: Columns, Compressors, Condensers, Coolers, Heat Exchangers, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers	C

Isomerization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Jet Engine Test Facility	C
Kiln, Natural Gas	C
Landfill Condensate/Leachate Collection/Storage	B
Landfill Gas, Collection, (<10 Wells)	B
Landfill Gas, Collection, (10 -50 Wells)	C
Landfill Gas, Collection, (> 50 Wells)	D
Landfill Gas, Treatment	E
Equipment/Process	Schedule
Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks	D
Liquid Waste Processing, Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	E
Liquid Waste Processing, Non Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	C
LPG, Tank Truck Loading	D
LPG, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

LPG Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Lube Oil Additive/Lubricant Mfg.	B
Lube Oil Re-refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

Metallic Mineral Production Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	E
Misc. Solvent Usage at a Premise	B
Mixer, Chemicals	B
MTBE Production Facility Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F

Equipment/Process	Schedule
Marine Bulk Loading/Unloading System, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators	D
Marine Vessel Displaced Vapor Control, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators	D
Merichem Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Mercox Treating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Metal Deposition Equipment	C

Equipment/Process	Schedule
Natural Gas Dehydration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Natural Gas Odorizers	C
Natural Gas Stabilization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Scrubbers, Regenerators, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Nut Roasters Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C
Nut Shell Drying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Dryers, Coolers	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Oil/Water Separator (< 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels	B
Oil/Water Separator (>= 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels	C
Open-Air resin operations	A
Oven Bakery	C
Oven, Curing (Rule 1401 toxics)	C
Oven, Other	B
Packaging, Other	B
Paint Stripping, Molten Caustic	C
Paper Conveying	A
Paper Pulp Products	D
Paper Size Reduction	C
Pavement Grinder	B
Pavement Heater	B

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers	C
Perlite Furnace	C
Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Pesticide/Herbicide Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	F
Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers	C
Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs	C
Pipe Coating, Asphaltic	B
Plasma Arc Cutting	B1
Plastic Mfg., Blow Molding Machine	B
Plastic/Resin Size Reduction Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Grinders, Mills, Cyclones, Screens, Weigh Stations	B
Plastic/Resins Reforming	C
Plastic/Resins Treating	C
Plastisol Curing Equipment	B
Polystyrene Expansion/Molding	C
Polystyrene Expansion/Packaging	C

Equipment/Process	Schedule
Polystyrene Extruding/Expanding	B
Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Polyurethane Mfg/Production	B
Polyurethane Mfg/Rebonding	B
Process Line, Chrome Plating (Hexavalent)	C
Process Line, Chrome Plating (Trivalent)	B
Precious Metal, Recovery, Other	B
Precious Metal, Recovery, Catalyst	D
Printing Press, Air Dry	B
Printing Press With IR, EB or UV Curing	B
Printing Press, Other	C
Printing Press, Screen	B
Production, Other	B
Railroad Car Loading/Unloading, Other	C
Railroad Car Unloading, liquid direct to trucks	B
Reaction, Other	C
Recovery, Other	B
Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels	B
Refrigerant Recovery/Recycling	A1
Rendering Equipment, Blood Drying	C
Rendering Equipment, Fishmeal Drying	C
Rendering Equipment, Rendering	D
Rendering Equipment, Separation, Liquid	C
Rendering Product, Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Resin, Varnish Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	D
Roller Coater	B

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Rubber Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Rubber Presses or Molds with a ram diameter of more than 26 inches Submitted before September 11, 1999	A
Submitted on or after September 11, 1999	B
Rubber Roll Mill	B
Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	D
Screening, Green Waste	A
Screening, Other Including, but not limited to, all or part of the following: Screens, Conveyors, Bins, Hoppers, Bucket Elevators	C
Semiconductor, Int. Circuit Mfg (<5 pieces)	B
Semiconductor, Int. Circuit Mfg (5 or more)	C
Semiconductor, Photo resist (<5 pieces)	B
Semiconductor, Photo resist (5 or more pieces)	C
Semiconductor, Solvent Cleaning (<5 pieces)	B
Semiconductor, Solvent Cleaning (5 or more pieces)	C
Sewage Sludge Composting	C
Sewage Sludge Drying, Conveying, Storage, Load-out Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Loading Arms	D
Sewage Sludge Digestion	D
Sewage Sludge Dryer	D
Sewage Sludge Incineration	H
Sewage Treatment, (<= 5 MGD), Aerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	C

Equipment/Process	Schedule
Sewage Treatment, (>5 MGD) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	F
Sewage Treatment, (> 5 MGD), Anaerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Digesters, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	G
Sheet Machine	B
Shell Blasting System	B
Shipping Container System	B
Sintering	C
Size Reduction, Other Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations	C
Size Reduction, Petroleum Coke Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations	C
Sludge Dewatering, Other Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks	D
Sludge Dryer, Other	B
Sludge Incinerator	H
Smoke Generator	B
Smokehouse	C
Soap/Detergent Mfg Including, but not limited to, all or part of the following: Process Tanks, Mixers, Tanks, Conveyors, Bins, Hoppers, Bucket Elevators	D
Soil Treatment, Other Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens	D
Soil Treatment, Vapor Extraction Including, but not limited to, all or part of the following: Adsorbers, Afterburners	C
Solder Leveling	B

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Soldering Machine	B
Solvent Reclaim, Still (Multistage)	C
Solvent Reclaim, Still (Single stage)	A
Solvent Redistillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Spent Stretford Solution Regeneration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Spray Equipment, Open	B
Spray Machine, Adhesive	B
Spray Machine, Coating	B
Spray Machine, Powder Coating	B
Spraying, Resin/Gel Coat	C
Sterilization Equipment	C
Stereolithography	A
Storage, Petroleum Coke	C
Storage Container, Baker-Type	B
Storage Container, Baker-Type w/Control	C
Storage Silo, Other Dry Material	A
Storage Tank, w/o Control, Crude Oil/Petroleum Products	B
Storage Tank, Acid with sparger	B
Storage Tank, Ammonia with sparger	B
Storage Tank, Asphalt <=50,000 gallons	B
Storage Tank, Asphalt >50,000 gallons	C
Storage Tank, Degassing Unit	D
Storage Tank, Fixed Roof with Internal Floater	C
Storage Tank, Fixed Roof with Vapor Control	C
Storage Tank, Fuel Oil	A

Equipment/Process	Schedule
Storage Tank, Lead Compounds	C
Storage Tank, LPG	A
Storage Tank, LPG w/Vaporizing System	C
Storage Tank, Other	A
Storage Tank, Other w/ Control Equipment	B
Storage Tank, with Passive Carbon s.s.	B
Storage Tank, with Passive Carbon m.s.	C
Storage Tank, with Passive Carbon t.s.	C
Storage Tank, Rendered Products	C
Storage Tank, Waste Oil	A
Storage Tank with condenser	B
Storage Tank, with External Floating Roof	C
Stove-Oil Filter/Coalescer Facility	D
Striper, Can	B
Striper, Pavement	B
Stripping, Other	B
Sulfonation Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Sulfuric Acid Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Sump, Covered & Controlled	C
Sump, Spill Containment	A
Tablet Coating Pans	A
Tank, Hard Chrome Plating	C
Tank/Line, Other Chrome Plating or Chrome Anodizing	C
Tank, Line, Other Process Emitting Hexavalent Chrome	C
Tank/Line, Trivalent Chrome Plating	B
Tank/Line, Cadmium or Nickel Plating	C

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Tank/Line, Other Process Emitting Nickel or Cadmium	B1
Equipment/Process	Schedule
Tank/Line, Other Plating	B
Tank/Line Nitric Acid Process Emitting NOx	C
Tank/Line, Other Process Using Aqueous Solutions	B
Tank, Paint Stripping w/Methylene Chloride	C
Textiles, Recycled, Processing	C
Thermal Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Tire Buffer	A
Treating, Other	B
Treating, Petroleum Distillates Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Vacuum Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Vacuum Machine	C
Vacuum Metalizing	B
Vacuum Pumps	C
Vegetable Oil Extractor Including, but not limited to, all or part of the following: Bins, Conveyors, Cookers, Presses, Tanks, Kilns	E
Warming Device, Electric	A

Equipment/Process	Schedule
Waste Water Treating (< 10,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	B
Waste Water Treating (< 20,000 gpd) no toxics Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	B
Waste Water Treating (20,000 - 50,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	D
Waste Water Treating (>50,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	E
Waste-to-Energy Equipment	H
Wet Gate Printing Equipment using Perchloroethylene	B
Weigh Station	A
Wood Treating Equipment Including, but not limited to, all or part of the following: Coater Operations, Process Tanks	C

**TABLE IIA
SPECIAL PROCESSING FEES**

AIR QUALITY ANALYSIS/HEALTH RISK ASSESSMENT

Schedule	Fee
A	\$1,185.98 <u>\$1,241.10 for FY 14-15 and \$1,278.33 for FY 15-16 and thereafter</u>
B	\$1,185.98 <u>\$1,241.10 for FY 14-15 and \$1,278.33 for FY 15-16 and thereafter</u>
C	\$1,185.98 <u>\$1,241.10 for FY 14-15 and \$1,278.33 for FY 15-16 and thereafter</u>
D	\$4,245.92 <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
E	\$4,245.92 <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
F	\$4,245.92 <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
G	\$4,245.92 <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
H	\$5,662.25 <u>\$5,925.43 for FY 14-15 and \$6,103.19 for FY 15-16 and thereafter</u> +T&M

D through G: T&M = Time and Material charged at ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter per hour above 35 hours.

H: T&M = Time and Material charged at ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter per hour above 47 hours. Time and material charges for work beyond these hourly limits shall be for analysis or assessment required due to modification of the project or supporting analysis submitted for initial review or for multiple analyses or assessments required for a project or other special circumstances and shall be approved by the Executive Officer.

An additional fee of ~~\$2,033.08~~\$2,127.58 for FY 14-15 and \$2,191.41 for FY 15-16 and thereafter shall be assessed for a project requiring modeling review triggered by the requirements of Regulation XVII – Prevention of Significant Deterioration (PSD). The total combined fee for these reviews shall not exceed ~~\$13,553.91~~\$14,183.90 for FY 14-15 and \$14,609.42 for FY 15-16 and thereafter.

**TABLE IIB
FEE FOR PUBLIC NOTICE PUBLICATION**

County	Rule 212(g) Notice ^(a)	Title V Notice ^(a)
Los Angeles	\$1,348.43 <u>\$1,370.00</u>	\$811.01 <u>\$823.99</u>
Orange	\$1,228.13 <u>\$1,247.78</u>	\$601.24 <u>\$610.86</u>
Riverside	\$266.66 <u>\$270.93</u>	\$285.47 <u>\$290.04</u>
San Bernardino	\$1,171.09 <u>\$1,189.83</u>	\$540.67 <u>\$549.32</u>

^(a) If Rule 212(g) and Title V notices are combined, pursuant to Rule 212(h), only Rule 212(g) publication fee applies.

**TABLE IIC
CEMS, FSMS, & ACEMS FEE SCHEDULE**

Certification Review		
CEMS and FSMS Review¹	Basic Fee²	Maximum Fee
Any combination of pollutants, diluent, flow, or other parameter ³ for:		
One to two components	\$3,483.19 <u>\$3,538.92</u>	\$6,236.49 <u>\$6,336.27</u>
Three to four components	\$4,189.99 <u>\$4,257.03</u>	\$11,476.49 <u>\$11,660.11</u>
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	\$2,834.91 <u>\$2,880.27</u>
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	\$2,834.91 <u>\$2,880.27</u>
ACEMS Review	Basic Fee⁴	Maximum Fee
	\$3,483.19 <u>\$3,538.92</u>	\$11,476.49 <u>\$11,660.11</u>

¹The certification fee includes the initial application approval, approval of test protocol, and approval of the performance test results. An application resubmitted after a denial will be treated as a new application and will be subject to a new fee.

²Covers up to 40 hours evaluation time for the first two components, 60 hours for the first four components, and up to an additional 12 hours for each component beyond four. Excess hours beyond these will be charged at ~~\$145.01~~\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour, to the maximum listed in the table.

³Additional components, as necessary, to meet monitoring requirements (e.g., moisture monitor).

⁴Covers up to 40 hours evaluation time.

**TABLE III - EMISSION FEES
For emissions in Calendar Year 2010 and thereafter**

Annual Emissions (tons/yr)	Organic Gases* (\$/ton)	Specific Organics** (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4 – 25	\$559.14	\$100.04	\$327.12	\$387.82	-	\$427.56
	<u>\$568.09</u>	<u>\$101.64</u>	<u>\$332.35</u>	<u>\$394.03</u>	-	<u>\$434.40</u>
>25 – 75	\$907.82	\$158.51	\$519.62	\$626.94	-	\$692.81
	<u>\$922.35</u>	<u>\$161.05</u>	<u>\$527.93</u>	<u>\$636.97</u>	-	<u>\$703.90</u>
>75	\$1,358.90	\$237.75	\$782.56	\$941.26	-	\$1,037.31
	<u>\$1,380.64</u>	<u>\$241.55</u>	<u>\$795.08</u>	<u>\$956.32</u>	-	<u>\$1,053.91</u>
≥100	-	-	-	-	\$6.68 <u>\$6.79</u>	-

* Excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph defined in subdivision (b) of this rule.

** See specific organic gases as defined in subdivision (b) of this rule.

*** For July 1, 2010 through June 30, 2011 inclusive the amount of the CPI increase will be rebated.

**TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS
For emissions in Calendar Year 2010 and thereafter**

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
Ammonia (Reporting Period 07/01/04 and beyond)	\$0.03	200
Asbestos	\$5.85 <u>\$5.94</u>	0.0001
Benzene	\$1.97 <u>\$2.00</u>	2.0
Cadmium	\$5.85 <u>\$5.94</u>	0.01
Carbon tetrachloride	\$1.97 <u>\$2.00</u>	1.0
Chlorinated dioxins and dibenzofurans (26 species)	\$9.74 <u>\$9.90</u>	0.00002
Ethylene dibromide	\$1.97 <u>\$2.00</u>	0.5
Ethylene dichloride	\$1.97 <u>\$2.00</u>	2.0
Ethylene oxide	\$1.97 <u>\$2.00</u>	0.5
Formaldehyde	\$0.43 <u>\$0.44</u>	5.0

Hexavalent chromium	\$7.79 <u>\$7.91</u>	0.0001
Methylene chloride	\$0.08	50.0
Nickel	\$3.88 <u>\$3.94</u>	0.1
Perchloroethylene	\$0.43 <u>\$0.44</u>	5.0
1,3-Butadiene	\$5.85 <u>\$5.94</u>	0.1
Inorganic arsenic	\$5.85 <u>\$5.94</u>	0.01
Beryllium	\$5.85 <u>\$5.94</u>	0.001
Polynuclear aromatic hydrocarbons (PAHs)	\$5.85 <u>\$5.94</u>	0.2
Vinyl chloride	\$1.97 <u>\$2.00</u>	0.5
Lead	\$1.97 <u>\$2.00</u>	0.5
1,4-Dioxane	\$0.43 <u>\$0.44</u>	5.0
Trichloroethylene	\$0.16	20.0

**TABLE IV (cont.)
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS**

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
For emissions Calendar Year 2010 and thereafter		
Chlorofluorocarbons (CFCs)	\$0.37 <u>\$0.38</u>	---
1,1,1-trichloroethane	\$0.05	---

**TABLE V
ANNUAL CLEAN FUELS FEES**

Volatile Organic Compounds (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Particulate Matter (\$/ton)
\$43.56 <u>\$44.26</u>	\$24.43 <u>\$24.82</u>	\$30.28 <u>\$30.76</u>	\$24.43 <u>\$24.82</u>

**TABLE VI
DEMOLITION, ASBESTOS AND LEAD NOTIFICATION FEES**

Demolition and Renovation by Project Size (square feet)¹					
up to 1,000	>1,000 to 5,000	5,000 to 10,000	>10,000 to 50,000	>50,000 to 100,000	> 100,000
\$56.28	\$172.08	\$402.81	\$631.62	\$915.38	\$1,525.63
<u>\$57.18</u>	<u>\$174.83</u>	<u>\$409.26</u>	<u>\$641.73</u>	<u>\$930.03</u>	<u>\$1,550.04</u>

Additional Service Charge Fees				
Revision to Notification	Special Handling Fee²	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee³
\$56.28	\$56.28	\$631.62	\$631.62	\$315.81
<u>\$57.18</u>	<u>\$57.18</u>	<u>\$641.73</u>	<u>\$641.73</u>	<u>\$320.86</u>

- ¹ For demolition, the fee is based on the building size.
For refinery or chemical unit demolition, the fee is based on the structure's footprint surface area.
- ² For renovation, the fee is based on the amount of asbestos/lead removed.
- ³ For all notifications postmarked less than 14 calendar days prior to project start date.
For all expedited Procedure 4 or 5 plan evaluation requests postmarked less than 14 calendar days prior to project start date.
For each subsequent notification for pre-approved Procedure 5 plan submitted per Rule 1403(d)(1)(D)(i)(V)(2).

**TABLE VII
SUMMARY OF RECLAIM & TITLE V FEES**

Description	Rule section	Fee
RECLAIM <u>(l)</u>		
Facility Amendment Fee <u>with</u> Engineering Evaluation <ul style="list-style-type: none"> • RECLAIM only • RECLAIM & Title V 	(kl) (5)	\$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u> \$1,824.90 <u>\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and thereafter</u>
Facility Amendment Fee <u>without</u> Engineering Evaluation <ul style="list-style-type: none"> • RECLAIM only • RECLAIM & Title V 	(kl) (5)	\$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u> \$1,824.90 <u>\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and thereafter</u>
Change of Operator <ul style="list-style-type: none"> • Facility Permit Amendment Fee + Application Processing Fee for Each Application 	(kl) (7)	\$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u> + \$530.89 <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>
Title V <u>(m)</u>		
Administrative Permit Revision Fee	(lm) (6)	\$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>
Permit Revision Fee <ul style="list-style-type: none"> • Minor permit revision • De minimis significant permit revision • Significant permit revision 	(lm) (7)	\$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u> \$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u> \$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>
Permit Renewal Fees + Final Fee if time exceeds 8 hours	(lm) (8)	\$2,072.50 <u>\$2,168.83 for FY 14-15 and \$2,233.89 for FY 15-16 and thereafter</u> + \$145.01 <u>\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter</u> /hr
Change of Operator <ul style="list-style-type: none"> • Administrative Permit Revision Fee 	(m) <u>(5g)</u>	\$912.44 <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>

ATTACHMENT F (continued)

(Adopted September 2, 1977)(Amended May 5, 1978)(Amended March 5, 1982)
(Amended August 5, 1983)(Amended October 5, 1984)(Amended January 6, 1989)
(Amended June 1, 1990)(Amended June 6, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)
(Amended May 9, 1997) (Amended May 8, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(Amended July 9, 2004)(Amended June 3, 2005)
(Amended June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)
(Amended June 5, 2009) (Amended May 7, 2010) (Updated July 1, 2011)
(Updated July 1, 2012) (Updated July 1, 2013) (Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

PROPOSED AMENDED RULE 303. HEARING BOARD FEES

- (a) Filing and Appearance Fees
- (1) Every applicant or petitioner in a proceeding before the Hearing Board shall pay to the Clerk of the Board, at the time of filing, a filing fee for each petition in accordance with the schedule set forth in Table III.
 - (2) If the hearing runs more than one day, supplemental appearance fees shall be assessed pursuant to Table III for each additional day of the hearing, unless otherwise ordered by the Hearing Board.
- (b) Filing Fee Refunds
- (1) In the event the Hearing Board reverses in total an appealed decision of the Executive Officer, the filing fee specified in subdivision (a) shall be refunded to the petitioner.
 - (2) In the event that the petition is withdrawn, and the petitioner notifies the Clerk of the Board in writing not less than four (4) days prior to the scheduled appearance, or the hearing is not held for any other reason, the petitioner shall be entitled to a refund of fifty percent (50%) of the filing fees.
- (c) Publication Fees
- Every petitioner for relief which requires published notice shall pay to the Clerk of the Board a fee to cover the actual cost of publication of notice(s) of hearing. The fee shall be due and payable within fifteen (15) days of the notification in writing of the amount due.

(d) Excess Emission Fee

- (1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk of the Board, in addition to the filing fees required in subdivision (a) an emission fee in accordance with the schedule set forth in Table I, based on the total emissions discharged during the variance period in excess of that allowed by these rules or permit conditions, other than those described in subdivision (e) below. If the amount of the excess emission fee is less than that specified in subdivision (f), the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.
- (2) In cases where the Hearing Board determines that calculations or estimations of excess emissions cannot be made, the petitioner shall pay the amount set forth in subdivision (f), unless otherwise ordered by the Hearing Board.
- (3) In the event that more than one rule and/or permit condition limiting the discharge of the same contaminant is violated, the excess emission fee shall be based on the excess emissions resulting from the violation of the most stringent rule or permit condition. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

(e) Excess Visible Emission Fee

Each applicant or petitioner for a variance from Rule 401 and/or Health and Safety Code Section 41701 shall pay to the Clerk of the Board, in addition to the filing fees required in subdivision (a) above, and the excess emission fees required in (d) above (if any), an emission fee based on the difference between the percent opacity allowed by Rule 401 and/or Health and Safety Code Section 41701 and the percent opacity of the emissions allowed under the variance. Such fees shall be calculated in accordance with the schedule set forth in Table II.

(f) Minimum Excess Emission Fees

The excess emission fee remitted, regardless of calculations, shall be no less than ~~\$172.04~~\$174.79 for each day on which the excess emissions occur or are expected to occur at each facility during the variance period, unless otherwise ordered by the Hearing Board.

- (g) **Adjustment of Excess Emission Fees**

The Hearing Board may adjust the excess emission fee required by subdivisions (d), (e), and (f) of this rule, at the request of the petitioner or upon motion of the Hearing Board, based on evidence regarding emissions presented at the time of the hearing.
- (h) **Eligibility as a Small Business and Eligibility for Table III Schedule A Fees**
 - (1) Petitioners that are individuals or that meet the definition of Small Business as set forth in Rule 102- Small Business or that meet the gross annual receipts criterion for small businesses shall be assessed twenty percent (20%) of the fees required by subdivisions (d), (e), or (f), whichever is applicable.
 - (2) A request for eligibility as a small business, individual, or entity that meets the total annual gross receipts criterion for small businesses in Rule 102 shall be made by the petitioner under penalty of perjury on a declaration form provided by the Executive Officer, which shall be submitted to the Clerk of the Board at the time of filing of a petition for a variance.
- (i) **Group Variance Fees**
 - (1) Petitioners filing as a group for a variance shall jointly pay the total filing fee specified in Table III. Each petitioner shall individually pay excess emission fees for their facility or product(s), as specified in subdivisions (d), and (e), or (f) whichever is applicable.
 - (2) The Publication Fee required by subdivision (c) shall be totaled and divided equally among the petitioners.
- (j) **Adjustment of Fees**

If, after the term of a variance for which emission fees have been paid, petitioner can establish, to the satisfaction of the Executive Officer, that (1) emissions were less than those upon which the fee was based, or (2) excess emission fee calculations are otherwise incorrect, a pro rata refund shall be made. If the amount of the excess emissions fee is less than that specified in subdivision (f), the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.

(k) Fee Payment/Variance Revocation

- (1) Excess emission fees required by subdivisions (d), (e), and (f) shall be due and payable to the Clerk of the Board within fifteen (15) days of notification in writing that the fees are due, unless otherwise ordered by the Hearing Board.
- (2) Failure to pay any assessed fees within fifteen (15) days of written notification that fees are due may be cause for the Hearing Board to issue further orders as may be appropriate, including but not limited to revocation of a variance. Such notification may be given by personal service or by deposit, postpaid, in the United States mail, and shall be due fifteen (15) days from the date of personal service or mailing. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the fee billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day with the same effect as if it had been postmarked on the expiration date.

(l) Request for Time Extension of Payment Due

Whenever this rule requires fees to be paid by a certain date, the petitioner may, for good cause, request the Executive Officer to grant an extension of time, not to exceed ninety (90) days, within which the fees shall be paid. Any request for extension of time shall be presented in writing, and accompanied by a statement of reasons demonstrating good cause as to why the extension should be granted.

(m) Discretionary Powers

Any person may allege that payment of any of the fees within this rule, excluding publication fees, will cause an unreasonable hardship or is otherwise inequitable. Such petitioner may be excused from payment of such fees or a portion thereof by order of the Hearing Board if the Board, in its discretion, determines after hearing evidence thereon that payment of such fees would cause financial or other unreasonable hardship to the petitioner or is otherwise inequitable. The Hearing Board, on its own motion, may also waive all or any portion of any fee(s) except the Publication Fee.

(n) Transcript Fees

Any person requesting a transcript of the hearing shall pay the cost of such transcript. The parties to hearings and pre-hearing proceedings may be directed by the Hearing Board to pay the cost of transcripts necessary for the Hearing Board's determination of the matter, in such proportion as the Hearing Board may order.

(o) Government Agencies

- (1) This rule shall not apply to petitions filed by the Executive Officer.
- (2) Federal, state or local government agencies or public districts shall pay all fees.

(p) Waiver of Fees

All fees associated with this rule shall be waived for any petition for a variance filed as the direct and proximate result of any event declared to be a "state of emergency" by local, state, or federal authorities.

(q) Service Charge for Returned Check

Any person who submits a check to the District that is returned due to insufficient funds, or for which that person issues instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(r) Effective Date of Fee Schedules

Appearance and excess emission fees shall be those in effect at the time of the hearing dates.

TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES

<u>Air Contaminants</u>	<u>Dollars Per Ton</u>
Organic gases, except methane and those containing sulfur	\$5,431.98 <u>\$5,518.89</u>
Carbon Monoxide	\$53.18 <u>\$54.03</u>
Oxides of nitrogen (expressed as nitrogen dioxide)	\$3,258.76 <u>\$3,310.90</u>
Gaseous sulfur compounds (expressed as sulfur dioxide)	\$3,800.21 <u>\$3,861.01</u>
Particulate matter	\$3,800.21 <u>\$3,861.01</u>
Ammonia	\$0.11
Asbestos	\$23.98 <u>\$24.36</u>
Benzene	\$8.00 <u>\$8.13</u>
Cadmium	\$23.98 <u>\$24.36</u>
Carbon tetrachloride	\$8.00 <u>\$8.13</u>
Chlorinated dioxins and dibenzofurans (26 species)	\$39.90 <u>\$40.54</u>
Ethylene dibromide	\$8.00 <u>\$8.13</u>
Ethylene dichloride	\$8.00 <u>\$8.13</u>
Ethylene oxide	\$8.00 <u>\$8.13</u>
Formaldehyde	\$1.68 <u>\$1.71</u>
Hexavalent chromium	\$31.91 <u>\$32.42</u>
Methylene chloride	\$0.37 <u>\$0.38</u>
Nickel	\$15.86 <u>\$16.11</u>
Perchloroethylene	\$1.68 <u>\$1.71</u>
1,3-Butadiene	\$23.98 <u>\$24.36</u>
Inorganic arsenic	\$23.98 <u>\$24.36</u>
Beryllium	\$23.98 <u>\$24.36</u>
Polynuclear aromatic hydrocarbons (PAHs)	\$23.98 <u>\$24.36</u>
Vinyl chloride	\$8.00 <u>\$8.13</u>
Lead	\$8.00 <u>\$8.13</u>
1,4-Dioxane	\$1.68 <u>\$1.71</u>
Trichloroethylene	\$0.68 <u>\$0.69</u>

**TABLE II
SCHEDULE OF EXCESS VISIBLE EMISSION FEE**

For each source with opacity emissions in excess of twenty percent (20%), the fee is calculated as follows:

Fee = (Opacity* equivalent - 20) x number of days on which the violation is expected to occur x ~~\$8.99~~\$9.13

For each source with opacity emissions in excess of forty percent (40%) (where the source is exempt from Rule 401 and in violation of California Health and Safety Code Section 41701), the fee is calculated as follows:

Fee = (Opacity* equivalent - 40) x number of days on which the violation is expected to occur x ~~\$8.99~~\$9.13

* Where "Opacity" equals maximum opacity of emissions in percent (not decimal equivalent) allowed by the variance. Where the emissions are darker than the degree of darkness equivalent to the allowed Ringelmann number, the percentage equivalent of the excess degree of darkness shall be used as "opacity."

TABLE III - FILING FEE SCHEDULE

Filing and supplemental fees shall be paid by the petitioner as follows:

Schedule A shall apply to -

- (1) small businesses as defined by Rule 102,
- (2) individual persons, and
- (3) entities that meet the total annual gross receipts criterion for small businesses in Rule 102.

Schedule B - shall apply to - all others.

	Schedule B	Schedule A
VARIANCE (Interim, Short, Regular, Emergency) and Alternate Operating Condition(s)		
◇ Interim and Short or Interim and Regular	\$1,408.05 <u>\$1,430.58</u>	\$252.53 <u>\$256.57</u>
◇ Short (without interim)	\$1,126.46 <u>\$1,144.48</u>	\$252.53 <u>\$256.57</u>
◇ Regular (without interim)	\$1,126.46 <u>\$1,144.48</u>	\$252.53 <u>\$256.57</u>
◇ Emergency or Ex Parte Emergency	\$1,126.46 <u>\$1,144.48</u>	\$252.53 <u>\$256.57</u>
◇ Variance plus Alternate Operating Condition(s)	\$1,689.67 <u>\$1,716.70</u>	\$252.53 <u>\$256.57</u>
◇ Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$630.72 <u>\$640.81</u>	\$126.03 <u>\$128.05</u>
PRODUCT VARIANCE		
Filing Fee	\$1,689.67 <u>\$1,716.70</u>	\$252.53 <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$630.72 <u>\$640.81</u>	\$126.03 <u>\$128.05</u>
GROUP VARIANCE		
Two	\$1,267.26 <u>\$1,287.54</u>	
Three	\$1,971.28 <u>\$2,002.82</u>	
Four or More	\$2,816.13 <u>\$2,861.19</u>	
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$946.12 <u>\$961.26</u>	

Proposed Amended Rule 303 (Cont.) (Updated July 1, 2013 Amended June 6, 2014)

	Schedule B	Schedule A
MODIFICATION OF EXISTING ORDERS INCLUDING FINAL COMPLIANCE DATE		
◇ Modification of a Final Compliance Date and Extension of a Variance	\$1,126.46 <u>\$1,144.48</u>	\$252.53 <u>\$256.57</u>
◇ Modification of Order for Abatement (requested by respondent)	\$1,126.46 <u>\$1,144.48</u>	\$252.53 <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional of	\$630.72 <u>\$640.81</u>	\$126.03 <u>\$128.05</u>
MODIFICATION OF EXISTING ORDERS EXCLUDING FINAL COMPLIANCE DATE		
◇ Modification of Variance (Increments of Progress and Conditions)	\$841.32 <u>\$854.78</u>	\$252.53 <u>\$256.57</u>
◇ Interim Authorization (Increments of Progress)	\$841.32 <u>\$854.78</u>	\$252.53 <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$271.71 <u>\$276.06</u>	
	Schedule B	Schedule A
ADMINISTRATIVE TYPE OF HEARINGS		
◇ Administrative Hearings (issuance of subpoenas, waiver of fees, etc.)	\$841.32 <u>\$854.78</u>	\$252.53 <u>\$256.57</u>
Plus, for each hearing day in in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$281.62 <u>\$286.13</u>	\$126.03 <u>\$128.05</u>

APPEAL

Filing fee	\$1,689.67 <u>\$1,716.70</u>	\$252.53 <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$946.12 <u>\$961.26</u>	\$185.14 <u>\$188.10</u>

CONSENT CALENDAR

Filing Fee	\$389.29 <u>\$395.52</u>	\$126.03 <u>\$128.05</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$246.42 <u>\$250.36</u>	\$126.03 <u>\$128.05</u>
◇ In the event that the Board determines that there was insufficient documentation to consider the matter on the Consent Calendar, and the matter is scheduled for a hearing before the Board, petitioner shall pay an additional sum of	\$704.04 <u>\$715.30</u>	\$252.53 <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$630.72 <u>\$640.81</u>	\$126.03 <u>\$128.05</u>

ATTACHMENT F (continued)

(Adopted October 7, 1977)(Amended March 5, 1982) (Amended January 14, 1983)
(Amended September 16, 1983)(Amended April 5, 1985)(Amended May 1, 1987)
(Amended June 5, 1987)(Amended June 3, 1988)(Amended December 2, 1988)
(Amended January 6, 1989)(Amended July 6, 1990)(Amended December 6, 1991)
(Amended June 6, 1992)(Amended October 2, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Amended May 6, 2011) (Updated July 1, 2012)
(Updated July 1, 2013) (Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

PROPOSED AMENDED RULE 304. EQUIPMENT, MATERIALS, AND AMBIENT AIR ANALYSES

- (a) Whenever the Executive Officer finds that an analysis of the materials used by, or the emissions from, any source is necessary to determine the extent and amount of pollutants being discharged to the atmosphere, he may order the testing of such sources.
- (b) Whenever the Executive Officer has reasonable cause to believe that air pollutants being discharged into the atmosphere from any source may be contrary to any permit condition or any state or local law, order, rule, or regulation relating to air pollution, or may be endangering the comfort, repose, health, or safety of a considerable number of persons, or the public, he may order the testing of the ambient air which may be affected.
- (c) After the Executive Officer determines that ambient air testing should be conducted and that the source should be assessed fees to pay for such testing, and that the test has begun, he shall within two working days advise the source of the basis upon which the finding of reasonable cause was made, the pollutants being tested for, the duration of testing, and the estimated fees.
- (d) Testing will be accomplished by the collection of samples and the analyses of such samples by qualified personnel of the South Coast Air Quality Management District, continuous automatic recording ambient monitoring by a District van, device, facility or an independent testing laboratory under contract to the District. Alternatively, the Executive Officer may require (or the owner/operator of the

source may, with the approval of the Executive Officer, elect) that testing be performed by an approved independent testing laboratory, that meets the criteria in subdivision (k). Such testing shall be done using procedures and methods and under conditions prescribed by the Executive Officer. Where tests are performed by an approved independent testing laboratory, the Executive Officer may require that sampling and/or testing be witnessed by qualified District personnel at the fee rate of ~~\$121.44~~\$123.38 per person per hour or prorated portion thereof. The owner/operator of the source shall provide to the Executive Officer a copy of all test reports, including all test data, description of test methods, analyses, and results.

- (e) The owner/operator of a source tested by District personnel or an independent testing laboratory under contract to the District shall not pay a fee for the initial test/analysis which is conducted to determine compliance with a permit condition, or any state or local law, order, rule, or regulation relating to air pollution, unless the result of such testing indicates a violation of any state or local law, order, rule, permit condition or regulation relating to air pollution in which case the fee shall be charged to the owner/operator in accordance with the fee specified in Rule 304.1. If the initial test/analysis indicates that the source is or may be in violation of a permit condition, or any state or local law, order, rule, or regulation relating to air pollution, any subsequent test/analysis conducted in order to verify the compliance status shall also result in a fee charged to the owner/operator in accordance with the fee specified in Rule 304.1. Tests scheduled of one or more permit units to be operated under prearranged conditions, which are canceled due to a change in the permit units' prearranged operating conditions, shall result in a fee charged to the owner/operator in accordance with the fee specified in Rule 304.1. Such a fee shall not be charged if the owner/operator notifies the District of the cancellation at least 24 hours prior to the scheduled test date and time.
- (f) Fees for any test not listed in Rule 304.1 shall be determined by the Executive Officer.
- (g) Federal, state, or local government agencies or public districts shall pay all fees.
- (h) Should the estimated fees for conducting any ambient air monitoring program as described in subdivision (b) of this Rule exceed ~~\$15,453.74~~\$15,701.00, the affected owner/operator may, within 30 days of notification, request that the program be approved by the District Board at a public hearing.

- (i) After completion of testing, the owner/operator of the source shall be notified by the District accounting office of the fees to be paid. Such fees shall be assessed for all non-compliant samples, as described in subdivision (e), which indicates that if, a source is or may be in violation of a permit condition or of any state or local law, order, rule, or regulation relating to air pollution, or when there may be any endangerment of the comfort, repose, health, or safety of a considerable number of persons or the public then, and a subsequent verification is required. Failure to pay any such fees within sixty (60) days after the date shown on the notice of fees due shall constitute grounds for the denial, revocation or suspension of the permits to operate at sources subject to permit requirements and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
- (j) A small business shall pay twenty percent (20%) of the fees listed in Rule 304.1. Small business is defined in Rule 102 as "Small Business."
- (k) For the purposes of this Rule, when an independent testing laboratory is used for the purposes of establishing compliance with District rules or to obtain a District permit to operate, it must meet all of the following criteria:
 - (1) The testing laboratory shall have no financial interest in the company or facility being tested, or in the parent company or any subsidiary thereof;
 - (2) The company or facility being tested, or parent company or any subsidiary thereof, shall have no financial interest in the testing laboratory;
 - (3) Any company or facility responsible for the emission of significant quantities of pollutants to the atmosphere, or parent company or any subsidiary thereof, shall have no financial interest in the testing laboratory; and
 - (4) The testing laboratory shall not be in partnership with, own or be owned by, in part or in full, the contractor who has provided or installed equipment (basic or control), or monitoring systems, or is providing maintenance for installed equipment or monitoring systems, for the company being tested.

The testing laboratory shall submit a statement certifying that it meets the above criteria with respect to the company or facility being tested.
- (l) Notwithstanding the provisions of subdivision (k), the Executive Officer, by written approval, may allow the operator of a publicly owned treatment works to

conduct testing in connection with wastewater treatment or reclamation operation pursuant to this rule, if the Executive Officer determines the following:

- (1) the operator complies with all requirements of this rule, other than subdivision (k);
- (2) the operator submits a written self-testing plan request to the Executive Officer for certification on a method-by-method basis, in accordance with the requirements of guidelines established by the Executive Officer; and
- (3) the operator pays a fee for the processing of the self-testing plan request at a rate of ~~\$121.44~~**\$123.38** per person per hour, pursuant to Rule 306(d), so as not to exceed the amount necessary to recover the District costs.

(m) The District may approve independent testing firms to perform specified analyses and tests required for compliance with District rules, regulations and permit conditions.

- (1) Approval fees (for each method required for approval) will be assessed to cover the costs of processing the laboratory approval application and subsequent District validation of the independent firm's expertise and reliability.
- (2) For firms located outside District boundaries, reasonable travel charges will be assessed for site visits as required as part of the approval process.
- (3) An approved facility may renew its status by paying an annual fee per method and by complying with the original approval requirements as well as any additional approval requirements or any additional conditions.
Fees are based on actual costs at the staff hour rate specified in paragraph (d) above and as shown in Table I.

**TABLE I
LABORATORY APPROVAL PROGRAM
FEE STRUCTURE
(per method)**

Application Review	\$161.88 <u>\$164.47</u>
Facility Inspection (if required)	\$121.44 <u>\$123.38</u> / hour up to \$355.93 <u>\$361.62</u> additional
Audit Sample (if required)	\$161.88 <u>\$164.47</u> /hour up to \$474.53 <u>\$482.12</u> additional
Annual Renewal	\$161.88 <u>\$164.47</u>
Method Equivalence	\$161.88 <u>\$164.47</u> / hour up to \$772.62 <u>\$784.98</u> additional

ATTACHMENT F (continued)

(Adopted May 1, 1987)(Amended June 7, 1991)(Amended June 6, 1992)
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7, 2010)
(Amended May 6, 2011) (Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)

CPI increase to be effective on July 1, 2013

PROPOSED AMENDED RULE 304.1 ANALYSES FEES

Analyses fees for testing pursuant to Rule 304.

(a) Laboratory Analyses Fees

	<u>Type of Test</u>	<u>Fee</u>
(1)	Particle Analysis	
(A)	Microscopic Identification	\$121.44 <u>\$123.38</u> / hour of analysis
(B)	Micro-Fourier Transform Infrared Spectroscopy	\$180.00 <u>\$182.88</u> / particle
(C)	X-Ray Diffraction	\$180.00 <u>\$182.88</u> / sample
(D)	Particle Size Determination	
(i)	by microscopy	\$121.44 <u>\$123.38</u> / hour of analysis
(ii)	by sieve	\$121.44 <u>\$123.38</u> / sample
(E)	Energy Dispersive X-Ray - microprobe	As charged by outside laboratory (charge pass through)
(2)	Asbestos (Bulk Samples)	
(A)	PLM	\$121.44 <u>\$123.38</u> / sub-sample
(B)	Point Counting	\$121.44 <u>\$123.38</u> / sub-sample
(C)	TEM, Quantitative	As charged by outside laboratory (charge pass through)
(D)	TEM, Qualitative	As charged by outside laboratory (charge pass through)
(E)	X-Ray Diffraction	\$268.31 <u>\$272.60</u> / sub-sample and/or layer

	<u>Type of Test</u>	<u>Fee</u>
(3)	Asbestos (Bulk Samples)	
(A)	TEM - 12-hour turnaround	As charged by outside laboratory (charge pass through)
(B)	TEM - 1-day turnaround	As charged by outside laboratory (charge pass through)
(C)	TEM - 2-day turnaround	As charged by outside laboratory (charge pass through)
(4)	Vapor Pressure Tests	
(A)	Reid Vapor Pressure	\$80.78 <u>\$82.07</u> / sample
(B)	Isoteniscope	As charged by outside laboratory (charge pass through)
(C)	Speciation of Components in each sample	\$339.93 <u>\$345.37</u> for five or fewer compounds \$40.33 <u>\$40.98</u> for each additional compound
(D)	Calculation	\$237.20 <u>\$241.00</u> / sample
(5)	Fuel Analysis	
(A)	Metals (Pb in gasoline)	\$242.83 <u>\$246.72</u> / sample \$32.06 <u>\$32.57</u> for each additional sample
(B)	Ash	As charged by outside laboratory (charge pass through)
(C)	Water and Sediment	As charged by outside laboratory (charge pass through)
(D)	Density	\$121.44 <u>\$123.38</u> / sample
(E)	Heat Content	As charged by outside laboratory (charge pass through)
(F)	Water	As charged by outside laboratory (charge pass through)
(G)	Bromine Number	As charged by outside laboratory (charge pass through)

Type of Test	Fee
(H) Sulfur	
(i) In Fuel Gas	\$283.42 <u>\$287.95</u> / sample
(ii) In Fuel Oil (by XRF)	\$96.80 <u>\$98.35</u> / sample
(I) Engler Distillation	As charged by outside laboratory (charge pass through)
(J) Initial Boiling Point	As charged by outside laboratory (charge pass through)
(6) VOC (Regulation XI)	
(A) Gravimetric Test	\$121.44 <u>\$123.38</u> / sample
(B) Density of Coating or Distillate	\$121.44 <u>\$123.38</u> / sample
(C) Gloss Testing	\$121.44 <u>\$123.38</u> / sample
(D) Gas Chromatograph Analysis	\$339.93 <u>\$345.37</u> for five or fewer compounds \$40.33 <u>\$40.98</u> for each additional compound
(E) Photochemical Reactivity -	
(i) Unknown	\$485.96 <u>\$493.74</u> / sample
(ii) Known	\$339.93 <u>\$345.37</u> / sample
(F) Distillation -	
(i) Normal	\$96.81 <u>\$98.36</u> / sample
(ii) Heavy Ink	\$137.43 <u>\$139.63</u> / sample
(G) Water by Karl Fischer Titration	\$161.88 <u>\$164.47</u> / sample
(H) Emission Spectrograph Analysis	\$121.44 <u>\$123.38</u> / sample
(I) Gas Chromatograph/Mass Spectrometry	\$323.91 <u>\$329.09</u> for five or fewer compounds \$32.03 <u>\$32.54</u> for each additional compound
(J) VOC in pipe cements	\$830.62 <u>\$843.91</u> / sample

- (K) VOC in adhesives containing cyanoacrylates ~~\$237.20~~\$241.00 / sample
- (7) For Certification Tests and Analyses not listed above, the fee shall be assessed at a rate ~~\$121.44~~\$123.38 per person per hour or prorated portion thereof.
- (8) In addition to the regular analysis fee, all expedite samples which require overtime work by staff shall be charged an additional time and a half fee based on the normal hourly rate of staff performing such work beyond the normal work schedule.
- (9) Time and material fees shall be charged for all samples sent to outside laboratories.

(b) Emissions Testing and Analyses Fees

	<u>Type of Test</u>	<u>Fee</u>
(1)	Accuracy Confirmation Test of Continuous Emission Monitor	\$1,231.32 <u>\$1,251.02</u>
(2)	Continuous Gaseous Emission Testing with Mobile Source Testing Vehicle	\$1,604.31 <u>\$1,629.98</u> plus \$137.70 <u>\$139.90</u> / hour
(3)	Non-Continuous Emission Testing	\$1,506.91 <u>\$1,531.02</u> plus fee listed below:
		Cost Per Sample
		Specific* Surcharge**
(A)	Moisture	\$218.50 <u>\$222.00</u> \$161.88 <u>\$164.47</u>
(B)	Particulate Matter	\$842.32 <u>\$855.80</u> \$421.03 <u>\$427.77</u>
(C)	Sulfur Dioxide	\$748.49 <u>\$760.47</u> \$374.02 <u>\$380.00</u>
(D)	Oxides of Nitrogen	\$372.53 <u>\$378.49</u> \$113.12 <u>\$114.93</u>
(E)	Carbon Monoxide	\$311.02 <u>\$316.00</u> \$155.37 <u>\$157.86</u>

* charge for first sample.

** charge for each additional sample, whether at the same or a different sampling location.

(F)	Total	<u>\$777.56</u>	<u>\$558.75</u>
	Hydrocarbons	<u>\$790.00</u>	<u>\$567.69</u>

Cost Per Sample
Specific* Surcharge**

(i)	Hydrogen Sulfide	<u>\$748.49</u> <u>\$760.47</u>	<u>\$374.02</u> <u>\$380.00</u>
(ii)	Vinyl Chloride	<u>\$323.91</u> <u>\$329.09</u>	<u>\$237.94</u> <u>\$241.75</u>
(G)	Gas Chromatograph/Mass Spectrometry for Unknown	<u>\$323.91</u> <u>\$329.09</u> for five or fewer compounds <u>\$32.03</u> <u>\$32.54</u> for each additional compound	
(H)	High Volume Sampler (Fugitive Dust)	<u>\$661.04</u> <u>\$671.62</u>	<u>\$330.44</u> <u>\$335.73</u>
(I)	Total Reduced Sulfur Compounds***	<u>\$520.19</u> <u>\$528.51</u>	<u>\$79.91</u> <u>\$81.19</u>
(J)	Sample Preparation	<u>\$40.33</u> <u>\$40.98</u>	<u>\$24.03</u> <u>\$24.41</u>

* charge for first sample.

** charge for each additional sample, whether at the same or a different sampling location.

*** The Non-Continuous Emission Testing Fee will only be charged if SCAQMD personnel perform the sampling. In the case where the samples are taken by contractor personnel (for compliance) or facility staff (for information only), only the sample analysis fee is applicable.

Type of Test	Fee
(c) Ambient Air Analyses Fees	
(1) Automatic-Recording Ambient Air or Atmospheric Monitoring at a Fixed Site	
(A) Installation of One (1) Wind-Monitoring System at One (1) Site.	\$810.02 <u>\$822.98</u>
(B) Installation of Each Additional Wind-Monitoring System at the Same Site as (A).	\$242.84 <u>\$246.73</u>
(C) Operation of One (1) Wind-Monitoring System At One (1) Site, Including Data Reduction.	\$161.88 <u>\$164.47</u> / day
(D) Operation of Each Additional Wind-Monitoring System at Same Site as (C), Including Data Reduction.	\$56.62 <u>\$57.53</u> / day
(2) Continuous Automatic-Recording Ambient Monitoring In Mobile Mode	
(A) Installation of One (1) Instrument and Wind Monitoring System in Mobile Van.	\$1,134.37 <u>\$1,152.52</u>
(B) Installation of Additional Instrument in Mobile Van.	\$404.86 <u>\$411.34</u>
(C) Operation of One (1) Instrument and Wind-Monitoring System in Mobile Mode, 10 Hours Per Day, Weekdays Only.	\$615.68 <u>\$625.53</u> / day
(D) Operation of One (1) Instrument and Wind-Monitoring System In Mobile Mode, 10 Hours Per Day, Weekends and Holidays.	\$923.58 <u>\$938.36</u> / day
(E) Operation of Each Additional Instrument, Other Than Those Already Installed, in Mobile Van.	\$56.62 <u>\$57.53</u> / day
(3) Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected (Weekdays Only).	
(A) Installation of One (1) 24-Hour Sampler (Bag- or Sequential-Impinger).	\$810.02 <u>\$822.98</u> plus lab analysis
(B) Installation of Each Additional 24-Hour Sampler.	\$647.98 <u>\$658.35</u> plus lab analysis

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2013~~Amended June 6, 2014)

Type of Test	Fee
(C) Operation of One (1) 24-Hour Sampler and Analysis for One (1) Contaminant Per Sample.	\$283.45 <u>\$287.99</u> / day \$64.48 <u>\$65.51</u> for each additional contaminant
(D) Operation of Each Additional 24-Hour Sampler and Analysis for Same Contaminant in (C).	\$105.12 <u>106.80</u> / day \$48.33 <u>\$49.10</u> for each additional contaminant
(E) Operation of 24-Hour, Sequential-Impinger Sampler and Spectrophometric Analysis.	\$567.03 <u>\$576.10</u> / day for up to 12 samples \$242.84 <u>\$246.73</u> for each additional set of 12 samples
(F) Installation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour-Samples.	\$972.05 <u>\$987.60</u>
(G) Operation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour Samples For One Contaminant.	\$486.10 <u>\$493.88</u> / day
(H) Sample Preparation or Extraction Prior to Analysis.	\$161.88 <u>\$164.47</u> / day for up to 12 samples
(I) Spectrophometric Analysis of Each Sample Collected in (G) From Any Number of Samplers Operated for Same Project on Same Day.	\$80.78 <u>\$82.07</u> for first sample or contaminant \$32.03 <u>\$32.54</u> for each additional sample or contaminant
(K) Analysis of Each Sample Collected in (G) For Particulates.	\$96.80 <u>\$98.35</u> for first sample \$56.54 <u>\$57.44</u> for each additional sample
(L) Gas Chromatograph/Mass Spectrometry Identification For Any Sample Collected Above.	\$161.88 <u>\$164.47</u> for five or fewer contaminants \$16.00 <u>\$16.26</u> for each additional contaminant

	Type of Test	Fee
(M)	Additional Fees for Sample Pick-up and Analysis After Normal Weekday Working Hours.	\$80.78 <u>\$82.07</u> additional / hour for each hour exceeding 8-hour normal week day for sample pick-up or collection \$1,296.26 <u>\$1,317.00</u> additional / day for weekends and holidays requiring sample pick-up and analysis same day \$1,620.48 <u>\$1,646.41</u> additional / day for weekends and holidays requiring manual sample collection and analysis same day
(4)	Meteorological Monitoring	
(A)	Conduct Upper-Air Observation via Radio or Airsonde.	\$567.05 <u>\$576.12</u>
(B)	Conduct Low-Level Air Observation via Tethersonde (8 Hour Program).	\$3,244.10 <u>\$3,296.00</u>
(C)	Conduct Pilot Balloon Observation (Pibal).	\$3,244.10 <u>\$3,296.00</u> / release
(5)	Landfill Integrated Surface Sampling Program, per Rule 1150.1 Guidelines	
(A)	Conduct Less-Than 24-Hour, Integrated-Surface-Sampling Program Over three (3) 50,000 Square-Foot Grids. Program Includes: Installation and Operation of Wind-Monitoring System; Set-Up of Sample Grid Areas; Conduct of Sampling Sweeps; and Analysis for One (1) Contaminant Per Sample Bag.	\$2,430.78 <u>\$2,469.67</u> / grid

	<u>Type of Test</u>	<u>Fee</u>
	(B) Conduct Less-Than-24-Hour, Integrated-Landfill-Surface-Sampling Program Over Each Additional 50,000 Square-Foot Grid At The Same Site as (A).	\$526.41 <u>\$534.83</u>
(6)	SF6 Gas-Tracer Study	
	(A) Conduct SF6 Gas-Tracer Study With Up to Sixty (60) Samples, Including Installation and Operation of a Wind-Monitoring System and Tethersonde Observations.	\$17,826.86 <u>\$18,112.09</u>
	(B) Collection and Analysis of Each Additional Sample for (A).	\$80.78 <u>\$82.07</u>

ATTACHMENT F (continued)

(Adopted January 4, 1985)(Amended June 5, 1987)(Amended June 3, 1988)
(Amended January 6, 1989)(Amended November 3, 1989)(Amended July 6, 1990)
(Amended June 11, 1993)(Amended June 10, 1994)(Amended May 12, 1995)
(Amended May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended June 5, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

PROPOSED AMENDED RULE 306. PLAN FEES

(a) Summary

California Health and Safety Code Section 40522 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the approval of plans to cover the costs of review, planning, inspection, and monitoring related to activities conducted pursuant to the plans. An annual fee may also be charged to cover the costs of annual review, inspection, and monitoring related thereto. This rule establishes such a fee schedule, and requires that fees be paid for:

- (1) Filing of plans;
- (2) Evaluation of the above plans;
- (3) Inspections to verify compliance with the plans;
- (4) Duplicate plans;
- (5) Change of condition; and
- (6) Annual review/renewal of plans, if applicable.

(b) Definitions

For the purpose of this rule, a plan is any data and/or test report (including equipment certification source tests) required by federal or state law, or District Rules and Regulations to be submitted to the District. A plan may be a description of a method to control or measure emissions of air contaminants required by the Rules and Regulations. Plans include, but are not limited to, the following: Demonstration Plan; Application Test Plan; Implementation Plan; Compliance Plan; Management Plan; Control Plan; CEQA Mitigation Monitoring Plan; Acid Rain Repowering Extension Plan and Compliance Plan; Acid Rain Continuous Emission Monitoring System Plan; Acid Rain Protocol/Report

Evaluation; VOC Excavation Mitigation Plans (Site Specific and Various Locations); Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems Plan; Title V Exclusion Requests; Rule 109.1; Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Alternative Recordkeeping System Plan and Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); Compliance Assurance Monitoring Plan (40CFR64); Maximum Achievable Control Technology MACT Exemption Requests; Equipment Certification Source Test Reports; and MACT Case-by-Case Analysis.

(c) Plan Filing Fee

The filing fee for a plan or change of condition shall be ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter.**

(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by the District for evaluation of a plan, assessed at the rate of ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter** per person per hour or prorated portion thereof.

(e) Duplicate Plan Fee

A request for a duplicate plan shall be made in writing by the applicant. The applicant shall pay ~~\$20.94~~**\$21.24** for each plan requested.

(f) Inspection Fee

The inspection fee for plan verification shall be an amount equal to the total actual and reasonable time incurred by the District for inspection and verification of the plan, assessed at the hourly rate of ~~\$97.10~~**\$101.61 for FY 14-15 and \$104.66 for FY 15-16 and thereafter** per inspection staff or prorated portion thereof. For inspections conducted outside of regular District working hours, the fee shall be assessed at the rate of 150% of the above hourly rate. This subdivision shall not apply to plans subject to subdivision (h).

(g) Change of Condition Fee

Any request for a change of condition on a VOC Excavation Mitigation Plan shall be made in writing by the applicant. A request submitted after thirty (30) days of the issuance of the plan shall be subject to additional fees assessed at the rate of ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter per hour for time spent in evaluation of the plan. Such fees shall be imposed at the time the review is completed.

(h) Annual Review/Renewal Fee

An annual review/renewal fee shall be charged for plans listed in the following table. The annual review/renewal fee shall be an amount equal to the Rule 301(d)(2) Schedule A fee. In addition, annual reviews/renewals shall meet all relevant and applicable requirements of Rule 301(d) and 301(g), and be paid on an annual renewal date set by the Executive Officer.

Plan type
Rule 1166 - Volatile Organic Compound Emissions from Decontamination of Soil - Various locations
Rule 1166 - Volatile Organic Compound Emissions from Decontamination of Soil – Fixed Site
Rule 1407 – Non Ferrous Metal Melting
Rule 1420 – Emissions of Lead
Rule 1176 - VOC Emissions Waste Water System
Rule 1469.1 - Spray Coating Chromium
Rule 1169 - Chrome Plating Operations
Rule 1470 - Compliance Plan
Compliance Assurance Monitoring Plan
Rule 1150 - Excavation Management Plan
Rule 1150.1. - Active Landfill Control of Gaseous Emissions
Rule 431.1 - Sulfur Content of Gaseous Fuels
Rule 463 (e)(1)(A) - Organic Liquid Storage - Self-Inspection of Floating Roof Tanks
Rule 462 – Organic Liquid Loading Continuous Monitoring System (CMS) Plan
Rule 1118 - Control of Emissions from Refinery Flares - Flare Minimization Plan
Rule 1173 - Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (h)(2)
Rule 1176 - VOC Emissions from Wastewater Systems (d)(2)
Rule 1158 - Storage, Handling, and Transport of Coke, Coal and Sulfur - Open Pile Control Plan
Rule 1132 - Further Control of VOC Emissions from High-Emitting Spray Booth Facilities

(i) Payment of Fees

(1) Plan Filing or Submittal Fee

In addition to payment of the filing fee, the initial payment for plan evaluation fees shall be ~~\$425.02~~**\$444.77 for FY 14-15 and \$458.11 for FY 15-16 and thereafter** paid at the time of filing. This fee shall not apply to plans pursuant to Rule 403 - Fugitive Dust, Rule 461(i), and Rule 1166 - Various Location Plans issued pursuant to the Decontamination of VOC Soil, for which the initial payment for plan evaluation fees will be ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter.** This fee shall also not apply to Rule 1133 registration and annual updates, Rule 444 – Open Burning, or Rule 1415 – Reduction of Refrigerant Emissions from Stationary Refrigerant for which the plan submittal fee will be charged solely in accordance with subdivision (c) of this rule. The adjustment to plan evaluation fees will be determined at the time a plan is approved or rejected and notification of the amount due or refund will be made.

(2) Independent Consultant Fees

In the case that the Executive Officer requires a qualified independent consultant, engaged by the District under a contract, to review the plan, the fees charged by the consultant will be in addition to all other fees required.

(3) Payment Due Date

Payment of all applicable fees, including annual review/renewal fee, shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fee within this time period will result in expiration of the plan. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. No further plan applications will be accepted until such time as all overdue fees have been fully paid.

- (4) Fee Due Date Exception
Whenever the Executive Officer has reasonable cause to believe that the plan evaluation fee will be less than the fee for one hour's work, the fee need not be paid at the time of filing and notification of amount due, if any, shall be sent at the time the plan is approved or rejected.
- (5) Expedited Processing
Fees for expedited processing of plan evaluation will be an additional fifty percent (50%) of the applicable plan evaluation fee, and shall be submitted at the time that the expedited processing is requested.
- (j) Small Business Discount
For small businesses filing plans, the fees assessed shall be fifty percent (50%) of the amounts specified in subdivisions (c), (d), (f), and (g).
- (k) Alternative Recordkeeping System Plan Discount
For alternative recordkeeping system plan filed pursuant to Rule 109.1, the fee assessed shall be fifty percent (50%) of the amount specified in subdivisions (d), (f), and (g).
- (l) Plan Application Cancellation Fee
The plan application cancellation fee shall be ~~\$161.87~~**\$169.39 for FY 14-15 and \$174.47 for FY 15-16 and thereafter** or the plan fee set forth in the Summary Permit Fee Rates table, whichever is less. The cancellation fee shall not apply when the application was filed based on an erroneous District request.
- (m) Protocol/Report Evaluation Fees
A minimum fee of ~~\$323.92~~**\$333.98 for FY 14-15 and \$344.00 for FY 15-16 and thereafter** will be charged for the evaluation of source test protocols and reports. Additional fees for time spent in the evaluation in excess of 5 hours will be assessed at the hourly rate of ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter** per hour.
- (n) Exemptions

Mobile Source Emission Reduction Credit (MSERC) Applications, Compliance Plans required under Regulation XVI and Rule 2449 – Control of Oxides of Nitrogen from Off-Road Diesel Vehicles and Technical Infeasibility Certification Requests as cited in District Fleet Rules under Regulation XI shall be exempt from the provisions of this rule. Fees for Regulation XVI MSERC Applications and Compliance Plans shall be assessed in accordance with District Rule 309.

- (o) Government Agencies
Federal, state, or local government agencies or public districts shall pay all fees.
- (p) Air Quality Investment Program (AQIP)
Effective July 1, 1996, all Air Quality Investment Program (AQIP) fees shall be subject to Rule 311 and all other Rule 2202 registration fees shall be subject to Rule 308.
- (q) Optional Expedited Protocol/Report Evaluation Processing Fee
Fees for requested expedited processing of Protocol/Report Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter plus ~~\$62.99~~\$65.92 for FY 14-15 and \$67.90 for FY 15-16 and thereafter per hour (one half of hourly rate). The established "minimum fee" found in Rule 306(m) shall be paid at the time of filing with the additional overtime fee billed following project completion (adjustments to the final bill will be made accordingly for the processing time which is included in the minimum fee). Fees are due at the time specified in the bill which will allow a reasonable time for payment. Request for expedited Protocol/Report Evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.
- (r) Regulation XXVII Fees
 - (1) Fees for Rule 2701 – SoCal Climate Solutions Exchange
 - (A) Entities submitting a plan will be assessed a filing fee of ~~\$121.44~~\$123.38.
 - (B) The fee for review and verification of Certified Greenhouse Gas Emission Reductions by SCAQMD staff shall be assessed at

~~\$125.68~~\$127.69 per hour or prorated portion thereof.

- (2) Fees for Rule 2702 – Greenhouse Gas Reduction Program
 - (A) Upon submitting a completed Greenhouse Gas Reduction Program Request to the Executive Officer for certified emission reductions an entity shall pay a fee of ~~\$121.44~~\$123.38.
 - (B) Individuals or households wishing to participate are exempt from the plan fees for reductions used to offset personal, household or event GHG emissions.

ATTACHMENT F (continued)

(Adopted May 10, 1996)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002) (Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1,
2013)(Amended June 6, 2014)

CPI increase to be effective on July 1, 2013

PROPOSED AMENDED RULE 307.1 ALTERNATIVE FEES FOR AIR TOXICS EMISSIONS INVENTORY

(a) Purpose

California Health and Safety Code Section 44300 et seq. provides authority for the District to adopt a fee schedule to recover the cost of implementing and administering the Air Toxics “Hot Spots” Information and Assessment Act of 1987. The District will annually collect from the owner/operator of each facility meeting the criteria set forth in paragraph (b)(1), (b)(2), and (b)(3), and each owner/operator shall pay, fees which shall provide for the following:

- (1) Recovery of anticipated costs to be incurred by the California Air Resources Board (CARB) and Office of Environmental Health Hazard Assessment (OEHHA) to implement and administer the Act, and any costs incurred by OEHHA or its independent contractor for review of facility risk assessments submitted to the State after March 31, 1995 under Health and Safety Code Section 44361(c).
- (2) Recovery of anticipated costs to be incurred by the District to implement and administer the Act, including but not limited to the cost incurred to review emission inventory plans, emission inventory data, risk assessments, to verify plans and data, and to administer this rule and the Air Toxics “Hot Spots” program.

(b) Applicability

Except for facilities exempted by Health and Safety Code Sections 44324, 44344.4(a), or 44380.1, this rule applies to any facility that operates in any portion of the fiscal year for which the fee is assessed and which:

- (1) Manufactures, formulates, uses, or releases any of the substances listed by the State Board pursuant to Health and Safety Code Section 44321 and contained in Appendix A of the Guidelines Report, or any other substance which reacts to form a substance so listed, and releases ten (10) tons per year or greater of any criteria pollutant; or
- (2) Manufactures, formulates, uses or releases any listed substance or any other substance which reacts to form any listed substance, and which releases less than ten (10) tons per year of any criteria pollutant and falls in any class listed in Appendix E of the Guidelines Report; or
- (3) is reinstated under Health and Safety Code Section 44344.7.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) COMPLEX FACILITY means a facility that has more than five (5) processes as determined by six-digit Source Classification Codes (SCC).
- (2) CRITERIA POLLUTANT means total organic gases, particulate matter, nitrogen oxides or sulfur oxides.
- (3) DIESEL ENGINE means an internal combustion engine with operating characteristics similar to the theoretical diesel combustion cycle. The regulation of power by controlling fuel supply in lieu of a throttle is indicative of a diesel (or compression ignition) engine.
- (4) DIESEL ENGINE FACILITY means any facility which has a diesel engine and is not subject to any other Rule 307.1 fees.
- (5) DIESEL-FUELED as defined in Rule 1470.
- (6) DIESEL PARTICULATE MATTER (PM) as defined in Rule 1470.
- (7) DISTRICT means South Coast Air Quality Management District.
- (8) DISTRICT TRACKING FACILITY means a facility:

- (A) that has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the California Air Pollution Control Officers Association (CAPCOA) "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the State Board and which is incorporated by reference herein, and
 - (B) that is required by the District to submit a quadrennial emissions inventory update pursuant to Health and Safety Code Section 44344 during the applicable fiscal year, and
 - (C) whose prioritization scores for cancer and non-cancer health effects are both greater than 1.0 and equal to or less than 10.0.
- (9) FACILITY has the same meaning as defined in Section 44304 of the Health and Safety Code.
 - (10) FACILITY PROGRAM CATEGORY means a grouping of facilities, meeting the definitions in subparagraphs (c)(6), (c)(8), (c)(13), (c)(14), (c)(15), (c)(16), (c)(18), (c)(19), (c)(20), (c)(21), (c)(22), or (c)(28) of this rule.
 - (11) FLAT FEE means the fee charged to a facility classified as an Emergency Standby "Diesel Engine-Only" Facility.
 - (12) GUIDELINES REPORT (Air Toxics Hot Spots Emission Inventory Criteria and Guidelines Report) is the report incorporated by reference under Section 93300.5 of this title that contains regulatory requirements for the Air Toxics Hot Spots Emission Inventory Program.
 - (13) HRA TRACKING FACILITY means a facility that has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the CAPCOA "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the State Board and which is incorporated by reference herein, and the greater of the facility's prioritization scores for cancer and non-cancer health effects is greater than 10.0, and meets either one of the following criteria:

- (A) the facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of equal to or greater than 1.0 and less than ten (10) cases per million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than or equal to 1.0; or
 - (B) the facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total hazard index for each toxicological endpoint, either acute or chronic, of greater than or equal to 0.1, but less than or equal to 1.0, and a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than ten (10) cases per million persons.
- (14) **INDUSTRY-WIDE FACILITY** means a facility that qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44232, or an individual facility which emits less than ten (10) tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, and whose emissions inventory report was prepared by the District.
 - (15) **MEDIUM FACILITY** means a facility that has three (3) to five (5) processes as determined by six-digit Source Classification Codes (SCC).
 - (16) **OEHHA** means the Office of Environmental Health Hazard Assessment, California Environmental Protection Agency.
 - (17) **OPERATOR** means the person who owns or operates a facility or part of a facility.
 - (18) **PRIORITIZATION SCORE GREATER THAN TEN (10.0) FACILITY** means a facility that does not have an approved health risk assessment and has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the CAPCOA "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the CARB and is incorporated by reference herein, and the greater of the facility's prioritization scores for cancer and non-cancer effects is greater than

10.0.

- (19) **RISK OF 10.0 TO LESS THAN 50.0 PER MILLION FACILITY** means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results meet either of the following criteria:
- (A) a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 10.0, but less than 50.0 cases per million persons or,
 - (B) a total hazard index for each toxicological endpoint, either acute or chronic, of greater than 1.0 and a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than 50.0.
- (20) **RISK OF 50.0 TO LESS THAN 100.0 PER MILLION FACILITY** means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 50.0, but less than 100.0 cases per million persons.
- (21) **RISK OF 100.0 PER MILLION OR GREATER FACILITY** means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 100.0 cases per million persons.
- (22) **SIMPLE FACILITY** means a facility that has one (1) or two (2) processes as determined by six-digit Source Classification Codes (SCC).
- (23) **SMALL BUSINESS** for the purpose of this rule, means a facility which is independently owned and operated and has met all of the following criteria in the preceding year:
- (A) The facility has ten (10) or fewer (annual full-time equivalence) employees;
 - (B) The facility's total annual gross receipts are less than \$1,000,000; and
 - (C) The total annual gross receipts of the facility's California operations are less than \$5,000,000.

- (24) SOURCE CLASSIFICATION CODES (SCC) means number codes created by the United States Environmental Protection Agency used to identify processes associated with point sources that contribute emissions to the atmosphere.
- (25) SPECIAL RISK ASSESSMENT FEE means the fee charged to facilities to cover the cost of the qualified District personnel or a qualified consultant, as determined by the Executive Officer (EO), engaged by the District under contract, in the event that the EO determines that an existing Health Risk Assessment (HRA) should be revised and the owner/operator can not perform this task without errors or delays.
- (26) STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE means the Standard Industrial Classification Code which classifies establishments by the type of business activity in which they are engaged, as defined by the Standard Industrial Classification Manual, 1987, published by the Executive Office of the President, Office of Management and Budget, 1987, which is herein incorporated by reference.
- (27) STATE COSTS means the reasonable anticipated cost which will be incurred by the CARB and OEHHA to implement and administer the Act, as shown in the District staff report.
- (28) STATE INDUSTRY-WIDE FACILITY means a facility that (1) qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44323, (2) releases, or has the potential to release, less than ten tons per year of each criteria pollutant, and (3) is either of the following:
 - (A) a facility in one of the following four classes of facilities: autobody shops, as described by SIC Codes 5511-5521 or 7532; gasoline stations, as described by SIC Code 5541; dry cleaners, as described by SIC Code 7216; and printing and publishing, as described by SIC Codes 2711-2771 or 2782; or
 - (B) a facility that has not prepared an Individual Plan and Report in accordance with sections 44340, 44341, and 44344 of the Health and Safety Code and for which the District submits documentation for approval by the Executive Officer of the CARB, verifying that the facility meets the requirements of

Health and Safety Code Section 44323(a)-(d).

- (29) SUPPLEMENTAL FEE means the fee charged, pursuant to Section 44380.5 of the Health and Safety Code, to cover the costs of the District to review a health risk assessment containing supplemental information which was prepared in accordance with the provisions of Section 44360(b)(3) of the Health and Safety Code.
- (30) TOTAL ORGANIC GASES (TOG) means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- (31) UNPRIORITIZED FACILITY means a facility that has not been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the CAPCOA "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the State Board and is incorporated by reference herein.

(d) Fees

All sources subject to this rule shall be assessed an annual fee pursuant to Table I of this rule.

(1) Calculation of Fees

- (A) The District will establish the fee applicable to each facility for the recovery of State and District costs. The District will use State costs and District costs to calculate fees, and will take into account and allow for the unanticipated closing of businesses, nonpayment of fees, and other circumstances which would result in a shortfall in anticipated revenue; and
- (B) The District will calculate fees on the basis of the Facility Program Category as set forth by July 1 of the applicable fiscal year, except for facilities excluded under subparagraph (d)(6) of this rule.

(2) Flat Fees

- (A) A facility in the State Industry-wide Facility Program Category, as defined in this rule, shall be assessed the fee specified in Table I.

- (B) A facility in the District Tracking Program Category, as defined in this rule, will be assessed the annual fee specified in Table I to cover the cost to the District to review the facility's quadrennial emission inventory update.
- (C) A facility in the Emergency Standby “Diesel Engine-Only” Facility Program Category, as defined in this rule, shall be assessed the annual Flat Fee specified in Table I.
- (D) The maximum fee that a small business as defined in this rule shall pay is ~~\$348.85~~\$354.43.
- (E) The supplemental fee as defined in this rule, which may be assessed upon the operator of a facility, shall be no higher than ~~\$2,778.55~~\$2,823.01.

(3) **Special Health Risk Assessment Fees**

When a facility’s Health Risk Assessment (HRA) was prepared or revised by District personnel or a contractor engaged by the District, the owner/operator of the facility for which a Health Risk Assessment is performed shall pay the fees equal to the total actual and reasonable time incurred by District, including actual contractor costs and District staff time, assessed at the hourly rate of ~~\$121.44~~\$123.38 per person per hour or prorated portion thereof. When the Health Risk Assessment is conducted or is evaluated and verified by a consultant engaged by the District or District personnel, the fees charged will be in addition to all other fees required.

(4) **Fee Payment and Collection; Effect of Failure to Pay**

- (A) The District will notify and assess the operator of each facility subject to this rule in writing of the fee due. The operator shall remit the fee to the District within sixty (60) days after the receipt of the fee assessment notice or the fee will be considered past due. For the purpose of this rule, the fee payment will be considered received by the District if it is postmarked by the United States Postal Service on or before the due date stated on the billing notice. If the due date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business

day following the Saturday, Sunday, or state holiday with the same effect as if it had been postmarked on the due date.

- (B) If an operator fails to pay the fee within sixty (60) days of this notice pursuant to subparagraph (d)(5)(A) of this rule, the District may assess a surcharge of not more than one hundred percent (100%) of the assessed fee, but in an amount sufficient, in the District's determination, to pay the District's additional expenses incurred by the operator's non-compliance. If an operator fails to pay the fee within 120 days after receipt of this notice, the District may initiate permit revocation proceedings. If any permit is revoked it shall be reinstated only upon full payment of the overdue fees plus any surcharge as specified in this subparagraph.

(5) **Payment to the State**

The District will collect the fees assessed by or required to be assessed by this rule. After deducting the costs to the District to implement and administer the program, the District will transmit to the State Board the amount the District is required to collect for recovery of state costs as specified in Table I.

(6) **Exemptions**

A facility shall be exempt from paying fees if, by July 1 of the applicable Fiscal Year, any one or more of the following criteria are met:

- (A) The facility has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review, and the facility's prioritization score is less than or equal to 1.0 for both cancer and non-cancer health effects. The procedure for estimating priority of facilities were developed based on the California Air Pollution Control Officers' Association (CAPCOA) "Air Toxics "Hot Spots" Program Facility Prioritization Guidelines, July 1990", and was adopted by the District Board on September 24, 1990.

- (B) The facility had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than one case per one million persons and a total hazard index for each

toxicological endpoint, both acute and chronic, of less than 0.1. Some appropriate procedures for determining potential cancer risk and total hazard index are presented in the CAPCOA “Air Toxics “Hot Spots” Program Revised 1992 Risk Assessment Guidelines, October 1993”, which is incorporated by reference herein.

- (C) The facility primarily performs printing as described by SIC Codes 2711 through 2771 or 2782, and the facility uses an annualized average of two (2) gallons per day or less [or seventeen (17) pounds per day or less] of all graphic arts materials (deducting the amount of any water or acetone) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(6)(A) of this rule.
- (D) The facility is a wastewater treatment plant as described by SIC Code 4952, the facility does not have a sludge incinerator and the maximum throughput at the facility does not exceed 10,000,000 gallons per day of effluent unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(6)(A) of this rule.
- (E) The facility is a crematorium for humans, animals, or pets as described by SIC Code 7261 or any SIC Code that describes a facility using an incinerator to burn biomedical waste (animal), the facility uses propane or natural gas as fuel, and the facility annually cremates no more than 300 cases (human) or 43,200 pounds (human or animal) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(6)(A) of this rule. Facilities using incinerators that burn biomedical waste other than cremating animals do not qualify for this exemption.
- (F) The facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by SIC Codes 3731 or 3732, and the facility uses twenty (20) gallons per year or less of coatings or is a coating operation using hand held non-refillable aerosol cans only unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(6)(A) of this rule.

- (G) The facility is a hospital or veterinary clinic building that is in compliance with the control requirements specified in the Ethylene Oxide Control Measure for Sterilizes and Aerators, section 93108 of this title and has an annual usage of ethylene oxide of less than 100 pounds per year if it is housed in a single story building, or has an annual usage of ethylene oxide of less than 600 pounds per year if it is housed in a multi-story building unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(6)(A) of this rule.
- (H) The facility was not required to conduct a risk assessment under Health and Safety Code Section 44360(b), and the District, or the facility with the concurrence of the District, has conducted a worst-case, health conservative risk assessment using screening air dispersion modeling criteria set forth in Appendix F of the Guidelines Report and has demonstrated to the satisfaction of the District that the facility's screening risk levels meet the criteria set forth in subparagraph (d)(6)(A) of this rule.

**TABLE I
FACILITY FEES BY PROGRAM CATEGORY**

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>HRA Tracking*</i>	Simple	\$394.57 <u>\$400.88</u>	\$67	\$461.57 <u>\$467.88</u>
	Medium	\$569.98 <u>\$579.10</u>	\$100	\$669.98 <u>\$679.10</u>
	Complex	\$745.39 <u>\$757.32</u>	\$134	\$879.39 <u>\$891.32</u>
<i>Unprioritized</i>	Simple	\$586.41 <u>\$595.79</u>	\$402	\$988.41 <u>\$997.79</u>
	Medium	\$3,213.49 <u>\$3,264.91</u>	\$603	\$3,816.49 <u>\$3,867.91</u>
	Complex	\$4,270.27 <u>\$4,338.59</u>	\$804	\$5,074.27 <u>\$5,142.59</u>
<i>PS>10, No HRA</i>	Simple	\$4,975.79 <u>\$5,055.40</u>	\$1,674	\$6,649.79 <u>\$6,729.40</u>
	Medium	\$5,329.36 <u>\$5,414.63</u>	\$2,009	\$7,338.36 <u>\$7,423.63</u>
	Complex	\$5,680.19 <u>\$5,771.07</u>	\$2,344	\$8,024.19 <u>\$8,115.07</u>
<i>Risk ≥10 <50 in a million or HI>1</i>	Simple	\$6,033.73 <u>\$6,130.27</u>	\$3,014	\$9,047.73 <u>\$9,144.27</u>
	Medium	\$6,385.92 <u>\$6,488.09</u>	\$3,349	\$9,734.92 <u>\$9,837.09</u>
	Complex	\$6,738.13 <u>\$6,845.94</u>	\$3,684	\$10,422.13 <u>\$10,529.94</u>
<i>Risk ≥50 <100 in a million</i>	Simple	\$7,091.68 <u>\$7,205.15</u>	\$4,353	\$11,444.68 <u>\$11,558.15</u>
	Medium	\$7,442.49 <u>\$7,561.57</u>	\$4,688	\$12,130.49 <u>\$12,249.57</u>
	Complex	\$7,796.03 <u>\$7,920.77</u>	\$5,023	\$12,819.03 <u>\$12,943.77</u>
<i>Risk ≥ 100 in a million</i>	Simple	\$8,149.63 <u>\$8,280.02</u>	\$5,693	\$13,842.63 <u>\$13,973.02</u>
	Medium	\$8,500.43 <u>\$8,636.44</u>	\$6,028	\$14,528.43 <u>\$14,664.44</u>

Proposed Amended Rule 307.1 (Cont.) (Updated July 1, 2013 Amended June 6, 2014)

	Complex	\$8,857.48 <u>\$8,999.20</u>	\$6,363	\$15,220.48 <u>\$15,362.20</u>
<i>District Tracking**</i>		\$218.13 <u>\$221.62</u>		\$218.13 <u>\$221.62</u>
<i>State Industry-wide</i>		\$158.84 <u>\$161.38</u>	\$35	\$193.84 <u>\$196.38</u>
<i>Diesel Engine Facility</i>	-	\$118.94 <u>\$120.84</u>	-	\$118.94 <u>\$120.84</u>

*HRA Tracking --- (PS>10 with HRA) Risk \geq 1, <10 in a million, or HI \geq 0.1, \leq 1

**District Tracking --- Priority Score greater than 1, and equal to or less than 10

HRA --- Health Risk Assessment

HI --- Hazard Index, Acute or Chronic

ATTACHMENT F (continued)

(Adopted November 3, 1989)(Amended June 6, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)(Updated July 1,
2013)(**Amended June 6, 2014**)

~~CPI increase to be effective on July 1, 2013~~

**PROPOSED AMENDED RULE 308. ON-ROAD MOTOR VEHICLE
MITIGATION OPTIONS FEES**

(a) Applicability

Provisions of this rule shall apply to fees assessed for worksite registrations and filings pursuant to Rule 2202 On-Road Motor Vehicle Mitigation Options. Fees shall be paid for the submission or resubmission of Annual Registrations, Employee Commute Reduction Programs (ECRP), Annual Programs, strategy amendments, extension requests, Average Vehicle Ridership (AVR)/Creditable Commute Vehicle Reduction (CCVR) Certification, Software Certification, emission reduction project review, and transfer of emission reduction credits.

(b) Definitions

- (1) AMENDMENTS are changes to Rule 2202 registrations, and/or ECRP strategies which materially affect the implementation of the program or the addition or deletion of a worksite to a multi-site program.
- (2) ANNUAL PROGRAM is a program submitted to the District that contains AVR results and a plan to achieve the performance requirements for the worksite.
- (3) EVALUATION is the District's evaluation of a program resulting in approval or disapproval of that program.
- (4) PROGRAM is any data and/or report required by Rule 2202 On-Road Motor Vehicle Mitigation Options to be submitted to the District
- (5) RESUBMITTAL is any revised program or revised Annual Program submitted to the District to correct a disapproved program.
- (6) SUBMITTAL is any program provided to the District in accordance with Rule 2202 On-Road Motor Vehicle Mitigation Options.

(c) Program Fees

(1) Rule 2202 Registration Fees

All persons submitting a Rule 2202 registration to implement any compliance option in the rule, except for an ECRP or an AQIP, shall pay annually, the following fees at the time of registration.

(A) Single Site Registrations

Single site programs are subject to a ~~\$526.41~~\$534.83 per worksite annual registration fee.

(B) Multiple Site Registrations

Multiple site programs are subject to a fifteen percent (15%) discount of the fee established in subparagraph (c)(1)(A) per worksite annual registration fee.

(C) Resubmittals and Amendments

Resubmitted and amended registrations shall be subject to fifty percent (50%) of the fee established in subparagraph (c)(1)(A) and (c)(1)(B).

(2) Employee Commute Reduction Program (ECRP) Fees

All persons electing to submit an ECRP shall pay the following fees at the time of submittal. The Annual Program and ECRP Offset fees will become effective on June 7, 2004.

(A) Single Site Submittals

<u>Per Worksite</u>	<u>Annual Program</u>	<u>ECRP Offset</u>
500 or more employees	\$1,002.32 <u>\$1,018.36</u>	\$647.98 <u>\$658.35</u>
250 to 499 employees	\$749.55 <u>\$761.54</u>	\$485.96 <u>\$493.74</u>

(B) Multisite Program Submittals

Triennial program fees for multiple site program submittals are subject to a fifteen percent (15%) discount of the fee established in subparagraph (c)(2)(A).

- (C) Resubmittals and Amendments
The single site resubmittal and amendment fee, excluding program strategy amendments fee shall be fifty percent (50%) of the single site submittal fee established in subparagraph (c)(2)(A). The multisite resubmittal fee shall be fifty percent (50%) of the multisite program submittal fee established in subparagraph (c)(2)(B).
- (D) Electronic Media Submittals
Persons submitting an ECRP using District-certified electronic media shall pay the appropriate fee established in paragraphs (c)(2)(A) and (B), less ~~\$100.00~~\$101.60 per submittal.
- (E) Sites achieving (AVR) Targets
Any employer who achieves their Average Vehicle Ridership (AVR) target and chooses to file, a High AVR No-Fault Inspection, pursuant to Rule 2202 ECRP guidelines, in lieu of an Annual Program, shall submit the fee established in subparagraph (c)(1)(A) and (c)(1)(B).
- (F) Program Strategy Amendments
A person submitting an amendment to program strategies consisting of the deletion or the replacement of any existing program strategies shall pay a fee of ~~\$157.96~~\$160.49 for each submittal per worksite. This fee shall not apply when the amendment consists solely of additional or enhanced strategies to the program or when the strategy amendment is submitted at the same time as part of the Annual Program submittal. Furthermore, any employer adding or deleting a worksite to a multi-site or geographic program shall pay a fee of ~~\$157.96~~\$160.49 per worksite being added or deleted, unless the worksite being deleted is no longer subject to Rule 2202.

(G) AVR/CCVR Certification Fees

Any person requesting District certification of AVR/CCVR verification methods, (including but not limited to random sampling, record-keeping or restructuring of the AVR survey form) pursuant to Rule 2202 ECRP guidelines, shall pay a fee of ~~\$404.86~~**\$411.34**. No additional fee will be due after a first disapproval and resubmittal. A second fee of ~~\$404.86~~**\$411.34** shall be paid with a second resubmittal after a second disapproval.

(3) Late Submittal and Resubmittal Fees

A fifty percent (50%) increase in the applicable registration, or ECRP fee established in subparagraph (c)(1), (c)(2)(A), (c)(2)(B) or (c)(2)(C) shall be paid as a surcharge where an applicable fee is not received in full on or before the due date for the registration, or ECRP.

(d) Determination of Applicability of Late Fees

The fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the registration/ECRP due date and received in full. If the registration/ECRP due date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the registration/ECRP due date. No further program applications for a particular worksite will be accepted or approved until such time as all overdue fees have been fully paid.

(e) Government Agencies

Federal, state, or local government agencies or public districts shall pay all fees.

(f) Software Certification Fees

The District may certify independent computer software capable of reproducing registration/ECRP forms, thereby allowing employers to file registration/ECRP using electronic media.

(1) Fees for certification will be assessed to cover the costs of processing the certification application and for the testing and validation of the software's reliability and ability to meet District's software specifications and program requirements.

(2) Fees shall be paid at the time that the software is submitted for certification as follows:

Proposed Amended Rule 308 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)

- (A) Initial Certification Fee ~~\$810.02~~\$822.98
- (B) Recertification Fee ~~\$404.86~~\$411.34

(g) The District will certify ECRP training programs pursuant to Rule 2202 ECRP guidelines. Fees for certification will be assessed to cover the costs of processing the certification application, reviewing the proposed curriculum, and assessing the training provider's qualifications.

(1) Fees shall be paid at the time that the qualifications and/or the curriculum is submitted for certification as follows:

	Provider Firm	Certification	Recertification
(A)	Instructor	\$404.86 <u>\$411.34</u>	\$202.22 <u>\$205.46</u>
(B)	Curriculum	\$810.02 <u>\$822.98</u>	\$404.86 <u>\$411.34</u>

(2) Fee for the District's initial training program for new Employee Transportation Coordinators shall be ~~\$163.97~~\$166.59 per person.

(3) A fee in the amount of ~~\$100~~\$101.60 shall be assessed to cover the cost of staff time to process each replacement Employee Transportation Coordinator Certificate of training.

(h) An employer who has declared bankruptcy, for the official business or governmental operations of its organization or company, through a judicial court filing and confirmation process, may request the Executive Officer to grant a temporary waiver from complying with the requirements of Rule 2202 and Rule 308. Upon demonstration of the filing and confirmation of bankruptcy, the Executive Officer will grant an exemption for the duration of bankruptcy, not to exceed two (2) years from the date of the waiver.

(i) Service Charge for Returned Check
Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(j) Extensions to Surrender MSERC's
Any person requesting an extension to surrender MSERC's to the District shall pay a fee of ~~\$79.91~~\$81.19 per worksite.

(k) Emission Reductions Project Review
Any person requesting the approval of a project resulting in emission reductions, pursuant to the provisions of Rule 2202(f)(5), shall be assessed an evaluation fee

Proposed Amended Rule 308 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)

of ~~\$399.37~~\$405.76 at the time of submittal. This fee will become effective on June 7, 2004. Additional evaluation fees may be assessed in accordance with Rule 309(c)(3) if necessary.

(l) Transfer of Emission Reduction Credits

Any person requesting a transfer of emission reduction credits shall pay a fee of ~~\$79.16~~\$80.43 per transaction. Credit transactions shall be jointly registered with the District by the credit transferor and transferee. The transferee shall be assessed the transaction fee per transaction at the time the transaction is registered with the District, unless the transferee is surrendering credits to meet the registration requirements for the current compliance year.

(m) Failure to Notify Surcharge

Any employer who became subject to Rule 2202 (as defined in Rule 2202 (b) – Applicability) and failed to notify the District within 30 days when they became subject to the rule, shall pay a surcharge of ~~\$1,162.82~~ \$1,181.43 for every worksite.

If the employer notifies the District more than 30 calendar days from the date when they became subject to Rule 2202, the surcharge shall be reduced by 30% of the applicable fee, as follows: ~~\$813.98~~\$827.00 for every worksite.

(n) Rule 2202 Registration Time Extension

Any person requesting a time extension to submit a Rule 2202 registration shall refer to Rule 313.

ATTACHMENT F (continued)

(Adopted June 10, 1994)(Amended May 10, 1996)(Amended May 9,1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7,2010)
(Updated July 1, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

PROPOSED AMENDED RULE 309. FEES FOR REGULATION XVI AND REGULATION XXV

(a) Applicability

Provisions of this rule shall apply to fees assessed for plans required by Regulation XVI and Regulation XXV, and for the transfer and acquisition of Mobile Source Emission Reduction Credits (MSERCs) generated pursuant to Regulation XVI and Regulation XXV rules. Fees shall be paid for:

- (1) Rule 1610 Scrapping Plans
- (2) Regulation XVI and Regulation XXV Mobile Source Emission Reduction Credit (MSERC) Applications and Compliance Plans
- (3) MSERC Transaction Registration

(b) Definitions

For the purpose of this rule the following definitions shall apply:

- (1) MSERC TRANSACTION is the trade or transfer of MSERC ownership between entities, or between MSERC accounts of the same entity. MSERCs shall be denominated in terms of one pound of MSERC pollutant.
- (2) PLAN is any data and/or test report required by federal or state law, or District rules and regulations to be submitted to the District. Plans include, but are not limited to, the following: Rule 1610 Scrapping Plans, Regulation XVI and Regulation XXV MSERC Applications, and Regulation XVI and Regulation XXV Compliance Plans.
- (3) SMALL BUSINESS is as defined in Rule 102.

(c) Fee Assessments

Proposed Amended Rule 309 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)

- (1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,601.20~~\$1,626.82. The fee shall be paid at the time of plan submittal.
 - (2) Regulation XVI and Regulation XXV Plans as defined in paragraph (b)(2), except Scrapping Plans, shall be assessed a filing fee of ~~\$121.44~~\$123.38 and an evaluation fee of ~~\$404.86~~\$411.34 at the time of submittal.
 - (3) Additional evaluation fees for plans shall be assessed at the rate of ~~\$118.45~~\$120.35 per person per hour if necessary. Evaluation fees shall also be assessed at this rate for any amendments to Plans and Applications.
 - (4) For small businesses filing scrapping plans, MSERC applications, and compliance plans, the fees assessed shall be fifty percent (50%) of the amounts specified in paragraphs (c)(1), (c)(2), and (c)(3).
 - (5) MSERC transactions shall be jointly registered with the District by the MSERC transferor and transferee. The transferee shall be assessed a Transaction Registration Fee of ~~\$79.16~~\$80.43 and thereafter, per transaction at the time the transaction is registered with the District.
- (d) Inspection Fee
- The inspection fee for Rule 1610 Scrapping Plan verification shall be an amount equal to the total actual and reasonable time incurred by the District for inspection and verification of the plan, assessed at the hourly rate of ~~\$97.10~~\$98.65 per inspection staff or prorated portion thereof. For inspections conducted outside of regular District working hours, the fee shall be assessed at a rate of 150% of the above hourly rate.
- (e) Payment of Fees

- (1) Payment of all applicable fees, including annual review/renewal fee, shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fee within this time period will result in expiration of the plan. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. No further plan applications will be accepted until such time as all overdue fees have been fully paid.
 - (2) Whenever the Executive Officer has reasonable cause to believe that the plan evaluation fee will be less than the fee for one hour's work, the fee need not be paid at the time of filing and notification of amount due, if any, shall be sent at the time the plan is approved or rejected.
- (f) Refunds
- (1) If a plan or an application as defined in paragraph (b)(2) is canceled, plan filing and evaluation fees, less the plan cancellation fee, will be refunded:
 - (A) If it is determined that the plan was not required pursuant to District rules; or
 - (B) The plan evaluation procedure has not been initiated by District staff.
 - (2) The plan cancellation fee will be ~~\$161.87~~**\$164.46**.
 - (3) Claims for refund of any fee required by this rule shall be submitted in writing within one (1) year after the fee was paid.
 - (4) The cancellation fee shall not apply when the plan was filed based on an erroneous District request.
- (g) Government Agencies
- Federal, state, or local government agencies or public districts shall pay all fees.

ATTACHMENT F (continued)

(Adopted May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005) (Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended May 7, 2010)(Amended May 6, 2011)(Updated July
1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)

CPI increase to be effective on July 1, 2013

PROPOSED AMENDED RULE 311. AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES

(a) Applicability

This rule shall apply to all employers who participate in the Air Quality Investment Program (AQIP) option provided under Rule 2202. The Air Quality Investment Fees established in this rule shall be adjusted periodically to reflect market conditions.

(b) Registration Fees

Any employer registering with the District to participate in the AQIP shall pay annually a registration fee of ~~\$121.44~~\$123.38 per worksite.

(c) AQIP Investment Fees

(1) Annual Compliance Option

At the time of registration any employer electing to participate in the annual AQIP compliance option shall annually invest in the restricted District fund \$60.00 for each employee reporting to work in the peak window; or,

(2) Triennial Compliance Option

At the time of registration any employer electing to participate in the triennial AQIP compliance option shall invest in the restricted District fund \$125.00 for each employee reporting to work in the peak window. Any increase in the number of employees in the window shall be accounted for during the second and third year registrations by investing \$60.00 per each additional employee for the remaining years in the triennial compliance option.

(d) Late fees

If the registration fee is not received by the established due date, the original amount of the registration fee shall be increased by fifty percent (50%).

ATTACHMENT F (continued)

(Adopted June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)
(Amended June 5, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

PROPOSED AMENDED RULE 313. AUTHORITY TO ADJUST FEES AND DUE DATES

(a) Summary

This rule provides limited discretion to the Executive Officer to adjust fees or reinstate permits where there has been an administrative error by the District, to extend the due date for payment of certain fees for good cause, and to waive or refund fees under circumstances set forth in this rule. The Executive Officer may delegate all or some of the discretion granted under this rule to a Fee Review Committee comprised of the Chief Financial Officer, the Deputy Executive Officer for Engineering and Compliance, the Public Advisor, and the District Counsel, or their designees. This rule does not provide the Executive Officer authority to alter the substantive requirements contained in AQMD rules and regulations.

(b) Process

Any owner/operator seeking relief under this Rule shall obtain the appropriate fee review request form(s) from the Office of Public Affairs. Upon completion, the form(s), along with any supporting background documentation, must be filed within the appropriate time limits set forth in this rule. Where the Executive Officer has delegated authority under this rule to the Fee Review Committee, an owner/operator seeking relief may request a personal meeting with the Fee Review Committee. The Fee Review Committee will meet on a monthly basis, as necessary, to consider requests under this rule.

(c) Decisions

The Executive Officer shall seek to make a decision on any request for relief under this Rule in writing within 90 days unless the applicant is notified that additional time is needed to investigate the circumstances underlying the request. Where the decision is made by the Fee Review Committee, the applicant may seek reconsideration from the Fee Review Committee within 30 days where there is substantial new information available. All decisions of the Fee Review

Committee are final, except that they may be reviewed by the Executive Officer in his sole discretion to ensure compliance with this Rule. Decisions of the Executive Officer are final.

- (d) Reinstatement of Permits, Applications, Plans, Registrations, and Other District Approvals
 - (1) The Executive Officer may reinstate a permit, application, registration, plan, or any other District issued approval upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation.
 - (2) The Executive Officer may reinstate any permit, application, registration, plan, variance (issued by the hearing board), or any other District issued approval that was determined by the Executive Officer to have been inadvertently canceled by the District.

- (e) Adjustment of Fees
 - (1) The Executive Officer may, upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation, rescind, reduce, increase or modify such fee. In no case may the Executive Officer reduce the amount of the excess emission fee below that specified in Rule 306(f), unless otherwise ordered by the Hearing Board.
 - (2) Any request for relief under paragraph (e)(1) must be received within 3 years of the administrative error or from the time the applicant should have reasonably known that the error was made, as determined by the Executive Officer.

- (f) Time Extension of Payment Due Dates
 - (1) Whenever this Regulation requires a fee to be paid by a certain date, the Executive Officer may, for good cause, grant an extension of time, not to exceed one hundred eighty days (180), within which the fee payment shall be made. The Executive Officer may require partial fee payments to be made on set dates during the extension period.
 - (2) Where an extension of time is requested due to a financial hardship, such request must be accompanied by sufficient background documentation to allow the Executive Officer to determine the applicant's financial ability

to pay the fee. Examples of such documentation include not less than three (3) months of financial data, written statement from a certified accountant, or a written statement from a bank representative.

- (3) Any request for relief under paragraph (f)(1) must be received before the final due date of the fee.
- (4) Any person requesting a due date extension, or a change in the permanent due date, for any fee under Rule 308 shall pay a surcharge of ~~\$79.91~~**\$81.19** per worksite.
- (5) The provisions of this subdivision shall not apply to any fee incurred under Rules 307 or 307.1.

(g) **Specific Fee Waivers and Reductions**

- (1) On or after January 1, 1996, the Executive Officer shall, from the date the first application is received, waive annual operating permit renewal fees required under Rule 301(d) for the first two annual renewals of a new manufacturing facility that locates within the South Coast Air Basin and creates five hundred (500) or more new full-time jobs with total facility NO_x, SO_x, VOC, or PM₁₀ emissions per full-time employee equal to or less than one-half (1/2) of any emission per employee target ratio for the industry class for the Year 2010 stated in the Air Quality Management Plan. After the first two annual renewal fee waiver time periods, the owner/operator shall be liable for all applicable fees forth in subdivision (d) of Rule 301.
- (2) The Executive Officer may, for good cause may waive the permit processing fee when there is an event declared to be a “state of emergency,” as defined in Rule 118, for any application filed to replace currently permitted equipment destroyed, or for the relocation of currently permitted equipment residing within a condemned building.
- (3) If it can be established to the satisfaction of the Executive Officer that a facility is operating pursuant to a license issued by the Department of Rehabilitation under the State of California’s Business Enterprise Program, the owner/operator, upon request, shall be granted a annual waiver of any fee under this Regulation in accordance with California Welfare & Institutions Code Section 19633. Such owner/operator is entitled to this waiver of fees so long as an annual request is made in writing and the applicant demonstrates that an agreement is maintained to

operate the facility under the supervision of the State of California Department of Rehabilitation.

- (4) A request for any waiver or fee reduction under paragraphs (g)(1) or (2) must be received before the final due date of the fee in question, and must be in the manner prescribed on forms provided under this rule. The Executive Officer may request any supporting documentation needed to evaluate the request.
- (5) Except for fee waivers granted under subparagraph (g)(3), if the owner/operator, at any time during the applicable fee waiver or reduction time period, does not operate the facility or equipment in a manner consistent with all applicable District rules, the Executive Officer may rescind the fee waiver or reduction.

(h) Refunds

- (1) If an application for a permit to construct is canceled, permit processing fees, less the application cancellation fee, will be refunded if the permit evaluation has not been initiated by the District. The application cancellation fee will be ~~\$193.31~~**\$196.40**, or the permit fee set forth in the Summary Permit Fee Rates tables in Rule 301, whichever is less.
- (2) Any fee paid to the District pursuant to process a permit application, equipment registration, or plan shall be refunded upon finding by the Executive Officer that the District erroneously requested filing of the application, registration, or plan. The cancellation fee required in subparagraph (h)(1) shall not apply when the application for a permit to construct was filed based on an erroneous District request.
- (3) If a facility or equipment is operated in violation of District Rules or Regulations during any portion of the time period for which the fee was assessed, there shall be no refund.
- (4) Applications filed for a Permit to Operate for equipment which has been operating without a required District permit will not receive a refund.

(i) Service Charge for Returned Checks.

Unless waived for good cause by the Executive Officer, any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

ATTACHMENT F (continued)

(Adopted June 6, 2008)(Amended January 9, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)(Amended
September 6, 2013)(Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

PROPOSED AMENDED RULE 314. FEES FOR ARCHITECTURAL COATINGS

(a) Purpose

The purpose of this rule is to recover the District's cost of implementing the architectural coatings program and programs related to architectural coatings, and the revenues shall only be used for such purposes. California Health and Safety Code Section 40522.5 provides authority for the District to adopt a fee schedule on areawide or indirect sources of emissions which are regulated, but for which permits are not issued by the District, to recover the costs of programs related to these sources.

(b) Applicability

This rule applies to architectural coatings manufacturers who distribute or sell their manufactured architectural coatings into or within the District for use in the District and are subject to Rule 1113 - Architectural Coatings. This rule also applies to private labelers and big box retailers who distribute or sell architectural coatings into or within the District for use in the District and are subject to Rule 1113 – Architectural Coatings. This includes products sold through big box retailers with distribution centers located within or outside the District. This rule does not apply to architectural coatings sold in this District for shipment and application outside of this District or to aerosol coating products.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) AEROSOL COATING PRODUCT means a pressurized coating product containing pigments, resins, and/or other coatings solids that dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container for hand-held application, or for use in specialized equipment for ground marking and traffic marking applications.
- (2) ANNUAL QUANTITY AND EMISSIONS REPORT includes the quantity of each architectural coating distributed or sold into or within the District for use in

the District during each calendar year, reported as gallons and their associated VOC content, as supplied, reported in grams per liter, for each product in all container sizes.

- (3) APPURTENANCES are accessories to a stationary structure, including, but not limited to: hand railings, cabinets, bathroom and kitchen fixtures, fences, rain-gutters and down-spouts, window screens, lamp-posts, heating and air conditioning equipment, other mechanical equipment, large fixed stationary tools, signs, motion picture and television production sets, and concrete forms.
- (4) ARCHITECTURAL COATINGS are any coatings applied to stationary structures or their appurtenances, or to fields or lawns.
- (5) ARCHITECTURAL COATINGS MANUFACTURER is any person, company, firm, or establishment who imports, blends, assembles, produces, packages, repackages, or re-labels an architectural coating, excluding retail outlets where labels or stickers may be affixed to containers or where colorant is added at the point of sales. For the purpose of this rule, a private labeler is an architectural coatings manufacturer.
- (6) AUTHORIZED REPRESENTATIVE is the person authorized by the Responsible Party to prepare and submit the Annual Quantity and Emissions Report on behalf of an architectural coatings manufacturer.
- (7) BIG BOX RETAILER is a physically large-chain retail outlet that is classified by the U.S. Department of Labor under Standard Industrial Classification code 5211: Lumber and Other Building Materials Dealers, and listed by the Executive Officer as such prior to end of each calendar year.
- (8) COATING is a material which is applied to a surface in order to beautify, protect, or provide a barrier to such surface.
- (9) CONCENTRATES are coatings supplied in a form that must be diluted with water or an exempt compound, prior to application, according to the architectural coatings manufacturer's application instructions in order to yield the desired coating properties.
- (10) EXEMPT COMPOUNDS are as defined in Rule 102 - Definition of Terms.
- (11) FORMULATION DATA is the actual product recipe which itemizes all the ingredients contained in a product including VOCs and the quantities thereof used by the architectural coatings manufacturer to create the product. Material Safety Data Sheets (MSDS) are not considered formulation data.

- (12) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS, is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

- W_s = weight of volatile compounds in grams
- W_w = weight of water in grams
- W_{es} = weight of exempt compounds in grams
- V_m = volume of material in liters
- V_w = volume of water in liters
- V_{es} = volume of exempt compounds in liters

For coatings that contain reactive diluents, the Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds, shall be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

- W_s = weight of volatile compounds emitted during curing, in grams
- W_w = weight of water emitted during curing, in grams
- W_{es} = weight of exempt compounds emitted during curing, in grams
- V_m = volume of the material prior to reaction, in liters
- V_w = volume of water emitted during curing, in liters
- V_{es} = volume of exempt compounds emitted during curing, in liters

- (13) GRAMS OF VOC PER LITER OF MATERIAL is the weight of VOC per volume of material and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Material} = \frac{W_s - W_w - W_{es}}{V_m}$$

Where:

- W_s = weight of volatile compounds in grams
- W_w = weight of water in grams
- W_{es} = weight of exempt compounds in grams
- V_m = volume of the material in liters

- (14) MULTI-COMPONENT COATINGS are reactive coatings requiring the addition of a separate catalyst or hardener before application to form an acceptable dry film.
 - (15) POST-CONSUMER COATINGS are finished coatings that would have been disposed of in a landfill, having completed their usefulness to a consumer, and does not include manufacturing wastes.
 - (16) PRODUCT is an architectural coating which is identified by means of a unique product code and product name or product line (if applicable), as written on the container label and that is subject to one of the coating category VOC limits specified in Rule 1113 paragraphs (c)(1) or (c)(2) Table of Standards.
 - (17) PRIVATE LABELER is the person, company, firm, or establishment (other than the toll manufacturer) identified on the label of an architectural coating product.
 - (18) RECYCLED COATINGS are coatings manufactured by a certified recycled paint manufacturer and formulated such that 50 percent or more of the total weight consists of secondary and post-consumer coatings and 10 percent or more of the total weight consists of post-consumer coatings.
 - (19) RESPONSIBLE PARTY for a corporation is a corporate officer. A responsible party for a partnership or sole proprietorship is the general partner or proprietor, respectively.
 - (20) SECONDARY (REWORK) COATINGS are fragments of finished coatings or finished coatings from a manufacturing process that has converted resources into a commodity of real economic value, but does not include excess virgin resources of the manufacturing process.
 - (21) STATIONARY STRUCTURES include but are not limited to, homes, office buildings, factories, mobile homes, pavements, curbs, roadways, racetracks, and bridges.
 - (22) TOLL MANUFACTURER is an architectural coatings manufacturer who produces coatings for a private labeler.
 - (23) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 1113 – Architectural Coatings.
- (d) Requirement to Obtain a Manufacturer Identification (ID) Number
- (1) An architectural coatings manufacturer subject to this rule at any time during the calendar year 2008 shall apply to the District for a manufacturer ID number on or before December 31, 2008. An architectural coatings manufacturer that becomes

subject to this rule in any year subsequent to calendar year 2008 shall apply to the District for a manufacturer ID number on or before December 31 of that year.

- (2) Change or Acquisition of an Architectural Coatings Manufacturer
 - (A) When there is a change or acquisition of an architectural coatings manufacturer with a District issued manufacturer ID number, the successor architectural coatings manufacturer shall apply for a manufacturer ID number on or before December 31 of the calendar year of the change or acquisition, unless the successor architectural coatings manufacturer already has a District issued manufacturer ID number. The successor architectural coatings manufacturer shall include the previous manufacturer ID number in their Annual Quantity and Emissions Report for the first year after the change or acquisition.
 - (B) Acquisition of an architectural coatings manufacturer shall not be considered a change in ownership for the purposes of this rule if the architectural coatings manufacturer who is acquired continues to file Annual Quantity and Emissions Reports and pay fees under its District issued ID number.
- (3) Delegation or Change of Responsible Party and/or Authorized Representative

Application for a manufacturer ID number pursuant to (d)(1), as submitted by the Responsible Party for an architectural coatings manufacturer, shall designate the Authorized Representative. The designating Responsible Party is responsible for and may act in lieu of the Authorized Representative. A change to either the designating Responsible Party or Authorized Representative shall be made in writing using the same application form.
- (e) Requirement to Submit an Annual Quantity and Emissions Report
 - (1) For each calendar year (January 1 through December 31) beginning with 2008 and continuing with each subsequent calendar year, an architectural coatings manufacturer shall, in a format determined by the Executive Officer, submit to the District by April 1 of the following calendar year (the official reporting due date) an Annual Quantity and Emissions Report electronically submitted by the Authorized Representative certifying that all information submitted (including electronic submittal) is true and correct. Information included in the Annual Quantity and Emission Report that was obtained from a company not owned or controlled by the reporting architectural coatings manufacturer shall be certified as true and correct to the best knowledge of the Authorized Representative

submitting the report. The Annual Quantity and Emissions Report shall include, but not be limited to, the following:

- (A) Architectural coatings manufacturer information including the manufacturer ID number issued by the District;
- (B) Each architectural coating brand name, product code and product name;
- (C) Whether the coatings are waterborne or solvent-based;
- (D) Whether the coatings are for interior, exterior, or dual use;
- (E) The applicable coating category listed in the Table of Standards in Rule 1113 – Architectural Coatings;
- (F) The grams of VOC per liter of coating, less water and less exempt compounds, and excluding any colorant added to the tint base for each product as follows:
 - (i) For coatings packaged in a single container, as supplied;
 - (ii) For multi-component coatings, after mixing the components, as recommended for use by the architectural coatings manufacturer;
 - (iii) For concentrates, at the minimum dilution recommended for use by the architectural coatings manufacturer;
- (G) The grams of VOC per liter of material for each product as follows:
 - (i) For coatings packaged in a single container, as supplied;
 - (ii) For multi-component coatings, after mixing the components, as recommended for use by the architectural coatings manufacturer;
 - (iii) For concentrates, at the minimum dilution recommended for use by the architectural coatings manufacturer;
- (H) In addition to (e)(1)(F) and (G), for solvent-based coatings, grams of VOC per liter of material for each product including the maximum thinning as recommended by the architectural coatings manufacturer;
- (I) Total annual quantity of each product distributed or sold into or within the District for use in the District, as supplied or for a concentrate, at the minimal dilution recommended for use by the architectural coatings manufacturer, and reported in gallons for all container sizes. The annual quantity of each product shall include products sold through big box retailers with distribution centers located within or outside the District. Architectural coatings manufacturers shall use the list of big box retailers maintained by the Executive Officer as of the end of the calendar year for purposes of reporting quantities of products distributed or sold in the District through big box retailers; and

- (J) For any product with VOC content higher than the applicable limit in Rule 1113, an indication whether the product has been sold under any of the following provisions of Rule 1113 – Architectural Coatings:
- (i) Sell-through provisions
 - (ii) Averaging Compliance Option
 - (iii) Small container exemption
 - (iv) Low Solids
 - (v) Stains or Lacquers sold above 4,000 feet.
- (2) If the architectural coatings manufacturer had no distribution or sales for the prior calendar year, the Authorized Representative must either certify that fact in a letter, on company letterhead, or indicate that fact in the online reporting program. If an architectural coatings manufacturer does not intend to sell coatings into or within the District in future years, the Authorized Representative should indicate that intention in writing, so as to be removed from future outreach efforts.
- (3) An architectural coatings manufacturer that acquires another architectural coatings manufacturer shall provide the information specified in subparagraph (e)(1)(A) through (e)(1)(J) for the acquired architectural coatings manufacturer for the entire calendar year.
- (4) By January 30, 2009, and every year thereafter, a big box retailer shall report to the District and the architectural coatings manufacturer of that product the total annual quantity of each coating product distributed through its distribution centers for sale or sold in the District for the previous calendar year (January 1 through December 31), as supplied, in a format determined by the Executive Officer. The big box retailer shall also include a list of the store, address, city and ZIP code where the products contained in the report were sold. Big box retailers shall use the list maintained by the Executive Officer as of the end of the calendar year of big box retailers for purposes of reporting to the appropriate architectural coatings manufacturer the quantities of products distributed or sold in the District. The report submitted to the District and to each architectural coatings manufacturer shall be electronically submitted by a corporate officer certifying that all information reported is true and correct. The report shall also be submitted to each architectural coatings manufacturer in an electronic spreadsheet format.

(f) Recordkeeping

Architectural Coatings Manufacturers shall:

- (1) Maintain a copy of the signed application form submitted to the District to obtain the manufacturers ID number, and the written response from the District issuing a manufacturer ID number. The copies shall be maintained for five (5) years beyond the date on each document, and made available upon request by the Executive Officer.
- (2) Maintain records to verify data used to prepare the Annual Quantity and Emissions Report from architectural coatings distributed or sold into or within the District for use in the District and compliance with applicable rules and regulations. The records shall be maintained for five (5) years and made available upon request by the Executive Officer. Such records shall include but not be limited to:
 - (A) Product formulation records (including both grams of VOC per liter of coating and grams of VOC per liter of material):
 - (i) Laboratory reports [including percent weight of non-volatiles, water, and exempts (if applicable); density of the coating; and raw laboratory data] of test methods conducted as specified in paragraph (m) or
 - (ii) Product formulation data or physical properties analyses, as applicable, with a VOC calculation demonstration; and
 - (B) Production records including, if applicable, batch tickets with the date of manufacture, batch weight and volume; and
 - (C) Distribution records:
 - (i) Customer lists or store distribution lists or both (as applicable) and
 - (ii) Shipping manifests or bills of lading or both (as applicable); and
 - (D) Sales records consisting of point of sale receipts or invoices to distributors or both, as applicable.

(g) Fees

(1) Manufacturer ID Number Fee

An architectural coatings manufacturer applying for a manufacturer ID number with the District as specified in paragraphs (d)(1) and (d)(2) shall pay a non-refundable application fee of ~~\$182.34~~\$185.26 at the time of submitting the application.

(2) Annual Quantity and Emissions Fees

(A) An architectural coatings manufacturer shall pay fees at the rates specified below, on or before April 1st (the official due date). Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within the District for use in the District for the previous calendar year. The fee rate to be applied shall be the fee rate in effect for the year in which the sales and emissions are actually reported, and not the fee rate in effect for the year the sales actually occurred.

Fee Rate

(i) Annual Quantity Fee: ~~\$0.039~~\$0.04 per gallon of paint.

(ii) Annual Emission Fee: ~~\$260.54~~\$264.71 per ton of VOC emissions.

(B) If an architectural coatings manufacturer submits the Annual Quantity and Emissions Report in such a manner that District staff has to manually enter the data into the District database, then the architectural coatings manufacturer shall pay at the time of submittal a non-refundable fee of ~~\$298.67~~\$303.45 for the first two hours of District time. The architectural coatings manufacturer shall be assessed additional fees at the rate of ~~\$149.35~~\$151.74 per hour for any additional time beyond the first two hours.

(h) Request to Amend the Annual Quantity and Emissions Report and Refund Request of Emission Fees

(1) An architectural coatings manufacturer shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted Annual Quantity and Emissions Reports. Amendment requests submitted after one (1) year from the official due date of the subject Annual Quantity and Emissions Report shall include a non-refundable standard evaluation fee of ~~\$298.67~~\$303.45. In addition, evaluation time beyond two hours shall be assessed at the rate of ~~\$149.35~~\$151.74 per hour not to exceed 10 hours. Amendment requests received within one year (1) from the official due date of a previously submitted Annual Quantity and Emissions Report shall not incur any such evaluation fees. The Amendment Request shall include all supporting documentation and revised applicable reports.

(2) An architectural coatings manufacturer shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted Annual Quantity and

Emissions Report and request a refund of overpaid fees. Refund Requests must be submitted within one (1) year from the official due date of the subject Annual Quantity and Emissions Report to be considered valid. The Refund Request shall include a revised Annual Quantity and Emissions Report and all applicable supporting documentation. If the Refund Request submitted results in a refund, then the architectural coatings manufacturer shall incur no evaluation fee. If the refund request results in no refund, then the architectural coatings manufacturer shall pay the standard evaluation fee and the hourly evaluation fees, as appropriate, specified in paragraph (h)(1).

(i) Fee Payments and Late Surcharge

- (1) Fee payments are the responsibility of the architectural coatings manufacturer.
- (2) If both the fee payments and the Annual Quantity and Emissions Report for the previous calendar year are not received by May 30, they shall be considered late; and a surcharge for late payment shall be imposed for fees past due as set forth in paragraph (i)(3). Architectural coatings manufacturers subject to paragraph (d)(2) on or after July 1 of the reporting year shall have an additional 6 months, or any additional time approved by the Executive Officer, to submit the fee payments and the Annual Quantity and Emissions Report for the acquired architectural coatings manufacturer. For the purpose of this paragraph, the fee payments and the Annual Quantity and Emissions Report shall be considered to be timely received by the District if it is postmarked on or before May 30. If May 30 falls on a Saturday, Sunday, or a state holiday, the fee payments and Annual Quantity and Emissions Report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on May 30.
- (3) If fee payments for the Annual Quantity and Emissions Report (including any unreported quantity and emissions) are not received within the time prescribed by paragraph (i)(2), a late payment surcharge shall be assessed on the fees past due and added to the fee rate in paragraph (g)(2)(A), according to the following schedule:

Less than 30 days	5% of past due amount
30 to 90 days	15% of past due amount
91 days to one year	25% of past due amount
More than one year	50% of past due amount

(4) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

(j) Service Charge for Returned Checks

Any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(k) Confidentiality of Information

Subject to the provisions of the California Public Records Act (Govt. Code § 6250-6276.48) information submitted to the Executive Officer may be designated as confidential. The designation must be clearly indicated on the reporting form, identifying exactly which information is deemed confidential. District guidelines require a detailed and complete basis for such claim in the event of a public records request.

(l) Violation

It shall be a violation of this rule for any architectural coatings manufacturer to distribute or sell their manufactured architectural coatings into or within the District for use in the District, without having a manufacturer ID number issued by the District, within the time specified in subdivision (d).

(m) Test Methods

For the purpose of this rule, test methods are as specified in Rule 1113.

(n) Severability

If any provision of this rule is held by judicial order to be invalid, or invalid or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule are held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.

(o) Distributor(s) List

On or before January 31st, all architectural coatings manufacturers subject to this rule shall provide to the District a list of all U.S. distributors to whom they supply

architectural coatings. The list shall be in a format determined by the Executive Officer and shall include the distributors name, address, contact person and phone number.

- (1) Once the initial list of all U.S. distributors has been submitted, the architectural coatings manufacturer shall provide any changes to that list for subsequent reporting years.
- (2) If there are no changes to the list of all U.S. distributor(s), the architectural coatings manufacturer in subsequent reporting years shall report no changes.

(p) Exemption

- (1) Fees pursuant to subparagraph (g)(2) shall not be assessed on coatings with 5 or less grams of VOC per liter of material provided the Annual Quantity and Emissions Report is received within the time prescribed by subparagraph (i)(2).
- (2) Fees pursuant to subparagraph (g)(2) shall not be assessed on recycled coatings distributed or sold into or within the District by a certified recycled paint manufacturer provided the Annual Quantity and Emissions Report is received within the time prescribed by subparagraph (i)(2).
- (3) Fees pursuant to subparagraph (g)(2) shall not be assessed on any architectural coatings manufacturer whose distribution or sale of coatings into or within the District for use in the District are less than 1,000 gallons and have potential annual VOC emissions of 0.5 tons or less in a calendar year, provided the Annual Quantity and Emissions Report is received within the time prescribed by subparagraph (i)(2).
- (4) Architectural coatings offered for sale as a dry mix, containing no polymer, that are only mixed with water prior to use, including, but not limited to, stucco, clays, and plasters.

ATTACHMENT F (continued)

(Adopted May 7, 2010)(Amended May 6, 2011)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

**PROPOSED AMENDED RULE 315. FEES FOR TRAINING CLASSES
AND LICENSE RENEWAL**

(a) Fees for Rule Training Classes

AQMD Training Class	Fee
Rules 403 & 403.1	No Cost
Rule 461 Daily Self-Inspection Class	\$145.23 <u>\$147.55</u>
Rule 461 Annual Periodic Inspection Class	\$158.95 <u>\$161.49</u>
Rule 461 Tester Orientation Class	\$151.10 <u>\$153.52</u>
Rule(s) 463/1178	\$73.45 <u>\$74.63</u>
Rule(s) 1110.2/1146/1146.1	No Cost
Rule 1176	\$56.76 <u>\$57.67</u>
Rule 1403	\$79.05 <u>\$80.32</u>
Rule 1469	\$31.38 <u>\$31.88</u>

(b) Certified Permitting Professional (CPP) License Fees

- (1) The fee for the CPP exam administered by SCAQMD is ~~\$150.00~~\$152.40. This fee also covers the first year license fee for those who pass the exam.

- (2) The annual renewal fee for the CPP license fee is ~~\$150.00~~**\$150.40**. The license shall expire if the license renewal fee is not received by the District or postmarked within 30 days after the mailing of invoices or June 30th, whichever is later.
- (3) A CPP license that has expired due to nonpayment of the annual renewal fee may be reinstated by submitting a request for reinstatement and payment in full of the amount due at the time the license expired. A reinstatement surcharge shall also be paid equivalent to fifty percent (50%) of the amount due. Such request and payment shall be made within six (6) months of the license expiration. A license shall not be reinstatable after December 31st of the year it has expired.

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report Proposed Amended Regulation III – Fees

Including:

Proposed Amended Rule 301 - Permitting and Associated Fees
Proposed Amended Rule 303 - Hearing Board Fees
Proposed Amended Rule 304 - Equipment, Materials, and Ambient Air Analyses
Proposed Amended Rule 304.1 - Analyses Fees
Proposed Amended Rule 306 - Plan Fees
Proposed Amended Rule 307.1 - Alternative Fees for Air Toxics Emissions Inventory
Proposed Amended Rule 308 - On-Road Motor Vehicle Mitigation Options Fees
Proposed Amended Rule 309 - Fees for Regulation XVI
Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees
Proposed Amended Rule 313 – Authority to Adjust Fees and Due Dates
Proposed Amended Rule 314 – Architectural Coatings
Proposed Amended Rule 315 – Fees for Training Classes and License Renewal

June 6, 2014

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GOVERNING BOARD**

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I. EXECUTIVE SUMMARY

Regulation III – Fees, establishes the fee rates and schedules associated with permitting, annual renewals, emissions and other activities that help fund most of SCAQMD's Permitted Source Program regulatory activities and services. The Permitted Source Program is primarily supported by three fees that provide over 60% of the SCAQMD budget, namely permit processing fees, annual renewal (equipment-based) fees, and annual renewal (emissions-based) fees, all of which are contained in Rule 301. In addition, the Permitted Source Program includes certain activities for which separate fees are charged, such as Source Testing and Hearing Board variances and permit appeals. Also included in the permit related fee program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III-Fees also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, such as Transportation Programs fees and Area Source fees (architectural coatings).

In the 1990's the SCAQMD began experiencing significant shortfalls in its budget due to declining revenues that threatened the continuity of many of its programs and services. Shortfalls continue to exist despite the significant budget reductions adopted, increasing vacancy rates due to unfilled positions and continuous improvements in performance and efficiency. The SCAQMD faces a number of challenges in the upcoming years, including higher operating costs due to increased contributions to the retirement system, streamlining operations while meeting program commitments and uncertainties in the business environment as the economy tries to reverse the economic downturn of the past several years. A primary uncertainty is the course the financial markets will take over the next few years which will determine the performance of retirement and other investments. To prepare for these challenges, SCAQMD has a five year plan in place to continue, if necessary, deleting select vacant positions, maintaining an increased vacancy rate, reducing Services and Supplies and providing for critical infrastructure improvement projects. Additionally, the SCAQMD paid off the mortgage debt on the Diamond Bar Headquarters building in Fiscal Year (FY) 2012-2013, and lowered retirement benefits for new employees. The above actions are intended to minimize higher operating costs as well as keep the percentage of unreserved/unassigned fund balance to revenue above the existing Governing Board mandate of 15%.

To address the remaining shortfall in revenues resulting from legally mandated funding requirements and to keep pace with inflation, staff recommends, that for FY 2014-2015, the current Regulation III fees be adjusted by the 1.6% change in the California Consumer Price Index (CPI) for calendar year 2013 via the automatic action of Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees. Staff further recommends that in order to recover more of the cost of programs and services within the Permitted Source Program, permit processing and annual renewal (equipment-based) fees (also called "annual operating fees"), be adjusted by an

additional 6% phased in over the next two fiscal years (3 % in FY 2014-2015 and an additional 3 % in FY 2015-2016). An automatic CPI adjustment as specified in Rule 320, based on the change in the CY 2014 CPI, is also expected to affect the fee rates in FY 2015-2016. This additional increase in permit related fees will allow for some further recovery of the revenue shortfall and better align revenues with reasonable and necessary costs. The adjustment of specific permit related fees above the CPI rate is both necessary in order to better recover the reasonable regulatory costs of mandated services and programs provided, and equitable since these services confer a commensurate benefit directly to the beneficiaries (including but not limited to providing permits to construct/operate source equipment and annual compliance audits and inspections) and since costs are allocated based on the relative burden placed on the permitted source programs. Staff's proposal has been incorporated into the FY 2014-2015 Draft Budget and Work Program. The proposed 3% increase for FY 2014-2015 is projected to allow the SCAQMD to avoid further staff reductions this year, and in future years.

The proposed fee amendments were formulated to address cost recovery by refining the alignment of program revenue with program costs that have typically never been fully recovered, and whose funding shortfall has escalated, due to the economic downturn of recent years. Despite the proposed fee amendments staff currently projects a \$4.7 million deficit in revenues for programs related to permit processing fees. Factors impacting budget shortfalls include legally mandated funding for the San Bernardino County Employee Retirement Association (SBCERA) which is significantly increasing retirement costs (and which translates into certain overhead costs) decreasing annual operating emissions fees revenues, and revenues remaining generally flat from permit processing and annual permit renewal fees. Also, revenues from CPI adjusted emission fees have declined by more than 50% over the last fifteen years due to rapidly declining emissions, and thus declining emissions fees at rates exceeding annual CPI rates. The proposed FY 2014-2015 Draft Budget and Work Program, including supporting documentation, are hereby incorporated by reference in this report. They are available at <http://www.aqmd.gov/finn/financialinformation.htm#Budgets and Audited Financial Reports> and the SCAQMD Public Information Center.

II. PROPOSED AMENDMENTS

For FY 2014-2015, proposed amendments to Regulation III fees are two-fold: a CPI based adjustment to most fees in Regulation III which is implemented automatically pursuant to Rule 320; with an additional 6% adjustment of permit processing and annual renewal fees, implemented over FY's 2014-2015 and 2015-2016, as detailed below.

A. CPI ADJUSTMENT

For FY 2014-2015, staff is recommending that all Regulation III fees be allowed to adjust, pursuant to the automatic action of Rule 320, by the 1.6% adjustment

commensurate with the change in the CY 2013 CPI, excluding the following fees:

- 1) The returned check service fee in various rules (currently set by state law at \$25),
- 2) Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (or PERP fees; since these fees are set by the state),
- 3) Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only (since these fees are set by the state), and
- 4) Rule 311(c) Air Quality Investment Program Fees

B. PERMIT PROCESSING AND ANNUAL RENEWAL FEE ADJUSTMENT

In order to partially recover the costs of certain programs within the Permitted Source Program and better align program costs with revenues, permit processing and annual renewal fees in Regulation III would be increased by an additional 6% phased in over the next two fiscal years. Note that the listed fees above that are excluded from the CPI increase are also excluded from the 6% increase. The following specific permit processing and annual renewal fees would be subject to the additional 6% increase, phased in over two years (H&SC Section 40510.5(b)):

1. *Permit Processing Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-2015 and an additional 3% for FY 2015-2016):*

301(c)(1)(J)	Standard Streamlined Permits
301(c)(3)(A)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(B)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(C)	Change of Operating Condition, Alteration/Modification/Addition
301(e)(9)	Request to Amend Emissions Report and Refund of Emission Fees
301(g)	Reinstating Expired Applications or Permits; Surcharge
301(j)(1)(A)	CEQA Document Preparation
301(j)(1)(B)	CEQA Document Assistance
301(j)(4)	Payment for Public Notice
301(j)(5)(B)	Modification of an Existing Certified CEMS, FSMS, or ACEMS

301(j)(5)(C)	Modification of CEMS, FSMS, or ACEMS Monitored Equipment
301(j)(5)(D)	Periodic Assessment of an Existing RECLAIM CEMS/FSMS/ACEMS
301(j)(5)(E)	CEMS, FSMS, or ACEMS Change of Ownership
301(j)(7)	Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs
301(l)(4)	Facility Permit Fees (RECLAIM)
301(l)(5)	Facility Permit Fees Amendment (RECLAIM)
301(l)(13)	Breakdown Emission Report Evaluation Fee (RECLAIM)
301(l)(15)	Mitigation of Non-Tradeable Allocation Credits (RECLAIM)
301(l)(16)	Evaluation Fee to Increase an Annual Allocation (RECLAIM)
301(m)(3)(A)	Title V Facilities Initial Fee
301(m)(3)(B)	Title V Facilities Final Fee
301(m)(6)	Administrative Permit Revision Fee (Title V)
301(m)(7)	Permit Revision Fee (Title V)
301(m)(9)	Public Notice Fee (Title V)
301(m)(10)	Public Hearing Fees (Title V)
301(n)(5)	Fee for Change of Operator
301(q)	NESHAP Evaluation Fee
301(u)(1)	Initial Filing Fee (Rule 222)
301(u)(2)	Change of Operator/Location (Rule 222)
301(v)(1)	Permit Processing Fee (Expedited Processing)
301(v)(2)	CEQA Fee (Expedited Processing)
301(v)(3)	CEMS, FSMS, and ACEMS Fee (Expedited Processing)
301(v)(4)	Air Dispersion Modeling, HRA, Source Test & Report Fees (Expedited Processing)
301(v)(5)	ERC/STC Application Fees (Expedited Processing)
301 Table	Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification
301 Table	Summary of ERC Processing Rates
301 Table	Summary of Permit Fee Rates Change of Operator
301 Table IIA	Special Processing Fees – AQ Analysis/HRA

301 Table IIC FOOTNOTES ONLY	CEMS, FSMS And ACEMS Fee Schedule
301 Table VII	Summary of RECLAIM and Title V Fees
306(c)	Plan Filing Fee
306(d)	Plan Evaluation Fee
306(e)	Duplicate Plan Fee
306(f)	Inspection Fee (Plans)
306(g)	Change of Condition Fee (Plans)
306(i)(1)	Payment of Fees - Plan Filing or Submittal Fee
306(l)	Plan Application Cancellation Fee
306(m)	Protocol/Report Evaluation Fees
306(q)	Optional Expedited Protocol/Report Evaluation Processing Fee

2. *Annual Renewal Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-2015 and an additional 3% for FY 2015-2016):*

301(d)(2)	Annual Operating Fees
301(d)(3)	Credit for Solar Energy Equipment
301(l)(10)(E)	RECLAIM Pollutant Emission Fee (Special operating fee for refineries)
301(m)(8)	Renewal Fees (Title V)
301(u)(3)	Annual Renewal Fee (Non-permitted Emission Sources Subject to Rule 222)
306(h)	Annual Review/Renewal Fee (Plans)

* These fees may also be adjusted by the change in the CY 2014 CPI for FY 2015-2016.

III. BACKGROUND

A. LEGAL AUTHORITY

The California Health and Safety Code (H&SC) provides the SCAQMD with the authority to adopt various fees to recover the costs of its programs. The Permitted Source Program is primarily funded through Section 40510(b) which authorizes the SCAQMD to adopt “a fee schedule for the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Thus, virtually every cost related to regulating permitted sources may be recovered under this type of fee. Entities regulated

through the Permitted Source Program must receive two types of permits. The SCAQMD issues permits to construct for each permitted facility or piece of equipment. In addition, the SCAQMD issues annual operating permits to operate for each facility or pieces of equipment (RECLAIM and Title V facilities receive a facility permit; other sources receive equipment-based permits). Correspondingly, the SCAQMD has adopted two basic types of permit fees: a fee for permits to construct, and a fee for permits to operate. The fee for permits to construct is based on the type of equipment involved, with higher fees for more complicated equipment. Each type of basic and control equipment is assigned a fee schedule, A through H, as set forth in Rule 301, Tables IA and IB.

The fee for permits to operate is further divided into two components: an equipment-based fee, and an emissions-based fee. The equipment-based fee is based on the same equipment categories as are used in the permit to construct fee, i.e. the categories A through H, but there are only four fee schedules for the equipment-based permit to operate fee. Each permit to construct fee schedule is assigned to one of the four permit to operate fee schedules, based on complexity of inspection and compliance activities.

The annual emissions-based operating fee includes a flat fee paid by each facility, and a tiered fee for sources emitting four or more tons per year of criteria pollutants (e.g. VOC, NOx, and PM) and smaller amounts for emissions of specified air toxics. State law authorizes the use of emissions-based fees. (H&SC Section 40510(c)(1)). RECLAIM and Title V facilities pay additional permit-related fees to recover the additional costs associated with these types of facilities.

The permit to construct fees and the annual operating equipment-based fees are proportional to the labor involved in permit processing and enforcement related activities. The emissions-based annual operating fee is used to cover indirect costs such as planning, rulemaking, outreach, and air monitoring, which are related to the permitted source program but cannot be directly attributed to any specific permit activity. California courts have upheld the use of emissions-based fees to cover these types of indirect costs, holding that such an allocation method is reasonably related to an air district's costs of regulating a permit holder's air pollution. *San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 2013 Cal. App. 3d 1132, 1136.

The SCAQMD has further subdivided certain permit-related activities and imposed fees to at least partially recover their costs, such as Source Testing, CEQA analysis, and newspaper noticing, rather than grouping these costs into the basic permit processing or operating fees. This enables the SCAQMD to more closely tie the costs of specific permit-related activities to the fees paid. While there are many sub-types of fees within the basic structure, such as special processing fees for CEQA analysis or health risk assessments, the above are the basic structures. Plan fees and Rule 222 equipment registration fees are

also proposed to be increased by 3% this year as they operate in a similar manner to permit processing and annual renewal fees for the equipment and activities covered, and are included in the revenue categories “Permit Processing Fees” and “Annual Operating Permit Renewal Fees”.

As noted above, the code authorizes the imposition of fees for variances (H&SC Section 40510(b)). These are included in Rule 303. The code also authorizes the imposition of fees for the costs of programs related to indirect sources (such as Rule 2202 ridesharing program fees) and Area Wide sources (such as Rule 314 related to architectural coatings) to cover the costs of programs related to those sources. (H&SC Section 40522.5). It is not necessary to increase these types of fees this year, other than the CPI increase, to support their related programs.

If the SCAQMD proposes to increase the Permitted Source Program fees by more than the CPI, the increase must be phased in over a period of at least two years. H&SC Section 40510.5(b). Also, if a fee increase greater than CPI is adopted, the SCAQMD Governing Board must make a finding, based on relevant information in the rulemaking record, that the increase is necessary and will result in an apportionment of fees that is equitable. This finding shall include an explanation of why the fee increase meets these requirements. (H&SC Sections 40510(a)(4) and 40510.5). These findings will be included in the SCAQMD Governing Board Resolution presented for the Public Hearing on Regulation III.

Finally, the total amount of fees collected by the SCAQMD shall not be more than the total amount collected in the 1993-1994 fiscal year, except that this total may be adjusted by the change in the CPI from year to year. Also, this limitation does not apply to fees adopted pursuant to a new state or federal mandate imposed on and after January 1, 1994. (H&SC Section 40523) The SCAQMD has consistently complied with this limit. Total fees (other than mobile source fees which staff believes are not covered by this section) collected in 1993-1994 were \$64.9 million; adjusted by CPI since that time the cap would be \$96.9 million. Total projected fees (except mobile source fees) for FY 2014-2015 is \$83.8 million, which remains below the CPI adjusted cap.

In addition to stationary source revenues, SCAQMD receives revenue from mobile sources. Mobile source fees include the Clean Fuels Fee, Carl Moyer and Proposition 1B funds. These are special revenue funds outside the budget and pay for specific technology advancement or emission reduction projects approved by the SCAQMD Governing Board and are consistent with the specific limits on the use of those funds. Periodically, funds to reimburse SCAQMD for its administrative costs in carrying out these projects are transferred by SCAQMD Governing Board action into the General Fund and SCAQMD budget.

A second type of mobile source revenue is provided by AB 2766 of the 1992 legislative session, which provides the SCAQMD with 30% of a four-dollar fee

assessed on each motor vehicle registered in the SCAQMD. These funds must be used for the reduction of pollution from motor vehicles, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act. H&SC Code §44223. Staff assigns specific mobile-source related programs to this revenue source, as well as a proportionate share of activities such as ambient air quality monitoring and regional modeling which are not specifically related to stationary or mobile sources individually. These fees are set by statute and cannot be increased by the SCAQMD Governing Board. AB 2766 fees have not been increased in over 20 years. Thus, based on CPI, the real value of AB2766 fees has declined by about 56%. The remainder of the AB 2766 revenues are divided between a share that is subvented to cities and counties for mobile source emission reduction programs and a share that is used to fund mobile source emission reduction projects recommended by the Mobile Source Air Pollution Reduction Review Committee (MSRC) and approved by the SCAQMD Governing Board.

B. PROPOSITION 26

On November 2, 2010, the voters of California enacted Proposition 26, which was intended to limit certain types of fees adopted by state and local government. Proposition 26 broadly defines a tax to mean any charge imposed by a local government that does not fall within seven enumerated exceptions for validly fees. If a charge does not fall within an enumerated fee exception, it is considered a tax, and must be adopted by vote of the people. The SCAQMD does not have authority under state law to adopt a tax, so it may only impose a charge that is a valid fee under Proposition 26. The SCAQMD in October 2010 adopted Rule 320, which provides for an automatic adjustment of all SCAQMD fees by the change in the CPI from the previous year. Proposition 26 does not apply to fees adopted before its effective date. *Brooktrails Township County. Servs. Dist. v. Bd. of Supervisors of Mendocino County*, 218 Cal. App. 4th 195, 206 (2013). Since 2010, the SCAQMD has not proposed any fee changes but has allowed the automatic adjustment under Rule 320 to go into effect.

This year's proposed fee increases are valid fees under at least one of the Proposition 26 fee exceptions, Cal. Const. art XIIC §1(e)(3). This section allows local agencies to adopt "[a] charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof." In other words, costs related to permit processing and compliance activities may be recovered from valid fees.

Proposition 26 provides that an agency must establish by a preponderance of the evidence that the fee fits within one of the fee exceptions. Ca. Const. art. XIII C §1. For this reason, the staff report for this fee proposal contains a detailed explanation of the basis of the proposed fee increase.

Finally, Proposition 26 requires that the local government prove by a preponderance of the evidence that the amount of the fee “[1] is no more than necessary to cover the reasonable costs of the governmental activity, and that [2] the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Cal. Const. art. XIII C §1.

Staff has explained the method of allocating program costs to the permit processing and annual operating fee payors to satisfy this requirement.

C. SCAQMD FEE STRUCTURE

To fund its mandated programs, the SCAQMD utilizes a system of evaluation or permit processing fees, annual operating fees (equipment-based), emissions-based operating fees, Hearing Board fees, contracts, penalties/settlements, other fees (such as subscription fees) and investments that generate approximately 73% of its revenues. The remaining 27% of its revenue is from federal grants, California Air Resources Board subvention, California Clean Air Act Motor Vehicle fees, and miscellaneous income. The SCAQMD currently receives the bulk of its funding (67%) from stationary and some area sources and also relies on mobile source revenues, state subventions and federal grants to support a majority of the remaining costs not covered by stationary and area source fees, in such program areas as air monitoring, regional modeling, emissions inventory, planning, rule making, and emergency response.

SCAQMD Regulation III – Fees describes activities for which fees are required and sets rates and schedules for the amount of fees to be charged. Since the adoption of Rule 320 in 2010, Regulation III is typically automatically updated (not amended) each year in support of SCAQMD’s annual budget. California H&S Code §§ 40510, 40510.5, and 40523 authorize the SCAQMD to increase fees consistent with an annual increase in the California CPI and allow increasing individual fees by a greater amount if the SCAQMD Governing Board makes the required findings of necessity and equitable apportionment. For a more detailed history of prior fiscal year amendments already approved and adopted by the SCAQMD Governing Board see Appendix A at the end of this staff report.

Over the past seventeen years the SCAQMD has in all but five years held its general fee increases to the change in the California Consumer Price Index (CPI) and made significant reductions in its workforce and budget to offset declining revenues from emission fees. Federal and state law require the SCAQMD to regulate emissions from stationary sources, which it does through the issuance of various facility and equipment permits, as well as Rule 222 equipment registrations and plans, which operate similarly to permits for the sources covered by them. State law authorizes the SCAQMD to establish fees for issuing these permits to cover “the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” (H&SC 40510(b)). These

regulatory activities constitute the SCAQMD's Permitted Source Program. The SCAQMD has adopted three basic types of Program fees: permit processing fees, annual renewal operating fees, and emissions-based operating fees. Traditionally, the SCAQMD has endeavored to recover its costs of permit processing from permit processing fees, its costs of inspection and enforcement from annual renewal operating fees, and its indirect costs related to the overall Permitted Source Program but not directly to any individual source, such as planning, monitoring, rule development and outreach programs, from emissions-based operating fees. In recent years, some of these indirect costs, such as rule development for NO_x rules, have been recovered from annual operating fees rather than emissions-based fees, since emissions fees are a declining source of revenue, without a corresponding reduction in rulemaking efforts and activities.

The current structure for Permit Processing fees derives from a study of actual time spent processing permits, conducted by KPMG Peat Marwick for the 1990 fee amendments. More recently, Permit processing fee schedules were developed based on actual time spent processing various types of equipment. The most recent data (CY 2001) supporting these fees was gathered by permit processing staff and is incorporated by reference herein, and available from Mohan Balagopalan, (909) 396-2704. Annual renewal operating fees are based on four basic schedules [Rule 301 (d)(2)] which are based on the size and complexity of the equipment, which is proportional to the amount of work needed to inspect and enforce SCAQMD rules.

The SCAQMD has traditionally used emissions-based operating fees to pay for activities such as planning, rule development, air monitoring, and outreach activities. The California Court of Appeal has upheld allocating such "indirect" costs, i.e., those costs that are related to the overall Permitted Source Program but which cannot be directly attributed to any specific permit activity, to fee payors based on the amount of emissions discharged by a stationary source. (San Diego Gas & Electric Co. v. San Diego County APCD (1988) 203Cal.App.3d 1132, 1136; 250 Cal Rptr 420, 422.)

The court found that under such a system, the charges allocated to a payor bear a fair and reasonable relationship to the payor's burdens on the regulatory activity. This is because the more emissions generated by a pollution source, the greater the regulatory job of an air district. San Diego Gas & Electric Co. v San Diego County APCD (1988) 203 Cal.App.3d 1132, 1147, 250 Cal.Rptr. 420, 430. Accordingly, the emission-based fee results in an equitable apportionment of the SCAQMD's indirect Permitted Source Program costs.

D. WHY NOT INCREASE PERMIT PROCESSING FEES TO FULLY RECOVER THE SHORTFALL?

As described in Section VII. C. (Comparison of Costs Supported By Permit Processing and Annual Operating Fees Compared to Revenues), after covering permit processing overhead costs with annual operating fees, there is still a

projected \$5.0 million deficit in permit processing related revenues for the Permitted Source Program in FY 2014-2015. Such deficits have existed for over 10 years and have historically been covered in large part by the Permitted Source Program's annual operating fees, either equipment-based or emissions-based. To fully fund permit processing related activities from permit processing fees alone would require an increase of almost 30%.

Staff does not recommend increasing permit processing fees by this amount, although a 6% increase beyond CPI (over two years) is proposed. Staff believes that a 30% increase in permit processing fees would likely have two adverse effects. First, some sources would be more likely to construct/modify without seeking the required permit, which may be perceived as too expensive. This would result in illegal construction and potential violation of SCAQMD source-specific rules because there would be no SCAQMD review of some proposed projects. Also, it would create an uneven playing field to the disadvantage of sources that obtain required permits.

This will result in increased enforcement costs to bring sources into compliance once they are found. It is likely also to result in increased and illegal emissions, contributing to the region's air quality problems. The net result will be an increased burden on the agency's compliance activities and costs, which are largely paid by annual operating fees. Accordingly, it is reasonable to apply some annual operating fee revenue to permit processing to avoid increased compliance costs in the future and the corresponding burden on annual operating fees.

Secondly, higher permit processing fees may deter facilities from replacing older, less-efficient and higher-emitting equipment with newer equipment that meets current "best available control technology" requirements but requires a permit and associated fees. As a result, total regional emissions will be greater than they would be if facilities were incentivized to modernize their equipment. Therefore, the SCAQMD's regulatory job to reduce emissions will be made more difficult, resulting in more stringent controls being needed for all sources. While more efficient, more modern equipment is generally more desirable from the facility's perspective, at some point the costs of modernization can outweigh the perceived benefits, and technologically feasible emission reductions will not occur. SCAQMD staff believes it is important to avoid disincentives to facility modernization that would result from rapid and significant permit processing fee increases. Moreover, a large increase in permit processing fees could hinder economic development and recovery from the current recession.

Because permit processing and enforcement activities are both necessary components of the Permitted Source Program, some permit processing costs may be supported with annual operating fees.

Moreover, supporting permit processing programs with current annual operating fee revenues operates like an insurance policy that fairly distributes costs and

benefits the permit holders. Facilities pay a somewhat higher annual operating fee than they otherwise would, but when they apply for a new or modified permit, they pay a somewhat smaller fee than they otherwise would have to pay. New facilities obtain the immediate benefit of a lower permit processing fee but thereafter pay a higher annual operating fee than they otherwise would pay.

E. WHAT DOES THE 3% FEE INCREASE PAY FOR?

To further help explain the need for the 3% increase beyond the CPI, staff has prepared spreadsheets showing projected budgeted costs by revenue category. (Appendix C 4). Listed under each revenue category are the Work Program codes (line items) that are supported by that revenue category. In addition to a description of each Work Program code, the budgeted costs for FY 2013-2014 and FY 2014-2015 and the difference between FY 2013-2014 and FY 2014-2015 amounts are shown. Since many Work Program code lines are supported by more than one revenue category, Work Program code line categories may appear multiple times in the various spreadsheets.

Tables A through C below were created using Appendix C 4 data as well as the FY 2014-2015 Proposed Budget – Cost Allocation Summary (Appendix C 2).

Table A below sets forth the increased revenues from the 3% increase for annual operating and permit processing fees, i.e. \$1,319,124 for annual operating fees and \$344,660 for permit processing fees (see Appendix C 2, line item “Revenue from 3% fee Increase Above CPI”, for these two columns). Table B shows the increased budgeted costs for each fee category, i.e. \$577,298 for annual operating fees and \$540,605 for permit processing fees (see Appendix C 4). Table C shows the differences between the increase in budgeted costs and the increase in projected revenue by each fee type.

As is shown in Table C, increased costs in the permit processing fee category exceed increased revenues by \$195,945. Therefore, all of the increased revenues in permit processing fees will be used to support increased costs in the permit processing category.

Table C also shows that increased revenues from annual operating fees exceed increased costs in that revenue category within the Permitted Source Program by \$741,828, (see section V of this report “Description of Method of Allocating FY 2014-2015 Costs to Revenue Categories”). These revenues are therefore available to support other Permitted Source Programs. After paying for all increased costs in the annual operating fee category, the remainder of the increased annual operating fees will be used to partially offset the deficit between revenues and costs in three Permitted Source Program categories as follows. A total of \$250,000 will be used to partially offset the deficit in Hearing Board fee revenue, which totals \$983,259 (Appendix C 2), of which \$23,515 is increased costs from the FY 2013-2014 Budget (Appendix C 4). An additional \$250,000 will be used to support the deficit between costs and revenues in the Source Testing category, which totals \$1,988,741 (Appendix C

2), of which \$72,644 is increased costs exceeding the FY 2013-2014 Budget (Appendix C 4). The remainder of the available increased annual operating fees (\$741,828 - \$500,000 = \$241,828) will be used to support the deficit between projected costs and revenues in the permit processing fee category. This includes the additional \$195,945 in increased costs in the permit processing category that cannot be covered by increased permit processing revenues, plus a small share of the pre-existing deficit in permit processing fees.

The above described allocation is consistent with past practice and results in a reasonable apportionment to the permitted source fee payors for the following reasons. The Hearing Board serves two permit administration functions which benefit permitted sources: issuing variances and ruling on permit appeals. Moreover, the Hearing Board provides the forum for issuance of orders for abatement, which are enforcement mechanisms, and the District traditionally recovers enforcement costs from the annual operating fees. The large majority of sources making use of the Hearing Board are permitted sources. There is a fee for the voluntary use of the Hearing Board (not charged for enforcement hearings for abatement orders). However, it is considered inappropriate to charge such petitioners the full cost of operation of the Hearing Board through Hearing Board appearance and daily fees, since that would include costs for enforcement actions and likely discourage facilities from seeking variances when justified. Such sources would simply violate the laws and rules and hope not to be caught.

With respect to source testing, this program is partially paid for by source testing and analysis fees. The large majority of sources that are subject to source testing and laboratory analysis are permitted sources (except for architectural coatings which have their own associated fees under Rule 314). However, pursuant to District Rule 304(e), the permitted source does not pay a fee for the initial test or analysis that is needed to determine compliance, but only for subsequent tests. Instead, part of the costs of this program is paid for by annual operating fees. This provides a benefit to the permitted source by avoiding having to pay an additional fee at the time of testing. Rather, the costs of source testing are included in the annual operating payment, which is a more predictable expense. And the costs are based on the actual cost to the District of performing the testing and analysis.

Finally, supporting the deficit in permit processing fees with annual operating fees provides a benefit to the fee payor by reducing the costs at the time the permit is initially received, but raising the costs for annual renewals, so that the cost to process and issue the permit is spread out over a period of time rather than constituting a more severe burden to the source at the time of permitting. Additional policy reasons not to increase permit processing fees by the full 30% needed to fully recover costs are presented elsewhere in this report. Accordingly this fee structure is reasonably based on the benefits to the fee payor and the burdens imposed on the regulatory system.

TABLE A

I. Increased Revenues from 3% Increase:

A. Annual Operating Fees	\$ 1,319,124
B. Permit Processing Fees	<u>344,660</u>
C. TOTAL	<u>\$ 1,663,784</u>

TABLE B

II. Increased Costs Relative to FY 2013-2014 Supported By:

A. Annual Operating Fees	\$ 577,298
B. Permit Processing Fees	<u>540,605</u>
C. TOTAL	<u>\$ 1,117,903</u>

TABLE C

III. Differences:

A. Annual Operating Fees	
Revenue	\$ 1,319,124
Cost Increase	<u>577,298</u>
AVAILABLE*	<u>\$ 741,828</u>
B. Permit Processing Fees	
Revenue	\$ 344,660
Cost Increase	<u>540,605</u>
DEFICIT	<u>\$ 195,945</u>

*Available revenue will be used to support other Permitted Source Programs, including the deficit shown in Table C for permit processing.

IV. DESCRIPTION OF REVENUE CATEGORIES

The following describes the various revenue categories that support all of the SCAQMD's programs and its entire budget. The Roman numeral assigned below is a unique identification number used in the line item description in the Draft Budget and Work Program, "Work Program" tab and in the Draft Budget and Draft Work Program, Supporting Documentation:

I. ALLOCATABLE

A portion of SCAQMD revenue goes to offset the operational support costs of the SCAQMD. These costs include activities such as personnel, Payroll, and Information

Management. These costs are allocated over the other revenue categories based on FTEs.

II. ANNUAL OPERATING EMISSIONS FEES

This fee program was initiated in January 1978. As currently existing, all permitted facilities pay a flat fee for up to four tons of emissions. In addition to the flat fee, facilities that emit four tons or greater (from both permitted and unpermitted equipment) of any organic gases, specific organics, nitrogen oxides, sulfur oxides, or particulate matter, or 100 tons per year or greater of carbon monoxide, also pay fees based on the facility's total emissions. These facilities pay for emissions from permitted equipment as well as emissions from unpermitted equipment and processes which are regulated, but for which permits are not required, such as solvent use. In addition, a fee-per-pound is assessed on the following toxic air contaminants and ozone depleters: ammonia; asbestos; benzene; cadmium; carbon tetrachloride; chlorinated dioxins and dibenzofurans; ethylene dibromide; ethylene dichloride; ethylene oxide; formaldehyde; hexavalent chromium; methylene chloride; nickel; perchloroethylene; 1,3-butadiene; inorganic arsenic; beryllium; polynuclear aromatic hydrocarbons (PAHs); vinyl chloride; lead; 1,4-dioxane; trichloroethylene; chlorofluorocarbons (CFCs); and 1,1,1-trichloroethane.

Along with annual operating permit renewal fees, emissions fees are intended to recover the costs of SCAQMD's compliance, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, and stationary and area source research projects. Historically, compliance-related costs for permitted sources are supported by annual operating permit renewal (equipment-based) fees, while planning, rulemaking, and outreach are supplemented by annual operating emissions-based fees.

III. PERMIT PROCESSING FEES

Permits are the primary vehicles the SCAQMD uses to ensure that equipment in SCAQMD's jurisdictional boundaries is in compliance with SCAQMD Rules and Regulations. Permit processing fees support the permit processing program and the fee rate schedules for the different equipment categories are based on the average time it takes to process and issue a permit. Each applicant, at the time of filing, pays a permit processing fee which partially recovers the costs for normal evaluation of the application and issuance of the permit to construct and permit modifications. This category also includes fees charged to partially recover the costs of evaluation of plans, including but not limited to Rule 403 dust control plans, and Rule 1118 flare monitoring plans. The permit processing fees also cover the administrative cost to process Change of Operator applications, applications for Emission Reduction Credits, and Administrative Changes to permits. This category also includes a number of specific fees such as Title V permit processing fees, CEQA and air quality modeling fees, and public noticing fees. Finally this category includes some fees that are related to specific activity such as asbestos notification and Rule 222 'registration in lieu of permit'.

IV. ANNUAL OPERATING PERMIT RENEWAL FEES

The SCAQMD initiated this program in February 1977. This program requires that all active permits be renewed on an annual basis upon payment of annual renewal fees. The annual renewal rates are established in SCAQMD Rule 301 and are based on the type of equipment, which is related to the complexity of related compliance activity. These annual operating permit renewal fees (Category IV) are separate and distinct from the annual operating emission fees (Category II). For basic equipment (not control equipment) the operating fee schedule also corresponds to some extent to the emission potential of the equipment. Along with annual operating emissions fees, annual operating permit renewal fees are intended to recover the costs of programs such as SCAQMD's compliance program, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, including the SCAQMD's Hearing Board, and stationary and area source research projects. Historically, compliance-related costs for permitted sources are supported by annual operating permit renewal fees, while planning, rulemaking, and outreach are supported by annual operating emissions-based fees. Additional activities covered by these fees include technology assessments; and engineering support of other SCAQMD divisions such as planning and rule development. As previously explained, these fees also support the shortfall in permit processing fees.

V. FEDERAL GRANTS/OTHER FEDERAL REVENUE

The SCAQMD receives funding from EPA Section 103 and 105 grants to help support the SCAQMD in its administration of active air quality control and monitoring programs where the SCAQMD is required to perform specific agreed-upon activities. Other EPA and Department of Energy (DOE) grants provide funding for various air pollution reduction projects. A Department of Homeland Security (DHS) grant funds a special particulate monitoring program. When stipulated in the grant agreement, the General Fund is reimbursed for administrative costs associated with grant-funded projects. Most federal grants are limited to specific purposes but EPA H&SC Section 105 grants are available for the general support of air quality-related programs.

VI. SOURCE TEST/ANALYSIS FEES

Revenue in this category includes fees for source tests, test protocol and report reviews, continuous emissions monitoring systems (CEMS) evaluations and certifications, laboratory approval program (LAP) evaluations, and laboratory sample analyses. The revenue recovers a portion of the costs of performing source tests, technical evaluations, and laboratory analyses.

VII. HEARING BOARD FEES

The revenue from this source results from filing of petitions for variances and appeals, excess emissions fees, and daily appearance fees. The revenue recovers a portion of the costs associated with these activities.

VIII. CLEAN FUELS

H&SC Section 9250.11 of the Vehicle Code assigns the DMV the authority and the duty to collect and forward to SCAQMD money for clean fuels technology advancement programs and transportation control measures related to mobile sources,

according to the plan approved pursuant to H&SC Section 40448.5. One dollar is collected by the DMV for every vehicle registered in SCAQMD's jurisdictional boundaries, forwarded to SCAQMD, and deposited in a revenue account in the Clean Fuels Program Fund.

Clean fuels fees from stationary sources are recorded in a separate revenue account within the Clean Fuels Program Fund pursuant to H&SC Section 40512. Fees are collected from sources that emit 250 tons or more per year of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), Reactive Organic Compounds (ROC), or Particulate Matter (PM). The fees collected are used to develop and implement stationary source activities that promote the use of clean-burning fuels. These activities include assessing the cost effectiveness of emission reductions associated with clean fuels development and use of new clean fuels technologies, and other clean fuels related projects. The General Fund receives reimbursements from the Clean Fuels Program Fund for staff time and other program implementation/administration costs necessary to implement a Clean Fuels Program.

IX. MOBILE SOURCES

Mobile Sources revenue is composed of four components: AB2766 revenue and administrative/program cost reimbursements from the MSRC, Carl Moyer and Proposition 1B programs.

AB2766: Section 9250.17 of the Vehicle Code gives the Department of Motor Vehicles (DMV) the authority and responsibility to collect and forward to the SCAQMD four dollars for every vehicle registered in SCAQMD's jurisdictional boundaries. Thirty percent of the money (\$1.20 per vehicle) collected is recognized in SCAQMD's General Fund as mobile sources revenue and is used for programs to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies authorized by, or necessary to implement, the California Clean Air Act of 1988 or the SCAQMD Air Quality Management Plan. A proportionate share of programs that are not associated with any individual type of source (e.g. air quality monitoring) is supported by these revenues. The remaining monies are used to pay for projects to reduce air pollution from mobile vehicles: 40% (\$1.60 per vehicle) to the Air Quality Improvement Fund to be passed through to local governments and 30% (\$1.20 per vehicle) to the Mobile Source Air Pollution Reduction Fund to pay for projects recommended by the Mobile Source Air Pollution Reduction Committee (MSRC) and approved by the SCAQMD Governing Board (see MSRC below).

Carl Moyer Program: The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) provides funding from the state of California for the incremental cost of cleaner heavy-duty vehicles, off-road vehicles and equipment, marine, and locomotive engines. The General Fund receives reimbursements from the Carl Moyer Fund for staff time and other program implementation/administration costs, up to specified limits.

Proposition 1B: The Proposition 1B Program is a \$1 billion bond program approved by California voters in November 2006. This incentive program is designed to reduce

diesel emissions and public health risks from goods movement activities along California's trade corridors. The General Fund receives reimbursements from the Proposition 1B Funds for staff time and other program implementation/administration costs up to specified limits.

MSRC: Revenue posted to the General Fund reflects the reimbursement from the Mobile Source Air Pollution Reduction Fund for the cost of staff support provided to the MSRC in administering a mobile source program. These administrative costs are limited by state law to 5% and the MSRC adopts a budget for staff support each year.

X. AIR TOXICS AB2588

H&SC Section 44380 (AB 2588) requires the SCAQMD to assess and collect fees from facilities that emit toxic compounds. Fees collected are used to recover state and SCAQMD costs to collect and analyze data regarding air toxics and their effect on the public, specifically regarding facilities in the "Hot Spots" program. Costs recovered include administrative, outreach, plan processing, and enforcement costs to implement this program. These fees are specified by CARB unless SCAQMD adopts a specific AB 2588 fee.

XI. TRANSPORTATION PROGRAMS

In accordance with federal and state Clean Air Act requirements, SCAQMD's Rule 2202 – On-Road Vehicle Mitigation Options provides employers with a menu of options to reduce mobile source emissions generated from employee commutes or alternatively, implement mobile source emission reduction programs. The options include offsetting mobile source emissions generated from the employee commutes, and options to meet a worksite-specific emission reduction target for the subsequent year. Employers with 250 or more employees at a worksite are subject to Rule 2202 and are required to submit an annual registration. The revenue from this category is used to recover a portion of the costs associated with filing, processing, reviewing, and auditing the registrations and the ridesharing programs.

XII. – XIV. REVENUE CATEGORIES ARE NO LONGER USED

XV. CALIFORNIA AIR RESOURCES BOARD SUBVENTION

The state appropriates monies each year to subvene to local air quality districts, including SCAQMD, to support an active air quality program. The CARB subvention monies are generally not limited to specific programs, but are available for the general support of air quality-related programs.

XVI. REVENUE CATEGORY IS NO LONGER USED

XVII. OTHER REVENUE

Miscellaneous revenue that includes revenue attributable to penalties/settlements, interest income, lease income, professional services the SCAQMD renders to other agencies, reimbursements from special revenue funds (non-mobile source), vanpool revenue, fitness center, and fees such as witness, jury duty, Public Records Act requests, subscriptions, etc. These revenues are generally available to support air quality programs.

XVIII. AREA SOURCES

Emissions fees from architectural coatings revenue covers portions of the architectural coatings program, and that program's fair share of emissions fee supported programs. Quantity-based fees on architectural coatings are also assessed and are designed to support specific architectural coatings programs (such as enforcement). Rule 314 – Fees for Architectural Coatings covers emission-based fees and quantity-based fees. Beginning in FY 2008-09, annual assessments of architectural coatings, based on quantity (gallons) distributed or sold for use in SCAQMD's jurisdiction and the VOC emissions from subcategories, are included in revenue projections; this revenue allows SCAQMD to recover the costs of staff working on compliance, laboratory support, architectural coatings emissions data, rule development, and architectural coatings revenue collection.

XIX. PORTABLE EQUIPMENT REGISTRATION PROGRAM (PERP)

The California Air Resources Board (CARB) provides revenues to local air districts, including SCAQMD, to offset the costs of inspecting equipment registered under CARB's Portable Equipment Registration Program (PERP). Fees for registration of PERP-registered engines by SCAQMD field staff are collected by CARB at the time of registration and passed through to the SCAQMD on an annual basis. Fees for inspection of all other PERP-registered equipment are billed at an hourly rate set forth in SCAQMD Rule 301, but determined by CARB and collected by the SCAQMD at the time the inspection is conducted.

V. **DESCRIPTION OF METHOD OF ALLOCATING FY 2014-2015 COSTS TO REVENUE CATEGORIES**

As part of the annual budget request process, managers from each SCAQMD Office review their Work Plan (Work Program code line items, which identify specific work activities associated with their office) and allocate Full Time Equivalents (FTEs) to each Work Program code, according to their knowledge of the amount of work being done in each Work Program code. One FTE corresponds to 2,080 employee hours. All SCAQMD staff are required to fill out bi-weekly time records, recording the amount of time spent on each Work Program activity code item. The Finance office maintains time records and keeps track of the total time recorded against each code line item.

To assist the managers in allocating their FTEs to Work Program lines when developing the annual budget, a report of actual FTEs for the previous fiscal year and actual FTEs year-to-date for the current year is provided to each Office. Managers then compare their projected FTEs with actual FTEs expended on each Work Program line item and make any needed adjustments. Each Work Program code identifies the amount of labor (number of FTE's) budgeted to the activity as well as the dollar amount of labor and other direct costs (e.g., contracts, temporary services, capital outlays) and a prorated share of District General expenditures associated with that activity.

Certain expenditures are allocated over the relevant Work Program lines since they are needed to support the SCAQMD but are not directly related to any particular Work

Program code. These include SCAQMD general expenses, office overhead and SCAQMD-wide allocatable costs.

SCAQMD District General expenditures are overhead costs and include utilities, building maintenance, household and insurance costs. SCAQMD District General costs are allocated to each Work Program line based on FTEs. These costs can be found in the Draft Budget and Draft Work Program, under the “District General” tab. They are allocated over the entire Work Program listing in the “Work Program” tab of the budget, and are not shown separately.

Office overhead expenditures are for administrative activities that serve the office solely. These are prorated over Work Program codes within the specific office based on FTEs in that office. These costs are identified as “Allocatable Office Overhead” in Appendix C 1.

In addition, certain indirect costs of operating the SCAQMD are allocated proportionately over all SCAQMD programs. Many of these programs are identified in the Work Program as “Operational Support” and “Policy Support.” These costs include Personnel, Finance/Payroll, Information Management, Contracts Administration, SCAQMD Governing Board and Committee support, etc. The proportionate share of these costs to be borne by each program is determined by taking each program’s share of the total non-operational support budget and using that same share to determine apportioned costs of operational and policy support based on FTEs. These costs are identified as “Allocatable SCAQMD Overhead” in Appendix C 1. These costs could also be properly attributed to emissions fees, SDG&E v SDAPCD (please find the citation discussed in the “Legal Authority” section of this report), id.

As part of the budget process, an appropriate revenue category or category(ies) is proposed for each Work Program and then reviewed and approved jointly by Office management, Finance and Legal staff. Each Work Program line is “funded,” or assigned a revenue category based on a review of revenue sources that may be appropriate to cover that revenue activity.

A Work Program line may have more than one revenue category assigned to it and each category is evaluated to determine the relative percentage share to be allocated to it. Allocations to revenue source categories are based first on mandates and second on the appropriateness of a certain revenue source to pay for a specific activity. For example, the Finance office maintains a Work Program line item for Clean Fuels Contract Administration, which is funded entirely from Clean Fuels funds. Planning, Rule Development & Area Sources maintains several Work Program lines devoted entirely to Toxics AB2588 activities, including reviewing risk assessments that are paid for by air toxics fees. Other Work Program lines are funded by a combination of sources. For example, development of VOC rules is funded by a combination of emissions-based fees, annual operating fees, and CARB subvention. Some programs which are related to the total amount of emissions in the air, such as MATES IV (Multiple Air Toxics Study), meteorology, and regional air quality modeling are allocated in part based on the percent of emissions contributed by mobile and stationary/area sources.

Appendix C 1, “Comparison of the FY 2014-2015 Work Program to Cost Allocation Schedule”(as found in the Work Program section of the FY 2014-2015 Draft Budget), is the basis for the Proposed Regulation III amendment presented in this report. The comparison identifies allocatable office and allocatable SCAQMD overheads by program category and shows the redistribution to the various program activities. Furthermore, the comparison describes how the Work Program in the FY 2014-2015 Draft Budget relates to the FY 2014-2015 Proposed Budget - Cost Allocation Summary (see Appendix C 2).

VI. DESCRIPTION OF PERMITTED-SOURCE PROGRAM

The SCAQMD’s overall budget is supported by a number of revenue sources. Some are set by state law (e.g., AB 2766 motor vehicle fees) and others are established by CARB (e.g., portable equipment registration program (PERP) fees.) State law generally authorizes the SCAQMD to establish fees to support programs related to permitted sources, area sources, and indirect sources. This year (FY 2014-2015), estimated revenue from the permitted source fees will fall short of the estimated costs of the Permitted Source Program. Accordingly, staff proposes a 3% fee increase for certain fees related to permitted sources, in addition to the automatic CPI fee adjustment under Rule 320 to cover a portion of this shortfall. Staff also proposes adopting an additional 3% increase beyond CPI in FY 2015-2016 to cover more of the expected shortfall next year.

The SCAQMD’s regulatory program related to permitted sources includes the following broad categories:

- processing permits to construct, modifications/alterations, change of condition, and permits to operate, including CEQA, health risk analysis, public notice, air quality modeling, etc.;
- enforcement/compliance activity related to permitted sources, including inspections, complaint investigations, legal actions and settlements, variances and abatement orders;
- small business assistance, source education, and customer service (fee review committee; questions related to fees; Public Records Act compliance);
- air quality planning and rule development related to permitted sources, including CEQA for Planning and Rules, socioeconomic assessment; emissions inventory development and commenting on CARB and EPA permitted source programs;
- source testing and laboratory analysis; special source-related monitoring; CEMS (continuous emissions monitors) and other compliance-related equipment;

- a proportionate share of ambient air quality monitoring and other activities related to air pollution generally such as regional modeling; and
- a proportionate share of public outreach programs, interagency communications such as local government outreach; advisory committees, etc.

In addition, any government agency requires certain programs such as personnel, payroll, risk management, financial services, general legal advice, and information management. Where this kind of work can be related to a specific program (e.g., developing computer systems for permit processing), these costs are allocated to the appropriate work program line. Otherwise, these costs are characterized as “SCAQMD allocatable overhead” and allocated over all Work Program code lines, based on the percent of FTEs assigned to that Work Program line compared to total agency FTEs excluding allocatable overhead. Accordingly, a proportionate share of the costs of general programs required to run the agency such as personnel, payroll, etc., which are allocated over all program work programs, are supported by the Permitted Source Program.

A. GENERAL DESCRIPTION OF PERMITTED SOURCE PROGRAM FEES AND COST ALLOCATION PRINCIPLES

State law authorizes the SCAQMD to establish a fee schedule for the issuance of permits to recover costs of issuing, planning, enforcement and monitoring related to permits. Although not required by the code, the SCAQMD has developed distinct fees to support the Permitted Source Program. Traditionally, SCAQMD has endeavored to recover costs related to permit processing from permit processing fees, costs related to compliance from annual operating fees (equipment-based), and costs related to planning, rule development, air monitoring, and public outreach from annual operating fees (emissions-based). However, there has been significant overlap between the costs supported by equipment-based and emissions-based annual operating fees since there is no such distinction in the code. Moreover, in most years the revenues from permit processing fees have been insufficient to support all permit processing related costs. Therefore, annual operating fees have supported a share of these costs.

1. *Description of Estimating the Costs of the Permitted Source Program by Allocating Individual Work Program Code Lines that Support the Program to their Revenue Categories*

The SCAQMD’s Work Program is divided into 9 program categories:

- Advance Clean Air Technology,
- Customer Service and Business Assistance,
- Develop Programs,
- Develop Rules,

- Ensure Compliance,
- Monitoring Air Quality,
- Operational Support,
- Policy Support, and
- Timely Review of Permits

However, these functional categories do not represent single programs or revenue sources. For example, the category “Develop Rules” includes 29 individual Work Program codes. The costs of each Work Program line are allocated to one or more revenue categories based upon departmental managements evaluation of the burdens imposed or benefits received by the fee payors of the revenue categories, subject to review by Finance and Legal. However, individual categories, such as the category “Develop Rules” are not all supported by a single revenue source. In the case of Rule Development, this is because multiple programs require rule development activities. Rule development programs include programs as varied as the following:

- 26661 - Rulemaking/RECLAIM (major stationary sources) - costs allocated 100% to emissions-based fees
- 44456 - Implement Fleet Rules – costs allocated 100% to Clean Fuels revenues
- 26460 Modeling SCAQMD Regional – costs allocated 77% to mobile source revenues, 16% to emissions-based fees and 7% to EPA Grant

In the last case, regional modeling, the program costs were allocated several years ago based on the relative share of total pollution caused by mobile sources compared to stationary and area sources. Similar formulas are used in a number of Work Program categories.

Similarly, the Work Program category “permit” includes items that are funded by annual operating fees, such as 44546 “Evaluate Test Protocols Compliance”. Although the work is done by engineers (in the source test group), it is more closely related to compliance, and thus allocated to annual operating fees.

2. *Determining Total Costs of the Permitted Source Program*

As described above, it is necessary to look at individual Work Program codes to determine the costs of the Permitted Source Program. Therefore, staff has created Appendix C 4 which lists all the Work Programs funded by each revenue source. Because many Work Program codes are funded by more than one revenue source, they will appear more than once. The total cost of the Permitted Source Program is derived by summing the costs allocated to permit processing fees [\$28.3 million], annual operating fees (equipment-based) [\$34.5 million], annual operating fees (emissions-based) [\$19.9 million], Source Testing [\$2.7 million] and Hearing Board [\$1.3 million] (see Appendix C 2). The sum of these costs is \$86.7 million. The total revenues projected from these five fee categories prior to the proposed fee increases beyond the CPI adjustment is \$18.0 million, plus \$44.2 million, plus \$19.9 million, \$0.7 million and \$0.3 million; respectively. The total of these projected revenues is \$83.1 million. Therefore, the total costs of the Permitted Source Program are greater than total projected revenues by \$3.6 million. These revenue totals already consider that \$5.2 million of permit processing overhead has been offset by annual operating fees. Accordingly, it is necessary to increase the Permitted Source Program fees and/or supplement those fees with other revenue. Staff proposes to increase the permit processing fee and the annual operating fee for FY 2014-2015 by 3%, which would generate an additional \$1.7 million. The funds generated by this fee increase will enable the SCAQMD to recover more of its costs from the Permitted Source Program. Staff proposes to fund the remaining \$4.7 million shortfall in permit processing fees, with \$2.9 million of annual operating fees and \$1.8 million from the unrestricted “other” revenues to fully cover the costs of the permitted source related program (see Appendix C 2).

The above-described costs are considered reasonable based on the budgeted FTEs assigned for the next Fiscal Year to each Work Program code line item (see the FY 2014-2015 Draft Budget and Work Program). The SCAQMD Governing Board may consider FY 2013-2014 programs to be a reasonable proxy for FY 2014-2015 programs based on its knowledge and experience, and the fact that the total of 798 FTEs is still well below the agency maximums of 1,167 FTEs in FY 1991-1992, and approximately the same as in FY 2013-2014 (797 FTEs).

B. COSTS SUPPORTED BY ANNUAL OPERATING FEES

Revenue (with only the CPI increase applied) from annual operating renewal fees in FY 2014-2015 is projected to be \$44.2 million. Annual Operating fees support directly related compliance and other regulatory activities. The total Annual Operating fee for enforcement and compliance-supported expenditures

for FY 2014-2015 is \$34.5 million. In addition, annual operating fees cover the overhead portion of permit processing activities (\$5.2 million in FY 2014-2015). Annual operating fees also cover the shortfalls in Source Testing (approximately \$2.0 million) and the Hearing Board (approximately \$1.0 million) since these are both compliance related activities. Staff has projected, for FY 2014-2015, the revenues to be obtained from each revenue category. These expected revenues are shown in Appendix C 2. In addition, staff has projected the costs that will be incurred under the FY 2014-2015 budget for each of the program categories identified in the proposed Work Program that accompanies the Budget. Using the methodology described in Section V, a preliminary allocation of costs to revenue categories is made. As shown in Appendix C 2 and described above, annual operating fees are also used to partially support deficits in three aspects of the Permitted Source Program's Hearing Board, Source Testing and Permit Processing. Appendix C 2 shows "transfers" of revenues from annual operating fees to these categories.

VII. METHOD OF ALLOCATING PROGRAM COSTS TO PERMIT FEE SCHEDULES & COMPARISON OF COSTS AND REVENUES IN PERMIT PROCESSING AND ANNUAL OPERATING FEES

A. BASIS OF ALLOCATING PERMIT PROCESSING COSTS TO PERMIT FEE SCHEDULES

The SCAQMD has assessed fees for processing of permit applications for many years, and the fees have traditionally been based on the type of equipment and complexity of engineering review. The permit processing fee schedules were revised in 1990 as a result of a Fee Assessment Study performed by KPMG Peat Marwick. As stated in the May 1990 staff report for the fee rule amendments, the original permit processing fee schedule was established by the Los Angeles County APCD in 1957. It was modified in 1990 in response to the Fee Study, incorporating eight separate schedules, based on the complexity of evaluations to assure rule compliance.¹ From time to time, new types of equipment are added to the fee schedules, or certain types of equipment may be moved from one fee schedule to another as staff experience with actual permit processing reveals that a different category is more appropriate. As of FY 2013-2014, the fee schedules range from about \$1,400 to process a permit for a smaller source such as a dry cleaner (Schedule A) to about \$25,000 (Schedule H) for a complex source such as sulfur recovery equipment. For the largest three categories, a time and materials component (hourly rate) is added for hours worked over a specified number of hours (182 hours for Schedule H), with a specified maximum.

¹ May 24, 1990 staff report, p. 6

About 10% of the applications processed are eligible for a small business discount, which is 50% of the regular fee. A small business is defined in SCAQMD Rule 102 - Definitions.

The SCAQMD re-evaluated the accuracy of its permit processing fee schedules over a two-year period from CY 1999-2001. Engineering staff kept track of the number of permits processed in each fee schedule as well as the number of hours spent representing over 5,300 permits processed. Very few applications were processed for the larger schedules F, G, and H, so it is more difficult to be sure the time spent per application is representative, and it makes sense for those schedules to include a time and materials component, for actual hours spent in excess of the time assumed in the basic fee schedule.

Staff calculated the average number of hours for each fee schedule by type (initial permit, alteration, and change of condition) from Sept. 6, 1999 to Aug. 6, 2000 (see Figure 1). Staff then adjusted the actual hours spent on permit processing to account for the fact that some engineering hours are spent on other activities (see Figure 2).

Figure 1: Time Tracking Mean Hours Comparison – New Applications, Alteration/Modification and Combined Average (Sept. 6, 1999 to Aug. 6, 2000)

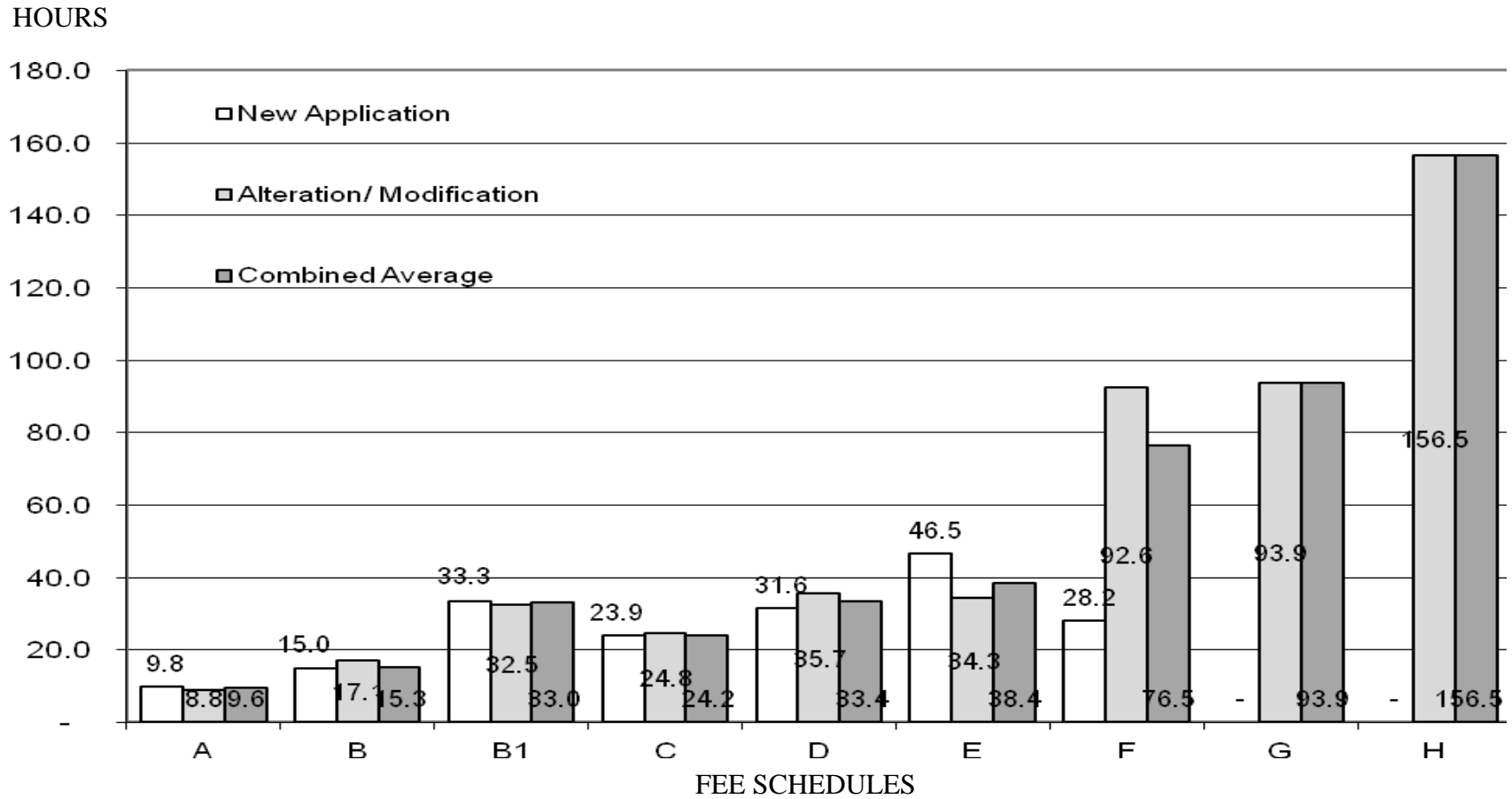


Figure 2: Permit Processing Payroll Hours (Sept. 6, 1999 to Aug. 6, 2000)

Pay Code	Description	Hours	Percent
50360	GREEN CARPET PROGRAM	127.25	0.08%
50367	HEARING BOARD/APEALS	889.75	0.54%
50515	Permt Proc/Compliance	56,782.25	34.52%
50517	Permt Proc/NSR	2,975.50	1.81%
50518	PERMIT PROCESSING/RECLAIM	14,047.00	8.54%
50519	PERMIT PROCESSING/TITLE I	473.50	0.29%
50521	PERMIT PROC/EXPEDITED PER	6,799.25	4.13%
50774	TITLE III/ V PERMITS/COMP	12,316.25	7.49%
50775	TITLE III/TITLE V PERMITS	254.00	0.15%
	Total Permit Processing	94,664.75	57.55%

Figure 2 shows that during that time, 57.55% of engineering hours were spent actually permit processing. As shown, in Figure 3, the largest amount of time spent on an activity other than actual permit processing was “INTERNAL COMMUNICATIONS”, a category which at that time included activities such as staff meetings, meetings with supervisors and other staff on technical matters related to the initial application and other issues, etc. Additional time was spent on activities such as pre-application permit processing activities (e.g. meetings with companies before they submit an application), source education, supporting Information Management, RECLAIM implementation, and, in very small amounts, other activities.

Figure 3: All Engineering Payroll Hours (Sept. 6, 1999 to Aug. 6, 2000)

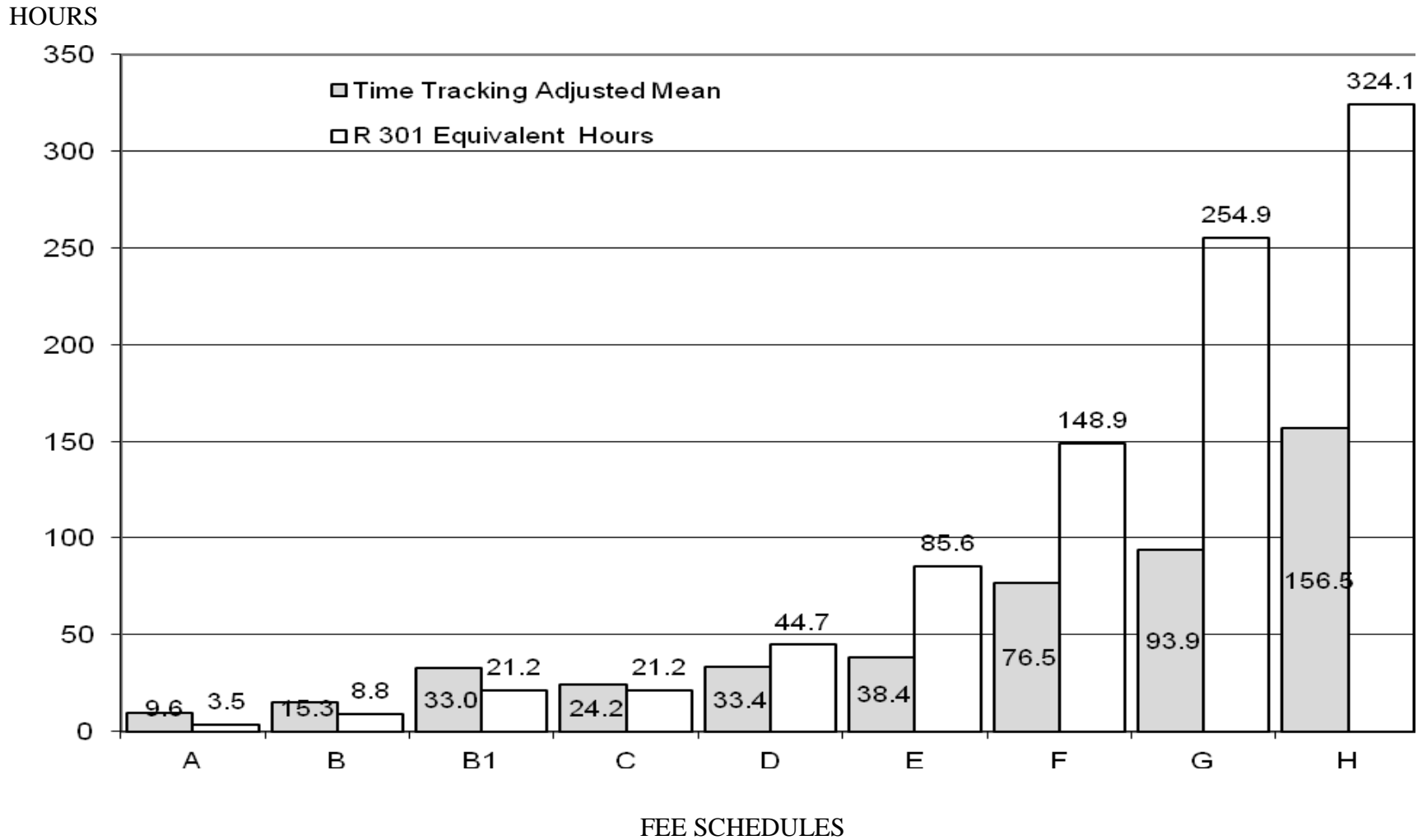
Pay Code	Description	Hours	Percent
	Total Permit Processing	94,664.75	57.55%
50805	TRAINING	1,244.00	0.76%
50047	ADMIN/RESOURCE MANAGEMENT	871.00	0.53%
50155	COMPLIANCE GUIDELINES	324.50	0.20%
50156	COMPLIANCE/SUPPORT	3,845.25	2.34%
50157	COMPLIANCE/SPECIAL PROJEC	3,535.50	2.15%
50365	HEARING BOARD	1,223.25	0.74%
50375	INSPECTIONS	200.00	0.12%
50395	INTERNAL COMMUNICATIONS	27,300.25	16.60%
50425	Lobby Permit Services	758.75	0.46%
50475	NSR Implementation	1,588.50	0.97%
50476	NSR DATA CLEAN UP	791.50	0.48%
50520	PERMIT PROC/PRE-APPLICATI	8,294.00	5.04%
50565	Public Records Act	1,130.25	0.69%
50605	RECLAIM/Implementation	5,397.25	3.28%
50650	Rulemaking	1,609.00	0.98%
50657	RULEMAKING SUPPORT	600.25	0.36%
50690	Source Education	5,834.00	3.55%
50728	SUPPORT IM	4,944.50	3.01%
50771	TITLE V INSPECTIONS	327.50	0.20%
	Total	164,484.00	100.00%

To make the permit processing fees large enough to recover the costs of these activities, staff then divided the mean hours by 57.5% to obtain the number of hours staff needed to recover costs for each fee schedule. Next, staff determined the average revenue per application in each fee schedule. A weighted average was used based on the percentage of applications in that fee schedule that were initial applications, alterations, and change of condition. Then, staff calculated the equivalent number of hours recovered by each weighted average fee, using the then-current average burdened cost (direct cost plus overhead) per engineering hour of \$87.40 (see Figure 4 which shows the average revenue compared to the average cost).

The 1999-2000 Fee Study came to the following conclusions:

- As shown in Figure 4, the SCAQMD significantly under collected revenue compared to program costs for Schedules A and B. For example, staff was spending approximately 9.6 hours processing an application in Schedule A and the permit processing fee only recovers 3.6 hours or 37.5% of actual time spent. Approximately 2,400 permits were processed annually in Schedule A, resulting in a shortfall of approximately \$1.2 million dollars. Similar discrepancies occur with Schedules B, B1 and to some extent with Schedule C applications that further exacerbated the cost under recovery. The cumulative cost under recovery was quite significant since Schedules A, A1 and B permit applications represented more than 90% of the permitting activity and more than 45% of the permit processing fees collected. In short, if Schedule A were to be adjusted to recover its full costs, it would have been necessary to be increased to a weighted average of nearly \$874 (10 hours x \$87.40) per application.
- Figure 3 illustrates that alterations/modifications required about the same amount of time as a new application. This is due to the fact that alterations/modifications required the same amount of review and processing as a new permit because the same review is required: new source review, source specific rules, background of the source, toxics, and others. As such, alteration/modifications typically reflect process/equipment modifications and changes which require extensive engineering analysis.
- Although not many permit applications were received in categories D through H, the data from the time tracking study indicated that the permit processing fees at that time may have exceeded the staff hours needed. As such, staff proposed reductions in the basic fee rates for those categories. The proposal included a capped time and material surcharge for especially difficult applications that require processing time above the norm. As the time and material surcharge is capped, the actual fee was designed so as to not exceed the then existing fee rate in CY 2001.

Figure 4: Time Tracking vs. Rule 301 Equivalent Hours for Combined New Applications and Alterations/Modifications (Sept. 6, 1999 to Aug. 6, 2000)



Accordingly, in the 2001 amendments to Rule 301, the SCAQMD began the implementation of a two-pronged approach to adjusting the fee schedules: the fees for the lower fee schedules (A-C) were raised, while the fees for the higher fee schedules (D-H) were lowered, to reflect the average hours per weighted average application in each fee schedule. Since any fee increase over CPI for permit fees needs to be phased in over two years, it was decided to phase in both the fee increases and the fee decreases over a period of two years. Importantly, the three largest fee schedules (F, G, and H) retained a time and materials component so that if the actual cost to process a particular permit exceeded the presumed average, it would still be recovered (subject to a “not to exceed” amount.) This T & M element helps to ensure that the relative proportions between the amounts charged for the larger and smaller permits remains appropriate. The changes adopted in 2001 were designed to recognize the actual program costs associated with processing certain applications and to provide a fair and equitable program.

The 1999-2001 Fee Study also included the following recommendations, which were adopted:

- **Consolidate fees charged to process new permits and alterations/modifications.** The internal time tracking study conducted by SCAQMD staff indicated that on the average an equivalent amount of time is spent to process a new permit and a modification/alteration typically involve a process change requiring engineering analysis (see Figure 2). Therefore the two different processing fees charged for each of the activities were no longer justified. The proposal consolidated the two fee rates for new permit processing and modification/alteration into one. The change of condition fee was increased by the consumer price index.
- **Adjust Title V and RECLAIM Fees.** Adjustments were made to more accurately reflect time required for processing RECLAIM and Title V activities. The data from the time tracking study indicated that on average an engineer spends 28% more time on processing RECLAIM/Non-Title V, 44% more time on Title V/Non-RECLAIM type applications and 89% more time on RECLAIM/Title V applications when compared to a Non-RECLAIM/Non-Title V application. A Facility Permit Amendment processing fee of \$550.00 for Title V facilities (\$1,100 for Title V facilities that are also RECLAIM facilities) was proposed to recover the permit processing costs. These fees were in addition to the sum of the applicable fees assessed for each affected equipment in the RECLAIM and/or Title permit. In addition, the administrative permit revision fee was revised to \$544.00 and the de-minimis/significant permit revision fee was revised to \$320.00 to more accurately cover time and materials expenditures.

Since that time, the basic fee structure for permit processing has remained the same, and any increases have been made as a percentage increase across-the-board to reflect the relative burdens imposed by each fee schedule. However,

from time to time new equipment is added to a fee schedule, or equipment is moved from one schedule to another, based on permit processing experience. Staff presently has no reason to believe that the relative proportions of the various fee schedules is incorrect, since it was supported with ample data in 2001 and has only changed by across-the-board percentage increases since that time.

However, as explained in Section VII C below, total revenues from permit processing activities are significantly less than total costs for permit-processing related activities. Therefore, staff is proposing a 6% fee increase for permit processing fees and annual operating (equipment-based) fees, to be phased in over a two-year period. This will result in an additional \$334,660 of revenue in permit processing fees in FY 2014-2015, and about twice that much in FY 2015-2016. While this will not be enough to fully offset the deficit in permit processing revenue, it would take an increase of almost 30% to fully offset the deficit. Instead, staff proposes to continue supporting the permit processing fee shortfall with annual operating fee revenue. The reasons for staff's proposal are explained in Section III D.

B. BASIS OF ALLOCATING PERMIT ENFORCEMENT AND OTHER REGULATORY COSTS TO ANNUAL OPERATING FEE SCHEDULES

As described above, the SCAQMD implements two types of annual operating fees, the equipment-based fee and the emissions-based fee. As noted above, these fees are generally used for permitted-source related planning, rulemaking, enforcement, public outreach, and air monitoring activities. However, the Health & Safety Code does not require these Permitted Source Program activities be supported by different types of fees, so there is some overlap between the activities supported by emissions-based fees and those supported by the annual operating equipment-based fees. Finally, there are some area source emissions (e.g. use of solvents regulated by Rule 1171) for which facilities pay emission fees, so some area source related work can also be supported by emission fees. The Work Program codes that are generally supported by annual operating fees are those primarily related to compliance and enforcement related to permitted sources, including legal department enforcement work. Additional work that is imposed by permitted sources, such as implementing the Public Records Act, has been allocated to this fee because the majority of Public Records Act requests relate to existing permitted sources. The SCAQMD had retained a consultant, KPMG Peat Marwick, to perform a Fee Assessment Study. Staff believes that the legislature intended that permit fees recover the reasonable costs of activities related to permitted sources, since the legislature frequently imposed new state mandates, yet, as observed by a 1994-1995 Fee Study also performed by KPMG Peat Marwick, "each of these mandates stated that state funding was not required because the SCAQMD had the ability to raise fees to cover the costs of the increased mandates" (1995 Fee Study, p. 2-11).

One difficulty with the emissions-based fee is that, as emissions from permitted sources are reduced, the fees are reduced, even though the associated work has not been reduced or has even increased. Thus for example, according to the 1990 KPMG Peat Marwick Fee Study, emission fees in 1989-1990 amounted to \$30.5 million (Table IV-1, p. IV-2). In contrast, for FY 2014-2015, it is projected that emissions-based fees will amount to about \$19.9 million, which is only about \$12.1million in 1990 dollars. Because emissions are dropping, it is not feasible to increase this revenue source significantly without substantial increases in fee rates.

In contrast, the annual operating equipment-based fee represents a more stable source of income, because the total amount of permitted equipment remains more stable from year to year than the total amount of emissions. This fee was revised and established in largely its current form in 1990. The fee study consultant (KPMG Peat Marwick) advised staff that the two most appropriate bases for assessing fees would be costs of service and emissions or emissions potential. Staff determined to recommend that the annual operating fee continue to be divided into two parts, one part cost based and one part emissions-based.² The proposed two-part annual operating fees were intended to pay the costs of all SCAQMD Permitted Source Program operations other than permit processing. SCAQMD actions related to mobile sources, and certain other programs that were otherwise funded were not covered (Id., p. 5).

Each type of equipment was assigned to one of three fee levels, to equitably assign operating fee rates (Id. p. 5). The annual operating fees were established based on equipment complexity and level of service (May 24, 1990 SCAQMD Governing Board Letter, p. 2). The fee rule as adopted made the initial assignments as follows: equipment assigned to permit processing fee Schedule A and B was to be charged \$150, equipment appearing in Schedules C and D was to be charged \$500, and equipment appearing in Schedules E,F, G, and H was to be charged \$1,200. A separate fee was provided for service stations. Since then, a new Schedule A1 was added but there are no longer any types of equipment assigned to that category.

The currently proposed amendments would result in continuing the existing four categories of equipment:

² May 1990 Staff Report, p.4

Equipment/Process Schedules in Tables IA and IB	Annual Operating Permit Renewal Fee³
Schedule A1	\$165.58 for FY 14-15 and \$170.55 for FY 15-16 and thereafter
Schedules A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$331.81 for FY 14-15 and \$341.76 for FY 15-16 and thereafter
Schedules C and D	\$1,188.39 for FY 14-15 and \$1,224.04 for FY 15-16 and thereafter
Schedules E, F, G, and H	\$2,853.48 for FY 14-15 and \$2,939.08 for FY 15-16 and thereafter

There is a separate fee for service stations which is charged on a per product dispensed per nozzle basis.

Equipment/Process Schedules	Annual Operating Permit Renewal Fee³
Rule 461 liquid fuel dispensing system	\$98.10 for FY 14-15 and \$101.04 for FY 15-16 and thereafter per product dispensed per nozzle

The basic fee structure, with smaller fees charged to less complex equipment, and larger fees to more complex equipment, is reasonably related to the regulatory burdens imposed by the equipment. Staff believes it would not be feasible to determine each facility's proportional regulatory cost on an individual facility-by-facility basis. To actually charge each facility the burdened costs of enforcement related to that facility and that facility alone, would be administratively infeasible to keep such detailed data, prepare separate invoices and collect on them. Moreover, in some cases the invoice would likely prove to be uncollectible. This would result in a very unstable revenue stream, and could make the SCAQMD vulnerable to claims that it unnecessarily increased its enforcement activity related to a source in order to increase its revenue. These reasons have been held sufficient to estimate flat fees for particular types of services within broad categories rather than keeping track of

³ It is also expected that there will also be an adjustment for CPI in FY 2015-2016 pursuant to Rule 320, but that adjustment factor will not be known until early March 2015 when CY 2014 CPI information is typically available.

and billing the exact time spent on each project. *California Assoc. of Prof. Scientists v. Dept. of Fish & Game*, 79 Cal. App. 4th 935 (2000).

C. COMPARISON OF COSTS SUPPORTED BY PERMIT PROCESSING AND ANNUAL OPERATING FEES COMPARED TO REVENUES

The total Permit Processing fee supported expenditures for FY 2014-2015 are projected to be \$28.3 million. Estimated permit fee revenue for FY 2014-2015 (with the 1.6% CPI, but not including the additional 3%) is \$18.0 million, resulting in an initial shortfall of \$10.3 million. Permit processing overhead costs (\$5.2 million) are supported by annual operating fees. The additional proposed fee increase above CPI will recover an estimated additional \$344,660, leaving a shortfall of \$4.7 million for FY 2014-2015 (see Appendix C 2).

As shown in Appendix C 2, the cost of Work Program activities identified as directly related to compliance activities and therefore charged to the annual operating fee (equipment-based) is lower than the total revenues from this fee. However, there are other Permitted Source Program activities that may be and traditionally have been supported by the annual operating permit fee. For example, permitted source testing is necessary for enforcement or compliance activity, yet the SCAQMD has traditionally charged a separate source-testing fee rather than including this expense in the overall annual operating fee, which would be allowed under H&SC Section 40510(b). But there is and traditionally has been a shortfall in source testing fee revenues. For FY 2014-2015, the shortfall is estimated at \$1,988,741. Therefore, since the California Health and Safety code would have allowed this entire program to be paid by the annual operating fee, Appendix C 2 shows a transfer of this amount from annual operating fees to support the shortfall in source testing fees.

Similarly, the SCAQMD charges a separate fee for variances and Hearing Board appeals, but these fees are not sufficient to support the entire cost of running the Hearing Board (\$1,262,659 as shown in Appendix C 2). In past years, concern has been expressed that to raise Hearing Board fees sufficiently to cover the entire costs of the Hearing Board would deter sources from seeking variances when needed and simply “drive them underground.” Yet, the Hearing Board and staff activity associated with hearings on variances is a part of enforcement activities and thus properly recovered by annual operating fees. As a compliance activity, the deficit in Hearing Board revenues is supported by annual operating permit fees, so a transfer of \$983,259 is shown from annual operating fees to Hearing Board fees.

In addition, the SCAQMD has traditionally used annual operating fees to support the deficit in permit processing fees. This deficit is divided into two types. First, there is the proportional share of “allocatable overhead” (e.g. personnel, Finance, Legal, Information Management) that corresponds to the FTEs devoted to permit processing. According to the SDG&E case, this type of “indirect” cost can properly be recovered from annual operating fees. Although

the fee in that case was emissions-based rather than equipment-based, staff believes that the equipment-based fee is also a proper source of revenue for these expenses, because the equipment-based fee is related both to emissions potential and to complexity of the equipment (i.e. labor associated with enforcement efforts). According to the SDG&E case, both of these are proper bases of apportioning expenses. The transfer from annual operating to permit fees associated with “allocatable overhead” is \$5,228,639.

Finally, there still remains a deficit of \$4,702,457 in permit processing fees. This is after the increase of 3% FY 2014-2015, which amounts to \$344,660. (This number is smaller than 3% of the “total” of “permit processing” fees because some of the estimated revenue earned is from pending applications accepted in prior fiscal years’ fee rates; additionally, the permit processing category also includes some fees which are not related to processing permits for stationary sources and thus were not increased by 3%, such as asbestos notification fees.) Historically, the SCAQMD has used annual operating permit fees to cover the shortfall in permit processing fees. This is a fair and reasonable allocation of these Permitted Source Program Costs as described in Section VI A. It should be noted that even with the transfer of revenues from annual operating fees, there still remains a deficit in permit processing fee revenue, which the proposed budget supports with “other” revenue which may be spent on any SCAQMD program and is not limited to funding certain activities.

Section III D, sets forth the rationale for proposing not to recover the entire shortfall in permit processing fees from increasing these fees which would require an almost 30% increase.

VIII. IMPACT ASSESSMENT

A. SCAQMD

For FY 2014-2015 the 1.6% across-the-board CPI adjustments in Regulation III fees, (other than fees excluded) commensurate with the change in the CY 2013 CPI, will result in \$1.4 million partial cost recovery for FY 2014-2015 (see Appendix C 2 for detailed information).

In addition, permit processing and annual operating fees would be increased by an additional 3% in FY 2014-2015 and 3% in FY 2015-2016 (a 6% increase over two fiscal years) resulting in additional revenues as shown below:

<u>Proposed Additional 3% Amendment</u>	<u>Estimated Incremental Program Cost Recovery</u>	
	<u>In Addition to 1.6% CPI (in 000's)</u>	
	<u>FY 2014-2015 1st Year</u>	<u>FY 2015-2016⁴ 2nd Year</u>
Permit Processing Fees	\$345	\$364
Annual Renewal Fees	\$1,319	\$1,398
Total	\$1,664	\$1,762

Additional cost recovery beyond the CPI for FY 2014-2015 is estimated to be \$1.7 million. The proposed fees for FY 2015-2016 represent a 3% increase from the proposed fees for FY 2014-2015. [These dollar amounts shown above should be considered relative to the proposed budget expenditures and revenues of \\$132.2 million for FY 2014/2015 and that the deficit in the permit processing account is projected to be \\$10.3 million absent this increase and transfers from annual operating fees.](#)

Overall, for a number of years, SCAQMD has reduced staffing, services and supplies and capital outlay expenditures to reduce operating expenses, while continuing to meet the requirement for attainment of federal, state and local clean air program goals and objectives. The increased Permit Processing and Annual Renewal Fees together with revenues from the unrestricted “Other” revenue sources will allow the SCAQMD to fully fund its Permitted Source Program activities for SCAQMD’s Work Programs which is divided into the 9 following program categories:

- Advance Clean Air Technology,
- Customer Service and Business Assistance,
- Develop Programs,
- Develop Rules,
- Ensure Compliance,
- Monitoring Air Quality,
- Operational Support,
- Policy Support, and

⁴ It is also expected that there will also be an adjustment for CPI in FY 2015-2016 pursuant to Rule 320, but that adjustment factor will not be known until early March 2015 when CY 2014 CPI information is typically available.

- Timely Review of Permits.

B. INDUSTRY

Draft socioeconomic assessments have been prepared as separate reports (see Appendix D and E) and provide an analysis of the impacts on industry of the proposed rule amendments increasing fees for Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT

The SCAQMD has reviewed the proposed amendments to Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314) and because the proposed project involves the modification and structuring of changes by public agencies for the purpose of meeting operating expenses and financial reserve requirements, does not have any environmental impacts, and it is statutorily exempt from California Environmental Quality Act analysis pursuant to Public Resources Code §21080(b)(8) and CEQA Guideline § 15273 (Rates, Tolls, Fares and Charges). A Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following adoption of the proposed amended rules.

IX. SOCIO-ECONOMIC IMPACT

The Rule 320 Resolution adopted by the SCAQMD Governing Board (SCAQMD) on October 29, 2010, requires that by March 15th “...to annually prepare a socioeconomic impact analysis, of the effect of an automatic adjustment based on the California Consumer Price Index [CPI]...” (see Attachment H for this analysis report).

In addition, staff is proposing a fee increase of 3% in FY 2014-2015 and an additional 3% increase in FY 2015-2016 for permit processing and annual operating fees (see Attachment I for the socioeconomic assessment report analyzing the impact of this additional fee increase).

X. FINDINGS

Before adopting, amending or repealing a rule, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined H&SC Section 40727. The draft findings are as follows:

A. NECESSITY

The SCAQMD Governing Board has determined that a need exists in order to support necessary clean air programs, to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314 to fund the Fiscal Year 2014-2015 Budget.

The large majority of the SCAQMD's air quality programs are mandated by statute. Legal mandates for each item in the SCAQMD's Work Program are discussed and identified in the supporting documentation for the Work Program. Even programs not expressly mandated by statute are programs adopted to improve air quality and reduce exposure to unhealthful levels of air pollution, which is the SCAQMD's primary purpose as expressly stated in the Health and Safety Code, and hence are reasonably necessary. Ample opportunity is provided through the Budget Advisory Committee and public workshops for the SCAQMD Governing Board to receive public input concerning whether any of the budgeted programs are not reasonably necessary. The SCAQMD Governing Board's finding of necessity will be based on the final budget and facts in the record.

A total \$4.7 million revenue shortfall is projected in FY 2014-2015 for programs supported by permit processing fees, even after annual operating fees pay for overhead costs associated with permit programs (see Appendix C 2). The shortfalls were identified during initial development of the FY 2014-2015 Draft Budget and Work Program. The Work Program has been refined over several decades and tracks, by program category, the number of hours SCAQMD employees spend on each activity and tracks costs associated with those activities. In addition, to determine fully burdened costs, overhead costs such as utilities, debt service, insurance, and payroll which benefit all programs, are allocated to each activity based on the number of FTE positions for that activity. Program categories tracked by the Work Program include:

- Advance Clean Air Technology,
- Customer Service and Business Assistance,
- Develop Programs,
- Develop Rules,
- Ensure Compliance,
- Monitoring Air Quality,
- Operational Support,
- Policy Support, and
- Timely Review of Permits

Every SCAQMD expenditure, including expenditures for employee salaries and benefits, is tracked in the Work Program.

Both the 1993 Assessment of Alternative Long-Term Funding Options study conducted by KPMG Peat Marwick, management consultants, and the 1999 Fee Structure Study, conducted by Thompson, Cobb, Bazilio & Associates, Certified Public Accounts and management consultants, contained findings that SCAQMD was not recovering its program costs and should raise fees to cover

program costs. Since 1993, the SCAQMD has, in all but five fiscal years, limited fee increases to the change in the California Consumer Price Index (CPI). However, during this same time period, program costs increased at rates that far exceeded the change in the CPI. The program's overhead cost increases were, to a large extent, attributable to significant increases in legally-mandated retirement contributions to SBCERA, most notably since 2009 when the economic downturn resulted in market losses for the retirement system. Increased building operations/improvement costs for the ageing Headquarters building have also impacted program costs. To reduce overhead program costs yet continue its program commitments, despite new federal and state air quality mandates and increased workload complexity, the SCAQMD has continued to streamline its operations. In June 2004 the SCAQMD issued pension obligation bonds to finance a portion of its outstanding retirement obligation, over time saving more than \$20 million in interest costs. In June 2013, Installment Revenue Bonds associated with the financing of the Headquarters building were retired one year early, also saving on interest costs. Recently, the SCAQMD negotiated changes to its labor contracts, shifting a portion of retirement burden to current employees and reducing retirement benefits for new employees. Additionally, retirement benefits for new employees have been reduced due to state legislation (AB 348) which will result in a substantial savings over time. Other cost containment measures taken over the past several years include reduced services and supplies costs, no ongoing salary increases, and an increased vacancy rate. Compared to FY 1991-1992, the FY 2014-2015 proposed budget reflects staffing levels that are 31% (377 FTEs) below FY 1991-1992 levels. Adjusted for inflation, the FY 2014-2015 budget request is 25% less than FY 1991-1992.

The fee increases proposed for FY 2014-2015 will allow the SCAQMD to maintain the current level of services without cuts and will move the agency toward more closely, but not fully, recovering program costs. The SCAQMD regulates approximately 27,000 facilities in its jurisdiction. The agency's fee structure reflects varying levels of effort, based on equipment type and level of complexity. Of the approximate 27,000 facilities regulated by the SCAQMD, 80% of the facilities have only one or two Permits to Operate, for equipment at the lowest fee schedules. For a typical facility, such as a dry cleaner, with only one Permit to Operate at the lower schedule A fee rate, the FY 2014-2015 Annual Operating Permit Renewal fee pursuant to Rule 301(d)(2) would increase by less than \$15. This facility would also pay a FY 2014-2015 annual flat emissions fee for up to 4 tons of emissions, and the proposed increase for this fee would be less than \$2. The total annual fee increase for this facility based on these fees would be under \$17, which is an average of \$1.42 per month. Based on the foregoing, the costs to be supported by the fee increase are reasonable.

B. EQUITY

H&SC Section 40510.5(b) requires the SCAQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the CPI. It is reasonable to use annual operating and permit-related fees to apportion certain costs. Such a system is reasonably related to the fee payers' benefits from and burdens on the regulatory system. Staff believes that this conclusion is sufficient to support a finding that the fee including the proposed increase, results in an equitable apportionment of permit processing fees, since the increase is based on the estimated labor costs of performing the work. Such apportionment, based on actual costs, is equitable because each fee-payer pays some of the cost of services related to its permit. The apportionment of annual operating fees based on equipment categories is proportionate to the enforcement related efforts associated with the different fee schedules which are related to equipment complexity. Thus, the fee apportionment is equitable. It is necessary to increase the fees to assist in recovering the actual labor costs which have increased in part due to the significant increases in mandated retirement contribution rates. Annual operating fees are used to pay for some costs associated with permitting activities including the review and analysis of sources that have already received a permit. This is reasonably related to the benefits and burdens related to fee payors, because the total costs (burden) are ultimately recovered, while each fee payor recovers the benefit of spreading costs related to permit processing over a longer time period through higher annual renewal fees like an insurance policy.

Also the proposals are designed to more appropriately and equitably align program costs and revenues. Fee increases are supported by empirical data that indicate a current revenue shortfall in certain categories. Permitting related activities are currently experiencing a significant shortfall. By uniformly increasing fees associated with permit processing and annual renewals, the equitable apportionment of fees amongst sources will remain, and more closely recover actual costs to administer these programs.

Rule 320 – Automatic Adjustment Based on Consumer Price Index for Regulation III Fees, was adopted by the SCAQMD Governing Board on October 29, 2010. The rule establishes that in order to continue recovering agency costs, fees must keep pace at a minimum with inflation as measured using the Consumer Price Index (CPI), unless otherwise directed by the SCAQMD Governing Board. Rule 320 provides for the automatic adjustment in fees annually commensurate with the rate of inflation and thus recovers the increase in the “reasonable cost” of services provided. The Proposed 6% fee increase is likewise properly adopted as a fee, and as such, is in line with Proposition 26. Permit fees are a “reasonable cost” to better recover staff expenditures for these services that confer “a specific benefit conveyed or privilege (namely the permit to construct/operate) granted directly to the payor (owner/operator)”. Furthermore, permit fees and annual renewal fees are also set such that they are

necessary and equitable to better recover the cost of continuing vital and mandatory programs and services as “A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits” and for “the administrative enforcement and adjudication thereof”. Staff annually provides a recommendation on the rate of adjustment to the SCAQMD Governing Board based on the reasonable cost of maintaining the services required for mandatory programs. The SCAQMD Governing Board, at its discretion, may vote for a rate of adjustment that is different from the CPI. Staff’s proposed amendments for FY 2014-2015 are detailed in Section II Proposed Amendments of this report.

C. AUTHORITY

The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Sections 40000, 40001, 40440, 40500, 40501.3, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, and 44380 of the H&SC.

D. CLARITY

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314, as proposed to be amended, are written or displayed so that their meaning can be easily understood by the persons directly affected by them.

E. CONSISTENCY

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314, as proposed to be amended, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

F. NON-DUPLICATION

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314, as proposed to be amended, do not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the SCAQMD.

G. REFERENCE

The SCAQMD Governing Board, in amending these rules, references the following statutes which the SCAQMD hereby implements, interprets, or makes specific: Health and Safety Code H&SC Sections 40500, 40500.1, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 41512, and 44380.

XI. COMMENTS AND RESPONSE TO COMMENTS

Comment Letter #1



1955 Workman Mill Road, Whittier, CA 90601-1400
 Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
 Telephone: (562) 699-7411, FAX: (562) 699-5422
 www.lacsd.org

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

GRACE ROBINSON HYDE
 Chief Engineer and General Manager

April 24, 2014
 File No.: 31B-380.10B

Mr. Naveen Berry
 South Coast Air Quality Management District
 21865 East Copley Drive
 Diamond Bar, California 91765-4182

Dear Mr. Berry:

Comments on Proposed Amended Regulation III Annual Emissions Reporting Requirements

The Sanitation Districts of Los Angeles County (Sanitation Districts) appreciate this opportunity to comment on Proposed Amended Regulation III. The Sanitation Districts are a consortium of 23 special districts that provide environmentally sound, cost effective management of wastewater and solid wastes for about 5.7 million people in Los Angeles County and, in the process, convert these wastes into resources such as reclaimed water, energy and recycled materials. We would like to take this opportunity to express our concerns about recent changes to the reporting software for SCAQMD's annual emissions reports (AERs). Because these modifications may double the preparation time needed to prepare our AERs, we respectfully request that the submittal deadlines contained in Rule 301 be extended 30 days (i.e., from 60 to 90 days following the calendar year).

The Sanitation Districts submit AERs from 18 different facilities and report emissions from over 300 active permits. Our staff has been submitting emissions reports to the SCAQMD ever since those reports were required. Over the years, our staff has adapted to gradual reporting changes that have required more effort, and yet the time allowed to submit these reports has never changed.

We are concerned about the dramatic changes being implemented to the reporting software that will become mandatory for the calendar 2014 reporting year. These changes not only require separate reporting from over 300 of our permitted units, but a breakdown of the individual and innumerable devices within those permits are to be remitted as well. We believe that our labor efforts will double under the new AER requirements. Consequently, we respectfully request that Rule 301(e)(10)(A) be modified to extend the deadline from 60 to 90 days.

DM# 2948927v3

Recycled Paper 

Mr. Naveen Berry

-2-

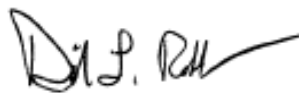
April 24, 2014

Moreover, the AER deadline for SCAQMD overlaps with greenhouse gas reports required by the California Air Resources Board and the Environmental Protection Agency. It is our understanding that SCAQMD is open to a streamlined process could potentially integrate these reporting efforts into one report. We would greatly appreciate such streamlining that could eliminate duplicative reporting requirements, which would ease some of the reporting burden.

Thank you for the opportunity to comment on Proposed Amended Regulation III and the associated emissions reporting requirements. Please do not hesitate to contact me at (562) 908-4288, extension 2412, should you have any questions regarding this transmittal.

Very truly yours,

Grace Robinson Hyde



David L. Rothbart
Supervising Engineer
Air Quality Engineering
Technical Services Department

DLR:PG:bb

cc: Philip Fine, Ph. D., SCAQMD
Ali Ghasemi, SCAQMD
John Pastore, SCAP

Response to Comment Letter #1:

SCAQMD emissions report filing staff is currently assisting the County of Los Angeles Sanitation District with their filing.

Responses to Verbal Comments Made at Public Meetings:

- Comment: Fees should not be raised while industry is still in a recessionary state.
- Response: SCAQMD fee rates are required to support permitting, compliance, rule development, source testing and Hearing Board activities mandated by state law. Increasing fees consistent with an annual increase in the California CPI recovers at a minimum the inflationary increase in program costs. However, revenues from programs such as emissions fees continue to decline, without a commensurate decrease in the amount of work required. Staff's current proposal continues to address partial cost recovery, and refining the alignment of program revenues with program costs, that have typically never been fully recovered and which have continued to escalate in recent years. Despite the current proposed fee amendments, staff projects a \$4.7 million deficit in programs covered by permit processing fees, which must still be partially offset by funds from the "Other Revenue" fee category. Staff has also taken further measures to reduce costs by reducing the agency pickup of employees' share of retirement fund contributions, reducing the earnable compensation calculation for new employees since CY 2006 and reduced overall staffing levels. Furthermore, even with the current staff proposal the FY 2014-2015 budget will be 20% less than the CPI inflation adjusted budget for FY 1991-1992.
- Comment: Why not use the General Fund to cover the shortfall?
- Response: A portion of the \$4.7 million shortfall in permit processing fees will be offset by approximately \$1.8 million from "Other Revenue" (e.g. penalties). The current balance in the General Fund is largely a result of one-time penalties/settlements. Reliance on such an indeterminate funding source is precarious, since it is not a revenue source that can be counted on to be available every year. In addition, the goal of the SCAQMD is to recover the cost of operations from the services it provides. To address this concern staff's proposed budget package includes transferring \$5 million from the undesignated fund balance to a special fund to be used over a period of five years to pay down the debt on the SCAQMDs pension obligation bonds, which will in turn reduce the agency's costs.

- Comment: The SCAQMD should reduce its work force.
- Response: The SCAQMD has seen an actual staffing decline from a high of 1,163 in FY 1991-1992 to a current proposed staffing level of 798 for FY 2014-2015, equating to more than a 31% drop in staffing.
-
- Comment: Why is the SCAQMD proposing to increase fees when other jurisdictions, notably San Joaquin, are not?
- Response: Other air districts have access to other sources of funding that the SCAQMD does not. For example, the San Joaquin Valley Air Pollution Control District (SJAPCD) budget is subsidized by motor vehicle registration fees. It is also staff's understanding that the SJAPCD uses a time and materials basis for its permit fee rates. Should the hourly rate increase, that increase would automatically be reflected in the fees, although the fee schedule would remain the same. Other air districts are proposing increases. For example the Bay Area Air Quality Management District, which also receives funding from real property taxes, is proposing an overall weighted average fee increase of 6.4%.

APPENDIX A – SUMMARY OF PREVIOUS AMENDMENTS

During FY 1989-90, an independent study conducted by KPMG Peat Marwick resulted in the basic structure of Rule 301, including:

- assessment of permit processing fees based on complexity of review required and the emission potential of the equipment/process to be permitted;
- assessment of operating fees based on equipment complexity and level of source which correlates to the average level of effort; and
- assessment of emission fees based on a reduced threshold of four tons.

This study, subsequent studies referenced herein, and the staff reports for the 1990 amendments and all subsequent amendments to Regulation III are incorporated by reference in this staff report.⁵

During 1994, a second independent fee study was conducted by KPMG Peat Marwick to evaluate the following fee-related issues:

1. SCAQMD's existing fee structure, including a full cost and revenue analysis of SCAQMD programs;
2. RTC allocation fees;
3. Fees for toxic air contaminants;
4. Feasibility of converting the current permit and operating fee system (BCAT/CCAT-based system) to a process classification system based on Source Classification Code (SCC); and
5. SCAQMD's long-term funding options.

The results of this study were presented to the SCAQMD Governing Board on March 10, 1995. Recommendations from this study were reviewed and the recommendation relating to toxic air contaminants was incorporated into amended Rule 301. However, this study also recommended an increase in fees to make permit program fees recover the full costs of the associated programs. This proposal was not implemented because SCAQMD staff recommended efforts to lower the costs of permit processing before seeking increases in permit fees.

⁵ These documents are available by contacting the District at (909) 396-2000.

In FY 1995-96, the change in the California CPI was 1.5%. In recognition that other governmental agencies, industrial entities, small businesses, and individual citizens had been adversely affected by the recent economic recession, a broad-based fee increase was not proposed for FY 1995-96. In addition, in FY 1995-96 the Board adopted and implemented a 4% rebate for annual operating fees, thus actually reducing the impact of these fees on a one-time basis.

To maintain a level of revenues necessary to support SCAQMD's legally-mandated functions of achieving and maintaining health-based state and federal air quality standards, the Board adopted an across-the-board increase in Regulation III fees for FY 1996-97 equal to the 1.2% change in the California CPI for 1995.

For FY 1997-98, the Board adopted an across-the-board increase in Regulation III fees equal to the 2.4% change in the California CPI for 1996. Because SCAQMD revenue sources, including emission fees, were decreasing as significant progress towards air quality attainment was made, the aggregate effect of this increase did not exceed the fee cap on revenue generated. Additionally, several other changes to the fee structure that more equitably aligned fees with the levels of effort required to accomplish these responsibilities were adopted.

For FY 1998-99, fees were increased by 2.2%, corresponding to the change in the California CPI for 1997, to offset the decline in income to SCAQMD from emission fees and to provide more equitable recovery of labor and other costs to process permits and perform field inspections. Also during this year, the Board adopted increases in fees for Title V permits processing and for gasoline fuel dispensing nozzles, to reflect increased services in these areas.

In July 1998 the California State Auditor published the results of their review of the SCAQMD budget. As part of their overall review of the SCAQMD budget and operations, the State Auditor recommended, in part, that the permit fees be set to cover the cost of processing; and that all facilities pay annual emissions fees including facilities smaller than the existing emissions fee threshold or 4 TPY. The auditor further recommended that the SCAQMD undertake efforts to streamline the permit process.

Meanwhile, two projects having bearing on the SCAQMD's fee structure and business practices were completed. The first major effort was the formation of a Permit Streamlining Task Force, an initiative from Dr. Burke, Chairman of the SCAQMD Governing Board. The task force consisted of Board members, environmental professionals, and industry representatives. The group brought concrete recommendations to the Board, indicating how to expedite processing for conventional, Title V and RECLAIM permits. Additionally, SCAQMD selected a contractor to study the permitting system and provide an independent set of recommendations directed to permit streamlining. Based on input from the contractor, industry, permit applicants, and SCAQMD staff, the Permit Streamlining Task Force proposed a set of recommendations to the Board at the March 12, 1999 meeting. Most of the recommendations have been implemented.

The other major effort was the fee structure study conducted by the independent management firm of Thompson, Cobb, Bazilio & Associates, PC (March 1999). Their report included the following recommendations:

1. The SCAQMD needs a cost information system to determine the cost of specific permit processes;
2. Fees be changed for different BCAT/CCAT items to align costs with fees, since the study found that permit fees significantly under-recover actual costs of permitting;
3. Adjustments be made to the annual operating and annual emissions fee such as a minimum annual emissions fee;
4. Adjustments be made for Title V fees; and
5. Eliminate small business discounts for permits.

The proposals for amending Regulation III adopted in May 2001 addressed several recommendations made by the independent consultant and the state auditor. The SCAQMD implemented the first item with the creation and implementation of the time tracking study. Items 2, 3, and 4 were adopted as part of the 2001 amendments. Staff continues to look at item 5 but has not recommended any changes to small business discounts.

As part of the adoption of the Fiscal Year 2000-2001 SCAQMD Budget and Regulation III, the SCAQMD Governing Board directed staff to establish a special Revenue Committee to assist the SCAQMD in developing revisions to its fee rule for FY 2001-2002 to help stabilize revenues. The major focus of this committee's effort was the identification and assessment of several short- and long-term potential funding sources in support of SCAQMD programs as well as the review of staff proposed amendments to Regulation III that were designed to recover program costs. The Revenue Committee made several important recommendations that were included in the rule amendments approved by the SCAQMD Governing Board in May 2001. Those recommendations were:

1. A minimum emissions fee for all permitted sources (emissions flat fee);
2. "Non-permitted" emissions, including Rule 219 – exempt equipment and other area sources; and
3. A fee on area sources, which was partially implemented in 2001 by the non-permitted emissions fees, which covers area sources such as solvents.

The Committee also recommended a manufacturers' fee for area sources, a pre-application consultation fee, and a dollar penalty in lieu of missing data provisions in RECLAIM. These suggestions were further to be evaluated by Regulation III and RECLAIM staff. In 2008, a manufacturer's fee for architectural coatings (a type of area source) was implemented (see below).

The SCAQMD Governing Board adopted amendments in May 2001 to address many of these issues. The amendments included:

1. Emissions fee of \$75.00 for all facilities with at least one written permit (phased in over two years);
2. An alignment of permit processing fees with actual costs based on the tracking data. Categories A, A1, and B were increased and D – H were decreased (phased in over two years); and
3. Emissions fees for equipment or processes not requiring a written permit. Emissions fees were assessed for facilities with a total of permitted and non-permitted emissions over threshold standards described in current Rule 301(e)(5) (phased in over three years).

In May 2002, the SCAQMD Governing Board adopted amendments that adjusted for the California CPI, amended selected special processing fees to better reflect actual costs and implemented the second year phase-in of the fee amendments adopted in 2001.

In June 2003, the following major proposed amendments were adopted by the SCAQMD Governing Board: an across the board CPI rate fee increase of 2%, extending the “Applicability” of ERCs to include Short Term ERCs, defining “Alternative Operating Condition”, payment of all delinquent facility, including toxic “Hot Spots”, fees prior to acceptance of any application for a change to a permit/facility permit condition(s), setting the fee for conversion of permanent ERCs to Short Term ERCs, granting the Executive Officer discretion to reinstate any permits canceled due to error on the part of the SCAQMD, recovery of mileage expenses for employees commuting during overtime hours to work on optional expedited permit processing applications and other administrative amendments.

In June 2004, the following major proposed amendments were adopted by the SCAQMD Governing Board: an across the board rate fee increase of 3% to be implemented over two fiscal years (3% in FY 2004-2005 and 0% in FY 2005-2006), clarification of whether an application to amend a permit is processed as a Change of Condition or an Alteration/Modification, recovering the costs associated with Administrative permit changes for Schedule B and higher equipment, an increase in fees for asbestos/lead project notifications and tracking and the addition of two categories for projects >50,000 square feet and >100,000 square feet, conversion to a flat up-front fee for optional expedited permit processing, optional expedited processing of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS) and Alternative Continuous Emissions Monitoring System (ACEMS) and Protocol/Report Evaluation submittals, recovery of costs associated with notification and tracking of Rule 1149 – Storage Tank Degassing and Rule 1166 – Volatile Organic Compound Emissions from Decontamination of Soil projects, recovery of costs associated with laboratory analysis of non-compliant samples taken in the field for compliance verification, recovery of Plan Audit, Verification, Evaluation, Inspection

and Tracking Costs for area source rules such as: Rules 444 – Open Burning, 1113 – Architectural Coatings, and 1610 – Old Vehicle Scrapping, an across the board increase of \$17 in addition to the approved rate increase for all facilities subject to the AB 2588, overall increase in revenues in order to better recover program costs, and revisions to Rule 308 that maintain the rule language current with changes to Rule 2202 including an adjustment to better align the fee charged for MSERC transactions with processing costs which are comparable to Reclaim Trading Credit transaction processing costs.

In June 2005, the following major proposed amendments were adopted by the SCAQMD Governing Board: 1) to partially address significant under-recovery of consistent program costs, exacerbated by cost increases beyond SCAQMD's control and exceeding the California Consumer Price Index (CPI), an across the board partial cost recovery fee adjustment of 6.0%; 2) Recovering additional Hearing Board costs by increasing fees to recover all costs; 3) Compliance Cost Recovery for RECLAIM / Title V Facilities through a per device based fee to recover the increased costs of compliance activities at RECLAIM facilities. A per device fee of \$500 for Major, \$100 for Large and \$100 for Process units/devices is assessed per facility. Title V facilities pay an annual flat fee of \$300; 4) Recovering the Cost of Permitting "Crude Oil/Gas/Water Separation System (< 30 BPD)" by revising the source category from Schedule B to Schedule C equipment to reflect existing practice which recognizes the correct cost of processing; 5) Recovering the Cost of Certification of Certain Equipment Subject to Rule(s) 1111, 1121 and 1146.2 which recovers the cost of processing applications and issuing certifications/certified permits for certain equipment under the provisions of these rules to be grouped into families of similar units for compliance determination purposes. Certification is a voluntary program that benefits the applicant by having their equipment certified; 6) Recovering the Cost of Preparing Public Notices for Compliance with ERC/STC Issuance which recovers the cost to the SCAQMD of preparing mandatory notices in compliance with the requirements for issuance of ERC and STC credits; 7) a "No Show" Cost Recovery Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing which recovers the resource cost of lost assigned inspector time when testing companies do not show up for or do not conduct Reverification, Performance and Pre-Backfill inspections as scheduled, and do not give prior notification to the SCAQMD if the appointment is to be cancelled; 8) Recovering the Cost of Re-Issuance of Short Term Credits (STC's) which recovers the cost of processing Short Term Credit applications which require the same resources to process as any other emission reduction credit application; 9) and other minor proposed administrative amendments are for correction and clarification.

In June 2006, in order to continue closing the gap between revenues and program expenditures the following major proposed amendments were adopted by the SCAQMD Governing Board to further better align program income from and expenses:

- 1) Staff recommended the Board choose between one of two options. Either, Option 1 a 3.65% rate increase in fees, reflecting the increase in the 2005 California Consumer Price Index (CPI), across-the-board for Regulation III fees where applicable except for Permitting, Annual Renewal and Emissions related fees which

would be increased on a “10-10-10” basis for the 3 upcoming consecutive fiscal years by effecting an additional 6.35% (to total 10%) for FY 2006-2007, an additional 10% in FY 2007-2008, and a 3rd and final 10% increase in FY 2008-2009; or Option 2 – An across-the-board 3.65% rate increase in Regulation III fees, reflecting only the increase in the 2005 California CPI, where applicable. The SCAQMD Governing Board adopted Option 1;

- 2) Rule 301 language was adopted for the Collection of Unpaid Fees for equipment that is issued a Permit to Operate without a prior Permit to Construct so that the applicant must also remit annual operating fees for the source for 3 full years, or the actual years of operation if less than three years;
- 3) The Standard Streamlined Permit fee was aligned with the Administrative Change fee for Schedule B and higher equipment categories;
- 4) Alignment of the fee, for permits that must be reissued with conditions prohibiting the use of toxic materials and for which no evaluation is required, no physical modifications of equipment are made, and the use of substitute materials does not increase Volatile Organic Compounds (VOC) by more than 0.5 pound in any one day with the Administrative Permit Change fee for Schedule B equipment and higher equipment categories;
- 5) Alignment of the fee for permits that are to be reissued for removal of a condition on standby fuel supply where an NSR evaluation is not required;
- 6) The Administrative Change fee for Schedule A and A1 was aligned with the fee for all other schedules;
- 7) An existing CEQA Paragraph in Rule 301 was split into two subparagraphs (1)(A) CEQA Document Preparation with a reduction in the existing addendum to EIR fee and (1)(B) CEQA Document Assistance and a proposed hourly fee for assistance, except for review of CEQA documents created by other agencies;
- 8) The RECLAIM Facility Permit Amendment fee for an application that does not require an engineering evaluation was aligned with such applications that do require an engineering evaluation;
- 9) The RECLAIM Change of Operator fee was aligned with the RECLAIM Facility Permit Amendment fee;
- 10) The Title V Administrative Permit Revision fee was aligned with the non-small business Change of Operator fee as specified in the “Summary of Permit Fee Rates Change of Operator”;
- 11) The Title V Permit Revision fee was aligned with the non-small business Change of Operator fee as specified in the “Summary of Permit Fee Rates Change of Operator”;
- 12) The Title V renewal initial processing fee base rate was amended from 5 to 8 hours to reflect the more accurately the time required to process the typical Title V renewal;

- 13) The Facility Permit Change of Operator fee was aligned with the non-small business Change of Operator fee as specified in the “Summary of Permit Fee Rates Change of Operator.”
- 14) Rule 301 Table: Summary Permit Fee Rates, Schedule A and A1 Change of Condition fee, was aligned with the Administrative Permit Change fee, Schedule F, G and H base rates were increased by an additional 20 hours to reflect the time required to process the typical permit applications subject to these fee schedules,
- 15) Rule 301 Table “Change of Operator” fee for “Operator Non-Small Business” was aligned with the “Administrative Permit Change” fee so that fees were equivalent reflecting the same level of resources required for both and, in addition, the corresponding increase in the maximum per facility fee cap;
- 16) Rule 301 Table IA had categories added reducing fees for control equipment, “three in series” and control equipment, “four or more in series”;
- 17) Rule 301 Table IB fee schedules for small dip tanks, small degreasers, emergency and other combustion engines and sumps were revised to reflect updated information;
- 18) Rule 305 – Fees for Acid Deposition Research was rescinded
- 19) Rule 306 was amended to assess an annual plan review/renewal fee at a flat rate equivalent to the Rule 301(d) Schedule A Annual Renewal rate rather than the existing hourly rate. Also, the fee was made payable, annually, on a date set by the Executive Officer; and furthermore that if the Executive Officer determines that a qualified independent consultant is required by the SCAQMD, to review a specific plan, the fees charged by the consultant will be in addition to all other fees required.
- 20) Rule 307.1 fees except for the “State Fee” amounts in Table I and the maximum small business fee of \$300 were adjusted by the 3.65% increase in the CPI and an annual facility-wide flat fee was adopted for those facilities that operate emergency standby diesel engines, in addition if the Executive Officer determines that staff or an SCAQMD contractor is required to prepare or revise a Health Risk Assessment mandated by AB2588, the staff cost for their work at an hourly rate and the fees charged by the contractor will be charged to the applicant in addition to all the fees required and a surcharge is included on all Table I fees to recover the additional cost of administering AB2588 air toxics programs;
- 21) Rule 308 was amended to require a fee for those facilities that do not notify the SCAQMD within 30 days of becoming subject to Rule 2202 as stipulated in the rule and additionally to also annually register with the SCAQMD to implement an emission reductions program. In addition any person requesting a time extension to submit a Rule 2202 registration is referred to Rule 313 for the procedure to do so
- 22) Rule 309 was amended to clarify the Relocation of the Rule 1610 Scrapping Plan verification inspection fee, previously in Rule 306;
- 23) Rule 312 – Special Permitting for Agricultural Sources was rescinded;

In May 2007, the Board adopted a 3.3% across-the-board increase in Regulation III fees where applicable except for Permitting, Annual Renewal and Emissions related fees which were increased by 10% (corresponding to the second of three such increases) as approved in the prior year by the Board; a correction was made to clarify the Change of Operator fee and not a Change of Location fee are to be charged for Change of Operator applications; a new fee category was added to Rule 301 for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities; clarification that fees for expedited CEQA work, CEMS, FSMS, and ACEMS applications are an additional fee based upon actual review and work time billed at the applicable rate for staff overtime plus an allowance for mileage; a provision for Defense of Permit was adopted such that generally a permit holder upon receipt of a complaint or other legal process regarding the permit may within specified time frames either surrender or be held responsible for the financial cost of defending against the legal action; a correction of the fee schedule for certain fees in the Rule 301 Summary of Permit Fee Rates table and also some fee rates in Table IIC (including footnotes) and a clarification that the Rule 306 Plan Filing fee also applies to and is the same amount for Submittals;

In May 2008, the Board adopted a 4.1% across-the-board increase in Regulation III fees where applicable except for Permitting, Annual Renewal and Emissions related fees which were increased by 10% (corresponding to the last of three such annual increases) as approved by the Board in June 2006. Other amendments included:

- (1) A definition of Greenhouse Gas or GHG;
- (2) A provision that applicants must pay amounts due from court judgments and administrative civil penalties along with the appropriate filing fee at the time of application submittal;
- (3) A reduction in the fees for processing ERCs where there are multiple pieces of identical equipment;
- (4) A provision that projects funded by grant(s) from the SCAQMD's Priority Reserve account would be ineligible for any solar energy credit;
- (5) Halving of the emissions fee threshold, and toxic air contaminant and ozone depleters emissions fees for the transitional six-month period (July 1, 2007 through December 31, 2007);
- (6) A change in the annual reporting of emissions and payment of associated fees from a fiscal year (FY) to a calendar year (CY) time frame, beginning on January 1, 2008; "six-month transitional" reporting and fee payment time period from July 1, 2007 through December 31, 2007;
- (7) Provisions for providing default emission factors, for reporting of emissions that should have been reported but were not and the ability to file AER "Amendment Requests" and "Refund Requests" on January 1 or other applicable date in addition to July 1;
- (8) Clarification that filing reports and paying emissions fees are the responsibility of the owner/operator regardless of notification and that reports are considered late on the 60th day after the applicable due date unless a holiday;

- (9) Conversion of the dates for semi-annual and annual emissions reporting from a fiscal to a calendar year basis;
- (10) Applicants must pay any amounts due from court judgments and administrative civil penalties prior to the reinstatement of any expired applications or permits, Facility Permits, RECLAIM Change of Operator applications;
- (11) Clarification that the public notice preparation fee for dry cleaners located within 1,000 feet of a school that install, modify or replace perchloroethylene dry cleaning equipment to comply with Rule 1421 is waived;
- (12) the deadlines for RECLAIM facilities were revised for filing AER's and paying associated fees for both FY and CY filing;
- (13) A Special Operating fee for petroleum refineries only for calendar year 2008 (to be phased in over two fiscal years) based on SOx emissions to fund the cost of a technology assessment to reduce SOx emissions from the RECLAIM universe;
- (14) A revision of the portable equipment registration program (PERP) for consistency with changes implemented by the CARB;
- (15) A change to the Rule 301 Table III annual emissions fee category limit > 100 TPY to ≥ 100 TPY;
- (16) Clarification that reduced Hearing Board fees are applicable to individuals and other entities with gross annual receipts of \$500,000 or less in addition to clarification that small businesses; will be charged a reduced evaluation fee due upon submittal of plans pursuant to Rule 461(i) – Compliance Plan for Implementation of Phase II Enhanced Vapor Recovery;
- (17) Exemption from Rule 306 – Plan Fees for Rule 2449 compliance plans.

In June 2008, the SCAQMD Governing Board adopted Rule 314 – Fees for Architectural Coatings. This rule sets fees for manufacturers of architectural coatings to recover the SCAQMD cost of regulating architectural coatings and implementing the related programs. Rule 314 was amended in 2013 to streamline the administration of the rule and provide regulatory relief by exempting small manufacturers from paying fees.

In June 2009, the SCAQMD Governing Board opted for no across-the-board increase in Regulation III fees. The following amendments however were approved: a 50% cost recovery surcharge for the voluntary expedited evaluation of Expedited (Emergency) Review for Procedure 4 & 5 Plans for Voluntary Asbestos Removal Plans; a 70% increase in the Initial Rule 2202 ETC Training Class fee to recover program costs; a new fee to recover the cost for New Smoke and Burn Plan Evaluation requirements associated with the evaluation of the new smoke and burn plans submitted pursuant to Rule 444 as amended in November 2008; a cost recovery fee for the sources requesting a High AVR No-Fault inspection; a provision allowing for the Amendment of Employee Commute Reduction Programs (ECRPs); a realignment of the Hearing Board Additional-Day Fees (Hearing Board) for

Appeal Petitions to Establish Parity with Group Variance Petition Additional-Day Fees as a cost recovery measure since appeal hearings that continue more than one day require significant staff resources and preclude any other hearing board activity on the additional days; Rule 301 Table 1B equipment category for both Landfill/Digester Gas Fired Boilers; Reclassifying “Plasma Arc Cutting from Schedule C to B1.

In March 2010, the SCAQMD Governing Board adopted Rule 310 – Amnesty for Unpermitted Equipment stipulating that the Executive Officer would not seek civil or criminal penalties for violations of SCAQMD Permit Rules 201 - Permit to Construct or Rule 203(a) - Permit to Operate due to the failure to apply for or possess a permit to construct or permit to operate if the owner or operator applies for the necessary SCAQMD permit(s) between February 5 and August 4, 2010, inclusive. The amnesty did not cover: (1) violations at Title V facilities, unless the subject equipment qualified as Schedule A, A1, or B in Table I, Rule 301- Permit Fees; (2) violations of Rule 201 and/or 203(a) discovered by the SCAQMD; or (3) violations of Rule 201 caused by construction of equipment for which an application for a permit to construct was filed but a permit was not issued. The rule did not exempt any permit application from any applicable SCAQMD rule (including, but not limited to existing New Source Review requirements) or state or federal laws pertaining to the issuance of permits, except that late applications would also be exempted from normally applicable late filing fees (a 50% surcharge on filing fees and up to three prior years of emissions fees).

In May 2010, the SCAQMD Governing Board adopted a 2.1% across-the-board fee rate increase commensurate with the change in the 2009 CPI, where applicable. However, in recognition of the ongoing economic impacts of the recession, the CPI increase for annual operating and annual emissions fees for FY 2010-11 were rebated. Other major amendments included:

- (1) A credit back to the source for any Rule 317 - Clean Air Act Non-Attainment Fees amounts remitted by a source, to be held in an accruable SCAQMD escrow account and to be used to offset any source obligation;
- (2) Addition of a new fee category to recover cost of voluntary requests to SCAQMD by sources to review Greenhouse Gas (GHG) emissions reports, required to be filed with CARB;
- (3) Deletion of rescinded Rule 1309.2 provisions from Rule 301;
- (4) Clarification that non-timely payment of equipment certification fees will result in certification revocation;
- (5) A change of fee schedule from C to B1 for Control equipment associated with Arc Welding;
- (6) Clarifying changes to some fee schedule “Equipment/Process” descriptions;
- (7) Clarifying fee caps for multiple change of operator applications are only applicable to Non-RECLAIM sources;

- (8) A Rule 306 provision for a specific breakdown of fees for recovering the cost of a voluntary request to SCAQMD by a source to review (GHG) emissions report as required to be filed with CARB;
- (9) A Rule 308 fee of \$100 per transaction to recover the cost of re-issuance of a replacement Rule 2202 ETC certificate;
- (10) Aligning the Rule 308 MSERC certificate issuance fee with the corresponding fee in Rule 309;
- (11) Amending Rule 309 applicability to include Regulation XXV plans; and
- (12) Adoption of a new Rule 315 consolidating training class and license renewal fees.

In October 2010, the SCAQMD Governing Board adopted Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fee. The rule automatically adjusts most SCAQMD Regulation III Fees each July 1 by the change in the California Consumer Price Index for the previous calendar year, unless the SCAQMD Governing Board adopts a different adjustment or no adjustment for that year. In such a case, the automatic adjustment resumes for subsequent years. The rule does not apply to fees for dishonored checks or to Rule 317-Clean Air Act Non-attainment Fees. The rule became operative with the voters approval of Proposition 26 on the November 2, 2010 ballot. Proposition 26, which amended provisions of the California Constitution to broaden the definition of “tax” to include various fees that had heretofore been held to be valid regulatory fees that are not “taxes.” In addition, even if a particular exemption is applicable, Proposition 26 provides that “The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” This reverses the usual burden of proof in litigation which places the burden on the party challenging the fee. Since Rule 320 was adopted prior to November 3, 2010, it is not subject to Proposition 26.

In May 2011, the SCAQMD Governing Board opted to allow most Regulation III fees to increase by the 1.4% change in the 2011 CPI by automatic action of Rule 320. Specific exceptions to automatic fees adjustment are:

- Returned check for service fee in various rules (set by state law at \$25)
- Enforcement inspection fees for Statewide Portable Equipment Registration Program (PERP) in Rule 301(w)
- “State Fee” from Rule 307.1 Table I – Facility Fees by Program Category
- Electronic media submittal fees (Rule 308(c)(2)(D))
- Cost to replace Employee Transportation Coordinator Certificate of Training (Rule 308(g)(3))
- Air Quality Investment Program (AQIP) fees (Rule 311(c))
- Annual Quantity and Emissions Fees for architecture coatings (Rule 314(g)(2)(A)(i) and (ii))

No other amendments were proposed or adopted.

In June 2011, the Board adopted Rule 310.1 - Amnesty for Unpermitted Equipment and Small Business Discount for Control Equipment, effective for the time period between July 1, 2011 and December 31, 2011 inclusive, with the same provisions as in the previously adopted March 2010 amnesty (Rule 310) which however had an effective period from February 5 and August 4, 2010, inclusive, and had by this time sunsetted. Additionally, for small businesses as defined in Rule 102 - Definitions, fees for air pollution control equipment and processes that use exclusively super compliant coatings with a VOC content of less than 25 grams per liter of material, resulting in reduced emissions that require a new permit or permit modification fees were discounted an additional 50% beyond the discount provided, such that the total fee would be 25% of the fee otherwise required by Rule 301.

In May 2012, the SCAQMD Governing Board opted to allow Regulation III fees, where applicable, to increase by the 2.4% change in the 2011 CPI by automatic action of Rule 320. No other amendments were proposed or adopted.

In May 2013, the SCAQMD Governing Board opted to allow Regulation III fees, where applicable, to increase by the 2% change in the 2012 CPI by automatic action of Rule 320. No other amendments were proposed or adopted.

In September 2013, the SCAQMD Governing Board approved amendments to Rule 314 – Fees for Architectural Coatings to clarify certain reporting requirements, to exempt small manufacturers and certain coatings from fees, to remove the ability to use “grouping” in reporting, clarify existing definitions and reporting requirements, and remove outdated phased-in fee rates.

APPENDIX B – SCAQMD RULE 320

(Adopted October 29, 2010)

RULE 320. AUTOMATIC ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES**(a) Purpose**

The purpose of this rule is to automatically adjust most fees established in Regulation III by the California Consumer Price Index each year, unless a rule adopted for a specific year provides otherwise for some or all of those fees.

(b) Applicability

Effective July 1 of each calendar year after October 29, 2010, each fee set forth in Regulation III as of October 29, 2010 shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in Health and Safety Code §40500.1(a).

(c) Exceptions

(1) The provisions of subdivision (b) shall not apply for any fiscal year for which a rule is adopted for a specific fee or fees or for all fees that provides for a different adjustment or no adjustment. In such a case, subdivision (b) shall again apply for the subsequent years.

(2) The provisions of subdivision (b) shall not apply to any fee which is charged for a dishonored check, which shall be as set forth by statute, nor to Rule 317, which shall instead be automatically adjusted as stated in Rule 317(d)(2).

(d) This rule shall become inoperative if the voters do not enact Proposition 26 on the November 2, 2010 ballot.

APPENDIX C 1 – COMPARISON OF FY 2014-2015 WORK PROGRAM TO COST ALLOCATION SCHEDULE

Program Category	(a) Work Program	(b) Adjusted Work Program without Overhead	(c) Allocatable Office Overhead (Allocated)	(d) Allocatable SCAQMD Overhead (Allocated)	(e) Total Work Program with Overhead
Advance Clean Air Technology	\$5,943,280	\$5,943,280	\$246,860	\$1,429,935	\$7,620,074
Ensure Compliance	40,595,094	39,350,612	2,292,143	9,339,878	50,982,633
Customer Service and Business Assistance	11,257,410	6,928,172	624,559	1,608,052	9,160,783
Develop Programs to Achieve Clean Air	9,001,281	8,074,424	465,031	1,860,220	10,399,674
Develop Rules to Achieve Clean Air	6,937,646	6,752,960	347,738	1,514,202	8,614,899
Monitoring Air Quality	10,159,755	9,698,349	355,109	2,271,116	12,324,574
Operational Support	24,127,044	3,219,960	1,262,568	781,710	5,264,238
Timely Review of Permits	20,331,852	20,247,903	1,046,318	4,964,688	26,258,909
Policy Support	3,866,713	1,125,380	209,395	259,514	1,594,289
	\$132,220,074	\$101,341,040	\$6,849,720	\$24,029,314	\$132,220,074

(a) The Work Program is developed from individual Work Plans from each SCAQMD Office and includes a prorated share of the District General budget. (District General expenditures are overhead costs and include utilities, building maintenance, and insurance). The Work Program is described in the Work Program Overview section of the Draft Budget and Work Program.

(b) This column displays the Work Program without the Allocatable Office and Allocatable SCAQMD Overheads.

(c) Allocatable Office Overhead expenditures are for administrative activities that serve an office solely. These costs are allocated over the office's work program lines based on the percent of FTEs assigned to a work program line compared to the total office FTEs excluding allocatable office overhead.

(d) Allocatable SCAQMD Overhead expenditures are for administrative activities that serve all SCAQMD programs. These costs include Personnel, Finance/Payroll, Information Management, Contracts Administration, Governing Board and Committee support, etc. Allocatable SCAQMD costs are allocated over all work program lines based on the percent of FTEs assigned to a work program line compared to the total agency FTEs excluding allocatable overhead.

(e) This column represents the redistribution of the general SCAQMD support expenditures. These fully-burdened expenditures then become the starting point for the Cost Allocation Schedule found on the next page.

APPENDIX C 2 – FY 2014-2015 PROPOSED BUDGET – COST ALLOCATION SUMMARY

Description	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total
EXPENDITURES															
Advance Clean Air Technology	\$3,707,539	\$3,225,446	\$0	\$0	\$0	\$0	\$170,211	\$0	\$0	\$0	\$0	\$516,878	\$0	\$0	\$7,620,074
Compliance	\$4,100,204	\$0	\$1,747,755	\$25,395,500	\$7,448,268	\$1,114,964	\$2,373,916	\$2,499,844	\$1,056,141	\$2,289,806	\$0	\$0	\$1,592,959	\$1,363,277	\$50,982,633
Customer Service	\$2,485,021	\$0	\$63,025	\$2,554,436	\$1,640,831	\$1,922,314	\$109,608	\$108,856	\$0	\$2,055	\$274,636	\$0	\$0	\$0	\$9,160,783
Develop Air Programs	\$4,051,640	\$197,920	\$116,255	\$765,971	\$3,241,294	\$155,297	\$188,607	\$0	\$0	\$0	\$1,141,244	\$541,445	\$0	\$0	\$10,399,674
Develop Rules	\$1,912,572	\$59,376	\$131,899	\$1,472,216	\$4,713,728	\$37,271	\$127,156	\$0	\$0	\$0	\$0	\$5,384	\$155,297	\$0	\$8,614,899
Monitoring Air Quality	\$6,683,561	\$0	\$1,461	\$718,657	\$799,756	\$0	\$3,339,356	\$0	\$0	\$0	\$0	\$385,944	\$395,840	\$0	\$12,324,574
Operational Support	\$170,632	\$0	\$26,178	\$1,618,858	\$1,224,774	\$1,474,046	\$0	\$0	\$206,518	\$0	\$95,450	\$16,920	\$430,861	\$0	\$5,264,238
Permit	\$0	\$0	\$110,045	\$1,618,773	\$753,086	\$23,567,637	\$87,648	\$121,721	\$0	\$0	\$0	\$0	\$0	\$0	\$26,258,909
Policy Support	\$900,984	\$19,792	\$0	\$315,096	\$83,308	\$0	\$0	\$0	\$0	\$0	\$0	\$275,109	\$0	\$0	\$1,594,289
TOTAL EXPENDITURES	\$24,012,154	\$3,502,534	\$2,196,618	\$34,459,507	\$19,905,044	\$28,271,530	\$6,396,502	\$2,730,421	\$1,262,659	\$2,291,861	\$1,511,330	\$1,741,680	\$2,574,957	\$1,363,277	\$132,220,074
REVENUE															
FY 14-15 Projection	\$18,997,646	\$3,501,965	\$3,900,000	\$43,409,143	\$19,593,739	\$17,758,337	\$6,529,152	\$730,000	\$275,000	\$2,291,515	\$880,000	\$8,000,031	\$2,100,000	\$1,184,169	\$129,150,698
1.6% CPI	N/A	N/A	N/A	\$790,895	\$313,500	\$237,439	N/A	\$11,680	\$4,400	N/A	\$14,080	N/A	\$33,600	N/A	\$1,405,593
TOTAL REVENUE	\$18,997,646	\$3,501,965	\$3,900,000	\$44,200,038	\$19,907,239	\$17,995,775	\$6,529,152	\$741,680	\$279,400	\$2,291,515	\$894,080	\$8,000,031	\$2,133,600	\$1,184,169	\$130,556,291
Surplus/(Deficit)	(5,014,508)	(568)	1,703,382	9,740,531	2,195	(10,275,755)	132,650	(1,988,741)	(983,259)	(346)	(617,250)	6,258,351	(441,357)	(179,108)	(1,663,783)
TRANSFER EXCESS REVENUES TO SUPPLEMENT SHORTFALLS															
(1) Annual Op to Permit OH				(\$5,228,639)		\$5,228,639									\$0
(2) Annual Op to Source Testing				(\$1,988,741)				\$1,988,741							\$0
(3) Annual Op to Hearing Board				(\$983,259)					\$983,259						\$0
(4) Other Revenue to PERP												(\$179,108)		\$179,108	\$0
(5) Other Revenue to Area Sources												(\$441,357)	\$441,357		\$0
(6) CARB to Mobile Source & Transportation	\$1,501,198		(\$1,703,382)								\$202,183				\$0
(7) EPA to Mobile Source & Transportation	\$116,905						(\$132,650)				\$15,745				\$0
(8) Other to Mobile Source & Transportation	\$3,396,404										\$399,322	(\$3,795,726)			\$0
ADJUSTED SURPLUS/(DEFICIT)	(\$0)	(\$568)	\$0	\$1,539,892	\$2,195	(\$5,047,116)	\$0	\$0	\$0	(\$346)	\$0	\$1,842,160	\$0	\$0	(\$1,663,783)
Fee Increase % to Cover Costs	n/a	n/a	n/a	-3%	0%	28%	n/a	0%	0%	n/a	0%	n/a	0%	0%	
REVENUE FROM 3% FEE INCREASE ABOVE CPI *				\$1,319,124		\$344,660									\$1,663,783
ADJUSTED SURPLUS/(DEFICIT)	(\$0)	(\$568)	\$0	\$2,859,016	\$2,195	(\$4,702,457)	\$0	\$0	\$0	(\$346)	\$0	\$1,842,160	\$0	\$0	\$0
Adjusted Fee Increase to Cover Costs						26%									0%

APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total
CUSTOMER SERVICE (cont.)																	
44701	Source Testing/Customer Svc	Conduct Source Testing/Prov Data/Cust Svc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896
44709	VOC Sample Analysis/SBA/Other	VOC Analysis & Reporting/Customer Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
50200	Economic Development	Permit Processing/Public Participation	\$0	\$0	\$0	\$0	\$0	\$19,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,475
50260	Fee Review	Fee Review Committee	\$0	\$0	\$0	\$20,157	\$35,056	\$32,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,639
50425	Lobby Permit Services	Support Permit Processing/Customer Service	\$0	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
50520	Permit Processing/Pre-Appl	Pre-Application Mtgs/General Prescreening	\$0	\$0	\$0	\$0	\$0	\$779,015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$779,015
50690	Source Education	Provide Technical Assistance to Industries	\$0	\$0	\$38,172	\$436,249	\$0	\$27,266	\$43,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$545,511
Sub-total CUSTOMER SERVICE			\$2,485,021	\$0	\$63,025	\$2,554,436	\$1,640,831	\$1,922,314	\$109,608	\$108,856	\$0	\$2,055	\$274,636	\$0	\$0	\$0	\$9,160,783
DEVELOP AIR PROGRAMS																	
03010	AQMP	Develop/Implement AQMP	\$6,108	\$0	\$0	\$0	\$9,162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,270
04009	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,635	\$0	\$0	\$23,635
08009	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$13,114
08010	AQMP	AQMP Revision/CEQA Review	\$20,982	\$0	\$0	\$31,473	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,456
26002	AB2766/Mobile Source	AB2766/Mobile Source Outreach	\$184,286	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,286
26010	AQMP	Coordinate AQMP/Special Studies	\$209,563	\$0	\$25,148	\$184,416	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$419,126
26068	AQMD Projects	Prepare Environmental Assessments	\$347,619	\$0	\$0	\$297,959	\$347,619	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$992,196
26102	CEQA Document Projects	Review/Prepare CEQA Comments	\$504,716	\$0	\$0	\$0	\$271,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$776,487
26104	CEQA Policy Development	ID/Develop/Impl CEQA Policy	\$56,766	\$0	\$56,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113,532
26128	Clean Communities Plan	Clean Communities Plan	\$51,766	\$0	\$0	\$0	\$51,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26217	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	\$41,413	\$0	\$33,130	\$0	\$306,453	\$33,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$414,126
26218	Emissions Inventory Studies	Develop Emissions Inventory: Forecasts/RFPs	\$152,191	\$0	\$0	\$0	\$355,113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$507,305
26219	Emissions Field Audit	Emissions Field Audit	\$0	\$0	\$0	\$0	\$103,532	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26221	Emissions Growth Mitigation	Mitigate deve growth	\$248,476	\$0	\$0	\$0	\$62,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$310,595
26397	Lead Agency Projects	Prep Environmental Assessments/Perm Pro	\$0	\$0	\$0	\$0	\$0	\$155,297	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,297
26503	PM Strategies	PM10 Plan/Analyze/Strategy Development	\$0	\$0	\$57,978	\$0	\$704,014	\$0	\$66,260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$828,252
26600	Credit Generation Programs	Dev RFP/AQMP Ctrl Strats/Inter	\$168,239	\$0	\$0	\$0	\$90,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$258,829
26685	Socio-Economic	Apply economic models/Socio-economic	\$0	\$0	\$0	\$164,674	\$658,694	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$823,368
26745	Telecommuting/Rideshare	District Rideshare/Telecommute Programs	\$134,591	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134,591
26816	Regional Transportation Prgrms	Develop AQMP Measure/Develop/Amend Rules	\$124,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124,238
26834	Vehicle/Rule 2202 Implm	2202 Proc/Sub Plans/Tech Eval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$635,684	\$0	\$0	\$0	\$635,684
26836	Vehicle/Rule 2202 Support	2202 Tech Asst/Training/Associations	\$0	\$0	\$0	\$0	\$0	\$0	\$89,216	\$0	\$0	\$0	\$505,560	\$0	\$0	\$0	\$594,777
35560	Public Notification	Public notification of rules/hearings	\$49,095	\$0	\$0	\$30,684	\$42,958	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,737
44009	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148,440	\$0	\$0	\$148,440
44069	AQIP Evaluation	AQIP Contract Administration/Evaluation	\$128,648	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$128,648
44396	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,376	\$0	\$0	\$59,376
44448	Mobile Source Strategies Off Road	CARB Mob Src control strategy for SIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920	\$0	\$0	\$197,920
44451	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src rulemakings	\$296,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44452	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$197,920
44458	Mobile Source Strategies On Road	CARB Mob Src control strategy for SIP	\$0	\$197,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920
44542	Prop 1B:Goods Movement	Prop 1B:Goods Movement	\$1,128,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,128,144
44544	Prop 1B:Low Emiss Sch Bus	Prop 1B:Low Emiss Sch Bus	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44702	Source Testing/Methods	Evaluate Source Testing Methods/Validate	\$0	\$0	\$0	\$0	\$188,024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,024
44705	Source Testing/Sample Analysis	Analyze Source Testing Sample/Air Programs	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
Sub-total DEVELOP AIR PROGRAMS			\$4,051,640	\$197,920	\$116,255	\$765,971	\$3,241,294	\$155,297	\$188,607	\$0	\$0	\$0	\$1,141,244	\$541,445	\$0	\$0	\$10,399,674
DEVELOP RULES																	
03385	Credit Generation Programs	Dev/Impl Marketable Permit	\$0	\$0	\$0	\$0	\$6,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,108
03650	Rules	Develop & Implement Rules	\$611	\$0	\$0	\$11,605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,216
08651	Rules/Legal Advice	Legal Advice: Rules/Draft Regulations	\$0	\$0	\$0	\$0	\$262,278	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$262,278
08661	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
26071	Arch Cigs - Admin	Rder/Aud/DB TA/AQMD/Rpts/AER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,297	\$0	\$155,297
26077	Area Sources/Rulemaking	Develop/Amend/Area Source Rules/Credits	\$82,825	\$0	\$0	\$0	\$745,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$828,252
26084	Blk Carbon Sdy EPA	EPA Blk Carbon Climate Study	\$0	\$0	\$0	\$0	\$0	\$0	\$36,029	\$0	\$0	\$0	\$0	\$5,384	\$0	\$0	\$41,413
26165	Conformity	Monitor General &Transportation Conformity	\$95,249	\$0	\$0	\$0	\$0	\$0	\$8,283	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26362	Health Effects	Study Health Effects/Toxicology	\$286,909	\$0	\$0	\$0	\$48,453	\$37,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,714
26385	Credit/Criteria Pollutants	Develop/Implement Intercredit Trading	\$139,768	\$0	\$0	\$15,530	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,297
26460	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	\$911,290	\$0	\$0	\$0	\$189,359	\$0	\$82,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,183,494
26654	Rulemaking/NOx	Rulemaking/NOx	\$0	\$0	\$0	\$219,487	\$194,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$414,126
26655	NSR/Rulemaking	Develop/Amend NSR & Admin Rules	\$0	\$0	\$0	\$323,018	\$298,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$621,189
26656	Rulemaking/VOC	Develop/Amend VOC Rules	\$0	\$0	\$119,208	\$902,576	\$681,189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,702,973
26659	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	\$0	\$0	\$0	\$0	\$1,035,315	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,035,315
26661	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Issues	\$0	\$0	\$0	\$0	\$455,539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$455,539

APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total	
DEVELOP RULES (cont.)																		
44449	Mob Src/AQMD Rulemaking	Prepare AQMD Mob Src rulemaking proposals	\$395,840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840
44456	MobileSource/AQMP Control Stra	Implement Fleet Rules	\$0	\$59,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,376
44653	Rulemaking/BACT	Develop/Amend BACT Guidelines	\$0	\$0	\$0	\$0	\$395,840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840
44657	Rulemaking/Support EAC	Assist PRA w/ Rulemaking	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896
44706	Source Testing/Sample Analysis	Analyze Source Testing Samples/Rules	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
44708	VOC Sample Analysis/Rules	VOC Analysis & Reporting/Rules	\$0	\$0	\$1,979	\$0	\$47,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
50650	Rulemaking	Develop/Amend/Implement Rules	\$0	\$0	\$10,711	\$0	\$86,665	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50657	Rulemaking/Support PRA	Provide Rule Development Support	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50752	Title III Rulemaking	Title III Develop/Implement Rules	\$0	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688
50773	Title V & NSR Rulemaking Supp	Title V Rule Dev/Amend/Impl	\$0	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688
Sub-total DEVELOP RULES			\$1,912,572	\$59,376	\$131,899	\$1,472,216	\$4,713,728	\$37,271	\$127,156	\$0	\$0	\$0	\$0	\$5,384	\$155,297	\$0	\$0	\$8,614,899
MONITORING AIR QUALITY																		
26061	Air Quality Evaluation	Air Quality Evaluation	\$207,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,063
26439	MATES IV	MATES IV	\$15,944	\$0	\$0	\$0	\$4,762	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,706
26445	Meteorology	Model Development/Data analysis/Forecast	\$450,865	\$0	\$0	\$0	\$99,542	\$0	\$35,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$585,539
26530	Photochemical Assessment	Photochemical Assessment	\$0	\$0	\$0	\$0	\$16,047	\$0	\$35,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,766
44063	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	\$1,815,065	\$0	\$0	\$0	\$377,156	\$0	\$165,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,357,227
44064	Ambient Network	Air Monitoring/Toxics Network	\$2,955,562	\$0	\$0	\$575,759	\$0	\$0	\$307,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,838,392
44065	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	\$152,398	\$0	\$0	\$0	\$25,730	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920
44067	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44073	Arch Ctgs - Other	Sample Analysis/Reports	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840	\$0	\$0	\$395,840
44081	Air Filtration EPA	Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
44082	Air Filtration Other	Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$98,960	
44084	Blk Carbon Study EPA	EPA Blk Carbon Climate Study	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,584	\$0	\$0	\$39,584	
44240	Environmental Justice	Implement Environmental Justice	\$68,579	\$0	\$0	\$0	\$20,485	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,064
44468	NATTS (Nat'l Air Tox Trends Sta)	NATTS (Nat'l Air Trends)	\$193,055	\$0	\$0	\$0	\$20,782	\$0	\$83,043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44469	Near Roadway Monitoring	Near Roadway Monitoring	\$225,332	\$0	\$0	\$43,938	\$0	\$0	\$27,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44505	PM Sampling Program (EPA)	PM Sampling Program - Addition	\$0	\$0	\$0	\$0	\$0	\$0	\$2,097,952	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,097,952
44507	PM Sampling Special Programs	PM Sampling Special Events	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44530	Photochemical Assessment	Photochemical Assessment & Monitoring	\$142,502	\$0	\$0	\$0	\$0	\$0	\$451,258	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760
44585	Quality Assurance	Quality Assurance Branch	\$457,195	\$0	\$0	\$0	\$89,064	\$0	\$47,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760
44663	Salton Sea Air Monitoring	Mon/Analyze Hydrogen Sulfide	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$49,480
44715	Special Monitoring/Emergency	Emergency Response	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44821	TraPac Air Filtr Prg	Admin/Tech Suppt/Reptg/Monitor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920	\$0	\$0	\$0	\$197,920
50210	Emergency Response	Emerg Technical Assistance to Public Safety	\$0	\$0	\$1,461	\$0	\$47,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688
Sub-total MONITORING AIR QUALITY			\$6,683,561	\$0	\$1,461	\$718,657	\$799,756	\$0	\$3,339,356	\$0	\$0	\$0	\$0	\$385,944	\$395,840	\$0	\$0	\$12,324,574
OPERATIONAL SUPPORT																		
04071	Arch Ctgs - Admin	Cost Analysis/Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,272	\$0	\$0	\$7,272
04447	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	\$118,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$118,176
04630	Cash Management	Receive \$/Post Payments/Reconcile	\$0	\$0	\$0	\$572,701	\$95,450	\$190,900	\$0	\$0	\$0	\$0	\$95,450	\$0	\$0	\$0	\$0	\$954,502
08071	Arch Ctgs - Admin	Rule Dev/TA/Rinterpretatons	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$367,189	\$0	\$0	\$367,189
08102	CEQA	CEQA Review	\$52,456	\$0	\$0	\$0	\$131,139	\$78,683	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$262,278
17024	Adm/Governing/Hearing Board	Admin of AQMD Governing/Hearing Boards	\$0	\$0	\$26,178	\$0	\$0	\$0	\$0	\$0	\$206,518	\$0	\$0	\$0	\$0	\$0	\$0	\$232,697
27071	Arch Ctgs - Admin	Database Dev/Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,400	\$0	\$0	\$56,400
27215	Annual Emission Reporting	System Enhancements for GHG	\$0	\$0	\$0	\$0	\$95,880	\$0	\$0	\$0	\$0	\$0	\$0	\$16,920	\$0	\$0	\$0	\$112,800
27480	Systems Development	Develop systems for special operating needs	\$0	\$0	\$0	\$223,199	\$520,799	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$743,998
27616	Records Services	Records/Documents processing	\$0	\$0	\$0	\$441,451	\$0	\$441,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$882,902
27735	Systems Maintenance	Maintain Existing Software Programs	\$0	\$0	\$0	\$381,506	\$381,506	\$763,012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,526,023
Sub-total OPERATIONAL SUPPORT			\$170,632	\$0	\$26,178	\$1,618,858	\$1,224,774	\$1,474,046	\$0	\$0	\$206,518	\$0	\$95,450	\$16,920	\$430,861	\$0	\$0	\$5,264,238
PERMIT																		
	Permit Processing/Legal	Legal Advice: Permit Processing	\$0	\$0	\$0	\$0	\$0	\$39,342	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,342
08772	Title V Permits	Legal Advice: New Source Title V Permits	\$0	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
26120	Certification/Rgistration Prgm	Certification/Registration Program	\$0	\$0	\$0	\$0	\$0	\$372,714	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,714
26461	Perm & CEQA Modeling Review	Model Permit Review/Risk Assessment	\$0	\$0	\$0	\$0	\$0	\$330,595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$330,595
26643	Rule 222 Filing Program	Rule 222 Filing Program	\$0	\$0	\$91,413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,413
27523	Permit Streamlining	Permit Streamlining	\$0	\$0	\$0	\$0	\$0	\$56,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,400
27770	Title V	Dev/Maintain Title V Program	\$0	\$0	\$0	\$0	\$0	\$225,601	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$225,601
35680	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$0	\$0	\$48,697	\$227,255	\$202,906	\$284,069	\$48,697	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$811,624
44545	Protocols/Reports/Plans	Evaluate Test Protocols/Customer Service	\$0	\$0	\$0	\$7,917	\$0	\$11,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44546	Protocols/Reports/Plans	Evaluate Test Protocols/Compliance	\$0	\$0	\$0	\$1,095,487	\$0	\$0	\$0	\$121,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,217,208
44725	Permit Processing/Support EAC	Assist EAC w/ Permit Processing	\$0	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896

APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STA TE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XX	Total
PERMIT (cont.)																	
50253	ERC Appl; Processing	Process ERC Applications	\$0	\$0	\$0	\$0	\$0	\$681,638	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$681,638
50367	Hearing Board/Appeals	Appeals: Permits & Denials	\$0	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50475	NSR/Implementation	Implement NSR/Allocate ERCs	\$0	\$0	\$0	\$0	\$413,852	\$34,082	\$38,951	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$486,885
50476	NSR/Data Cleanup	Edit/Update NSR Data	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50515	Per Proc/Non TV/Non RECLAIM	Non Title V/Title III/RECLAIM	\$0	\$0	\$0	\$0	\$0	\$10,869,886	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,869,886
50517	Permit Services	Facility Data-Create/Edit	\$0	\$0	\$0	\$0	\$0	\$2,434,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,434,423
50518	RECLAIM Non-Title V	Process RECLAIM Permits	\$0	\$0	\$61,347	\$157,751	\$0	\$657,294	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$876,392
50519	Perm Proc/Title III (non TV)	Process Title III Permits	\$0	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
50521	Permit Processing/Expedited Permit	Proc Expedited Permits (3010T)	\$0	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50523	Permit Streamlining	Permit Streamlining	\$0	\$0	\$0	\$0	\$0	\$730,327	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$730,327
50607	RECALIM/Title V	Process RECALIM/Title 5 Permits	\$0	\$0	\$0	\$0	\$0	\$2,414,947	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,414,947
50728	Perm Proc/IM Prog	Assist IM: Design/Review/Test	\$0	\$0	\$0	\$38,951	\$38,951	\$311,606	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$389,508
50774	Title V/Non RECLAIM	Process Title V Only Permits	\$0	\$0	\$0	\$0	\$0	\$3,505,569	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,505,569
50775	Title V Administration	Title V Administration	\$0	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
Sub-total PERMIT			\$0	\$0	\$110,045	\$1,618,773	\$753,086	\$23,567,637	\$87,648	\$121,721	\$0	\$0	\$0	\$0	\$0	\$0	\$26,258,909
POLICY SUPPORT																	
20494	Outreach/Media	Editorials, Op-eds,Talk shows,Commercials	\$146,859	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$146,859
26148	Climate Change	GHG/Climate Change Policy Development	\$0	\$0	\$0	\$227,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$227,769
26240	EJ-Guidance Document	AQ Guidance Documents	\$36,671	\$0	\$0	\$0	\$10,954	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,625
26277	Advisory Group/AQMP	Governing Board/AQMP Advisory Group	\$7,972	\$0	\$0	\$0	\$2,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,353
26278	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Review	\$7,972	\$0	\$0	\$0	\$2,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,353
35280	Advisory Group/Ethnic Comm	GB Ethnic Communities Advisory Group	\$63,286	\$0	\$0	\$0	\$18,904	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,190
35281	Advisory Group/Small Business	Small Business Admin Advisory Group support	\$15,411	\$0	\$0	\$87,327	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$102,737
35345	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives program	\$205,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,475
35414	Legislation/Effects	Lobbying/Analyses/Tracking	\$269,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,690
44276	Advisory Group/Technology Adv	Technology Advancement Advisory Group Supp	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44410	Legislation	Supp/promote/influence legis	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44454	Mob Src.Greenhs Gas Reduc Meas	Provide comments on mob src portion of AB32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,109	\$0	\$0	\$275,109
50148	Climate Change	GHG/Climate Change Support	\$48,688	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
Sub-total POLICY SUPPORT			\$900,984	\$19,792	\$0	\$315,096	\$83,308	\$0	\$0	\$0	\$0	\$0	\$0	\$275,109	\$0	\$0	\$1,594,289
Total Expenditures			\$24,012,154	\$3,502,534	\$2,196,618	\$34,459,507	\$19,905,044	\$28,271,530	\$6,396,502	\$2,730,421	\$1,262,659	\$2,291,861	\$1,511,330	\$1,741,680	\$2,574,957	\$1,363,277	\$132,220,074

APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: IX - MOBILE SOURCES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
03455	ADV CLEAN TECH	Mobile Sources	Dev/Impl Mobile Source Strategies	\$ 30,391	\$ 30,539	\$ 149
04003	ADV CLEAN TECH	AB 2766/MSRC	MSRC Program Administration	62,023	63,633	1,611
04457	ADV CLEAN TECH	Mobile Source/Carl Moyer Adm	Carl Moyer: Contract/Financial Admin	180,752	185,446	4,694
04542	ADV CLEAN TECH	Prop 1B: Goods Movement	Contracts/Finance Admin	88,604	90,905	2,301
04544	ADV CLEAN TECH	Prop 1B: Low Emiss Sch bus	Grants/Finance Admin	8,860	9,090	230
08001	ADV CLEAN TECH	AB 2766/MobileSrc/Legal Advice	AB 2766 Legal Advice: Trans/Mobile Source	12,783	13,114	331
08003	ADV CLEAN TECH	AB 2766/MSRC	Legal Advice: MSRC Program Administration	25,566	39,342	13,775
08457	ADV CLEAN TECH	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	51,133	52,456	1,323
16457	ADV CLEAN TECH	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	214,154	109,557	(104,597)
16542	ADV CLEAN TECH	Prop 1B:Goods Movement	Prop 1B: Goods Movement	-	109,557	109,557
44003	ADV CLEAN TECH	AB 2766/MSRC	MSRC Program Administration	193,329	197,920	4,591
44004	ADV CLEAN TECH	AB 2766/MSRC/Contract Adm	Administer AB 2766 Discretionary Program	579,986	593,760	13,774
44066	ADV CLEAN TECH	AQIP Marine SCR DPF	Admin\Impl	28,999	29,688	689
44424	ADV CLEAN TECH	LNG Trucks CEC	LNG Trucks Admin CEC	193,329	197,920	4,591
44453	ADV CLEAN TECH	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	150,281	153,850	3,569
44457	ADV CLEAN TECH	Mobile Source/Carl Moyer Adm	Carl Moyer: Implement/Administer Grant	1,092,307	1,118,248	25,941
44459	ADV CLEAN TECH	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	541,320	554,176	12,856
44460	ADV CLEAN TECH	VIP Admin	VIP Admin/Outreach/Impl	154,663	158,336	3,673
Sub-total ADV CLEAN TECH				\$ 3,608,480	\$ 3,707,539	\$ 99,059
26076	COMPLIANCE	Area Sources/Compliance	Area Source Compliance	\$ 377,981	\$ 335,595	\$ (42,386)
26645	COMPLIANCE	Rule 1610 Plan Verification	Rule 1610 Plan Verification	93,792	96,284	2,492
26716	COMPLIANCE	Spec Monitoring/R403	Rule 403 Compliance Monitoring	116,484	159,439	42,955
35111	COMPLIANCE	Call Center/Cut Smog	Smoking Vehicle Complaints	1,504,488	1,528,730	24,242
44500	COMPLIANCE	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	606,323	1,372,540	766,217
44716	COMPLIANCE	Special Monitoring	Special Monitoring	365,999	362,227	(3,772)
50538	COMPLIANCE	Port AQ Enforcement	Port AQ Enforcement	94,932	97,377	2,444
50542	COMPLIANCE	Prop 1B:Goods Movement	Prop 1B: Gds Mvmnt/Inspect	56,959	58,426	1,467
50850	COMPLIANCE	VEE Trains	Smoking Trains-Compliance/Inspect/Follow up	87,338	89,587	2,249
Sub-total COMPLIANCE				\$ 3,304,296	\$ 4,100,204	\$ 795,908
04002	CUSTOMER SERV	AB 2766/Mobile Source	Prog Admin: Monitor/Distribute/Audit	\$ 17,721	\$ 28,181	\$ 10,460
08404	CUSTOMER SERV	Legal Rep/Legislation	Draft Legislation/AQMD Position/Meetings	3,835	3,934	99
26007	CUSTOMER SERV	AB 2766/Mobile Source	AB2766 Provide Tech Assistance to Cities	221,874	227,769	5,896
35126	CUSTOMER SERV	Clean Air Congress	Coord of region-wide community group	155,706	158,215	2,509
35205	CUSTOMER SERV	Environmental Education	Curriculum Development/Project Coordination	25,277	25,684	407
35390	CUSTOMER SERV	Intergovernmental	Develop/Implement Local Government Outreach	1,508,471	1,532,306	23,835
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	278,906	281,415	2,509
35555	CUSTOMER SERV	Public Information Center	Inform public of unhealthy air	225,006	227,515	2,509
Sub-total CUSTOMER SERV				\$ 2,436,797	\$ 2,485,021	\$ 48,224
03010	DEV AIR PROG	AQMP	Develop/Implement AQMP	\$ 6,078	\$ 6,108	\$ 30
08010	DEV AIR PROG	AQMP	AQMP Revision/CEQA Review	10,227	20,982	10,756
26002	DEV AIR PROG	AB2766/Mobile Source	AB2766 Mobile Source Outreach	179,516	184,286	4,770
26010	DEV AIR PROG	AQMP	Coordinate AQMP/Special Studies	204,203	209,563	5,360
26068	DEV AIR PROG	AQMD Projects	Prepare Environmental Assessments	367,041	347,619	(19,422)
26102	DEV AIR PROG	CEQA Document Projects	Review/Prepare CEQA Comments	445,765	504,716	58,952
26104	DEV AIR PROG	CEQA Policy Development	ID/Develop/Impl CEQA Policy	115,937	56,766	(59,171)
26128	DEV AIR PROG	Clean Communities Plan	Clean Communities Plan	151,278	51,766	(99,512)
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	80,681	41,413	(39,269)
26218	DEV AIR PROG	Emissions Inventory Studies	Develop Emissions Inventory: Forecasts/RFPs	136,150	152,191	16,042
26221	DEV AIR PROG	Emissions Growth Mitigation	Mitigate deve growth	164,590	248,476	83,886
26600	DEV AIR PROG	Credit Generation Programs	Dev RFP/AQMP Ctrl Strats/Inter	163,884	168,239	4,355
26745	DEV AIR PROG	Telecommuting/Rideshare	District Rideshare/Telecommute Programs	131,107	134,591	3,484
26816	DEV AIR PROG	Regional Transportation Prgms	Develop AQMP Measure/Develop/Amend Rules	121,022	124,238	3,216
35560	DEV AIR PROG	Public Notification	Public notification of rules/hearings	48,443	49,095	652
44069	DEV AIR PROG	AQIP Evaluation	AQIP Contract Administration/Evaluation	125,664	128,648	2,984
44451	DEV AIR PROG	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src rulemakings	289,993	296,880	6,887
44452	DEV AIR PROG	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	96,664	98,960	2,296
44542	DEV AIR PROG	Prop 1B:Goods Movement	Prop 1B:Goods Movement	1,101,973	1,128,144	26,171
44544	DEV AIR PROG	Prop 1B:Low Emiss Sch Bus	Prop 1B:Low Emiss Sch Bus	193,329	98,960	(94,369)
Sub-total DEV AIR PROG				\$ 4,133,545	\$ 4,051,640	\$ (81,905)

**APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: IX - MOBILE SOURCES (cont.)**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
03650	DEVELOP RULES	Rules	Develop & Implement Rules	\$ 608	\$ 611	\$ 3
26077	DEVELOP RULES	Area Sources/Rulemaking	Develop/Amend/Area Source Rules/Credits	80,681	82,825	2,144
26165	DEVELOP RULES	Conformity	Monitor General &Transportation Conformity	92,784	95,249	2,465
26362	DEVELOP RULES	Health Effects	Study Health Effects/Toxicology	279,561	286,989	7,428
26385	DEVELOP RULES	Credit/Criteria Pollutants	Develop/Implement Intercredit Trading	181,533	139,768	(41,766)
26460	DEVELOP RULES	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	892,386	911,290	18,904
44449	DEVELOP RULES	Mob Src/AQMD Rulemaking	Prepare AQMD Mob Src rulemaking proposals	386,657	395,840	9,183
Sub-total DEVELOP RULES				\$ 1,914,211	\$ 1,912,572	\$ (1,638)
26061	MONITOR AIR	Air Quality Evaluation	Air Quality Evaluation	\$ 201,703	\$ 207,063	\$ 5,360
26439	MONITOR AIR	MATES IV	MATES IV	15,531	15,944	413
26445	MONITOR AIR	Meteorology	Model Development/Data analysis/Forecast	430,743	450,865	20,122
44063	MONITOR AIR	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	1,772,959	1,815,065	42,106
44064	MONITOR AIR	Ambient Network	Air Monitoring/Toxics Network	2,769,830	2,955,562	185,732
44065	MONITOR AIR	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	148,863	152,398	3,535
44240	MONITOR AIR	Environmental Justice	Implement Environmental Justice	66,988	68,579	1,591
44468	MONITOR AIR	NATTS (Natl Air Tox Trends Sta)	NATTS (Natl Air Trends)	188,577	193,055	4,479
44469	MONITOR AIR	Near Roadway Monitoring	Near Roadway Monitoring	220,105	225,332	5,227
44501	MONITOR AIR	PM2.5 Program	Analyze PM2.5 Samples	672,784	-	(672,784)
44530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment & Monitoring	139,197	142,502	3,306
44585	MONITOR AIR	Quality Assurance	Quality Assurance Branch	446,589	457,195	10,606
Sub-total MONITOR AIR				\$ 7,073,870	\$ 6,683,561	\$ (390,308)
04447	OPER SUPPORT	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	\$ 115,185	\$ 118,176	\$ 2,991
08102	OPER SUPPORT	CEQA	CEQA Review	38,350	52,456	14,106
Sub-total OPER SUPPORT				\$ 153,535	\$ 170,632	\$ 17,097
20494	POLICY SUPPORT	Outreach/Media	Editorials, Op-eds,Talk shows,Commercials	\$ 149,542	\$ 146,859	\$ (2,682)
26240	POLICY SUPPORT	EJ-Guidance Document	AQ Guidance Documents	43,487	36,671	(6,816)
26277	POLICY SUPPORT	Advisory Group/AQMP	Governing Board/AQMP Advisory Group	7,766	7,972	206
26278	POLICY SUPPORT	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Review	7,766	7,972	206
35280	POLICY SUPPORT	Advisory Group/Ethnic Comm	GB Ethnic Communities Advisory Group	62,283	63,286	1,004
35281	POLICY SUPPORT	Advisory Group/Small Business	Small Business Admin Advisory Group support	15,166	15,411	244
35345	POLICY SUPPORT	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives program	202,216	205,475	3,258
35414	POLICY SUPPORT	Legislation/Effects	Lobbying/Analyses/Tracking	85,886	269,690	183,803
44410	POLICY SUPPORT	Legislation	Supp/promote/influence legis	96,664	98,960	2,296
50148	POLICY SUPPORT	Climate Change	GHG/Climate Change Support	47,466	48,688	1,222
Sub-total POLICY SUPPORT				\$ 718,242	\$ 900,984	\$ 182,742
Total Expenditures				\$ 23,342,975	\$ 24,012,154	\$ 669,178

**APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: VIII - CLEAN FUELS**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
04130	ADV CLEAN TECH	Clean Fuels/Contract Adm	Clean Fuels Contract Admin/Monitor	\$ 26,581	\$ 27,271	\$ 690
08131	ADV CLEAN TECH	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	12,783	13,114	331
44012	ADV CLEAN TECH	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	19,333	19,792	459
44039	ADV CLEAN TECH	Adm/Office Mgmt/Plan&Rule Dev	Assign/Manage/Support Programs	148,863	152,398	3,535
44048	ADV CLEAN TECH	Adm/Prgm Mgmt/Tech Advance	Overall TA Program Management/Coordination	299,659	306,776	7,117
44095	ADV CLEAN TECH	CA Natural Gas Veh Partnership	CA Natural Gas Vehicle Partnership	9,666	9,896	230
44130	ADV CLEAN TECH	Clean Fuels/Contract Adm	Admin/Project Support for TA Contracts	657,317	672,928	15,611
44132	ADV CLEAN TECH	Clean Fuels/Mobile Sources	Develop/Implement Mobile Source Proj/Demo	1,024,642	1,009,392	(15,250)
44134	ADV CLEAN TECH	Clean Fuels/Stationary Combust	Develop/Demo Clean Combustion Technology	135,330	138,544	3,214
44135	ADV CLEAN TECH	Clean Fuels/Stationary Energy	Develop/Demo Clean Energy Alternatives	135,330	138,544	3,214
44136	ADV CLEAN TECH	Clean Fuels/Technology Trnsfer	Disseminate Low Emission Clean Fuel Tech	292,927	286,984	(5,943)
44453	ADV CLEAN TECH	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	139,712	143,030	3,318
44677	ADV CLEAN TECH	School Bus/Lower Emission Prgm	School Bus Program: Oversee Program	38,666	138,544	99,878
44740	ADV CLEAN TECH	Tech Adv/Commercialization	Assess Clean Fuels/Adv Tech Potential	48,332	49,480	1,148
44741	ADV CLEAN TECH	Tech Adv/Non-Combustion	Develop/Demo Non-Combustion Technology	19,333	19,792	459
44816	ADV CLEAN TECH	Transportation Research	Transport Research/Adv Systems	96,664	98,960	2,296
Sub-total ADV CLEAN TECH				\$ 3,105,139	\$ 3,225,446	\$ 120,307
44458	DEV AIR PROG	Mobile Source Strategies On Road	CARB Mob Src control strategy for SIP	\$ 193,329	\$ 197,920	\$ 4,591
44456	DEVELOP RULES	MobileSource/AQMP Control Stra	Implement Fleet Rules	\$ 57,999	\$ 59,376	\$ 1,377
44439	MONITOR AIR	MATESIV	MATESIV	\$ 96,664	\$ -	\$ (96,664)
44276	POLICY SUPPORT	Advisory Group/Technology Adv	Technology Advancement Advisory Group Supp	\$ 19,333	\$ 19,792	\$ 459
Total Expenditures				\$ 3,472,463	\$ 3,502,534	\$ 30,070

APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: XV - CARB SUBVENTION

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 76,699	\$ 78,683	\$ 1,984
26076	COMPLIANCE	Area Sources/Compliance	Area Source Compliance	52,917	46,983	(5,934)
26716	COMPLIANCE	Spec Monitoring/R403	Rule 403 Compliance Monitoring	10,589	14,494	3,905
35111	COMPLIANCE	Call Center/Cut Smog	Smoking Vehicle Complaints	113,241	115,066	1,825
44707	COMPLIANCE	VOC Sample Analysis/Compliance	VOC Analysis & Reporting/Compliance	96,971	99,571	2,600
44716	COMPLIANCE	Special Monitoring	Special Monitoring	33,273	32,930	(343)
50375	COMPLIANCE	Inspections	Compliance/Inspection/Follow-up	1,185,388	1,215,910	30,523
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	132,905	136,328	3,422
50850	COMPLIANCE	VEE Trains	Smoking Trains-Compliance/Inspect/Follow up	7,595	7,790	196
Sub-total COMPLIANCE				\$ 1,709,579	\$ 1,747,755	\$ 38,177
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	\$ 1,063	\$ 1,091	\$ 28
35205	CUSTOMER SERV	Environmental Education	Curriculum Development/Project Coordination	3,033	3,082	49
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	5,055	5,137	81
35381	CUSTOMER SERV	Interagency Liaison	Agency Interact/Promote AQMD	910	925	15
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	14,489	14,619	130
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	37,214	38,172	958
Sub-total CUSTOMER SERV				\$ 61,764	\$ 63,025	\$ 1,261
26010	DEV AIR PROG	AQMP	Coordinate AQMP/Special Studies	\$ 24,504	\$ 25,148	\$ 643
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	64,545	33,130	(31,415)
26503	DEV AIR PROG	PM Strategies	PM10 Plan/Analyze/Strategy Development	56,477	57,978	1,501
Sub-total DEV AIR PROG				\$ 145,527	\$ 116,255	\$ (29,271)
26656	DEVELOP RULES	Rulemaking/VOC	Develop/Amend VOC Rules	\$ 105,823	\$ 119,208	\$ 13,385
44708	DEVELOP RULES	VOC Sample Analysis/Rules	VOC Analysis & Reporting/Rules	1,933	1,979	46
50650	DEVELOP RULES	Rulemaking	Develop/Amend/Implement Rules	10,443	10,711	269
Sub-total DEVELOP RULES				\$ 118,199	\$ 131,899	\$ 13,700
50210	MONITOR AIR	Emergency Response	Emerg Technical Assistance to Public Safety	\$ 1,424	\$ 1,461	\$ 37
17024	OPER SUPPORT	Adm/Governing/Hearing Board	Admin of AQMD Governing/Hearing Boards	\$ 25,751	\$ 26,178	\$ 428
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$ 47,925	\$ 48,697	\$ 772
50518	PERMIT	RECLAIM Non-Title V	Process RECLAIM Permits	59,807	61,347	1,540
Sub-total PERMIT				\$ 107,733	\$ 110,045	\$ 2,312
Total Expenditures				\$ 2,169,975	\$ 2,196,618	\$ 26,643

APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: IV – ANNUAL OPERATING FEES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted	FY 2014-15 Proposed	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 368,157	\$ 377,680	\$ 9,523
08154	COMPLIANCE	Compliance/NOV Administration	Review/Track/Prepare NOV/MSAs	306,798	314,733	7,936
08185	COMPLIANCE	Database Management	Support IM/Develop Tracking System	51,133	82,456	31,323
08366	COMPLIANCE	Hearing Board/Legal	Hearing/Disposition-Variations/App/Recov	715,861	734,378	18,517
08465	COMPLIANCE	Mutual Settlement	Mutual Settlement Program	766,994	786,833	19,839
08770	COMPLIANCE	Title V	Leg Advice: Title V Program/Perm Dev	1,917	1,967	50
17364	COMPLIANCE	Hearing Board/Abatement Orders	Attnd/Record/Monitor Mtgs	22,890	23,270	380
17365	COMPLIANCE	Hearing Board Variations	Hearing Board Attend/Rec/Monitor Mtgs	37,893	38,501	608
26076	COMPLIANCE	Area Sources/Compliance	Area Source Compliance	325,064	288,611	(36,452)
26716	COMPLIANCE	Spec Monitoring/R403	Rule 403 Compliance Monitoring	24,204	33,130	8,926
44015	COMPLIANCE	Acid Rain Program	Acid Rain CEMS Eval/Cert	7,733	7,917	184
44175	COMPLIANCE	Database Computerization	Develop Systems/Database	42,532	43,542	1,010
44707	COMPLIANCE	VOC Sample Analysis/Compliance	VOC Analysis & Reporting/Compliance	1,288,330	1,322,869	34,540
44716	COMPLIANCE	Special Monitoring	Special Monitoring	76,052	75,268	(784)
50156	COMPLIANCE	Permit Process Info to Compliance	Prov Perm Infor to Compliance	455,676	467,409	11,733
50157	COMPLIANCE	Compliance/Special Projects	Program Audits/Data Requests/Board Support	949,325	973,769	24,444
50375	COMPLIANCE	Inspections	Compliance/Inspection/Follow-up	12,417,726	12,737,470	319,744
50377	COMPLIANCE	Inspections/RECLAIM Audits	Audit/Compliance/Assurance	4,327,113	4,438,532	111,419
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	596,624	611,986	15,362
50605	COMPLIANCE	RECLAIM Admin Support	Admin/Policy/Guidelines	854,392	876,392	22,000
50680	COMPLIANCE	Small Business Assistance	Asst sm bus w/ Permit Process	94,932	97,377	2,444
50751	COMPLIANCE	Title III Inspections	Title III Compliance/Inspect/Follow-up	94,932	97,377	2,444
50771	COMPLIANCE	Title V Inspections	Title V Compliance/Inspection/Follow up	939,832	964,031	24,200
Sub-total COMPLIANCE				\$ 24,766,112	\$ 25,395,500	\$ 629,388
04170	CUSTOMER SERV	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	\$ 1,142,129	\$ 1,175,583	\$ 33,454
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	1,595	1,636	41
04355	CUSTOMER SERV	Grants Management	Grant Analysis/Evaluate/Negotiate/Acc/Rpt	155,943	159,993	4,050
04631	CUSTOMER SERV	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	10,632	10,909	276
16720	CUSTOMER SERV	Subscription Services	Rule & Governing Board Materials	364,062	372,495	8,433
35240	CUSTOMER SERV	Environmental Justice	Impl AQMD Board's Environmental Justice	141,551	143,832	2,281
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	40,443	41,095	652
35491	CUSTOMER SERV	Outreach/Business	Chambers/Business Meetings	121,330	130,845	9,515
35514	CUSTOMER SERV	Permit: Expired Permit Program	Assist w/ Permit Reinstatement	60,665	61,642	978
50260	CUSTOMER SERV	Fee Review	Fee Review Committee	19,651	20,157	506
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	425,298	436,249	10,951
Sub-total CUSTOMER SERV				\$ 2,483,299	\$ 2,554,436	\$ 71,137
08010	DEV AIR PROG	AQMP	AQMP Revision/CEQA Review	\$ 15,340	\$ 31,473	\$ 16,133
26010	DEV AIR PROG	AQMP	Coordinate AQMP/Special Studies	179,699	184,416	4,716
26068	DEV AIR PROG	AQMD Projects	Prepare Environmental Assessments	314,606	297,959	(16,647)
26104	DEV AIR PROG	CEQA Policy Development	ID/Develop/Impl CEQA Policy	115,937	56,766	(59,171)
26685	DEV AIR PROG	Socio-Economic	Apply economic models/Socio-economic	163,407	164,674	1,266
35560	DEV AIR PROG	Public Notification	Public notification of rules/hearings	30,277	30,684	407
Sub-total DEV AIR PROG				\$ 819,266	\$ 765,971	\$ (53,295)
03650	DEVELOP RULES	Rules	Develop & Implement Rules	\$ 11,548	\$ 11,605	\$ 57
26385	DEVELOP RULES	Credit/Criteria Pollutants	Develop/Implement Intercredit Trading	20,170	15,530	(4,641)
26654	DEVELOP RULES	Rulemaking/NOx	Rulemaking/NOx	106,903	219,487	112,584
26655	DEVELOP RULES	NSR/Rulemaking	Develop/Amend NSR & Admin Rules	524,429	323,018	(201,411)
26656	DEVELOP RULES	Rulemaking/VOC	Develop/Amend VOC Rules	801,230	902,576	101,346
Sub-total DEVELOP RULES				\$ 1,464,280	\$ 1,472,216	\$ 7,935
44064	MONITOR AIR	Ambient Network	Air Monitoring/Toxics Network	\$ 539,577	\$ 575,759	\$ 36,182
44067	MONITOR AIR	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	96,664	98,960	2,296
44469	MONITOR AIR	Near Roadway Monitoring	Near Roadway Monitoring	42,919	43,938	1,019
Sub-total MONITOR AIR				\$ 679,161	\$ 718,657	\$ 39,496

**APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: IV – ANNUAL OPERATING FEES (cont.)**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted	FY 2014-15 Proposed	Increase/ (Decrease)
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 558,204	\$ 572,701	\$ 14,497
27480	OPER SUPPORT	Systems Development	Develop systems for special operating needs	217,817	223,199	5,382
27616	OPER SUPPORT	Records Services	Records/Documents processing	431,360	441,451	10,091
27735	OPER SUPPORT	Systems Maintenance	Maintain Existing Software Programs	393,798	381,506	(12,292)
Sub-total OPER SUPPORT				\$ 1,601,180	\$ 1,618,858	\$ 17,678
26643	PERMIT	Rule 222 Filing Program	Rule 222 Filing Program	\$ 86,341	\$ 91,413	\$ 5,072
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	223,651	227,255	3,604
44545	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Customer Service	7,733	7,917	184
44546	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Compliance	1,070,074	1,095,487	25,413
50518	PERMIT	RECLAIM Non-Title V	Process RECLAIM Permits	153,791	157,751	3,960
50728	PERMIT	Perm Proc/IM Prog	Assist IM: Design/Review/Test	37,973	38,951	978
Sub-total PERMIT				\$ 1,579,563	\$ 1,618,773	\$ 39,210
26148	POLICY SUPPORT	Climate Change	GHG/Climate Change Policy Development	\$ 403,407	\$ 227,769	\$ (175,638)
35281	POLICY SUPPORT	Advisory Group/Small Business	Small Business Admin Advisory Group support	85,942	87,327	1,385
Sub-total POLICY SUPPORT				\$ 489,349	\$ 315,096	\$ (174,253)
Total Expenditures				\$ 33,882,209	\$ 34,459,507	\$ 577,298

APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: II – EMISSIONS FEES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 920,393	\$ 944,200	\$ 23,807
08380	COMPLIANCE	Interagency Coordination	Coordinate with other agencies	58,803	60,324	1,521
08403	COMPLIANCE	Legal Rep/Litigation	Prepare Hearing/Disposition	665,936	664,483	(1,452)
08770	COMPLIANCE	Title V	Leg Advice: Title V Program/Perm Dev	10,866	11,147	281
26215	COMPLIANCE	Annual Emissions Reporting	Annual Design/Impl/Emission Monitor System	838,869	1,525,335	686,466
26620	COMPLIANCE	Refinery Pilot Project	Refinery Pilot Project	50,426	51,766	1,340
44015	COMPLIANCE	Acid Rain Program	Acid Rain CEMS Eval/Cert	88,931	91,043	2,112
44175	COMPLIANCE	Database Computerization	Develop Systems/Database	12,760	13,063	303
44500	COMPLIANCE	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	177,901	402,717	224,816
50152	COMPLIANCE	Compliance/IM Related Activities	Assist IM: Design/Review/Test	94,932	97,377	2,444
50155	COMPLIANCE	Compliance Guidelines	Policy/Procedures/Memos/Manuals	94,932	97,377	2,444
50158	COMPLIANCE	Compliance Testing	R461/Combustion Equip Testing	189,865	194,754	4,889
50377	COMPLIANCE	Inspections/RECLAIM Audits	Audit/Compliance/Assurance	191,673	196,608	4,935
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	1,017,228	1,043,421	26,193
50605	COMPLIANCE	RECLAIM Admin Support	Admin/Policy/Guidelines	664,527	681,638	17,111
50678	COMPLIANCE	School Siting	Identify Hax. Emission Sources near schools	189,865	194,754	4,889
50771	COMPLIANCE	Title V Inspections	Title V Compliance/Inspection/Follow up	1,148,683	1,178,261	29,577
Sub-total COMPLIANCE				\$ 6,416,591	\$ 7,448,268	\$ 1,031,677
04170	CUSTOMER SERV	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	\$ 142,766	\$ 146,948	\$ 4,182
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	12,405	12,727	322
08404	CUSTOMER SERV	Legal Rep/Legislation	Draft Legislation/AQMD Position/Meetings	8,948	9,180	231
08681	CUSTOMER SERV	Small Business/Legal Advice	Legal Advice: Small Business/Fee Review	12,783	6,557	(6,226)
26216	CUSTOMER SERV	Annual Emissions Reporting	AER Design/Implement/Monitor Emissions	30,256	414,126	383,871
35126	CUSTOMER SERV	Clean Air Congress	Coord of region-wide community group	46,510	47,259	749
35205	CUSTOMER SERV	Environmental Education	Curriculum Development/Project Coordination	22,244	22,602	358
35240	CUSTOMER SERV	Environmental Justice	Impl AQMD Board's Environmental Justice	262,881	267,117	4,236
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	40,443	41,095	652
35390	CUSTOMER SERV	Intergovernmental	Develop/Implement Local Government Outreach	450,582	457,702	7,120
35491	CUSTOMER SERV	Outreach/Business	Chambers/Business Meetings	80,886	87,230	6,343
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	54,332	54,821	489
35555	CUSTOMER SERV	Public Information Center	Inform public of unhealthy air	37,988	38,412	424
50260	CUSTOMER SERV	Fee Review	Fee Review Committee	34,176	35,056	880
Sub-total CUSTOMER SERV				\$ 1,237,200	\$ 1,640,831	\$ 403,630
03010	DEV AIR PROG	AQMP	Develop/Implement AQMP	\$ 9,117	\$ 9,162	\$ 45
26068	DEV AIR PROG	AQMD Projects	Prepare Environmental Assessments	367,041	347,619	(19,422)
26102	DEV AIR PROG	CEQA Document Projects	Review/Prepare CEQA Comments	240,027	271,770	31,743
26128	DEV AIR PROG	Clean Communities Plan	Clean Communities Plan	151,278	51,766	(99,512)
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	597,042	306,453	(290,589)
26218	DEV AIR PROG	Emissions Inventory Studies	Develop Emissions Inventory: Forecasts/RFPs	317,683	355,113	37,430
26219	DEV AIR PROG	Emissions Field Audit	Emissions Field Audit	403,407	103,532	(299,875)
26221	DEV AIR PROG	Emissions Growth Mitigation	Mitigate deve growth	41,148	62,119	20,971
26503	DEV AIR PROG	PM Strategies	PM10 Plan/Analyze/Strategy Development	685,792	704,014	18,223
26600	DEV AIR PROG	Credit Generation Programs	Dev RFP/AQMP Ctrl Strats/Inter	88,245	90,590	2,345
26685	DEV AIR PROG	Socio-Economic	Apply economic models/Socio-economic	653,629	658,694	5,065
35560	DEV AIR PROG	Public Notification	Public notification of rules/hearings	42,388	42,958	570
44702	DEV AIR PROG	Source Testing/Methods	Evaluate Source Testing Methods/Validate	183,662	188,024	4,362
44705	DEV AIR PROG	Source Testing/Sample Analysis	Analyze Source Testing Sample/Air Programs	48,332	49,480	1,148
Sub-total DEV AIR PROG				\$ 3,828,791	\$ 3,241,294	\$ (587,496)

APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: II – EMISSIONS FEES (cont.)

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
03385	DEVELOP RULES	Credit Generation Programs	Dev/Impl Marketable Permit	\$ 6,078	\$ 6,108	\$ 30
08651	DEVELOP RULES	Rules/Legal Advice	Legal Advice: Rules/Draft Regulations	191,749	262,278	70,529
08661	DEVELOP RULES	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	25,566	13,114	(12,453)
26077	DEVELOP RULES	Area Sources/Rulemaking	Develop/Amend/Area Source Rules/Credits	726,133	745,427	19,295
26362	DEVELOP RULES	Health Effects	Study Health Effects/Toxicology	47,199	48,453	1,254
26460	DEVELOP RULES	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	185,431	189,359	3,928
26654	DEVELOP RULES	Rulemaking/NOx	Rulemaking/NOx	94,801	194,639	99,839
26655	DEVELOP RULES	NSR/Rulemaking	Develop/Amend NSR & Admin Rules	484,088	298,171	(185,917)
26656	DEVELOP RULES	Rulemaking/VOC	Develop/Amend VOC Rules	604,702	681,189	76,488
26659	DEVELOP RULES	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	645,451	1,035,315	389,864
26661	DEVELOP RULES	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Issues	403,407	455,539	52,132
44653	DEVELOP RULES	Rulemaking/BACT	Develop/Amend BACT Guidelines	386,657	395,840	9,183
44657	DEVELOP RULES	Rulemaking/Support EAC	Assist PRA w/ Rulemaking	9,666	9,896	230
44706	DEVELOP RULES	Source Testing/Sample Analysis	Analyze Source Testing Samples/Rules	48,332	49,480	1,148
44708	DEVELOP RULES	VOC Sample Analysis/Rules	VOC Analysis & Reporting/Rules	46,399	47,501	1,102
50650	DEVELOP RULES	Rulemaking	Develop/Amend/Implement Rules	84,490	86,665	2,176
50657	DEVELOP RULES	Rulemaking/Support PRA	Provide Rule Development Support	94,932	97,377	2,444
50752	DEVELOP RULES	Title III Rulemaking	Title III Develop/Implement Rules	47,466	48,688	1,222
50773	DEVELOP RULES	Title V & NSR Rulemaking Supp	Title V Rule Dev/Amend/Impl	47,466	48,688	1,222
Sub-total DEVELOP RULES				\$ 4,180,014	\$ 4,713,728	\$ 533,715
26439	MONITOR AIR	MATES IV	MATES IV	\$ 4,639	\$ 4,762	\$ 123
26445	MONITOR AIR	Meteorology	Model Development/Data analysis/Forecast	95,099	99,542	4,442
26530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment	15,632	16,047	415
44063	MONITOR AIR	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	368,407	377,156	8,749
44065	MONITOR AIR	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	25,133	25,730	597
44240	MONITOR AIR	Environmental Justice	Implement Environmental Justice	20,010	20,485	475
44468	MONITOR AIR	NATTS (Natl Air Tox Trends Sta)	NATTS (Natl Air Trends)	20,300	20,782	482
44501	MONITOR AIR	PM2.5 Program	Analyze PM2.5 Samples	197,195		(197,195)
44585	MONITOR AIR	Quality Assurance	Quality Assurance Branch	86,998	89,064	2,066
44715	MONITOR AIR	Special Monitoring/Emergency	Emergency Response	96,664	98,960	2,296
50210	MONITOR AIR	Emergency Response	Emerg Technical Assistance to Public Safety	46,042	47,228	1,186
Sub-total MONITOR AIR				\$ 976,119	\$ 799,756	\$ (176,363)
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 93,034	\$ 95,450	\$ 2,416
08102	OPER SUPPORT	CEQA	CEQA Review	95,874	131,139	35,265
27215	OPER SUPPORT	Annual Emission Reporting	System Enhancements for GHG	93,339	95,880	2,542
27480	OPER SUPPORT	Systems Development	Develop systems for special operating needs	508,241	520,799	12,558
27735	OPER SUPPORT	Systems Maintenance	Maintain Existing Software Programs	393,798	381,506	(12,292)
Sub-total OPER SUPPORT				\$ 1,184,286	\$ 1,224,774	\$ 40,488
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$ 199,688	\$ 202,906	\$ 3,218
50475	PERMIT	NSR/Implementation	Implement NSR/Allocate ERCs	403,463	413,852	10,389
50476	PERMIT	NSR/Data Cleanup	Edit/Update NSR Data	94,932	97,377	2,444
50728	PERMIT	Perm Proc/IM Prog	Assist IM: Design/Review/Test	37,973	38,951	978
Sub-total PERMIT				\$ 736,057	\$ 753,086	\$ 17,029
26240	POLICY SUPPORT	EJ-Guidance Document	AQ Guidance Documents	\$ 12,990	\$ 10,954	\$ (2,036)
26277	POLICY SUPPORT	Advisory Group/AQMP	Governing Board/AQMP Advisory Group	2,320	2,381	62
26278	POLICY SUPPORT	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Review	2,320	2,381	62
35280	POLICY SUPPORT	Advisory Group/Ethnic Comm	GB Ethnic Communities Advisory Group	18,604	18,904	300
50148	POLICY SUPPORT	Climate Change	GHG/Climate Change Support	47,466	48,688	1,222
Sub-total POLICY SUPPORT				\$ 83,699	\$ 83,308	\$ (391)
Total Expenditures				\$ 18,642,756	\$ 19,905,044	\$ 1,262,288

APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: III – PERMIT PROCESSING FEES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
44105	COMPLIANCE	CEMS Certification	CEMS Review/Approval	\$ 594,486	\$ 608,604	\$ 14,118
50156	COMPLIANCE	Permit Process Info to Compliance	Prov Perm Infor to Compliance	113,919	116,852	2,933
50605	COMPLIANCE	RECLAIM Admin Support	Admin/Policy/Guidelines	379,730	389,508	9,778
Sub-total COMPLIANCE				\$ 1,088,135	\$ 1,114,964	\$ 26,829
04170	CUSTOMER SERV	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	142,766	146,948	4,182
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	2,658	2,727	69
04631	CUSTOMER SERV	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	37,214	38,180	966
08681	CUSTOMER SERV	Small Business/Legal Advice	Legal Advice: Small Business/Fee Review	12,783	6,557	(6,226)
27481	CUSTOMER SERV	Systems Development	Develop systems in support of District-wide	365,825	454,081	88,256
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	15,166	15,411	244
35679	CUSTOMER SERV	Small Business Assistance	Small Business Assistance	202,216	205,475	3,258
50200	CUSTOMER SERV	Economic Development	Permit Processing/Public Participation	18,986	19,475	489
50260	CUSTOMER SERV	Fee Review	Fee Review Committee	31,613	32,427	814
50425	CUSTOMER SERV	Lobby Permit Services	Support Permit Processing/Customer Service	189,865	194,754	4,889
50520	CUSTOMER SERV	Permit Processing/Pre-Appl	Pre-Application Mtgs/General Prescreening	759,460	779,015	19,555
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	26,581	27,266	684
Sub-total CUSTOMER SERV				\$ 1,805,133	\$ 1,922,314	\$ 117,181
26397	DEV AIR PROG	Lead Agency Projects	Prep Environmental Assessments/Perm Proj	\$ 262,215	\$ 155,297	\$ (106,917)
26362	DEVELOP RULES	Health Effects	Study Health Effects/Toxicology	\$ 36,307	\$ 37,271	\$ 965
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 186,068	\$ 190,900	\$ 4,832
08102	OPER SUPPORT	CEQA	CEQA Review	57,525	78,683	21,159
27616	OPER SUPPORT	Records Services	Records/Documents processing	431,360	441,451	10,091
27735	OPER SUPPORT	Systems Maintenance	Maintain Existing Software Programs	787,596	763,012	(24,585)
Sub-total OPER SUPPORT				\$ 1,462,549	\$ 1,474,046	\$ 11,498
08516	PERMIT	Permit Processing/Legal	Legal Advice: Permit Processing	\$ 63,916	\$ 39,342	\$ (24,575)
08772	PERMIT	Title V Permits	Legal Advice: New Source Title V Permits	25,566	13,114	(12,453)
26120	PERMIT	Certification/Rgistration Prgm	Certification/Registration Program	363,066	372,714	9,647
26461	PERMIT	Perm & CEQA Modeling Review	Model Permit Review/Risk Assessment	322,555	330,595	8,039
27523	PERMIT	Permit Streamlining	Permit Streamlining	54,905	56,400	1,495
27770	PERMIT	Title V	Dev/Maintain Title V Program	219,621	225,601	5,980
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	279,564	284,069	4,505
44545	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Customer Service	11,600	11,875	275
44725	PERMIT	Permit Processing/Support EAC	Assist EAC w/ Permit Processing	9,666	9,896	230
50253	PERMIT	ERC Appl; Processing	Process ERC Applications	664,527	681,638	17,111
50367	PERMIT	Hearing Board/Appeals	Appeals: Permits & Denials	94,932	97,377	2,444
50475	PERMIT	NSR/Implementation	Implement NSR/Allocate ERCs	33,226	34,082	856
50515	PERMIT	Per Proc/Non TV/Non RECLAIM	Non Title V/Title III/RECLAIM	10,609,533	10,869,886	260,352
50517	PERMIT	Permit Services	Facility Data-Create/Edit	2,373,312	2,434,423	61,110
50518	PERMIT	RECLAIM Non-Title V	Process RECLAIM Permits	640,794	657,294	16,500
50519	PERMIT	Perm Proc/Title III (non TV)	Process Title III Permits	189,865	194,754	4,889
50521	PERMIT	Permit Processing/Expedited Permit	Proc Expedited Permits (301OT)	94,932	97,377	2,444
50523	PERMIT	Permit Streamlining	Permit Streamlining	711,994	730,327	18,333
50607	PERMIT	RECALIM/Title V	Process RECALIM/Title 5 Permits	2,401,792	2,414,947	13,155
50728	PERMIT	Perm Proc/IM Prog	Assist IM: Design/Review/Test	303,784	311,606	7,822
50774	PERMIT	Title V/Non RECLAIM	Process Title V Only Permits	3,417,570	3,505,569	87,999
50775	PERMIT	Title V Administration	Title V Administration	189,865	194,754	4,889
Sub-total PERMIT				\$ 23,076,588	\$ 23,567,637	\$ 491,049
Total Expenditures				\$ 27,730,926	\$ 28,271,530	\$ 540,605

APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: V – FEDERAL GRANTS/OTHER FEDERAL REVENUE

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
44190	ADV CLEAN TECH	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	\$ 21,266	\$ 21,771	\$ 505
44497	ADV CLEAN TECH	Plug-in Hybrid EV DOE ARRA	DOE Plug-in Hybrid EV Admin (ARRA)	144,996	148,440	3,444
Sub-total ADV CLEAN TECH				\$ 166,263	\$ 170,211	\$ 3,949
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 92,039	\$ 94,420	\$ 2,381
08380	COMPLIANCE	Interagency Coordination	Coordinate with other agencies	5,113	5,246	132
17365	COMPLIANCE	Hearing Board Variances	Hearing Board Attend/Rec/Monitor Mtgs	45,472	46,202	730
26215	COMPLIANCE	Annual Emissions Reporting	Annual Design/Impl/Emission Monitor System	72,945	132,638	59,693
26357	COMPLIANCE	GHG Rpt Sys - EPA	GHG Reptg Sys EPA Admin/Impl	20,170	-	(20,170)
26645	COMPLIANCE	Rule 1610 Plan Verification	Rule 1610 Plan Verification	7,060	7,247	188
44500	COMPLIANCE	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	203,754	461,239	257,486
50375	COMPLIANCE	Inspections	Compliance/Inspection/Follow-up	1,434,192	1,471,121	36,929
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	151,892	155,803	3,911
Sub-total COMPLIANCE				\$ 2,032,637	\$ 2,373,916	\$ 341,278
04355	CUSTOMER SERV	Grants Management	Grant Analysis/Evaluate/Negotiate/Acc/Rpt	\$ 21,265	\$ 21,817	\$ 552
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	14,489	14,619	130
35555	CUSTOMER SERV	Public Information Center	Inform public of unhealthy air	29,222	29,547	326
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	42,530	43,625	1,095
Sub-total CUSTOMER SERV				\$ 107,505	\$ 109,608	\$ 2,104
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	\$ 64,545	\$ 33,130	\$ (31,415)
26463	DEV AIR PROG	Mold EPA Project	Mold EPA Project/Admin Impl	20,170	-	(20,170)
26503	DEV AIR PROG	PM Strategies	PM10 Plan/Analyze/Strategy Development	64,545	66,260	1,715
26836	DEV AIR PROG	Vehicle/Rule 2202 Support	2202 Tech Asst/Training/Associations	84,848	89,216	4,369
Sub-total DEV AIR PROG				\$ 234,108	\$ 188,607	\$ (45,501)
26084	DEVELOP RULES	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	\$ -	\$ 36,029	\$ 36,029
26165	DEVELOP RULES	Conformity	Monitor General &Transportation Conformity	8,068	8,283	214
26460	DEVELOP RULES	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	81,126	82,845	1,719
Sub-total DEVELOP RULES				\$ 89,194	\$ 127,156	\$ 37,962
26445	MONITOR AIR	Meteorology	Model Development/Data analysis/Forecast	\$ 33,564	\$ 35,132	\$ 1,568
26530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment	34,794	35,718	925
44063	MONITOR AIR	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	161,178	165,006	3,828
44064	MONITOR AIR	Ambient Network	Air Monitoring/Toxics Network	287,775	307,071	19,297
44065	MONITOR AIR	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	19,333	19,792	459
44081	MONITOR AIR	Air Filtration EPA	Admin\Impl	48,332	49,480	1,148
44468	MONITOR AIR	NATTS (Nat'l Air Tox Trends Sta)	NATTS (Nat'l Air Trends)	81,117	83,043	1,926
44469	MONITOR AIR	Near Roadway Monitoring	Near Roadway Monitoring	26,969	27,610	640
44501	MONITOR AIR	PM2.5 Program	Analyze PM2.5 Samples	289,993	-	(289,993)
44505	MONITOR AIR	PM Sampling Program (EPA)	PM Sampling Program - Addition	2,049,284	2,097,952	48,668
44507	MONITOR AIR	PM Sampling Special Programs	PM Sampling Special Events	19,333	19,792	459
44530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment & Monitoring	440,789	451,258	10,468
44585	MONITOR AIR	Quality Assurance	Quality Assurance Branch	46,399	47,501	1,102
Sub-total MONITOR AIR				\$ 3,538,860	\$ 3,339,356	\$ (199,504)
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$ 47,925	\$ 48,697	\$ 772
50475	PERMIT	NSR/Implementation	Implement NSR/Allocate ERCs	37,973	38,951	978
Sub-total PERMIT				\$ 85,898	\$ 87,648	\$ 1,750
Total Expenditures				\$ 6,254,465	\$ 6,396,502	\$ 142,037

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: VI – SOURCE TEST/ANALYSIS FEES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
44105	COMPLIANCE	CEMS Certification	CEMS Review/Approval	\$ 594,486	\$ 608,604	\$ 14,118
44175	COMPLIANCE	Database Computerization	Develop Systems/Database	29,773	30,480	707
44450	COMPLIANCE	Microscopical Analysis	Asbestos/PM/Metals Analysis	579,986	593,760	13,774
44700	COMPLIANCE	Source Testing/Compliance	Conduct Source Testing/Prov Data/Compliance	454,989	475,320	20,331
44704	COMPLIANCE	Source Testing/Compliance	Analyze Source Testing Samples/Compliance	773,315	791,680	18,365
Sub-total COMPLIANCE				\$ 2,432,548	\$ 2,499,844	\$ 67,296
44701	CUSTOMER SERV	Source Testing/Customer Svc	Conduct Source Testing/Prov Data/Cust Svc	\$ 9,666	\$ 9,896	\$ 230
44709	CUSTOMER SERV	VOC Sample Analysis/SBA/Other	VOC Analysis & Reporting/Customer Service	96,664	98,960	2,296
Sub-total CUSTOMER SERV				\$ 106,331	\$ 108,856	\$ 2,525
44546	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Compliance	\$ 118,897	\$ 121,721	\$ 2,824
Total Expenditures				\$ 2,657,776	\$ 2,730,421	\$ 72,644

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: VII – HEARING BOARD FEES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 76,699	\$ 78,683	\$ 1,984
17365	COMPLIANCE	Hearing Board Variances	Hearing Board Attend/Rec/Monitor Mtgs	674,502	685,327	10,824
50365	COMPLIANCE	Hearing Board/Variances	Variances/Orders of Abatement	284,797	292,131	7,333
Sub-total COMPLIANCE				\$ 1,035,999	\$ 1,056,141	\$ 20,142
17024	OPER SUPPORT	Adm/Governing/Hearing Board	Admin of AQMD Governing/Hearing Boards	\$ 203,145	\$ 206,518	\$ 3,373
Total Expenditures				\$ 1,239,144	\$ 1,262,659	\$ 23,515

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: X – AB 2588 TOXICS “HOT SPOT” FEES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
04791	COMPLIANCE	Toxics AB 2588	AB 2588 Air Toxics Hot Spots Fee Collection	\$ 41,581	\$ 42,271	\$ 690
08791	COMPLIANCE	Toxics AB 2588	AB 2588 Legal Advice: Plan & Implement	12,783	13,114	331
26790	COMPLIANCE	Toxics AB 2588 Plans/Rpts	AB2588/Review Report/Risk Assessment Plan	100,852	-	(100,852)
26794	COMPLIANCE	Toxics/AB2588	AB2588 Core, Tracking, IWS	1,411,924	1,760,036	348,112
27791	COMPLIANCE	Toxics AB 2588	AB 2588 Database Software Support	165,410	168,400	2,990
44794	COMPLIANCE	Toxics AB 2588	Evaluate Protocols/Methods/Source Testing	241,661	247,400	5,739
44795	COMPLIANCE	Toxics\Engineering	R1401 Toxics/HRA Prot/Rpt Eval	9,666	9,896	230
50791	COMPLIANCE	Toxics/AB2588	Risk Reduct Plan Rev/Comm Mtgs	-	48,688	48,688
Sub-total COMPLIANCE				\$ 1,983,878	\$ 2,289,806	\$ 305,928
35791	CUSTOMER SERV	Toxics AB 2588	Outreach/AB2588 Air Toxics	\$ 2,022	\$ 2,055	\$ 33
26789	MONITOR AIR	Toxic Inventory Development	Toxic Emission Inventory Study	\$ 201,703	\$ -	\$ (201,703)
Total Expenditures				\$ 2,187,604	\$ 2,291,861	\$ 104,257

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: XI – TRANSPORTATION PROGRAMS**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
04631	CUSTOMER SERV	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	\$ 5,316	\$ 5,454	\$ 138
26833	CUSTOMER SERV	Rule 2202 Employee Training	Employee Training: Process/Evaluation	262,215	269,182	6,967
Sub-total CUSTOMER SERV				\$ 267,531	\$ 274,636	\$ 7,106
26834	DEV AIR PROG	Vehicle/Rule 2202 Implm	2202 Proc/Sub Plans/Tech Eval	\$ 619,230	\$ 635,684	\$ 16,454
26836	DEV AIR PROG	Vehicle/Rule 2202 Support	2202 Tech Asst/Training/Associations	480,803	505,560	24,757
Sub-total DEV AIR PROG				\$ 1,100,033	\$ 1,141,244	\$ 41,211
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 93,034	\$ 95,450	\$ 2,416
Total Expenditures				\$ 1,460,597	\$ 1,511,330	\$ 50,733

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: XVII – OTHER REVENUE**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
26738	ADV CLEAN TECH	Target Air Shed EPA	Targeted Air Shed Admin\Impl	\$ 100,852	\$ 51,766	\$ (49,086)
44361	ADV CLEAN TECH	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	386,657	-	(386,657)
44188	ADV CLEAN TECH	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	-	39,584	39,584
44361	ADV CLEAN TECH	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	-	395,840	395,840
44738	ADV CLEAN TECH	Target Air Shed EPA	Targeted Air Shed Admin/Impl	28,999	29,688	689
Sub-total ADV CLEAN TECH				\$ 516,508	\$ 516,878	\$ 369
04009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$ 23,037	\$ 23,635	\$ 598
08009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	12,783	13,114	331
26009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	100,852	-	(100,852)
26103	DEV AIR PROG	CEQA Special Projects	Contracted by Lead Agency	80,681	-	(80,681)
44009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	144,996	148,440	3,444
44396	DEV AIR PROG	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	57,999	59,376	1,377
44448	DEV AIR PROG	Mobile Source Strategies Off Road	CARB Mob Src control strategy for SIP	193,329	197,920	4,591
44452	DEV AIR PROG	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	96,664	98,960	2,296
Sub-total DEV AIR PROG				\$ 710,341	\$ 541,445	\$ (168,896)
26084	DEVELOP RULES	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	\$ -	\$ 5,384	\$ 5,384
26151	MONITOR AIR	Community Scale Air Toxics Study	EPA-Funded airports air monitoring	\$ 100,852	\$ -	\$ (100,852)
26821	MONITOR AIR	TraPac Air Filter Prg	Admin\Tech Support\Reporting\Monitor	50,426	-	(50,426)
44082	MONITOR AIR	Air Filtration Other	Admin\Impl	96,664	98,960	2,296
44084	MONITOR AIR	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	-	39,584	39,584
44151	MONITOR AIR	Community Scale Air Toxics Study	EPA-funded airports air monit	193,329	-	(193,329)
44663	MONITOR AIR	Salton Sea Air Monitoring	Mon/Analyze Hydrogen Sulfide	48,332	49,480	1,148
44821	MONITOR AIR	TraPac Air Filt Prg	Admin/Tech Suppt/Reptg/Monitor	193,329	197,920	4,591
Sub-total MONITOR AIR				\$ 682,931	\$ 385,944	\$ (296,987)
27215	OPER SUPPORT	Annual Emission Reporting	System Enhancements for GHG	\$ 16,472	\$ 16,920	\$ 449
44454	POLICY SUPPORT	Mob Src:Greenhs Gas Reduc Meas	Provide comments on mob src portion of AB32	\$ 268,727	\$ 275,109	\$ 6,382
Total Expenditures				\$ 2,194,980	\$ 1,741,680	\$ (453,300)

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: XVIII – AREA SOURCES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08072	COMPLIANCE	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOVs	\$ 12,783	\$ 13,114	\$ 331
08073	COMPLIANCE	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOVs	127,832	52,456	(75,377)
26072	COMPLIANCE	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	201,703	207,063	5,360
26073	COMPLIANCE	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	201,703	207,063	5,360
44072	COMPLIANCE	Arch Ctgs-End User	Sample Analysis Reports	193,329	197,920	4,591
50071	COMPLIANCE	Arch Ctgs-Admin	Report Review	18,986	19,475	489
50072	COMPLIANCE	Arch Ctgs-End User	Compliance/Rpts/RuleImpmenta	18,986	19,475	489
50073	COMPLIANCE	Arch Ctgs-Other	Compliance/Rpts/RuleImpmenta	854,392	876,392	22,000
Sub-total COMPLIANCE				\$ 1,629,717	\$ 1,592,959	\$ (36,758)
26071	DEVELOP RULES	Arch Ctgs - Admin	Rder/Aud/DB, TA/AQMD/Rpts/AER	\$ 201,703	\$ 155,297	\$ (46,406)
44073	MONITOR AIR	Arch Ctgs - Other	Sample Analysis/Reports	\$ 386,657	\$ 395,840	\$ 9,183
04071	OPER SUPPORT	Arch Ctgs - Admin	Cost Analysis/Payments	\$ 7,088	\$ 7,272	\$ 184
08071	OPER SUPPORT	Arch Ctgs - Admin	Rule Dev/TA/Rinterpretatons	357,931	367,189	9,258
27071	OPER SUPPORT	Arch Ctgs - Admin	Database Dev/Maintenance	54,905	56,400	1,495
Sub-total OPER SUPPORT				\$ 419,924	\$ 430,861	\$ 10,937
Total Expenditures				\$ 2,638,001	\$ 2,574,957	\$ (63,044)

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE
CATEGORY: XIX – PORTABLE EQUIPMENT REGISTRATION
PROGRAM (PERP)**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
50070	COMPLIANCE	CARB PERP Program	CARB Statewide Equipment Reg	\$ 1,329,055	\$ 1,363,277	\$ 34,222
Total Expenditures				\$ 1,329,055	\$ 1,363,277	\$ 34,222

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase

March 2014

Executive Officer

Barry R. Wallerstein, D.Env.

Deputy Executive Officer

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Speaker of the Assembly Appointee

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EXECUTIVE SUMMARY

Rule 320 (Automatic Adjustment Based on Consumer Price Index for Regulation III Fees) allows adjustments of most fee rates in Regulation III (Fees) by the California Consumer Price Index (CPI) annually. The October 29, 2010 SCAQMD Governing Board Resolution requires, by March 15, an assessment of the increase in fee rates based on the previous year's CPI. A socioeconomic analysis was conducted to assess the impacts of such adjustment. Furthermore, the analysis provides background information, historical trends of SCAQMD revenues from various fees and sectoral distributions of these fees. A summary of the analysis and findings is presented below.

In addition, staff is proposing a fee increase of three percent in fiscal year 2014-2015 and three percent in fiscal year 2015-2016 for permit processing and annual operating fees. A socioeconomic assessment analyzing the impact of that fee increase will be available prior to the May 2 Board Meeting.

Automatic Consumer Price Index Increase	Pursuant to Rule 320, an across-the-board 1.6-percent increase in fee rates (equivalent to the change in the California CPI from December 2012 to December 2013) will occur on July 1, 2014 unless the Governing Board decides to forego the 1.6-percent increase.
Affected Facilities	Nearly all the facilities regulated by the SCAQMD would be affected by the proposed CPI increase. These facilities belong to every sector of the economy.
Approach and Findings	<p>The analysis herein examines the impact of the existing Regulation III fees on various industries. The fees examined include emissions fees, permit fees, annual operating fees, toxic hot spot fees, source testing fees, and a portion of Rule 2202 (Mobile Source Emissions Mitigation Programs) fees. The existing fee rates together with the most recent equipment and activity profiles of individual facilities were used to generate facility level fee estimates. These estimates were then aggregated to the industry level.</p> <p>The manufacturing sector is the largest contributor to the SCAQMD emission fees (66 percent), permit fees (39 percent), and annual operating fees (38 percent). Overall, the costs of complying with the current Regulation III rates are very small relative to the industry output (less than 0.01 percent overall).</p>
Impact of CPI Increase	The across-the-board 1.6-percent fee rate increase would bring additional revenue of \$1.4 million to the SCAQMD. Based on 2013 emissions and current equipment and activity profiles of individual facilities, the petroleum and coal products manufacturing sector would experience the largest increase in fees (approximately \$0.23 million with about 90 facilities) among all of the sectors, followed by retail trade (approximately \$0.15 million with about 4,130 facilities) and utility (approximately \$0.07 million with about 910 facilities) sectors.

	<p>Relative to the estimated fiscal year 2013-2014 revenue, the projected total revenue for the next fiscal year would decrease by \$5.7 million in spite of the 1.6-percent fee rate increase. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.</p>
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INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, annual operating fees, permit processing fees, and a portion of vehicle registration fees collected by the state (mobile sources/clean fuels). Other sources of revenues include Hearing Board fees, source test/analysis fees, transportation program (Rule 2202) fees, reimbursement for work associated with the AB 2588 program (toxic air contaminants), civil penalties/settlements, and other revenues.

Pursuant to Rule 320, an across-the-board 1.6-percent increase in fee rates (equivalent to the change in the California Consumer Price Index (CPI) from December 2012 to December 2013) will occur on July 1, 2014 unless the Governing Board decides to forego the 1.6-percent increase. To examine the impact of such increase on various industry sectors, this report focuses the analysis on emission fees, annual operating fees, permit processing fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.¹

REVENUE TREND

Table 1 lists historical revenue for two prior fiscal years, estimated revenue for the current fiscal year² (FY) 2013-2014, and projected revenue for FY 2014-2015, by major fee category. Estimated revenue for FY 2013-2014 is calculated based on actual revenue received through February, 2014. Emission fees, annual operating fees, and permit processing fees together represented approximately 60 percent of the SCAQMD's actual total revenues.

Compared to the estimated revenue in FY 2013-2014, a net total revenue decrease of \$5.7 million is expected for FY 2014-2015 in spite of the 1.6-percent fee rate increase. Emission fees are projected to decline in correlation with the decline in emissions reported over previous years, a result of many facilities adopting cleaner technologies. The decline in other revenues projected for FY 2014-15 compared to the FY 2013-14 estimate is mainly attributable to a large unanticipated penalty that was received in FY 2013-14. The last two columns in Table 1 break down the revenue changes by fee category.

¹ Other fees that are also subject to the automatic CPI increase, such as hearing board fees and area source fees, are not examined for the impact by industry. They account for relatively small portions of the total revenue.

² A fiscal year runs from July 1 to June 30. For example, FY 2013-2014 refers to the period of July 1, 2013 to June 30, 2014. In comparison, calendar year (CY) 2014 refers to the period of January 1 to December 31, 2014.

Table 1: Actual and Estimated SCAQMD Revenue

Revenue Category	FY 2011-2012 Actual* (Thousands)	FY 2012-2013 Actual* (Thousands)	FY 2013-2014 Estimated** (Thousands)	FY 2014-2015 Projected (Thousands)	% Change in Fee Rates	Changes in Revenue	
						(from FY 13-14 Estimated)	
						Thousands	%
Emission Fees	\$19,715	\$20,540	\$20,319	\$19,907	1.6%	-\$411	-2.0%
Annual Operating Fees	\$41,222	\$41,935	\$43,758	\$44,200	1.6%	\$442	1.0%
Permit Processing Fees	\$15,659	\$17,211	\$17,781	\$17,996	1.6%	\$215	1.2%
Mobile Source/Clean Fuels	\$20,301	\$19,397	\$22,470	\$22,453	N/A	-\$17	0.0%
Source Test & Lab Analysis	\$760	\$791	\$606	\$742	1.6%	\$136	22.4%
Hearing Board Fees	\$222	\$278	\$336	\$279	1.6%	-\$57	-16.9%
Transportation Program (Rule 2202) Fees	\$849	\$928	\$1,043	\$894	1.6%	-\$149	-14.3%
Other Revenues***	\$25,453	\$31,852	\$29,879	\$24,085	N/A	-\$5,794	-19.5%
Total	\$124,180	\$132,932	\$136,192	\$130,556		-\$5,636	-4.1%

(Note: Numbers may not add up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2011-12 & 2012-13).

** Estimates are based on actual revenue received through February 2014.

*** Other Revenues include: CARB Subvention; Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous revenues; Portable Equipment Registration Program (PERP); and Area Sources.

HISTORICAL REVENUE ANALYSIS

The following sub-sections examine the distribution of revenues from various fee categories among key industries. The SCAQMD is required to undertake socioeconomic analyses by H&SC Sections 40440.8(a) and (b) for proposed rules and rule amendments that *"will significantly affect air quality or emissions limitations."* The proposed adjustment for Consumer Price index does not satisfy this criterion, so the analysis herein is presented for informational purposes only. It should be noted that this analysis has used the most recent available emission data with existing fee rates and the most recent invoiced amounts to arrive at an estimated picture of current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

Emission Fees

Emission fees account for approximately 15 percent of the SCAQMD's estimated total revenue based on actual revenue received through February, 2014 (Table 1). In May 2001, an emissions flat fee was introduced on all facilities with at least one operating permit (excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II). The flat fee implemented recommendations by the California State Auditor in 1998, the Revenue Committee established by the Executive Officer in 2000, and the independent consultant for the Fee Structure Study—Thompson, Cobb, Bazilio & Associates, PC (March 1999).

Table 2 shows the estimated revenue by industry for flat emission fee (\$2.4 million) and emissions-based fees (\$16.4 million) that are expected to be collected from more than 20,000 facilities. The former contributes approximately 13 percent of total emission fees collected.

The estimated revenue from emissions-based fees in Table 2 was derived from 2013 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2013 based on the existing Rule 301 fee rates. These emissions include permitted and non-permitted emissions from the pollutants NO_x, SO_x, VOC, TSP, CO, and specific organic gasses (SPOG) as well as toxic air contaminants listed in Table IV of Rule 301 for facilities required to report their actual emissions each year. Also included were clean fuels fees on stationary sources. The most recent historical emissions (2013) were used because future emissions cannot be accurately projected at the industry level.

The services sector (NAICS 54-81) that is made of a large number of facilities shows the highest share of the flat emission fee, contributing \$0.8 million or 33 percent of the total amount estimated. In comparison, emission-based fees are largely correlated with the size of facilities. The sectors with a high concentration of small businesses, such as the retail trade and service sectors have a much smaller proportion of emissions-based fees than the sectors with a lower concentration of small businesses (e.g., manufacturing).

For example, albeit being the largest contributor to the flat emission fees, the services sector contributes only about six-percent of the total \$16.4 million in revenue from emissions-based fees. Similarly, the retail trade sector (NAICS 44-45, which has many small businesses) is estimated to pay less than 1 percent of the total emission-based fees while this same sector contributes to 16 percent of the flat emission fee.

The largest contributor to emissions-based fees is the manufacturing sector (NAICS 31-33). It accounts for almost half of the facilities that pay into this fee category. Moreover, the sector is estimated to pay \$12 million, or 73 percent of the total emissions-based fee revenue. Within the manufacturing sector, the petroleum and coal industry (NAICS 324) alone contributes \$9.3 million to emissions-based fees, accounting for 78 percent of the sectoral total.

Permit Fees and Annual Operating Fees

Permit and annual operating fees by industry are shown in Table 3. Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type. Permit fees also include other charges based on additional time and materials billed for SCAQMD staff time (if specified by the applicable rule), and other fees as required (modeling, Title V fees, CEQA analysis fees, etc.) The fee, except for time and material fees, is paid at the beginning of the permit application process.

Table 2: Estimated Emission Fee Revenue by Industry

Industry	NAICS	Flat Fee			Emission-based Fees			Total	
		MMS\$	%	# of Fac.**	MMS\$	%	# of Fac.**	MMS\$	%
Agriculture, Forestry, Fishing & Hunting	111-115	\$0.01	0.43%	91	\$0.22	1.33%	58	\$0.23	1.21%
Mining	21	\$0.03	1.33%	279	\$0.56	3.44%	90	\$0.60	3.17%
Oil and Gas Extraction	211	\$0.02	0.91%	190	\$0.38	2.34%	68	\$0.41	2.16%
Mining (except oil and gas)	212-213	\$0.01	0.43%	89	\$0.18	1.10%	22	\$0.19	1.01%
Construction	23	\$0.08	3.52%	734	\$0.04	0.27%	19	\$0.13	0.69%
Manufacturing	31-33	\$0.41	16.82%	3,513	\$12.01	73.21%	507	\$12.41	65.98%
Food Manufacturing	311	\$0.02	0.93%	197	\$0.13	0.81%	40	\$0.16	0.83%
Wood Products Manufacturing	321	\$0.01	0.40%	85	\$0.01	0.05%	6	\$0.02	0.09%
Petroleum and Coal Products Mfg.	324	\$0.01	0.40%	83	\$9.32	56.83%	35	\$9.33	49.59%
Chemical Manufacturing	325	\$0.04	1.51%	316	\$0.47	2.86%	49	\$0.51	2.69%
Nonmetallic Mineral Product Mfg.	327	\$0.03	1.04%	218	\$0.23	1.38%	26	\$0.25	1.34%
Primary & Fabricated Metal Mfg.	331-332	\$0.09	3.93%	821	\$0.58	3.53%	140	\$0.67	3.58%
Machinery Manufacturing	333	\$0.02	0.91%	191	\$0.02	0.11%	10	\$0.04	0.22%
Computer and Electronic Product Mfg.	334	\$0.03	1.24%	259	\$0.04	0.22%	16	\$0.07	0.35%
Electrical Equipment & Appliance Mfg.	335	\$0.01	0.62%	129	\$0.02	0.11%	12	\$0.03	0.18%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.03	1.10%	226	\$0.13	0.78%	33	\$0.15	0.82%
Other Manufacturing	Other in 31-33	\$0.11	4.73%	988	\$1.07	6.53%	140	\$1.18	6.30%
Utilities	22	\$0.10	4.20%	877	\$1.46	8.92%	107	\$1.56	8.32%
Transportation & Warehousing	48-49	\$0.06	2.37%	496	\$0.52	3.15%	30	\$0.57	3.05%
Information	51	\$0.09	3.61%	754	\$0.02	0.15%	11	\$0.11	0.59%
Publishing Industries, Except Internet	511	\$0.00	0.17%	35	\$0.01	0.05%	2	\$0.01	0.06%
Motion Picture & Sound Recording	512	\$0.01	0.28%	59	\$0.02	0.10%	9	\$0.02	0.12%
Internet Services and data processing	518,519	\$0.01	0.23%	47	\$0.00	0.00%	0	\$0.01	0.03%
Other Information	Other in 51	\$0.07	2.93%	613	\$0.00	0.00%	0	\$0.07	0.38%
Wholesale Trade	42	\$0.11	4.56%	956	\$0.32	1.97%	50	\$0.43	2.31%
Retail Trade	44-45	\$0.38	15.96%	3,336	\$0.03	0.21%	21	\$0.42	2.23%
Car & Parts Dealers	441	\$0.03	1.33%	277	\$0.01	0.04%	2	\$0.04	0.21%
Gas Stations	447	\$0.19	7.74%	1,618	\$0.03	0.21%	11	\$0.22	1.17%
Other Retail Trade***	Other in 44-45	\$0.17	6.90%	1,441	(\$0.01)	N/A	8	\$0.16	0.84%
Finance and Insurance	52	\$0.03	1.32%	277	\$0.00	0.00%	3	\$0.03	0.17%
Real Estate and Rental Leasing	53	\$0.11	4.42%	924	\$0.03	0.16%	8	\$0.13	0.70%
Services	54-81	\$0.80	33.04%	6,901	\$1.02	6.19%	166	\$1.81	9.63%
Professional and Technical Services	54	\$0.06	2.46%	513	\$0.01	0.03%	6	\$0.06	0.34%
Accommodation	721	\$0.02	0.89%	186	\$0.00	0.00%	1	\$0.02	0.11%
Food Services & Drinking Places	722	\$0.01	0.53%	111	\$0.01	0.04%	5	\$0.02	0.11%
Automotive Repairs & Maintenance	8111	\$0.23	9.34%	1,951	\$0.00	0.00%	2	\$0.23	1.20%
Dry Cleaning & Laundry Services	8123	\$0.15	6.31%	1,317	\$0.00	0.00%	6	\$0.15	0.81%
Health Care & Social Assistance	62	\$0.08	3.18%	667	\$0.11	0.69%	53	\$0.19	1.01%
Other Services	Other in 54-81	\$0.25	10.33%	2,156	\$0.89	5.42%	93	\$1.14	6.05%
Public Administration	92	\$0.16	6.56%	1,372	\$0.16	0.99%	23	\$0.32	1.70%
Unclassified*	N/A	\$0.04	1.84%	388	\$0.00	0.02%	3	\$0.05	0.27%
Totals		\$2.41	100%	20,898	\$16.40	100%	1096	\$18.81	100%

* Facilities with no NAICS codes assigned are categorized as "unclassified."

** Almost all facilities paying emission-based fees also pay the flat fee.

*** Due to refunds issued in CY 2013, revenue from emission-based fees has a negative balance.

As Table 3 indicates, an estimated total of \$14.1 million from 6,624 facilities that applied for permits to construct or operate was invoiced during FY 2012-2013. It should be noted that a facility could apply for multiple permits. The manufacturing sector paid \$5.5 million, or 39 percent of the total permit fee revenue, followed by the services sector at 21 percent. As with emission fees, for those facilities classified with NAICS codes, the majority of the permit processing fee revenue came from the manufacturing sector.

Operating permits must be renewed annually. An annual fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. There were a total of 26,958 facilities with operating permits as of March 14, 2014. The revenue from these facilities at the current fee rate is estimated to be \$41.6 million (Table 3). The manufacturing sector has the largest share of annual operating fees, totaling \$15.7 million or 38 percent of the total annual operating fee revenue. The sectors of retail trade and services together would have paid \$15.2 million.

Toxic Hot Spots Fees

AB 2588 toxic hot spots fees were calculated based on risks and priority scores. The most recent invoiced revenue for the FY 2012-2013 was approximately \$1.9 million. The services sector's share of this total was 32 percent, followed by the manufacturing sector (18 percent) and retail trade (18 percent).

Source Testing Fees

The revenue from source testing fees is based on the invoiced source test fees during FY 2012-2013. During this period of time, the source test fee revenue from Rules 304 and 304.1 was \$0.64 million. The manufacturing and service sectors accounted for 65 percent of this revenue.

Rule 2202 Fees

Rule 2202—On-Road Motor Vehicle Mitigation Options—provides employers with three compliance options: (1) the Employee Commute Reduction Program (ECRP); (2) emission reduction strategies (ERS) such as the use of clean fuel vehicles, re-powering of diesel engine marine vessels, and vehicle scrapping; and (3) the Air Quality Investment Program (AQIP). Employers choosing the ECRP option pay a plan review fee to the SCAQMD at the time they file their ECRP Plan. Employers choosing an ERS pay a registration fee. Employers choosing to invest in AQIP pay a registration fee and an investment fee as their AQIP contribution. The latter goes to a special revenue account which is not part of the General Fund.

The revenue from Rule 2202 fees herein is based on the invoiced Rule 2202 fees during FY 2012-2013. A total of \$0.86 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP. The services sector accounted for approximately 36 percent (\$0.31 million) of the estimated Rule 2202 fee revenue. Only 15 percent of the revenue (\$0.13 million) came from the manufacturing sector. This reflects that the majority of employment in the four-county economy is in the more labor-intensive services sector.

Table 3: Estimated Permit & Annual Operating Fee Revenue by Industry at Current Fee Rates

Industry	NAICS	Permit Fees ¹			Annual Operating Fees ²		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
Agriculture, Forestry, Fishing & Hunting	111-115	\$0.05	0.33%	46	\$0.09	0.21%	144
Mining	21	\$0.36	2.52%	74	\$1.27	3.05%	373
Oil and Gas Extraction	211	\$0.26	1.82%	52	\$0.93	2.23%	262
Mining (except oil and gas)	212-213	\$0.10	0.71%	22	\$0.34	0.82%	111
Construction	23	\$0.38	2.67%	263	\$1.01	2.43%	934
Manufacturing	31-33	\$5.47	38.80%	906	\$15.72	37.77%	3,988
Food Manufacturing	311	\$0.41	2.89%	99	\$1.24	2.98%	232
Wood Products Manufacturing	321	\$0.02	0.13%	8	\$0.08	0.19%	100
Petroleum and Coal Products Mfg.	324	\$0.91	6.46%	42	\$3.77	9.07%	89
Chemical Manufacturing	325	\$0.77	5.44%	108	\$1.82	4.37%	367
Nonmetallic Mineral Product Mfg.	327	\$0.24	1.68%	53	\$1.32	3.17%	252
Primary & Fabricated Metal Mfg.	331-332	\$0.93	6.59%	164	\$3.03	7.27%	905
Machinery Manufacturing	333	\$0.11	0.75%	26	\$0.34	0.81%	217
Computer and Electronic Product Mfg.	334	\$0.42	2.96%	85	\$0.64	1.54%	291
Electrical Equipment & Appliance Mfg.	335	\$0.18	1.28%	35	\$0.36	0.87%	140
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.43	3.03%	58	\$0.81	1.94%	257
Other Manufacturing	Other in 31-33	\$1.07	7.58%	228	\$2.31	5.55%	1,138
Utilities	22	\$0.96	6.84%	136	\$1.74	4.18%	910
Transportation & Warehousing	48-49	\$0.35	2.46%	133	\$0.92	2.22%	553
Information	51	\$0.23	1.60%	144	\$0.49	1.19%	836
Publishing Industries, Except Internet	511	\$0.02	0.14%	12	\$0.06	0.14%	42
Motion Picture & Sound Recording	512	\$0.06	0.40%	24	\$0.13	0.32%	83
Internet Services and data processing	518,519	\$0.01	0.07%	20	\$0.04	0.09%	50
Other Information	Other in 51	\$0.14	0.99%	88	\$0.27	0.64%	661
Wholesale Trade	42	\$1.00	7.07%	386	\$2.43	5.85%	1,125
Retail Trade	44-45	\$1.27	9.02%	1,853	\$7.41	17.80%	4,134
Car & Parts Dealers	441	\$0.10	0.71%	48	\$0.20	0.48%	321
Gas Stations	447	\$0.42	2.97%	318	\$5.25	12.62%	2,011
Other Retail Trade	Other in 44-45	\$0.75	5.34%	1,487	\$1.96	4.70%	1,802
Finance and Insurance	52	\$0.09	0.63%	122	\$0.26	0.62%	327
Real Estate and Rental Leasing	53	\$0.22	1.58%	295	\$0.77	1.85%	1,074
Services	54-81	\$3.02	21.43%	1,754	\$7.76	18.65%	10,525
Professional and Technical Services	54	\$0.69	4.86%	238	\$0.91	2.18%	679
Accommodation	721	\$0.06	0.44%	74	\$0.19	0.47%	260
Food Services & Drinking Places	722	\$0.05	0.38%	148	\$0.56	1.34%	2,445
Automotive Repairs & Maintenance	8111	\$0.33	2.35%	283	\$1.39	3.35%	2,282
Dry Cleaning & Laundry Services	8123	\$0.10	0.70%	116	\$0.55	1.33%	1,494
Health Care & Social Assistance	62	\$0.45	3.19%	239	\$0.91	2.19%	731
Other Services	Other in 54-81	\$1.34	9.51%	656	\$3.24	7.79%	2,634
Public Administration	92	\$0.32	2.30%	199	\$0.98	2.36%	1,468
Unclassified*	N/A	\$0.39	2.76%	313	\$0.76	1.83%	567
Totals		\$14.10	100.00%	6,624	\$41.61	100.00%	26,958

¹ Based on permit applications in FY 2012-2013.

² Based on permits held on March 7, 2014.

* Facilities with no NAICS codes assigned are categorized as "unclassified."

Share of Major Revenue Sources by Industry

Approximately 60 percent of the SCAQMD's FY 2013-2014 estimated revenue comes from the following major revenue categories: emission fees, annual operating fees, permit processing fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.³ Table 4 shows the percentage of fees from these categories in each industry's total output, a surrogate of affordability for the industries in the SCAQMD.⁴ Collectively, revenue from these fees is estimated to amount to \$78 million, based on 2013 emissions, existing emission fee rates, and invoiced amounts for other fee categories.

As shown in Table 4, the amount of fees paid by each industry is relatively small compared to that industry's regional output. This is the case with industries which are predominantly comprised of small businesses, such as retail trade (NAICS 44-45), and automotive and repair (NAICS 811). But it is also the case for industries predominately comprised of large businesses, such as refineries (NAICS 324) and utilities (NAICS 22).

The petroleum product sector, mainly refineries, paid \$14.2 million in various fees, which represents five hundredths of one percent of the sector's output. Fees paid by the pipeline transportation sector represent fourteen hundredths of one percent of the total output. Fees for the utilities sector represent approximately three hundredths of one percent of its output. Overall, major SCAQMD fee revenue, as a whole, represents less than one-hundredth of one percent of the four county output.

Table 4: Share of Major Revenue by Industry

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Farm (Agricultural Products)	111-112	\$0.32	0.40%	0.01%
Agriculture & Forestry support activities	115	\$0.05	0.07%	0.02%
Oil & Gas Extraction	211	\$1.62	2.07%	0.02%
Mining (except oil and gas)	212	\$0.46	0.58%	0.10%
Support Activities for Mining	213	\$0.19	0.24%	0.02%
Utilities	22	\$4.51	5.79%	0.03%
Construction	23	\$1.56	2.00%	0.00%
Wood Products Mfg.	321	\$0.12	0.15%	0.01%
Nonmetallic Mineral Product Mfg.	327	\$1.82	2.33%	0.05%
Primary Metal Mfg.	331	\$1.51	1.94%	0.02%
Fabricated Metal Product Mfg.	332	\$3.35	4.30%	0.02%
Machinery Manufacturing	333	\$0.50	0.64%	0.01%
Computer & Electronic Product Mfg.	334	\$1.17	1.50%	0.00%
Electrical Equipment & Appliance Mfg.	335	\$0.61	0.78%	0.01%
Motor Vehicle Mfg.	3361-3363	\$0.34	0.43%	0.00%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$1.12	1.44%	0.00%
Furniture & Related Product Mfg.	337	\$0.37	0.47%	0.01%
Miscellaneous Mfg.	339	\$0.69	0.88%	0.00%
Food Mfg.	311	\$1.84	2.37%	0.01%

³ The AQIP fees per Rule 2202 are placed in the restricted fund to obtain necessary emissions reduction or air quality benefits; therefore, are not included in the SCAQMD's revenue.

⁴The year 2011 output in 2005 dollars was used and converted to 2013 dollars. The conversion used the California Consumer Price Index Calendar Year Averages from the California Department of Industrial Relations (Retrieved January 23, 2014 http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm).

Table 4: Share of Major Revenue by Industry (Continued)

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Beverage and Tobacco Product Mfg.	312	\$0.53	0.68%	0.01%
Textile & Textile Product Mills	313-314	\$0.49	0.63%	0.02%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.06	0.07%	0.00%
Paper Mfg.	322	\$0.58	0.74%	0.01%
Printing & Related Support Activities	323	\$0.69	0.89%	0.01%
Petroleum and Coal Products Mfg.	324	\$14.18	18.19%	0.05%
Chemical Mfg.	325	\$3.15	4.04%	0.02%
Plastics and Rubber Products Mfg.	326	\$1.31	1.68%	0.01%
Wholesale Trade	42	\$3.99	5.12%	0.00%
Retail Trade	44-45	\$9.57	12.27%	0.01%
Air Transportation	481	\$0.05	0.06%	0.00%
Rail Transportation	482	\$0.01	0.01%	0.00%
Water Transportation	483	\$0.01	0.01%	0.00%
Truck Transportation	484	\$0.15	0.19%	0.00%
Couriers & Messengers	491-492	\$0.04	0.05%	0.00%
Transit & Ground passenger Transportation	485	\$0.10	0.13%	0.01%
Pipeline Transportation	486	\$0.83	1.07%	0.14%
Scenic & Sightseeing Transportation	487-488	\$0.49	0.63%	0.01%
Warehousing & Storage	493	\$0.26	0.33%	0.01%
Publishing Industries, Except Internet	511	\$0.10	0.13%	0.00%
Motion Picture & Sound Recording Industries	512	\$0.23	0.30%	0.00%
Internet Services & Data Processing	518-519	\$0.07	0.08%	0.00%
Broadcasting, Except Internet	515	\$0.13	0.17%	0.00%
Telecommunications	517	\$0.43	0.55%	0.00%
Monetary Authorities	521-522, 525	\$0.20	0.25%	0.00%
Securities, Commodity Contracts, Investments	523	\$0.17	0.22%	0.00%
Insurance Carriers & Related Activities	524	\$0.10	0.13%	0.00%
Real Estate	531	\$0.98	1.26%	0.00%
Rental & Leasing Services	532-533	\$0.24	0.31%	0.00%
Professional and Technical Services	54	\$1.73	2.22%	0.00%
Management of Companies & Enterprises	55	\$0.05	0.07%	0.00%
Administrative & Support Services	561	\$1.44	1.84%	0.00%
Waste Management & Remediation Services	562	\$1.81	2.32%	0.05%
Education Services	61	\$1.17	1.51%	0.01%
Ambulatory Health Care Services	621	\$0.52	0.67%	0.00%
Hospitals	622	\$0.97	1.24%	0.00%
Nursing & Residential Care Facilities	623	\$0.14	0.18%	0.00%
Social Assistance	624	\$0.13	0.17%	0.00%
Performing Arts & Spectator Sports	711	\$0.07	0.08%	0.00%
Museums, Historical Sites, Zoos, and Parks	712	\$0.05	0.06%	0.01%
Amusement, Gambling, and Recreation	713	\$0.37	0.47%	0.01%
Accommodation	721	\$0.33	0.43%	0.00%
Food Services & Drinking Places	722	\$0.65	0.83%	0.00%
Repair & Maintenance	811	\$2.66	3.42%	0.03%
Personal & Laundry Services	812	\$1.24	1.59%	0.02%
Membership Associations and Organizations	813	\$0.27	0.35%	0.00%
Government	92	\$1.84	2.36%	0.00%
Unclassified*	N/A	\$1.25	1.61%	
Totals		\$77.94	100.00%	< 0.01%

*Facilities with no NAICS codes assigned are categorized as "unclassified."

REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY

Rule 320 allows annual adjustment of most fee rates in Regulation III by an amount equal to the change in CPI, which is 1.6-percent for the period of December 2012 to December 2013. Such fee rate increase is expected to increase total SCAQMD revenue by approximately \$1.4 million compared to what would have been paid in the event that the 1.6-percent CPI increase is not implemented.

Table 5 examines the major fee categories that are subject to the CPI-based rate increase and shows the distribution of these fee changes across affected industries. The fees examined include emission fees, annual operating fees, permit processing fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees. Revenues for these fee categories are expected to increase by approximately \$1.25 million, compared to the \$78 million that would have been collected based on 2013 emissions data and current equipment and activity profiles of individual facilities.

The petroleum and coal products manufacturing sector (NAICS 324) would experience the largest increase in fees (approximately \$0.23 million with about 90 facilities) among all of the sectors, followed by retail trade (approximately \$0.15 million with about 4,130 facilities) and utility (approximately \$0.07 million with about 910 facilities) sectors.

SUMMARY

The above analysis provides background information on SCAQMD revenue and summarizes the economic impact of the automatic consumer price index (Rule 320) increase on facilities regulated by SCAQMD. The amount of SCAQMD fees paid by each industry is small relative to the industry's economic output (less than 0.01 percent overall). SCAQMD revenues are expected to increase by \$1.4 million resulting from the across-the-board 1.6-percent fee rate increase. In spite of the fee rate increase, the projected revenue for FY 2014-2015 as a whole would decrease by \$5.7 million from a year ago. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.

Table 5
Revenue Impact of the Fee Rate Increase by Industry

Industry Sector	NAICS	Revenue Change
Farm (Agricultural Products)	111-112	\$5,045
Agriculture & Forestry support activities	115	\$821
Oil & Gas Extraction	211	\$25,843
Mining (except oil and gas)	212	\$7,289
Support Activities for Mining	213	\$2,987
Utilities	22	\$72,145
Construction	23	\$24,979
Wood Products Mfg.	321	\$1,894
Nonmetallic Mineral Product Mfg.	327	\$29,068
Primary Metal Mfg.	331	\$24,143
Fabricated Metal Product Mfg.	332	\$53,583
Machinery Manufacturing	333	\$8,042
Computer & Electronic Product Mfg.	334	\$18,719
Electrical Equipment & Appliance Mfg.	335	\$9,703
Motor Vehicle Mfg.	3361-3363	\$5,394
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$17,941
Furniture & Related Product Mfg.	337	\$5,896
Miscellaneous Mfg.	339	\$11,035
Food Mfg.	311	\$29,500
Beverage and Tobacco Product Mfg.	312	\$8,421
Textile & Textile Product Mills	313-314	\$7,808
Apparel, Leather & Allied Product Mfg.	315-316	\$909
Paper Mfg.	322	\$9,200
Printing & Related Support Activities	323	\$11,116
Petroleum and Coal Products Mfg.	324	\$226,883
Chemical Mfg.	325	\$50,332
Plastics and Rubber Products Mfg.	326	\$20,930
Wholesale Trade	42	\$63,879
Retail Trade	44-45	\$153,049
Air Transportation	481	\$722
Rail Transportation	482	\$133
Water Transportation	483	\$163
Truck Transportation	484	\$2,339
Couriers & Messengers	491-492	\$600
Transit & Ground passenger Transportation	485	\$1,603
Pipeline Transportation	486	\$13,341

**Table 5 – Revenue Impact of the Fee Rate Increase by Industry
(Continued)**

Industry Sector	NAICS	Revenue Change
Scenic & Sightseeing Transportation	487-488	\$7,801
Warehousing & Storage	493	\$4,122
Publishing Industries, Except Internet	511	\$1,573
Motion Picture & Sound Recording Industries	512	\$3,686
Internet Services & Data Processing	518-519	\$1,052
Broadcasting, Except Internet	515	\$2,088
Telecommunications	517	\$6,894
Monetary Authorities	521-522, 525	\$3,171
Securities, Commodity Contracts, Investments	523	\$2,758
Insurance Carriers & Related Activities	524	\$1,604
Real Estate	531	\$15,732
Rental & Leasing Services	532-533	\$3,836
Professional and Technical Services	54	\$27,688
Management of Companies & Enterprises	55	\$846
Administrative & Support Services	561	\$22,986
Waste Management & Remediation Services	562	\$28,913
Education Services	61	\$18,777
Ambulatory Health Care Services	621	\$8,353
Hospitals	622	\$15,503
Nursing & Residential Care Facilities	623	\$2,306
Social Assistance	624	\$2,118
Performing Arts & Spectator Sports	711	\$1,049
Museums, Historical Sites, Zoos, and Parks	712	\$748
Amusement, Gambling, and Recreation	713	\$5,892
Accommodation	721	\$5,316
Food Services & Drinking Places	722	\$10,404
Repair & Maintenance	811	\$42,629
Personal & Laundry Services	812	\$19,831
Membership Associations and Organizations	813	\$4,341
Government	92	\$29,465
Unclassified*	N/A	\$20,072
Totals		\$1,247,010

*Facilities with no NAICS codes assigned are categorized as “unclassified.”

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ATTACHMENT I

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Assessment for Proposed Amended Regulation III—Fees

April 2014

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EXECUTIVE OFFICER: BARRY R. WALLERSTEIN, D.Env.

EXECUTIVE SUMMARY

Various fee schedules are specified in Regulation III (Fees) to cover the cost of evaluation, review, planning, inspection, and monitoring related to the issuance of permits. To partly compensate for a shortfall in fees associated with permits, staff has proposed amendments to Regulation III that would apply a six-percent increase in fees to permit processing and annual permit renewal. (Please see the staff report for a complete list of amended fees.) The amendments would be phased in over two years: Fees in each of these two categories would be increased by three percent for fiscal year (FY) 2014-2015 and three percent for FY 2015-2016. The increase in fee rates would be additional to the automatic adjustment based on the California Consumer Price Index (CPI), specified by Rule 320. A socioeconomic analysis was conducted to assess the impacts of the proposed amendments to Regulation III. A summary of the analysis and findings is presented below.

Elements of the Proposed Amendments	The proposed amendments to Regulation III would apply a six-percent increase in fees to permit processing and annual permit renewal. The increase in fee rates would be phased in over two years: Fees in each of these two categories would be increased by three percent for FY 2014-2015 and three percent for FY 2015-2016. The increase is in addition to the automatic adjustment based on the California CPI (Rule 320).
Affected Facilities	Nearly all the facilities regulated by the SCAQMD would be affected by the proposed amendments. These facilities belong to every sector of the economy.
Approach and Findings	<p>The analysis herein examines the impact of the proposed amendments to Regulation III on various industries. The existing fee rates together with the most recent equipment and activity profiles of individual facilities were used to generate facility level fee estimates. These estimates were then aggregated to the industry level.</p> <p>Permit processing and annual permit renewal fees are estimated to account for 45 percent of the SCAQMD's total revenue in FY 2013-2014. The manufacturing sector is the largest contributor to both the permit processing fees (39 percent) and annual permit renewal fees (38 percent).</p>
Impact of CPI Increase	The six-percent fee rate increase for permit processing and annual permit renewal would bring to the SCAQMD additional revenue of \$1.7 million in FY 2014-2015 and \$3.3 million annually from FY 2015-2016 onwards. Within the manufacturing sector, petroleum and coal products manufacturing would experience the largest increase in fees (\$0.14 million in FY 2014-2015 and \$0.18 million annually from FY 2015-2016 onwards). Other sectors that would experience larger impacts include retail trade (\$0.26 million in FY 2014-2015 and \$0.52 million annually from FY 2015-2016 onwards) and wholesale trade (\$0.1 million in FY 2014-2015 and \$0.21 million annually from FY

	<p>2015-2016 onwards).</p> <p>Relative to the estimated FY 2013-2014 revenue, the projected total revenue for the next fiscal year would decrease by nearly \$4 million in spite of the proposed three-percent permit-related fee rate increase and the 1.6-percent across-the-board CPI-based increase due to Rule 320. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.</p>
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INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, permit processing fees, annual operating (permit renewal) fees, and a portion of vehicle registration fees collected by the state (mobile sources/clean fuels). Other sources of revenues include Hearing Board fees, source test/analysis fees, transportation program (Rule 2202) fees, reimbursement for work associated with the AB 2588 program (toxic air contaminants), civil penalties/settlements, and other revenues.

Various fee schedules are specified in Regulation III (Fees) to cover the cost of evaluation, review, planning, inspection, and monitoring related to the issuance of permits. To partly compensate for a shortfall in fees associated with permits, the proposed amendments would apply a six-percent increase in fees to permit processing and annual permit renewal. (Please see the staff report for a complete list of amended fees.) The amendments would be phased in over two years: Fees in each of these two categories would be increased by three percent for fiscal year (FY)¹ 2014-2015 and three percent for FY 2015-2016. The increase in fee rates would be additional to the automatic adjustment specified by Rule 320, which is based on the California Consumer Price Index (CPI).

The SCAQMD is required to undertake socioeconomic analyses by Health & Safety Code Sections 40440.8(a) and (b) for proposed rules and rule amendments that "*will significantly affect air quality or emissions limitations.*" The proposed amendments to Regulation III do not satisfy this criterion, so the analysis herein is presented for informational purposes only.

REVENUE TREND

Table 1 lists historical revenue for two prior fiscal years, estimated revenue for the current FY 2013-2014, and projected revenue for FY 2014-2015, by major fee category. Estimated revenue for FY 2013-2014 is calculated based on actual revenue received through February, 2014. Permit processing and annual operating fees together represented approximately 45 percent of the SCAQMD's actual total revenues.

The last two columns in Table 1 break down the revenue changes by fee category. Compared to the estimated revenue in FY 2013-2014, permit processing and annual operating fees would increase by \$0.56 million and \$1.76 million, respectively, with the proposed three-percent permit-related fee rate increase and the 1.6-percent across-the-board CPI-based increase due to Rule 320. Despite these increases, however, a net total revenue decrease of nearly \$4 million is expected for FY 2014-2015.

¹ A fiscal year runs from July 1 to June 30. For example, FY 2013-2014 refers to the period of July 1, 2013 to June 30, 2014. In comparison, calendar year (CY) 2014 refers to the period of January 1 to December 31, 2014.

Table 1: Actual and Estimated SCAQMD Revenue

Revenue Category	FY 2011-2012 Actual* (Thousands)	FY 2012-2013 Actual* (Thousands)	FY 2013-2014 Estimated** (Thousands)	FY 2014-2015 Projected (Thousands)	% Change in Fee Rates	Changes in Revenue	
						(from FY 13-14 Estimated)	
						Thousands	%
Emission Fees	\$19,715	\$20,540	\$20,319	\$19,907	1.6%	-\$411	-2.0%
Annual Operating (Permit Renewal) Fees	\$41,222	\$41,935	\$43,758	\$45,519	4.6%	\$1,761	4.0%
Permit Processing Fees	\$15,659	\$17,211	\$17,781	\$18,340	4.6%	\$559	3.1%
Mobile Source/Clean Fuels	\$20,301	\$19,397	\$22,470	\$22,453	N/A	-\$17	-0.1%
Source Test & Lab Analysis	\$760	\$791	\$606	\$742	1.6%	\$136	22.4%
Hearing Board Fees	\$222	\$278	\$336	\$279	1.6%	-\$57	-16.9%
Transportation Program (Rule 2202) Fees	\$849	\$928	\$1,043	\$894	1.6%	-\$149	-14.3%
Other Revenues***	\$25,453	\$31,852	\$29,879	\$24,085	N/A	-\$5,794	-19.4%
Total	\$124,180	\$132,932	\$136,192	\$132,220		-\$3,972	-2.9%

(Note: Numbers may not add up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2011-12 & 2012-13).

** Estimates are based on actual revenue received through February 2014.

*** Other Revenues include: CARB Subvention; Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous revenues; Portable Equipment Registration Program (PERP); and Area Sources.

Permit Processing and Annual Operating Fees by Industry

SCAQMD revenue from permit processing and annual operating fees by industry is shown in Table 3. It should be noted that this analysis has used the most recent available emission data with existing fee rates and the most recent invoiced amounts to arrive at an estimated picture of current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type. Permit fees also include other charges based on additional time and materials billed for SCAQMD staff time (if specified by the applicable rule), and other fees as required (modeling, Title V fees, CEQA analysis fees, etc.) The fee, except for time and material fees, is paid at the beginning of the permit application process.

As Table 3 indicates, an estimated total of \$14.1 million from 6,624 facilities that applied for permits to construct or operate was invoiced during FY 2012-2013. It should be noted that a facility could apply for multiple permits. For those facilities classified with NAICS codes, the manufacturing sector was the largest contributor, paying \$5.5 million or 39 percent of the total permit fee revenue. It was followed by the services sector at 21 percent and the retail trade sector at 9 percent.

Table 3: Estimated Permit & Annual Operating Fee Revenue by Industry at Current Fee Rates

Industry	NAICS	Permit Fees ¹			Annual Operating Fees ²		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
Agriculture, Forestry, Fishing & Hunting	111-115	\$0.05	0.33%	46	\$0.09	0.21%	144
Mining	21	\$0.36	2.52%	74	\$1.27	3.05%	373
Oil and Gas Extraction	211	\$0.26	1.82%	52	\$0.93	2.23%	262
Mining (except oil and gas)	212-213	\$0.10	0.71%	22	\$0.34	0.82%	111
Construction	23	\$0.38	2.67%	263	\$1.01	2.43%	934
Manufacturing	31-33	\$5.46	38.79%	906	\$15.72	37.77%	3,988
Food Manufacturing	311	\$0.41	2.93%	99	\$1.25	2.99%	233
Wood Products Manufacturing	321	\$0.02	0.13%	8	\$0.08	0.20%	100
Petroleum and Coal Products Mfg.	324	\$0.90	6.40%	42	\$3.77	9.07%	89
Chemical Manufacturing	325	\$0.77	5.45%	108	\$1.82	4.37%	367
Nonmetallic Mineral Product Mfg.	327	\$0.24	1.68%	53	\$1.32	3.17%	252
Primary & Fabricated Metal Mfg.	331-332	\$0.90	6.42%	163	\$2.99	7.18%	904
Machinery Manufacturing	333	\$0.11	0.75%	26	\$0.34	0.81%	217
Computer and Electronic Product Mfg.	334	\$0.42	2.96%	85	\$0.64	1.54%	291
Electrical Equipment & Appliance Mfg.	335	\$0.20	1.45%	36	\$0.40	0.96%	141
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.43	3.03%	58	\$0.80	1.92%	256
Other Manufacturing	312-339	\$1.07	7.59%	228	\$2.31	5.55%	1,138
Utilities	22	\$0.96	6.85%	136	\$1.74	4.18%	910
Transportation & Warehousing	48-49	\$0.35	2.46%	133	\$0.92	2.22%	553
Information	51	\$0.22	1.59%	144	\$0.49	1.19%	836
Publishing Industries, Except Internet	511	\$0.02	0.14%	12	\$0.06	0.14%	42
Motion Picture & Sound Recording	512	\$0.06	0.40%	24	\$0.13	0.32%	83
Internet Services and data processing	518,519	\$0.01	0.07%	20	\$0.04	0.09%	50
Other Information	Other in 51	\$0.14	0.98%	88	\$0.27	0.64%	661
Wholesale Trade	42	\$1.00	7.08%	386	\$2.44	5.85%	1,125
Retail Trade	44-45	\$1.27	9.02%	1,853	\$7.41	17.80%	4,134
Car & Parts Dealers	441	\$0.10	0.72%	48	\$0.20	0.48%	321
Gas Stations	447	\$0.42	2.97%	318	\$5.25	12.61%	2,011
Other Retail Trade	Other in 44-45	\$0.75	5.33%	1,487	\$1.96	4.70%	1,802
Finance and Insurance	52	\$0.09	0.63%	122	\$0.26	0.62%	327
Real Estate and Rental Leasing	53	\$0.22	1.56%	295	\$0.77	1.85%	1,074
Services	54-81	\$3.02	21.44%	1,754	\$7.76	18.65%	10,525
Professional and Technical Services	54	\$0.69	4.87%	238	\$0.91	2.18%	679
Accommodation	721	\$0.06	0.44%	74	\$0.19	0.47%	260
Food Services & Drinking Places	722	\$0.05	0.38%	148	\$0.56	1.34%	2,445
Automotive Repairs & Maintenance	8111	\$0.33	2.35%	283	\$1.39	3.35%	2,282
Dry Cleaning & Laundry Services	8123	\$0.10	0.70%	116	\$0.56	1.33%	1,494
Health Care & Social Assistance	62	\$0.45	3.19%	239	\$0.91	2.19%	731
Other Services	Other in 54-81	\$1.34	9.50%	656	\$3.24	7.79%	2,634
Public Administration	92	\$0.32	2.29%	199	\$0.98	2.36%	1,468
Unclassified*	N/A	\$0.39	2.80%	329	\$0.78	1.88%	599
Totals		\$14.08	100.00%	6,624	\$41.63	100.00%	26,958

¹ Based on permit applications in FY 2012-2013.

² Based on permits held on March 7, 2014.

* Facilities with no NAICS codes assigned are categorized as "unclassified."

Operating permits must be renewed annually. An annual operating fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. There was a total of 26,958 facilities with operating permits as of March 14, 2014. The revenue from these facilities at the current fee rate was estimated to be \$42 million. The manufacturing sector had the largest share of annual operating fees, totaling \$15.7 million or 38 percent of the total annual operating fee revenue. The sectors of retail trade and services together paid \$15.2 million.

Collectively, revenue from permit processing and annual operating fees was estimated to amount to \$55.7 million, based on 2013 emissions, existing emission fee rates, and invoiced amounts for other fee categories. In either of these two fee categories, the petroleum and coal products manufacturing sector (mainly refineries) paid the highest average fees per facility: about \$21,700 for permit processing and \$42,400 for annual renewal. In comparison, food services and drinking places on average paid the lowest fees: \$360 for permit processing and \$230 for annual renewal. The differences reflected, among other factors, the number of permits held by facilities and the complexity in evaluation, review, planning, inspection, and monitoring related to the issuance of each permit.

Table 4 shows the percentage of fees permit processing and annual operating fees in each industry's total output, a surrogate of affordability for the industries in the SCAQMD.² Overall, the amount of fees paid by each industry was relatively small compared to that industry's regional output. This is the case with industries which are predominantly comprised of small businesses, such as retail trade (NAICS 44-45), and automotive and repair (NAICS 811). But it is also the case for industries predominately comprised of large businesses, such as refineries (NAICS 324) and utilities (NAICS 22).

Table 4: Share of Permit-Related Revenue by Industry

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Farm (Agricultural Products)	111-112	\$0.08	0.15%	0.002%
Agriculture & Forestry support activities	115	\$0.05	0.09%	0.020%
Oil & Gas Extraction	211	\$1.18	2.12%	0.016%
Mining (except oil and gas)	212	\$0.28	0.50%	0.062%
Support Activities for Mining	213	\$0.16	0.29%	0.021%
Utilities	22	\$2.70	4.85%	0.016%
Construction	23	\$1.39	2.49%	0.003%
Wood Products Mfg.	321	\$0.10	0.18%	0.004%
Nonmetallic Mineral Product Mfg.	327	\$1.56	2.79%	0.046%
Primary Metal Mfg.	331	\$1.21	2.18%	0.019%
Fabricated Metal Product Mfg.	332	\$2.74	4.92%	0.014%
Machinery Manufacturing	333	\$0.44	0.80%	0.005%
Computer & Electronic Product Mfg.	334	\$1.06	1.90%	0.002%
Electrical Equipment & Appliance Mfg.	335	\$0.54	0.97%	0.011%
Motor Vehicle Mfg.	3361-3363	\$0.26	0.47%	0.003%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$0.97	1.75%	0.004%
Furniture & Related Product Mfg.	337	\$0.33	0.58%	0.007%

²The year 2011 output in 2005 dollars was used and converted to 2013 dollars. The conversion used the California Consumer Price Index Calendar Year Averages from the California Department of Industrial Relations (Retrieved January 23, 2014 http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm).

Table 4: Share of Permit-Related Revenue by Industry (Continued)

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Miscellaneous Mfg.	339	\$0.59	1.07%	0.004%
Food Mfg.	311	\$1.65	2.96%	0.007%
Beverage and Tobacco Product Mfg.	312	\$0.18	0.33%	0.002%
Textile & Textile Product Mills	313-314	\$0.44	0.80%	0.015%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.04	0.08%	0.001%
Paper Mfg.	322	\$0.34	0.60%	0.007%
Printing & Related Support Activities	323	\$0.54	0.96%	0.009%
Petroleum and Coal Products Mfg.	324	\$4.69	8.41%	0.017%
Chemical Mfg.	325	\$2.59	4.64%	0.013%
Plastics and Rubber Products Mfg.	326	\$0.92	1.64%	0.011%
Wholesale Trade	42	\$3.43	6.16%	0.004%
Retail Trade	44-45	\$8.68	15.58%	0.012%
Air Transportation	481	\$0.04	0.07%	0.001%
Rail Transportation	482	\$0.01	0.01%	0.000%
Water Transportation	483	\$0.01	0.02%	0.001%
Truck Transportation	484	\$0.13	0.23%	0.001%
Couriers & Messengers	491-492	\$0.02	0.04%	0.000%
Transit & Ground passenger Transportation	485	\$0.08	0.14%	0.004%
Pipeline Transportation	486	\$0.36	0.64%	0.058%
Scenic & Sightseeing Transportation	487-488	\$0.40	0.73%	0.006%
Warehousing & Storage	493	\$0.23	0.40%	0.006%
Publishing Industries, Except Internet	511	\$0.08	0.14%	0.001%
Motion Picture & Sound Recording Industries	512	\$0.19	0.34%	0.000%
Internet Services & Data Processing	518-519	\$0.05	0.09%	0.001%
Broadcasting, Except Internet	515	\$0.09	0.16%	0.001%
Telecommunications	517	\$0.31	0.56%	0.001%
Monetary Authorities	521-522, 525	\$0.14	0.26%	0.000%
Securities, Commodity Contracts, Investments	523	\$0.14	0.26%	0.001%
Insurance Carriers & Related Activities	524	\$0.06	0.10%	0.000%
Real Estate	531	\$0.78	1.41%	0.000%
Rental & Leasing Services	532-533	\$0.21	0.37%	0.001%
Professional and Technical Services	54	\$1.59	2.86%	0.002%
Management of Companies & Enterprises	55	\$0.05	0.09%	0.000%
Administrative & Support Services	561	\$1.28	2.30%	0.003%
Waste Management & Remediation Services	562	\$1.01	1.81%	0.026%
Education Services	61	\$0.91	1.63%	0.007%
Ambulatory Health Care Services	621	\$0.37	0.67%	0.001%
Hospitals	622	\$0.77	1.38%	0.003%
Nursing & Residential Care Facilities	623	\$0.11	0.20%	0.001%
Social Assistance	624	\$0.10	0.19%	0.001%
Performing Arts & Spectator Sports	711	\$0.05	0.09%	0.000%
Museums, Historical Sites, Zoos, and Parks	712	\$0.04	0.07%	0.005%
Amusement, Gambling, and Recreation	713	\$0.30	0.54%	0.005%
Accommodation	721	\$0.26	0.46%	0.002%
Food Services & Drinking Places	722	\$0.61	1.10%	0.002%
Repair & Maintenance	811	\$2.15	3.86%	0.021%
Personal & Laundry Services	812	\$0.94	1.69%	0.013%
Membership Associations and Organizations	813	\$0.22	0.40%	0.002%
Government	92	\$1.31	2.35%	0.001%
Unclassified*	N/A	\$1.15	2.06%	
Totals		\$55.71	100.00%	< 0.004%

*Facilities with no NAICS codes assigned are categorized as "unclassified."

Within the manufacturing sector, petroleum and coal products manufacturing paid \$4.7 million in permit processing and annual operating fees, which represented less than two hundredths of one percent of the sector's output. Fees paid by the mining and the pipeline transportation sectors represented approximately six hundredths of one percent of their respective total outputs. Overall, permit processing and annual operating fees together represented less than four-thousandth of one percent of the total economic output produced in Los Angeles, Orange, Riverside, and San Bernardino counties.

REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY

The proposed amendments to Regulation III would apply a six-percent increase in fees to permit processing and annual permit renewal. The increase in fee rates would be phased in over two years: Fees in each of these two categories would be increased by three percent for FY 2014-2015 and three percent for FY 2015-2016. (The increase is in addition to the automatic adjustment based on the California CPI, specified by Rule 320.) The fee rate increase due to such amendments, when compared to what would have been paid in the event that the six-percent increase is not implemented, is expected to increase total SCAQMD revenue by \$1.7 million in FY 2014-2015 and by \$3.3 million annually from FY 2015-2016 onwards.

Table 5 shows the distribution of these fee changes across affected industries. Within the manufacturing sector, petroleum and coal products manufacturing would experience the largest increase in fees (\$0.14 million in FY 2014-2015 and \$0.18 million annually from FY 2015-2016 onwards). Other sectors that would experience larger impacts include retail trade (\$0.26 million in FY 2014-2015 and \$0.52 million annually from FY 2015-2016 onwards) and wholesale trade (\$0.1 million in FY 2014-2015 and \$0.21 million annually from FY 2015-2016 onwards).

SUMMARY

The above analysis provides background information on SCAQMD revenue and summarizes the economic impact on facilities regulated by SCAQMD due to the proposed six-percent fee rate increase for permit processing and annual permit renewal. The combined amount of these fees currently paid by each industry is small relative to the industry's economic output (less than 0.004 percent overall). If the proposed amendments to Regulation III are implemented, SCAQMD revenues are expected to increase by \$1.7 million in FY 2014-2015 and by \$3.3 million annually from FY 2015-2016 onwards.

However, the increase in revenue only partly compensate for a shortfall in fees associated with permits. Relative to the estimated fiscal year 2013-2014 revenue, the projected total revenue for the next fiscal year would decrease by nearly \$4 million in spite of the proposed three-percent permit-related fee rate increase and the 1.6-percent across-the-board CPI-based increase due to Rule 320. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.

Table 5
Revenue Impact of the Fee Rate Increase by Industry

Industry Sector	NAICS	Revenue Change in FY 2014-2015	Revenue Change in FY 2015-2016
Farm (Agricultural Products)	111-112	\$2,532	\$5,064
Agriculture & Forestry support activities	115	\$1,490	\$2,981
Oil & Gas Extraction	211	\$35,510	\$71,021
Mining (except oil and gas)	212	\$8,415	\$16,830
Support Activities for Mining	213	\$4,855	\$9,710
Utilities	22	\$81,124	\$162,249
Construction	23	\$41,603	\$83,207
Wood Products Mfg.	321	\$2,967	\$5,934
Nonmetallic Mineral Product Mfg.	327	\$46,679	\$93,359
Primary Metal Mfg.	331	\$36,441	\$72,882
Fabricated Metal Product Mfg.	332	\$82,212	\$164,424
Machinery Manufacturing	333	\$13,334	\$26,668
Computer & Electronic Product Mfg.	334	\$31,773	\$63,546
Electrical Equipment & Appliance Mfg.	335	\$16,259	\$32,517
Motor Vehicle Mfg.	3361-3363	\$7,813	\$15,626
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$29,173	\$58,346
Furniture & Related Product Mfg.	337	\$9,758	\$19,516
Miscellaneous Mfg.	339	\$17,838	\$35,677
Food Mfg.	311	\$49,397	\$98,795
Beverage and Tobacco Product Mfg.	312	\$5,544	\$11,088
Textile & Textile Product Mills	313-314	\$13,310	\$26,620
Apparel, Leather & Allied Product Mfg.	315-316	\$1,283	\$2,565
Paper Mfg.	322	\$10,055	\$20,109
Printing & Related Support Activities	323	\$16,074	\$32,148
Petroleum and Coal Products Mfg.	324	\$140,583	\$281,166
Chemical Mfg.	325	\$77,606	\$155,213
Plastics and Rubber Products Mfg.	326	\$27,494	\$54,988
Wholesale Trade	42	\$102,907	\$205,814
Retail Trade	44-45	\$260,391	\$520,782
Air Transportation	481	\$1,099	\$2,198
Rail Transportation	482	\$196	\$391
Water Transportation	483	\$273	\$546
Truck Transportation	484	\$3,825	\$7,650
Couriers & Messengers	491-492	\$726	\$1,452
Transit & Ground passenger Transportation	485	\$2,311	\$4,623
Pipeline Transportation	486	\$10,742	\$21,484
Scenic & Sightseeing Transportation	487-488	\$12,125	\$24,251
Warehousing & Storage	493	\$6,765	\$13,530
Publishing Industries, Except Internet	511	\$2,299	\$4,598
Motion Picture & Sound Recording Industries	512	\$5,683	\$11,366
Internet Services & Data Processing	518-519	\$1,426	\$2,852
Broadcasting, Except Internet	515	\$2,738	\$5,476
Telecommunications	517	\$9,440	\$18,880
Monetary Authorities	521-522, 525	\$4,301	\$8,603
Securities, Commodity Contracts, Investments	523	\$4,336	\$8,672
Insurance Carriers & Related Activities	524	\$1,742	\$3,483
Real Estate	531	\$23,550	\$47,100
Rental & Leasing Services	532-533	\$6,248	\$12,497
Professional and Technical Services	54	\$47,842	\$95,683
Management of Companies & Enterprises	55	\$1,434	\$2,868
Administrative & Support Services	561	\$38,493	\$76,986
Waste Management & Remediation Services	562	\$30,230	\$60,460
Education Services	61	\$27,267	\$54,535

**Table 5 – Revenue Impact of the Fee Rate Increase by Industry
(Continued)**

Industry Sector	NAICS	Revenue Change in FY 2014-2015	Revenue Change in FY 2015-2016
Ambulatory Health Care Services	621	\$11,232	\$22,465
Hospitals	622	\$23,141	\$46,281
Nursing & Residential Care Facilities	623	\$3,265	\$6,531
Social Assistance	624	\$3,146	\$6,293
Performing Arts & Spectator Sports	711	\$1,506	\$3,011
Museums, Historical Sites, Zoos, and Parks	712	\$1,206	\$2,412
Amusement, Gambling, and Recreation	713	\$9,044	\$18,089
Accommodation	721	\$7,690	\$15,379
Food Services & Drinking Places	722	\$18,335	\$36,670
Repair & Maintenance	811	\$64,576	\$129,151
Personal & Laundry Services	812	\$28,311	\$56,622
Membership Associations and Organizations	813	\$6,743	\$13,487
Government	92	\$39,214	\$78,427
Unclassified*	N/A	\$34,486	\$68,971
Totals		\$1,671,407	\$3,342,815

*Facilities with no NAICS codes assigned are categorized as "unclassified."

REFERENCES

Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Area (70 sector model). Version 1.5.2.

South Coast Air Quality Management District. Comprehensive Annual Financial Report. Diamond Bar, California: South Coast Air Quality Management District, 2012.

South Coast Air Quality Management District. Comprehensive Annual Financial Report. Diamond Bar, California: South Coast Air Quality Management District, 2013.

South Coast Air Quality Management District. Draft Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase. Diamond Bar, California: South Coast Air Quality Management District, 2014.

South Coast Air Quality Management District. Draft Staff Report for Proposed Amended Regulation III—Fees. Diamond Bar, California: South Coast Air Quality Management District, 2014.

ATTACHMENT J



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED REGULATION III – FEES

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and will prepare a Notice of Exemption for the project identified above.

The proposed amendments to Regulation III – Fees, include an adjustment by the change in the Consumer Price Index (CPI) (1.6 percent) pursuant to Rule 320 - Automatic Adjustment Based on CPI for Regulation III Fees. The proposed project also includes an additional six percent increase in fees for permit processing and annual permit renewal, phased in over two years, to address an identified shortfall in costs associated with issuing the permits. The proposed project would increase fees in each of these two categories by three percent for fiscal years 2014/15 and 2015/16.

Pursuant to CEQA, the SCAQMD is the Lead Agency and has reviewed the proposed project mentioned above pursuant to CEQA Guidelines §§15002 (k)(1) and 15061. SCAQMD staff has reviewed the proposed amendments to Regulation III – Fees, and determined them to be statutorily exempt from CEQA requirements pursuant to State CEQA Guidelines §15273 – Rates, Tolls, Fares, and Charges. A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. The Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following the adoption of the proposed project.

Any questions regarding this Notice of Exemption should be sent to Jeff Inabinet (c/o Planning, Rule Development & Area Sources) at the above address. Mr. Inabinet can also be reached at (909) 396-2453.

Date: May 2, 2014

Signature: _____

Michael Krause
Program Supervisor – CEQA Section
Planning, Rule Development &
Area Sources

NOTICE OF EXEMPTION

To: County Clerks of
Los Angeles, Orange, Riverside, San
Bernardino

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title:

Proposed Amended Regulation III – Fees

Project Location:

South Coast Air Quality Management District (SCAQMD) area of jurisdiction consisting of the four-county South Coast Air Basin (Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin and the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

The proposed amendments to Regulation III – Fees, include an adjustment by the change in the Consumer Price Index (CPI) (1.6 percent) pursuant to Rule 320 - Automatic Adjustment Based on CPI for Regulation III Fees. The proposed project also includes an additional six percent increase in fees for permit processing and annual permit renewal, phased in over two years, to address an identified shortfall in costs associated with issuing the permits. The proposed project would increase fees in each of these two categories by three percent for fiscal years 2014/15 and 2015/16.

Public Agency Approving Project:

South Coast Air Quality Management District

Agency Carrying Out Project:

South Coast Air Quality Management District

Exempt Status:

General Concepts [CEQA Guidelines §15002 (k)(1)]; and
General Rule Exemption [CEQA Guidelines §15061 (b)(3)]

Reasons why project is exempt:

SCAQMD staff has reviewed the proposed amendments to Regulation III – Fees, and determined them to be statutorily exempt from CEQA requirements pursuant to State CEQA Guidelines §15273 – Rates, Tolls, Fares, and Charges. The proposed amendments to Regulation III – Fees, have minor fee adjustments to better recover costs and contain administrative amendments.

Project Approval Date:

SCAQMD Governing Board Hearing: May 2, 2014, 9:00 a.m.; SCAQMD Headquarters

CEQA Contact Person:

Mr. Jeffrey Inabinet

Phone Number:

(909) 396-2453

Fax Number:

(909) 396-3324

Email:

jinabinet@aqmd.gov

Rule Contact Person:

Ms. Tuyet-Le Pham

Phone Number:

(909) 396-3299

Fax Number:

(909) 396-3324

Email:

tpham@aqmd.gov

Date Received for Filing _____

Signature Signed upon certification _____

Michael Krause
Program Supervisor – CEQA Section
Planning, Rule Development
and Area Sources

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BOARD MEETING DATE: June 6, 2014

AGENDA NO. 29

PROPOSAL: Proposed Withdrawal of SIP Submittals for Select Rules and Regulations

SYNOPSIS: The SCAQMD staff has previously submitted permits, plans, rules, and regulations, or amendments thereto, to U.S. EPA for State Implementation Plan (SIP) approval. Staff and U.S. EPA have developed a list of previously submitted rules and regulations that no longer require U.S. EPA SIP approval under the Clean Air Act and are proposed for withdrawal from U.S. EPA consideration. This action is to withdraw the agreed-upon list of previously submitted rules and regulations for SIP approval.

COMMITTEE: Stationary Source, May 16, 2014, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached resolution to withdraw SIP submittals for select rules and regulations.

Barry R. Wallerstein, D.Env.
Executive Officer

BB EC:PF:MK

Background

In an effort to streamline a large backlog in reviewing State Implementation Plan (SIP) submittals, U.S. EPA is seeking to have a number of proposed rules and regulations previously submitted into the SIP to be withdrawn because they are either no longer needed or outdated. For example, in some cases, a newer rule provision makes the rule or regulation no longer needed or appropriate in the SIP.

SCAQMD staff has worked with U.S. EPA to develop an agreed-upon list of previously submitted rules and regulations for SIP approval that can be withdrawn at this time, since they are not needed under the Clean Air Act. A complete list of those rules and

regulations, along with the date submitted into the SIP, and reasons that the rule or regulation is no longer needed or necessary is provided in Attachment A of this Board letter.

Proposal

SCAQMD staff is proposing to withdraw a set of SIP submittals, shown in Attachment A of this Board letter, from U.S. EPA consideration in an effort to reduce U.S. EPA’s SIP backlog and to expedite actions on other more critical SIP submittals. These submittals have not been approved by the U.S. EPA.

Air Quality Management Plan (AQMP) and Legal Mandates

None of the rules are necessary to implement the SIP or AQMP. The rules and regulations proposed to be withdrawn will still be in effect locally, where applicable, e.g., Regulation V, but will not be federally enforceable.

CEQA

SCAQMD staff concludes that the withdrawal is not a “project” within the meaning of CEQA because the withdrawal does not have the potential to result in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change to the environment pursuant to CEQA Guidelines §15378(a), as rules currently in effect locally will remain in effect.

Socioeconomic Analysis

No socioeconomic impact assessment is required because the proposed amendments do not “significantly affect air quality or emissions limitations.” (Health & Safety Code Section 40440.8(a)).

Resource Impacts

The action would be implemented using existing staff resources and is not expected to impose any significant burden.

Attachments

- A. SIP Submittals that SCAQMD Recommends for Withdrawal
- B. Resolution

ATTACHMENT A

SIP SUBMITTALS THAT SCAQMD RECOMMENDS FOR WITHDRAWAL

Rule Number	Submittal	Rule Title	Comments
Hyperion Wastewater Treatment Plan	5/01/85	Contingency Measures	EPA advised on 5/28 not needed for SIP
South Coast 110	2/7/89	Rule adoption procedures	Not needed in SIP – CEQA for Rules
South Coast 505	10/25/91	Lack of Permit	Hearing Board provision not needed in SIP
South Coast 506	2/7/89	Failure to Comply with Rules	Hearing Board provision not appropriate for SIP
South Coast 512.01	2/7/89	Prehearing Conference	Hearing Board provision not needed in SIP
South Coast 515	5/13/91	Findings and Decision	Hearing Board provision not needed in SIP
South Coast 517	2/7/89	Emergency Variance Procedures	Hearing Board provision not appropriate for SIP
South Coast 518	2/28/94	Variance Procedures for Title V*	Variance rules not appropriate for SIP
South Coast 1502	4/5/91	District Delegation to Local Governments	The parameters for delegation to local governments were incorporated into Rule 2202; this rule referred to Rule 1501, repealed in 1995.
South Coast 1504	7/13/94	Cash-out Program for Non-owned Employee Parking	A CO attainment contingency measure; EPA approved the 1996 CO maintenance plan without Rule 1504 and redesignated ten areas (including SC) to attainment effective 6/1/98 (63 FR 15305), so will never be triggered.
South Coast 1505	2/7/89	Exemptions	Renumbered (5/17/90) and rescinded (2/12/93), but the parameters for delegation to local governments were incorporated into Rule 2202.
South Coast 1701	2/7/89	PSD general	Current form un-approvable
South Coast 1702	2/7/89	PSD definitions	Current form un-approvable
South Coast 1704	2/7/89	Exemptions	Current form un-approvable
South Coast 1706	2/7/89	Emission calculations	Current form un-approvable
South Coast 1710	2/7/89	Analysis, notice and reporting	Current form un-approvable
South Coast 1713	2/7/89	Source obligation	Current form un-approvable
South Coast 2100	9/8/97	Registration of Portable Equipment	Obsolete per 2100(a)

* Replaced by Rule 518.2, Federal Alternative Operating Conditions (for Title V Facilities) which has been approved by EPA.

ATTACHMENT B

RESOLUTION 14-

A Resolution of the South Coast Air Quality Management District Governing Board (SCAQMD) certifying that the Proposed Withdrawal of State Implementation Plan (SIP) Submittals for Select Rules and Regulations is not subject to the California Environmental Quality Act (CEQA).

A Resolution of the SCAQMD Governing Board approving the withdrawal of select rules and regulations from a set of SIP submittals.

WHEREAS, the U.S. EPA is seeking to streamline a large backlog in reviewing SIP submittals and to expedite actions on other more critical SIP submittals; and

WHEREAS, the U.S. EPA is seeking to have a number of proposed rules and regulations previously submitted into the SIP to be withdrawn because they are either no longer needed or outdated; and

WHEREAS, the SCAQMD staff has worked with U.S. EPA to develop an agreed-upon list (see Exhibit 1) of previously submitted rules and regulations for SIP approval that can be withdrawn at this time, since they are not needed under the Clean Air Act; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to approve the withdrawal of select rules and regulations from a set of SIP submittals; and

WHEREAS, the SCAQMD staff concludes that the withdrawal is not a “project” within the meaning of CEQA because the withdrawal does not have the potential in resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change to the environment pursuant to CEQA Guidelines §15378(a); and

WHEREAS, the SCAQMD Governing Board has determined that no socioeconomic impact will result from the withdrawal of select rules and regulations from a set of SIP submittals; and

WHEREAS, a public hearing has been properly noticed by providing a 30-day notice in the newspapers in accordance with all U.S. EPA regulation applicable to revising the SIP; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD specifies the manager of the withdrawal of select rules and regulations from a set of SIP submittals as the custodian of the documents or other materials which constitute the record of proceedings upon which the approval is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California

NOW, THEREFORE, BE IT RESOLVED, that the South Coast Air Quality Management District Board does hereby determine that the withdrawal of select SIP submittals for the rules and regulations listed in attached Exhibit 1 is not subject to CEQA.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby approve, pursuant to the authority granted by law, approving the withdrawal of select rules and regulations from a set of SIP submittals, as set forth in the attached Exhibit 1, and incorporated herein by this reference.

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Exhibit 1, the SIP submittals for select rules and regulations recommended for withdrawal, to the California Air Resources Board for approval and subsequent submittal to the U.S. Environmental Protection Agency.

Attachment: Exhibit 1

DATE: _____

CLERK OF THE BOARD

EXHIBIT 1

SIP SUBMITTALS THAT SCAQMD RECOMMENDS FOR WITHDRAWAL

Rule Number	Rule Title	Submittal
Hyperion Wastewater Treatment Plan	Contingency Measures	5/01/85
South Coast 110	Rule adoption procedures	2/7/89
South Coast 505	Lack of Permit	10/25/91
South Coast 506	Failure to Comply with Rules	2/7/89
South Coast 512.01	Prehearing Conference	2/7/89
South Coast 515	Findings and Decision	5/13/91
South Coast 517	Emergency Variance Procedures	2/7/89
South Coast 518	Variance Procedures for Title V	2/28/94
South Coast 1502	District Delegation to Local Governments	4/5/91
South Coast 1504	Cash-out Program for Non-owned Employee Parking	7/13/94
South Coast 1505	Exemptions	2/7/89
South Coast 1701	PSD general	2/7/89
South Coast 1702	PSD definitions	2/7/89
South Coast 1704	Exemptions	2/7/89
South Coast 1706	Emission calculations	2/7/89
South Coast 1710	Analysis, notice and reporting	2/7/89
South Coast 1713	Source obligation	2/7/89
South Coast 2100	Registration of Portable Equipment	9/8/97

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 30

PROPOSAL: Amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 Permitting and Associated Fees, and Rule 311 Air Quality Investment Program Fees

SYNOPSIS: The proposal is to amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, the accompanying rule Implementation Guidelines, Rule 301 Permitting and Associated Fees, and Rule 311 - Air Quality Investment Program (AQIP) Fees. Sections of Rule 2202 and the Implementation Guidelines will be amended to address the use of Emission Reduction Credits and clarify the use of other existing emission credits. The proposed amendment for Rule 301 is to add a transfer fee for the administration and tracking of Short Term Emission Reduction Credits. AQIP is a program option for applicable worksites within Rule 2202. The proposed Rule 311 amendment is to reduce the AQIP per employee fee, to more accurately reflect the costs to obtain the required emission reductions.

COMMITTEE: Mobile Source, April 18, 2014, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached resolution:

1. Certifying the CEQA Notice of Exemption for Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options, Proposed Amended Rule 2202 Implementation Guidelines, Proposed Amended Rule 301 – Permitting and Associated Fees, and, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees; and
2. Amending Rule 2202 – On-Road Motor Vehicle Mitigation Options; and

3. Amending Rule 2202 Implementation Guidelines; and
4. Amending Rule 301 – Permitting and Associated Fees; and
5. Amending Rule 311 – Air Quality Investment Program (AQIP) Fees

Barry R. Wallerstein,
D.Env. Executive Officer

EC:CG:EL

Background

Rule 2202 has been amended several times and replaced Rules 1501 - Work Trip Reduction Plans and 1501.1 - Alternatives to Work Trip Reduction Plans. In 1987, Regulation XV was adopted which required trip reduction plans for employers with 100 or more employees. Rule 1501 was amended in 1993 and Rule 1501.1 was adopted in 1995 to comply with federal and state requirements for extreme non-attainment areas. In 1995, Rule 2202 was adopted to respond to state legislation prohibiting mandatory trip reduction plans. Subsequently, Rule 2202 provided worksites of 100 or more employees a menu of emission reduction options to meet an emission reduction target for their worksite. The passage of SB 836 in 1996 directed SCAQMD to raise the employee threshold level from 100 to 250 employees, while SB 432 permanently exempted worksites with fewer than 250 employees from complying with the rule. Rule 2202 continues to allow affected employers the option of implementing a traditional trip reduction program as a means to comply with the rule.

The rule also provides members of the regulated community with a menu of flexible and cost effective emission reduction options from which they can choose to implement and meet the emission reduction targets for their sites. One of those options includes the use of emission reduction credits (ERCs). At the end of 2013, approximately 200 lbs/day of NOx ERCs were transferred into Rule 2202. The rate of transfer caused a concern regarding future stationary source credit availability. Therefore, at its January 10, 2014 meeting, the Governing Board approved a temporary moratorium, from January 10, 2014 to July 1, 2014, on the transfer of NOx ERCs into Rule 2202 and directed staff to review the status of the stationary source emission banks and potential impacts of additional transfers into the Rule 2202 program. During the NOx moratorium, VOC and CO ERCs were allowed to be transferred into the Rule 2202 program. Staff is proposing amendments to Rule 2202 and the rule Implementation Guidelines to address the uses of ERCs already in the Rule 2202 program, and to prohibit the further transfer of ERCs into the Rule 2202 program after the date the amendments are adopted..

Proposal

The proposal is to amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 - Permitting and Associated Fees, and Rule 311 – Air Quality Investment Program (AQIP) Fees. The proposed amendments specifically address the use of ERCs and the AQIP compliance option. Staff reviewed the historical use of ERCs for stationary sources, as well as the availability of credits and other emission programs within Rule 2202 to determine the ability to meet future compliance targets. Staff concluded that while ERCs represent only a small fraction of overall compliance options, there continues to be a concern regarding the future availability of ERCs for use by stationary sources. To address this concern, staff is proposing that ERCs no longer be allowed to be transferred into the Rule 2202 program. ERCs that currently reside within the Rule 2202 program would be allowed to remain, however these ERCs will be subject to an annual discount. Staff is proposing that ERCs remaining in the Rule 2202 program be discounted annually to establish a more level playing field for the various compliance options. This would keep other options more equitable since the ability to generate surplus reductions is declining as vehicle engines are getting cleaner each year. The annual discounting is to begin in the eighth year after the ERC was initially transferred into the rule program beginning January 1, 2015. The discounting in the eighth year will establish parity between ERCs and Short Term Emission Reduction Credits (STERCs). STERCs are issued as seven, one year allocations, and are then issued in their eighth year as a permanent ERC credit. This also allows credit vendors to recoup their prior investments.

Rule 301 is proposed to be amended to include a new application fee for the transfer of STERCs into Rule 2202. The proposed fee is to address the requirement for STERCs to be permanently retired and removed from the New Source Review (NSR) program. Additionally the proposed fee will include the processing of STERCs into the Rule 2202 database and the transfer of ERCs out of the program. This new fee is less than the current transfer fees listed in Rule 301, and more closely reflects cost recovery for a transaction of this nature.

Staff has evaluated the AQIP fees, as set forth in Rule 311, which has remained at its current fee of \$60 per peak window employee since Rule 2202 was adopted in 1995. In evaluating the cost effectiveness of the most recent AQIP funded projects, staff found that the AQIP program emission reduction targets could still be achieved with a reduced fee of \$45 per employee. The reduced AQIP fee will afford employers a more viable compliance option.

Rule 2202 and its accompanying Implementation Guidelines have not been amended since 2004. Staff is proposing a number of administrative updates and clarifications, as well as the inclusion of language to better codify current policies and practices.

Key Outstanding Issues

Staff proposed that ERCs that have been transferred into Rule 2202 be permanently retired if the rule is rescinded. The issue raised is that ERCs should be restored to the NSR program if the rule is rescinded or at any time if the ERCs have not been used. U.S. EPA approval is needed if the ERCs are to reenter the NSR program and potentially used by a permitted source. Based on staff's subsequent discussions with the U.S. EPA, if any portion of the ERC certificate has been used in any discrete year to comply with any Rule 2202 requirements then none of the original ERC certificate may be transferred out of the program. However, if no portion of the original ERC certificate has been used, then the ERC certificate may be transferred out. If this option is elected by the credit owner and these conditions are met, the amount of ERCs in pounds per day in the original certificate less the 10% discount will be reissued.

This condition will provide additional program flexibility. Also, to accommodate this change, the Rule 301 fee will also apply to transfers of ERCs out of the Rule 2202 program, since the staff will need to convert the ERC back into pounds per day format.

During the public meeting a comment was made that worksites exceeding their worksite average vehicle ridership (AVR) should be able to bank and trade the excess AVR to other parties. AVR is calculated based on a one week survey of the worksite. Therefore, the use of excess AVR may not meet the emission credit certification requirements: real, surplus, quantifiable, and enforceable emission reduction credits. However, staff will explore additional incentives that could be used for those worksites exceeding an AVR target as part of the Employee Commute Reduction Program (ECRP) Guidelines review later this year. Staff will also initiate discussions later this year to consider potential program streamlining of the ECRP.

Public Process

Staff has worked with Rule 2202 stakeholders and other interested parties. Stakeholder working group meetings were held on April 3, 2014 and April 16, 2014; and a Public Consultation Meeting was held on April 24, 2014.

California Environmental Quality Act (CEQA)

Pursuant to CEQA, the SCAQMD is the Lead Agency and has reviewed the proposed project mentioned above pursuant to CEQA Guidelines §§15002 (k)(1) and 15061. The proposed amendments do not have the potential to significantly affect air quality or any other environmental categories because they are administrative in nature in that they more specifically implement current provisions of Rule 2202. Employers will continue to meet their emission reduction obligations either through an employee commute reduction option or through other rule options. As a result, no new adverse impacts on the environment are expected from the proposed project. Since it can be seen with certainty that the proposed project has no potential to adversely impact air quality or any other environmental area, it is exempt from CEQA pursuant to state CEQA Guidelines

§15061(b)(3) – Review for Exemption. A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption.

Socioeconomic Analysis

Proposed amendments to Rules 2202, 301, 311 and the Rule 2202 Implementation Guidelines will affect 1,336 worksites within the SCAQMD jurisdiction. These worksites belong to most major sectors in the local economy. The proposed amendments will result in a reduction of filing fees associated with one of the rule compliance options. Employers will continue to be able to choose from different compliance options; as such, there will be no additional costs or other socioeconomic impacts anticipated.

AQMP and Legal Matters

The California Health and Safety Code requires that the SCAQMD adopt an AQMP to meet state and federal ambient air standards in the Basin. In addition, the California Health and Safety Code requires that the SCAQMD adopt rule and regulations that carry out the objective of the AQMP. The proposed rule and guideline amendments are consistent with the intent and objectives of the AQMP.

Implementation and Resource Impact

Existing SCAQMD resources will be sufficient to implement the proposed amendments with minimal impact on the budget.

Attachments

- A. Summary of Proposal
- B. Summary of Key Issues
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Proposed Amended Rule 2202 Language
- G. Proposed Amended Rule 2202 Implementation Guidelines Language
- H. Proposed Amended Rule 301 Language
- I. Proposed Amended Rule 311 Language
- J. Staff Report
- K. Socioeconomic Assessment
- L. CEQA Notice of Exemption

**ATTACHMENT A
SUMMARY OF PROPOSALS**

Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options
<ul style="list-style-type: none">• Prohibit transfers of Emission Reduction Credits (ERCs) into the Rule 2202 program• Continue to allow transfer of Short Term Emission Reduction Credits (STERCs)• ERCs held in the program will be subject to annual discounting• ERC certificates that have not been used, can be transferred out of the program at any time, minus the original 10% discount• ERCs will be retired if the rule is rescinded• Remove outdated rule language related to pilot generation programs that have sunset
Amend Rule 2202 Implementation Guidelines
<ul style="list-style-type: none">• Require an application and applicable fee for the transfer of each STERC into the Rule 2202 program• ERCs that have been transferred into Rule 2202 shall permanently remain in the program unless unused• ERCs held in the program will be subject to annual discounting based on the annual change in the lb/year/daily commute vehicle as determined by the most recent EMFAC version• Include language to define how STERCs and ERCs can be allocated for use• Include language to define how STERCs and ERCs are converted from lbs/day to lbs/year• Allow emission credits from other reduction strategies to be potentially valid for more than two years upon approval of appropriate quantification protocols• Remove outdated rule language related to pilot generation programs that have sunset• Allow employers who, after receipt of a provisional approval letter, become exempt during a compliance year from the rule requirement may have their worksite emission reduction target (ERT) prorated• Provide for the emission factor tables to be published separately from the rule guidelines
Amend Rule 301 – Permitting and Associated Fees
<ul style="list-style-type: none">• Add fee for the transfer of STERCs into the Rule 2202 program• Add fee for the transfer of ERCs out of the Rule 2202 program• Transfer fee cost will be for each individual STERC certificate transferred into Rule 2202 and for each individual ERC certificate transferred out of Rule 2202
Amend Rule 311 – Air Quality Investment Program (AQIP) Fees
<ul style="list-style-type: none">• Reduce annual AQIP fee from \$60 per window employee to \$45 per window employee• Retain the triennial compliance option fee of \$125 per window employee

ATTACHMENT B
SUMMARY OF KEY ISSUES

Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options
Proposed Amended Rule 2202 Implementation Guidelines

- ERCs should be restored to NSR banks if the rule is rescinded or at any time if the ERCs have not been used.

The request to reissue ERCs after being used in the Rule 2202 program is not currently authorized by the rule. U.S. EPA approval is needed if the ERCs are to reenter the NSR program and potentially used by a permitted source. Based on staff's subsequent discussions with the U.S. EPA, if none of the original ERC certificate has not been used in any discrete year to comply with any rule requirements since its initial transfer, the ERC may be transferred out of the program at any time. The ERC certificate will be reissued based on the amount that was transferred into Rule 2202 minus the 10% originally discounted when it was initially transferred.

- Continue to allow the transfer of ERCs into the Rule 2202 program.

Staff did consider alternatives such as limited ERC transfers, as discussed in the staff report. However, analysis resulted in the minimum threshold needed to be set at a level that it was unlikely that ERCs would be available for use in Rule 2202. Therefore, staff is proposing that the transfer of ERCs be prohibited.

- The ERCs currently in the Rule 2202 program should not be discounted.

The continued use of undiscounted ERCs has the potential to reduce the viability of other emission credits sources such as those from mobile source projects. ERCs are primarily intended for use by stationary sources. However, the annual discounting is proposed to begin in the eighth year to address investments made in the ERCs and the rate of discount is the same as the reduction in vehicle fleet average emissions.

- Request additional MSERC protocols for private parties use to create tradable credits for use within the Rule 2202 program.

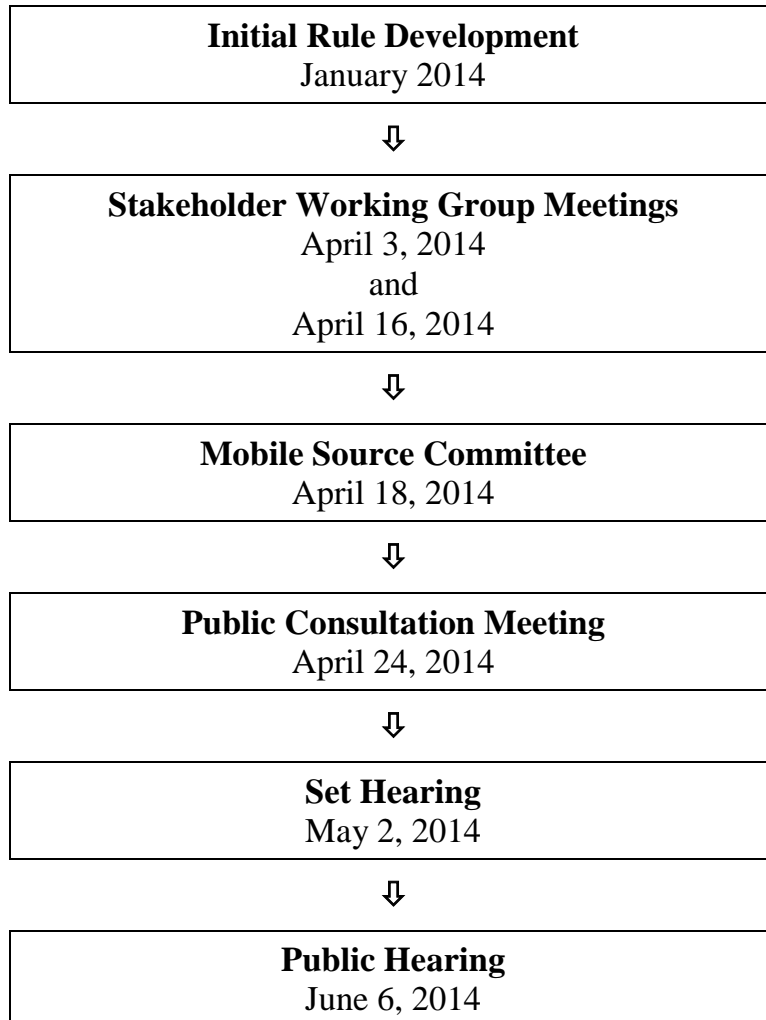
Staff is in the process of evaluating additional protocols and plans to submit them to the Mobile Source Committee in the next couple of months.

- Worksites exceeding their worksite Average Vehicle Ridership (AVR) should be able to bank and trade the excess AVR to other parties.

AVR is calculated based on a one week survey of the worksite. Therefore, the use of excess AVR may not meet emission credit certification requirements: real, surplus, quantifiable, and enforceable emission reduction credits. However, staff will explore additional incentives that could be used for those worksites exceeding an AVR target as part of the ECRP Guidelines review later this year.

**ATTACHMENT C
RULE DEVELOPMENT PROCESS**

**Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options
Proposed Amended Rule 2202 Implementation Guidelines
Proposed Amended Rule 301 – Permitting and Associated Fees
Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees**



Four (4) months spent in rule development.

**ATTACHMENT D
KEY CONTACTS LIST**

**Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options
Proposed Amended Rule 2202 Implementation Guidelines
Proposed Amended Rule 301 – Permitting and Associated Fees
Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees**

- Transportation Management Associations or Organizations (TMAs/TMOs)
- Rule 2202 program consultants
- Emission credit brokers
- Employee Transportation Coordinators (ETCs)
- Rule 2202 Regulated Employers
- Other Interested Parties

ATTACHEMENT E

RESOLUTION NO. 14-

A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board adopting Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options; Proposed Amended Rule 2202 Implementation Guidelines; Proposed Amended Rule 301 – Permitting and Associated Fees; and, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees.

A Resolution of the SCAQMD Governing Board determining that the proposed amendments for Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options; Proposed Amended Rule 2202 Implementation Guidelines; Proposed Amended Rule 301 – Permitting and Associated Fees; and, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees are exempt from the requirements of the California Environmental Quality Act (CEQA).

WHEREAS, that the SCAQMD Governing Board has determined with certainty that Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options; Proposed Amended Rule 2202 Implementation Guidelines; Proposed Amended Rule 301 – Permitting and Associated Fees; and, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees (collectively, “Proposed Amended Rules”), is a “project” pursuant to the terms of the California Environmental Quality Act (CEQA); however, SCAQMD staff reviewed the proposed project and because it can be seen with certainty that there is no possibility that the proposed project in question has the potential to have a significant adverse effect on the environment, it was determined that the proposed project is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) – Review for Exemption; and

WHEREAS, that the SCAQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and has conducted CEQA review and analysis pursuant to such program (Rule 110); and

WHEREAS, SCAQMD staff has prepared a Notice of Exemption that is completed in compliance with CEQA Guidelines §15002(k)(1) – Three Step Process, and §15061 – Notice of Exemption; and

WHEREAS, that the SCAQMD Governing Board has determined that the Proposed Amended Rules do not significantly affect air quality or emission limitations and as such, no socioeconomic analysis is required under Health and Safety Code Section 40728.5; and

WHEREAS, that the SCAQMD Governing Board has determined that Proposed Amended Rules will not result in increased costs to industry as described in the Socioeconomic Impact Assessment; and

WHEREAS, that the SCAQMD Governing Board has determined that the Proposed Amended Rules, do not impose a new emission limit or standard more stringent, or impose new or more stringent monitoring, reporting, or recordkeeping requirements and therefore a comparative analysis pursuant to Health and Safety Code Section 40727.2 is not required; and

WHEREAS, that the SCAQMD Governing Board obtains its authority to adopt this Proposed Amended Rule pursuant to sections 40000, 40001 and 40440, of the California Health and Safety Code; and

WHEREAS, that the SCAQMD Governing Board has determined that a need exists to amend Rule 2202 – On-Road Motor Vehicle Mitigation Options in order to be consistent with current State and SCAQMD emission reductions estimates and to increase the effectiveness of the program; and

WHEREAS, that the SCAQMD Governing Board has determined that the Proposed Amended Rules, as proposed to be adopted, is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, that the SCAQMD Governing Board has determined that the Proposed Amended Rules, as proposed to be adopted, is in harmony with, and not in conflict with or contradictory to, existing federal and state statutes, court decisions, or regulations; and

WHEREAS, that the SCAQMD Governing Board has determined that the Proposed Amended Rules, as proposed to be adopted, does not impose the same requirements as any existing state or federal regulation and the proposed amended rules are necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD; and

WHEREAS, that the SCAQMD Governing Board has determined that Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options; Proposed Amended Rule 2202 Implementation Guidelines, as proposed to be adopted, references the following statutes which the SCAQMD hereby implements, interprets or makes specific: Health and Safety Code Section 40001 40716, 40717 and Federal Clean Air Act Section 182(d)(1)(B); and

WHEREAS, a public hearing has been properly noticed in accordance with the provisions of Health and Safety Code Section 40725; and

WHEREAS, that the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, that the SCAQMD Governing Board specifies the manager of Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options and Proposed Amended Rule 2202 Implementation Guidelines, as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of the Proposed Amended Rules is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California 91765; and

WHEREAS, that the SCAQMD Governing Board has determined that the Proposed Amended Rules, should be adopted for the reasons contained in the Staff Report, and

NOW, THEREFORE, BE IT RESOLVED that the SCAQMD Governing Board does hereby determine, pursuant to the authority granted by law, that the amendments contained in the Proposed Amended Rules, are exempt from CEQA requirements pursuant to CEQA Guidelines §15002 (k)(1) – Three Step Process and §15061 (b)(3) – Review for Exemption (General Rule Exemption); and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to propose to the Mobile Source Committee additional emission reduction protocols and opportunities that will result in usable emission credits for use in the Rule 2202 program; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to meet with stakeholders to discuss potential streamlining of the Rule 2202 Employee Commute Reduction Program that will continue to offer a menu of flexible compliance options; and

BE IT FURTHER RESOLVED, that the South Coast Air Quality Management District Board requests that Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options be submitted into the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options to the California Air Resources Board for approval and subsequent submittal to the U.S. Environmental Protection Agency for inclusion into the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options; Proposed Amended Rule 2202 Implementation Guidelines; Proposed Amended Rule 301 – Permitting and Associated Fees; and, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees as set forth in the attached and incorporated herein by reference.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT F

(Adopted December 8, 1995)(Amended March 8, 1996)
(Amended November 8, 1996)(Amended October 9, 1998)
(Amended January 11, 2002)(Amended February 6, 2004)
(PAR June 6, 2014)

PROPOSED AMENDED RULE 2202 - ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS

(a) Purpose

The purpose of this Rule is to provide employers with a menu of options to reduce mobile source emissions generated from employee commutes, to comply with federal and state Clean Air Act requirements, Health & Safety Code Section 40458, and Section 182(d)(1)(B) of the federal Clean Air Act.

(b) Applicability

Effective June 19, 1998, this Rule applies to any employer who employs 250 or more employees on a full or part-time basis at a worksite for a consecutive six-month period calculated as a monthly average, except as provided in subdivision ~~(m)~~(l) of this Rule. Effective February 6, 2004, employers shall notify the District within 30 days when they become subject to Rule 2202 or no longer qualify for the employee threshold exemption pursuant to paragraph ~~(m)~~(l)(1). Employers shall have 90 days from the date of notifying the District to comply with provisions of this Rule.

(c) Sunset Provision

This Rule shall be rescinded, at such time that a replacement measure is implemented which produces an equivalent level of emission reductions and such emission reductions are real, quantifiable, enforceable, and surplus relative to the most recently adopted state implementation plan.

(d) Definitions

For the purpose of this Rule, the following definitions shall apply:

- (1) AIR QUALITY INVESTMENT PROGRAM (AQIP) is an emission reduction option, in which monies collected by the District from employers are used to fund programs or purchase emission reductions that have been approved by the District's Governing Board.
- (2) AREA SOURCE CREDITS (ASCs) are emission~~reduction~~ credits, issued pursuant to Regulation XXV - Intercredit Trading.

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

- (3) AVERAGE VEHICLE RIDERSHIP (AVR) is the current number of employees scheduled to report to work during the window for calculating AVR divided by the number of vehicles arriving at the worksite during the same window.
- (4) DISABLED EMPLOYEE means an individual with a physical impairment that prevents the employee from traveling to the worksite by means other than a single-occupant vehicle.
- ~~(4)~~(5) EMISSION REDUCTION CREDITS (ERCs) are as defined in subdivision (l) of Rule 1302 – Definitions and also includes the permanent credit issued under Rule 1309(f)(1).
- ~~(5)~~(6) EMISSION REDUCTION TARGET (ERT) is the annual VOC, NO_x, and CO emissions required to be reduced based on the number of employees per worksite and the employee emission reduction factor, determined in accordance with the provisions of subdivision (e) of this Rule.
- ~~(6)~~(7) EMPLOYEE is any person employed by a person(s), firm, business, educational institution, non-profit agency or corporation, government or other entity. The term exempts the following in accordance with the Rule 2202 - Definitions: seasonal employees; temporary employees; volunteers; field personnel; field construction workers; and independent contractors.
- ~~(7)~~(8) EMPLOYER is any person(s), firm, business, educational institution, non-profit agency or corporation, government agency, or other entity that employs 250 or more employees. Several subsidiaries or units that occupy the same work site and report to one common governing board or governing entity or that function as one corporate unit are considered to be one employer.
- ~~(8)~~(9) FEDERAL FIELD AGENT means any employee who is employed by any federal entity whose main responsibility is National Security and performs field enforcement and/or investigative functions. This does not include employees in non-field or non-investigative functions.
- ~~(9)~~(10) FIELD CONSTRUCTION WORKER means an employee who reports directly to work at a construction site.
- ~~(10)~~(11) FIELD PERSONNEL means employees who spend 20% or less of their work time, per week, at the worksite and who do not report to the

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

worksite during the peak period for pick-up and dispatch of an employer-provided vehicle.

~~(11)~~(12) INDEPENDENT CONTRACTOR means an individual who enters into a direct written contract or agreement with an employer to perform certain services and is not on the employer's payroll.

~~(12)~~(13) INTER-POLLUTANT CREDITING means the use of emission ~~reduction~~ credits of one type of pollutant that may be used in lieu of another type of pollutant.

~~(13)~~(14) LOW-INCOME EMPLOYEE means an individual whose salary is equal to or less than the current individual income level set in the California Code of Regulations, Title 25, Section 6932, as lower income for the county in which the employer is based. Higher income employees may be considered to be "low-income" if the employees demonstrate that the program strategy would create a substantial economic burden.

~~(14)~~(15) MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs) are emission~~—reduction~~ credits issued pursuant to Regulation XVI - Mobile Source Offset Programs.

~~(15)~~(16) NITROGEN OXIDES (NO_x) are nitric oxides and nitrogen dioxides, collectively expressed as nitrogen dioxide.

~~(16)~~(17) PART-TIME EMPLOYEE means any employee who reports to a worksite on a part-time basis fewer than 32 hours per week, but more than four hours per week. These employees shall be included in the employee count for purposes of Rule applicability; and for Average Vehicle Ridership (AVR) calculations of the employer provided the employees report to the worksite during the window for calculating AVR.

~~(17)~~(18) PEAK COMMUTE TRIP is any employee trip from home to work occurring for the purpose of reporting to work during the peak window.

~~(18)~~(19) PEAK WINDOW is the period of time, Monday through Friday between the hours of 6:00 AM and 10:00 AM, and used in calculating the vehicle trip emission credit.

~~(19)~~(20) PERFORMANCE ZONE is a geographic area that determines the employee emission reduction factor for a particular worksite pursuant to the map in Attachment I of this Rule.

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

~~(20)~~(21) POLICE/SHERIFF means any employee who is certified as a law enforcement officer and is employed by any state, county or city entity. Such employees are only police officers and sheriffs, who perform field enforcement and/or investigative functions. This would not include employees in non-field or non-investigative functions.

~~(21)~~(22) RECLAIM TRADING CREDIT (RTC) ~~means, for the purposes of this rule, emission reduction credits generated pursuant to Regulation XVI and XXV that are issued as RTCs; it does not include RTCs issued as allocations to RECLAIM facilities~~ is as defined in paragraph (c)(63) of Rule 2000 - General.

~~(22)~~(23) SCHOOL DISTRICT means a public agency of the state that is a school district of every kind or class except a community college district, and shall include a County Office of Education.

~~(23)~~(24) SEASONAL EMPLOYEE means a person who is employed for less than a continuous 90-day period or an agricultural employee who is employed for up to a continuous 16-week period.

~~(24)~~(25) SHORT TERM EMISSION REDUCTION CREDITS (STERCs) ~~are short term emission reduction credits, issued pursuant to Regulation XIII - New Source Review,~~ as defined in subdivision (am) of Rule 1302 - Definitions.

~~(25)~~(26) STUDENT WORKER means a student who is enrolled and gainfully employed (on the payroll) by an institution. Student workers who work more than four (4) hours per week are counted for Rule applicability and if they report during the 6:00 AM - 10:00 AM window are counted for AVR calculation.

~~(26)~~(27) TEMPORARY EMPLOYEE means any person employed by an employment service or agency that reports to a worksite other than the employment agency's worksite, under a contractual arrangement with a temporary employer. Temporary employees are only counted as employees of the temporary agency for purposes of Rule applicability and calculating AVR.

~~(27)~~(28) VEHICLE TRIP EMISSION CREDITS (VTEC) are the emission reductions that result from the reduction of peak commute trips; other work related trips; or other District approved method; expressed in pounds per year per pollutant, and determined according to the provisions of subdivision (g) of this Rule.

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

~~(28)~~(29) VOLATILE ORGANIC COMPOUND (VOC) is any volatile compound of carbon, excluding: methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds as defined in ~~District~~ Rule 102 – Definition of Terms.

~~(29)~~(30) VOLUNTEER means any person(s) at a worksite who, of their own free will, provides goods or services, without any financial gain.

~~(30)~~(31) WORKSITE means a structure, building, portion of a building, or grouping of buildings that are in actual physical contact or are separated solely by a private or public roadway or other private or public right-of-way, and that are occupied by the same employer. Employers may opt to treat more than one structure, building or grouping of buildings as a single worksite, even if they do not have the above characteristics, if they are located within a 2 mile radius and are in the same Performance Zone.

(e) Requirements

An employer subject to this Rule shall annually register with the District to implement an emission reduction program, in accordance with subdivisions (f) and (g), that will obtain emission reductions equivalent to a worksite specific emission reduction target (ERT) specified for the compliance year. The annual ERT shall be determined according to the following equation, for VOC, NO_x, and CO, based on employee emission reduction factors specified in paragraph ~~(n)~~(m)(1) of this Rule.

$$\left[\begin{array}{c} \text{Emission} \\ \text{Reduction Target} \\ \text{(lbs/year)} \end{array} \right] = \left[\begin{array}{c} \text{Employees} \end{array} \right] \times \left[\begin{array}{c} \text{Employee Emission} \\ \text{Reduction Factor} \end{array} \right] - \left[\begin{array}{c} \text{Vehicle Trip} \\ \text{Emission Credit} \end{array} \right]$$

Where:

Employees = Average daily number of employees reporting to work in the Peak Window for a typical Monday through Friday period excluding those weeks which include a national holiday.

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

Employee Emission = Determined by year of the registration submittal and
Reduction Factor the worksite Performance Zone in paragraph ~~(n)~~(m)(1)
of this Rule.

Vehicle Trip = Determined according to subdivision (g) of this Rule.
Emission Credits

(f) On-Road Vehicle Mitigation Options

To comply with subdivision (e), employers may elect to use credits ~~generated~~
issued pursuant to one or more of the following emission reduction options to
meet their Emission Reduction Target (ERT):

(1) Mobile Source Emission Reduction Credits (MSERCs)

~~Any person may use mobile source emission reduction credits~~ elect to use
Mobile Source Emission Reduction Credits that were issued in accordance
with the provisions of Regulation XVI.

(2) Emission Reduction Credits (ERCs)

Any person may elect to use Emission Reduction Credits (ERCs) issued in
accordance with the provisions of Regulation XIII New Source Review,
provided that such credits were approved for transfer into the Rule 2202
program prior to [date of adoption]. ERCs transferred into the Rule 2202
program shall be subject to annual discounting in accordance with the
Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation
Guidelines.

~~(2)~~(3) Short Term Emission Reduction Credits (STERCs) from Stationary
Sources

Any person may elect to use Short Term Emission Reduction Credits
(STERCs) in accordance with the provisions of Regulation XIII, provided
such credits were generated from sources after January 1, 1996.

~~(3)~~(4) Area Source Credits (ASCs)

Any person may elect to use Area Source Credits that were ~~generated~~
issued in accordance with the provisions of Regulation XXV.

~~(4)~~(5) Air Quality Investment Program (AQIP)

Employers may participate in the AQIP by submitting an air quality
investment, to be placed in a restricted fund, in accordance with Rule 311
– Air Quality Investment Program (AQIP) Fees.

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The District shall use these funds to obtain an emission reduction or air quality benefit that is equivalent to the sum of the ERTs for all participating employers in the AQIP.

~~(5)~~(6) Other Emission Reduction Strategies

Notwithstanding the foregoing provisions, any person may receive credit toward an ERT for any emission reduction strategy that the employer or other person demonstrates to the Executive Officer achieves real, quantifiable, enforceable, and surplus emission reductions for a discrete period of time. Such strategies may include, but are not limited to, the reduction of non-work trips, other vehicle or engine accelerated turnover programs, the provision of new vehicle purchase subsidies or discounts, and local community or development projects that reduce trip or energy demand or that expand clean fuel or high-occupancy travel options. The Executive Officer shall not approve an alternative emission reduction program unless it is consistent with other District regulations and the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.

~~(6) — Any person may elect to use RECLAIM Trading Credits (RTC) that were generated in accordance to the pilot credit generation programs in paragraphs (f)(1) or (f)(3) and that have applications approved prior to February 6, 2004, in accordance with the following conditions:~~

~~(A) — Within 30 days from February 6, 2004 transfer the RTCs out of the RECLAIM Program into an undesignated account, provided that these RTCs are held in an RTC certificate account, are distinguishable from other RTCs, and must only be purchased or transferred directly from the original applicant or originator;~~

~~(B) — The RTCs have not yet expired as issued. The use of RTCs in the Rule 2202 program shall not extend the credit life.~~

(g) Vehicle Trip Emission Credits (VTEC)

Employers may elect to implement any of the following strategies and obtain vehicle trip emission credits that can be used to comply with subdivision (e). Such actions are at the sole discretion of the employer.

(1) Peak Commute Trip Reductions

Employers may receive VTEC from employee commute reductions that occur during the peak window in accordance with the Rule 2202 - On-

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

Road Motor Vehicle Mitigation Options Implementation Guidelines. VTEC obtained from peak commute trip reductions shall be determined according to the following equation:

$$\text{VTEC} = \left[\frac{\text{Creditable Commute Vehicle Reductions (CCVR)}}{\text{Vehicle Reductions (CCVR)}} \right] \times \left[\frac{\text{Emission}}{\text{Factor (EF)}} \right]$$

Where:

CCVR = The daily average of total commute vehicle reductions that are real, surplus, and quantifiable.

EF = Annual Emission Factor in paragraph (n)(2) of this Rule (pounds/year/daily commute vehicle).

In calculating VTEC for the subsequent year, employers may utilize data from previous years obtained by one of the following methods:

- (A) Default data based on the weighted average of the average vehicle ridership survey data of the previous three consecutive years; or
- (B) Data obtained by conducting an average vehicle ridership survey in accordance with the Rule 2202 - Employee Commute Reduction Program Guidelines; or
- (C) Data based on the default average vehicle ridership of 1.10; or
- (D) Data obtained by an alternative methodology, which may include documentation of the CCVR claimed, approved by the Executive Officer or designee.

(2) **Other Work-Related Trip Reductions**

Employers may receive additional VTEC from employee commute reductions that occur outside of the peak window or from non-commute vehicle usage calculated as creditable trip reductions and approved by the Executive Officer or designee. VTEC obtained from other work-related trip reductions shall be determined according to the following equation:

$$\text{VTEC} = \left[\frac{\text{Creditable Trip Reductions (CTR)}}{\text{Conversion Factor (CF)}} \right] \times \left[\frac{\text{Emission}}{\text{Factor (EF)}} \right]$$

Where:

CTR = The daily average of one-way trip reductions that are real, surplus, and quantifiable. A round trip is considered to be

two one-way trips.

CF = 2.0 for Peak Window trips; 2.3 for other trips.

EF = Annual Emission Factor in paragraph (n)(2) of this Rule (pounds/year/daily commute vehicle).

(3) Vehicle Miles Traveled (VMT) Reduction Programs

Subject to approval of the Executive Officer or designee, employers may elect to implement VMT reduction programs and receive VTEC towards their ERT. Reduction of annual employee commute VMT may result from employment center relocation, video-conference centers, telecommuting centers or other alternative programs approved by the Executive Officer or designee. The Executive Officer shall not offer any VTEC for a VMT reduction program unless it includes baseline VMT estimates and demonstrates that VMT reductions result in real, quantifiable, enforceable, and surplus emission reductions.

(4) Parking Cash-Out Program

Employers may elect to implement a Parking Cash-Out Program to reduce employee commutes and receive VTEC toward their ERT. Parking Cash-Out is a program where an employer offers to provide a cash allowance to an employee, equivalent to the parking subsidy that the employer would otherwise pay to provide the employee with a parking space. Incorporation of the Parking Cash-Out Program as one of the options in Rule 2202, does not relieve the affected parties from complying with the provisions of the Health and Safety Code section 43845.

(h) General Emissions Credit Provisions

The following provisions shall apply to any of the strategies in subdivisions (f) and (g):

(1) An employer or other person seeking credit under this Rule may use actual annual mileage per vehicle, or alternative estimates of vehicle miles traveled (VMT) contained in Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.

(2) Emission credit strategies that do not provide the precise amount of surplus emission reductions required for each of the three pollutants addressed by this Rule (VOC, NOx, and CO) may still qualify for

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

equivalent credit if the employer provides equivalent credits obtained pursuant to paragraph (h)(3).

- (3) Any person holding emission credits, other than vehicle trip emission credits (VTEC), pursuant to this Rule may trade some or all of those credits to other employers.
- (4) ~~Emission reduction credits generated~~ issued pursuant to paragraphs (f)(1), (f)(2), ~~and (f)(3), and (f)(4)~~ that have been transferred ~~to an employer subject to this~~ into the Rule 2202 program, shall not be used to comply with or meet the requirements of any other District rule or program, with the exception of ERCs pursuant to paragraph (f)(2), for which the original ERC certificate may be transferred out of the Rule 2202 program at any time in accordance with the following conditions:
 - (A) None of the original ERC certificate has ever been used in any discrete year to comply with any requirement of this rule since the initial transfer into the Rule 2202 program;
 - (B) The applicant submits an application for transfer and applicable fees, and receives approval of the Executive Officer, based on a determination that none of the original ERC certificate has been used. Upon approval by the Executive Office and reissuance of an ERC certificate, the ERCs may be used in any District program authorizing use of such ERCs except Rule 2202; and,
 - (C) The amount of ERC certificate to be reissued in pounds per day shall be based on the amount that was transferred into Rule 2202 minus the 10% originally discounted when the ERC was initially transferred into the program.
- (5) All emission credits submitted pursuant to subdivision (f) must be valid for a minimum of six (6) months of the employer's registration compliance year ~~for those registrations that have permanent due dates on and after June 7, 2004~~. This provision shall not apply to emission credits generated from projects approved or submitted prior to February 6, 2004.
- (6) ~~On and after February 6, 2004 a~~ An employer may apply inter-pollutant crediting, using VOC or NO_x emission credits ~~generated~~ issued pursuant to subdivision (f), in lieu of all or part of a worksite's CO emission reduction target in accordance with the Rule 2202 Implementation Guidelines and the following crediting ratios:

1 pound of VOC = 10 pounds of CO

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1 pound of NO_x = 6 pounds of CO

- (7) ~~Emission reduction credits generated issued pursuant to paragraph (f)(5)(6), but not used in the Rule 2202 program,~~ shall not be used to comply with or meet the requirements of any other District source specific rule unless otherwise approved by the Executive Officer authorized by other District rules or programs.
- (8) Emission Reduction Credits (ERCs), as defined in paragraph (d)(5), on or after [date of adoption], cannot be transferred into the Rule 2202 program.
- (9) Reclaim Trading Credits (RTCs), on or after [date of adoption], cannot be transferred into the Rule 2202 program.
- ~~(8)~~(10) Upon the expiration rescission of this Rule, any unused emission credits, with the exception of ERCs, may be applied to other emission reduction programs pursuant to and consistent with District rules and regulations. ERCs assigned to, or designated for use in the Rule 2202 program shall be permanently retired and will no longer be available for use unless otherwise specified in paragraph (h)(4).

~~(i)~~ Shortfall Penalties

~~Effective February 6, 2004 the shortfall penalty provisions of the pilot credit generation program rules shall apply to any generator or user of emission reduction credits issued in accordance with paragraphs (f)(1), (f)(3), or (f)(6). If the pilot credit generation program rule does not have a shortfall penalty or if the penalty provisions are not applicable the following provisions shall apply:~~

- ~~(1) If a shortfall exists, credits equal to 110 percent of the shortfall shall be obtained and surrendered to the Executive Officer such that the credit generator shall retire emission credits generated from paragraphs (f)(1), (f)(3), or (f)(6).~~
- ~~(2) If the shortfall cannot be reconciled by the credit generator through paragraph (i)(1), any employer who uses the pilot program credits for compliance with subdivision (e) shall obtain and surrender 100 percent of the emission reduction credits from paragraphs (f)(1), (f)(2), (f)(3), (f)(5) or (f)(6) equal to the shortfall or invest an equivalent amount of funds in the AQIP.~~

~~(j)~~(i) Program Administration

Rule 2202 shall be administered according to the following:

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

- (1) Employers shall annually register with the District to implement an Emission Reduction Program for each worksite. The registration shall include the following information:
 - (A) The name of the highest ranking company official, the name of the contact person, company address, telephone numbers for all participating worksites;
 - (B) The on-road vehicle mitigation option(s) that will be used;
 - (C) The total number of employees that report to work in the peak window;
 - (D) The total number of employees at that worksite; and,
 - (E) Calculations for VOC, NO_x, and CO emission reductions for any of the on-road vehicle mitigation options in subdivision (f) or the vehicle trip emission credit options in subdivision (g).
- (2) Annual registration shall include changes in employment base and any other changes that would necessitate adjustment in emission reduction targets or program implementation.
- (3) Annual registration due dates shall remain permanent unless a formal request to change the due date has been submitted by the employer and approved in writing by the District.
- (4) Employers may request to amend their Emission Reduction Program at any time and implement the amendments with written approval of the Executive Officer subject to the criteria contained in paragraph ~~(j)~~(i)(1).
- (5) Rather than registering with the District for each individual worksite, an employer may submit a single registration to implement an Emission Reduction Program that meets the aggregated ERT of several sites.
- (6) Emission credits obtained pursuant to subdivision (f) or (g) shall be surrendered to the Executive Officer within the first six months of the approval of the registration forms. The Executive Officer may grant extensions not to exceed six months on a case-by-case basis upon a finding that earlier compliance would present an unreasonable hardship.
- (7) Records which document the accuracy and validity of all information submitted to the District as required by this Rule shall be kept by the employer for a minimum of three years and made available upon request during normal business hours.
- (8) On a semi-annual basis the Executive Officer shall recommend to the District's Governing Board the release of monies from the AQIP restricted

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

fund. The program shall be administered and consideration of proposals shall be subject to the following:

- (A) Proposals shall be accepted on an ongoing basis;
 - (B) Equal consideration shall be given to cost-effective proposals and those that achieve long-term advancement of mobile source technology;
 - (C) The amount of emission reductions required to demonstrate equivalent emission reductions shall be determined on a semi-annual basis, as the sum of the ERTs for all the participating employers;
 - (D) Inter-pollutant crediting may be applied toward the CO emission reductions required to demonstrate equivalent emission reductions in subparagraph (j)(1)(8)(C) in accordance with the crediting ratios specified in paragraph (h)(6);
 - (E) The allocation of funding shall be recommended for proposals that reduce equivalent emissions within each county proportional to the contribution level of employers within each county to the greatest extent feasible; and,
 - (F) The emissions reductions are demonstrated to be real, quantifiable, enforceable, and surplus, in accordance with the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.
 - (G) ~~On and after February 6, 2004,~~ The Executive Officer is authorized to use up to 5% of the AQIP funds collected in any given year for program administration.
- (9) Registration forms submitted by employers shall be subject to the fee schedule set forth in Rule 308 – On-Road Motor Vehicle Mitigation Options Fees and Rule 311 – Air Quality Investment Program (AQIP) Fees. Employers choosing to implement the Employee Commute Reduction Program under paragraph ~~(m)(1)(3)~~ shall be subject to the fee schedule set forth in Rule 308.
- (10) Any employer subject to Rule 2202 or to the exemptions of paragraph ~~(m)(1)(3)~~ of this Rule shall comply with the requirements of Rule 701 – Air Pollution Emergency Contingency Actions.
- (11) All registrations submitted pursuant to subdivision (e) and projects subject to ~~subdivision paragraphs (f)(4) and (f)(5) and (f)(6)~~ shall be subject to the

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

emission factors under which they were originally approved, funded, or implemented.

- (12) Any person submitting a project pursuant to paragraph (f)~~(5)~~(6) shall submit an application as described in the Rule 2202 Implementation Guidelines and shall be subject to the fee schedule set forth in Rule 308 – On-Road Motor Vehicle Mitigation Options Fees.
- (13) All emission credit transfers to non-Rule 2202 employers or any transfer of credits outside of the credit submittal cycle shall be subject to the applicable fee schedule set forth in Regulation III - Fees.

~~(k)~~(j) Previously Delegated Programs

Any employer that is in compliance with an ordinance adopted by a local government that has a trip reduction ordinance that was approved by the District prior to the effective date of this Rule, and that has an existing memorandum of agreement with the District, shall be deemed in compliance with this Rule.

~~(j)~~(k) Delegation to Local Governments

The District may delegate authority to implement all or part of Rule 2202, except for the provisions of paragraph (f)~~(4)~~(5), to any local government that satisfies the following criteria:

- (1) The local government adopts an ordinance that is at least as stringent as Rule 2202 in the following areas:
 - (A) Applicability;
 - (B) Emission reductions target;
 - (C) Vehicle trip emission credit calculations;
 - (D) Annual registration; and
 - (E) Recordkeeping.
- (2) The local government demonstrates to the satisfaction of the Executive Officer that:
 - (A) It has an implementation plan providing adequate resources to adopt and enforce the ordinance; and
 - (B) Multiple site employers with more than one regulated worksite in the District have the option of complying with the District Rule instead of the local ordinance.
- (3) The local government has executed a Memorandum of Understanding with the Executive Officer specifying the procedures to monitor and

review performance of the local government in implementing the program, and procedures for revocation of delegation if the Executive Officer determines that performance of the local government is inadequate.

(m)(1) Exemptions

(1) Employee Threshold

Any employer whose employee population at the worksite decreases to fewer than 250 employees for the prior consecutive six month period, calculated as a monthly average; or fewer than 33 employees are scheduled to report to work Monday through Friday between 6:00 a.m. – 10:00 a.m. for the prior consecutive 90 days, may submit a written request to the Executive Officer or designee to be exempted from this Rule. Employers must submit a registration form not later than 90 days after they know or should have known that they no longer qualify for this exemption.

(2) Declared Bankruptcy

An employer who has declared bankruptcy, for the official business or governmental operations of its organization or company, through a judicial court filing and confirmation process, may submit a written request to the Executive Officer to grant a temporary waiver from complying with the requirements of this Rule. Upon demonstration of the filing and confirmation of bankruptcy, the Executive Officer will grant an exemption for the duration of bankruptcy, not to exceed two years, from the date of the waiver.

(3) Employee Commute Reduction Program

Rather than comply with the provisions of subdivision (e) of this Rule, employers may elect to implement an employee commute reduction program that demonstrates conformance with the Employee Commute Reduction Program Guidelines. Effective January 1, 2005, employers must annually submit a program that will meet an average vehicle ridership performance requirement of 1.75 for Performance Zone 1; 1.5 for Performance Zone 2; and 1.3 for Performance Zone 3, unless the following conditions are met:

(A) Employers surrender the difference in emission reductions between the worksite average vehicle ridership and the Performance Zone requirement through participation in the Air Quality Investment

Proposed Amended Rule 2202 (cont.) **(Amended February 6, 2004 June 6, 2014)**

Program (AQIP) or surrendering of equivalent emission-reduction credits in accordance with the provisions of subdivisions (f) or (g);
or

(B) Employers comply with the good faith effort determination elements described in the Employee Commute Reduction Program Guidelines. All approved good faith effort elements shall be maintained during the plan compliance year. Deletion or substitution of any good faith effort element is not allowed unless approved in writing by the District.

(4) **Renewal Date**

~~(A) Notwithstanding the provisions of paragraph (m)(3), Rule 2202 Employee Commute Reduction Program triennial plans, that have permanent due dates before June 7, 2004, shall remain in effect until the next triennial renewal date, after which time employers shall submit an annual program in accordance with paragraph (m)(3).~~

~~(B)~~(A) On and after June 7, 2004, Employee Commute Reduction Program shall be submitted annually.

~~(C)~~(B) The currently approved Rule 2202 Registration shall remain in effect until the annual renewal date.

~~(D)~~(C) Program annual due dates shall remain permanent unless a formal written request to change the due date has been submitted by the employer and approved in writing by the District.

(5) **Primary and Secondary School Districts and Schools**

Any public or private primary or secondary school district or school that buses two students for every one peak window employee at worksites subject to the Rule is exempt from Rule 2202, according to the following criteria:

(A) School districts and schools shall keep records demonstrating the maintenance of this ratio on-site and make them available upon request by the Executive Officer or designee; and

(B) On a case-by-case basis, the Executive Officer or designee may approve a request by a school district or school to modify the default student-to-employee ratio to reflect location, trip length and other school district or school specific busing program characteristics in order to maintain equivalency with emission

reductions which would occur if the district or school met its emission reduction goals under Rule 2202; and

(C) The Executive Officer may periodically update and publish the default student-to-employee ratio to reflect changes to revised emission factors published by the California Air Resources Board. School districts and schools may opt not to be exempt but to implement a Rule 2202 program and claim credit for surplus emission—~~reduction~~ credits earned through a student busing program and other Rule 2202 compliance options.

(6) Primary and Secondary School District Financial Hardship

Due to their financial hardship, notwithstanding the criteria of paragraph ~~(m)~~(1)(5), school districts that have received a Negative or Qualified Certification status from their County Board of Education pursuant to Chapter 6, Part 24 of Division 3 of the Education Code, deeming that based upon current projections the school district or county office of education will not or may not meet its financial obligations, may request the Executive Officer to grant a temporary exemption from the requirements of the Rule. The Executive Officer shall grant a temporary exemption for the period during which the Negative or Qualified Certification status applies.

(7) Police/Sheriff/Federal Field Agents

~~Effective February 6, 2004~~ Employers may exclude Police, Sheriff, or Federal Field Agents from the number of employees in the peak window for average vehicle ridership surveys provided that:

(A) These employees be included in the employee count for rule applicability, and

(B) Those worksites electing to exclude such employees from the average vehicle ridership surveys and calculations must provide the basic support strategies including, but not limited to, ridematching and transit information for all employees, and preferential parking and guaranteed return trips for said employees who are ridesharing.

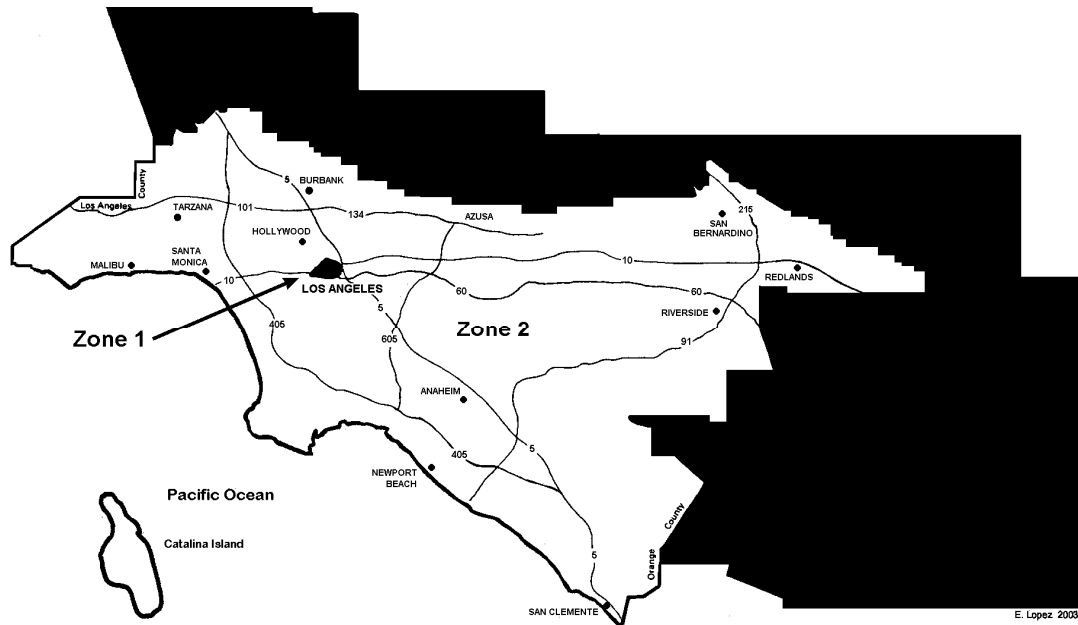
(8) Persons subject to this rule who are unable to comply with any part of this rule may apply for a variance with the District's Hearing Board in accordance with Regulation V – Procedure Before the Hearing Board.

~~(n)~~(m) Emission Factors

The emission factors, which shall be used in calculations pursuant to this Rule, shall be revised upon EPA's final approval for use of the California Air Resources Board (CARB) approved on-road mobile source emission factor (EMFAC) model.

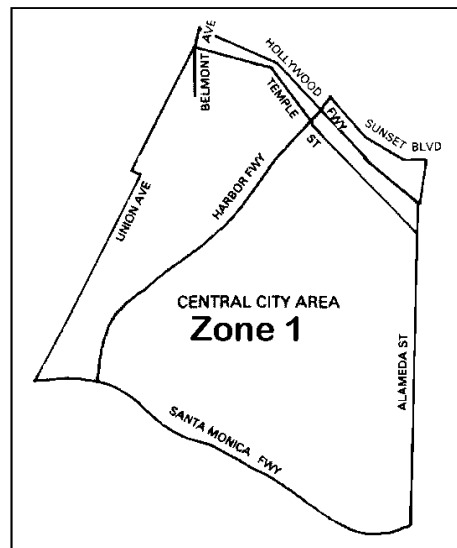
- (1) The employee emission reduction factors (pounds per year per employee) specified in the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines shall be used in determining the Emission Reduction Target with respect to the worksite Performance Zone. The Performance Zone is determined by the worksite location within the geographic boundaries as described in Attachment I of this rule.
- (2) The default emission factors (pounds per year per daily commute vehicle), specified in the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines, may be used in determining vehicle trip emission credits.
- (3) The emission factors specified in paragraphs ~~(n)~~(m)(1) and ~~(n)~~(m)(2) may be modified to site specific emission factors reflecting vehicle age and trip length characteristics of the employee vehicle fleet, in accordance with the calculation procedures included in Rule 2202 - On-Road Motor Vehicle Emissions Mitigation Options Implementation Guidelines.

ATTACHMENT I



PERFORMANCE ZONES

- A worksite's Performance Zone depends on its location.
- District's Source/Receptor Areas are shown in Attachment 3 of Rule 701 - Air Pollution Emergency Contingency Actions.
- **Zone 1** is the Central City Area of Downtown Los Angeles within the District's Source/Receptor Area 1.
- **Zone 2** corresponds to the District's Source/Receptor Areas 1 through 12, 16 through 23, and 32 through 35, excluding the Zone 1 - Central City Area.
- **Zone 3** corresponds to the District's Source/Receptor Areas 13, 15, 24 through 31, and 36 through 38.



ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RULE 2202 - ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS

PROPOSED AMENDED IMPLEMENTATION GUIDELINES

~~February 2004~~ June 6, 2014

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I. BACKGROUND

A. Summary

Rule 2202 has been designed to reduce emissions from mobile sources. The Rule provides employers with a menu of options that they can choose from to implement and meet the emission reduction target (ERT) for their worksite.

The purpose of this document is to provide guidelines for compliance with the provisions of Rule 2202. The various emissions reduction strategies and trip reduction strategies currently contained in the Rule that employers can implement and receive credit towards their ERTs are listed in the Table below.

Emission Reduction Strategies (Subdivision (f))	Trip Reduction Strategies (Subdivision (g))
<ul style="list-style-type: none"> • <u>Mobile Source Emission Reduction Credits (MSERCs) (Regulation XVI)</u> • Clean On-Road Mobile Sources (Regulation XVI) • Clean Off-Road Mobile Sources (Regulation XVI) • Pilot Credit Generation Programs • Air Quality Investment Program • <u>Short Term Emission Reduction Credits (STERCs) From Stationary Sources (Regulation XIII)</u> • <u>Emission Reduction Credits (ERCs) from Stationary Sources (Regulation XIII) approved for transfer prior to [date of adoption].</u> • Area Source Credits (Regulation XXV) 	<ul style="list-style-type: none"> • Peak Commute Trip Reductions • Other Work-Related Trip Reductions • Vehicle Miles Traveled (VMT) Programs • <u>Off-Peak Commute Trip Reductions</u> • <u>Vehicle Miles Traveled (VMT) Programs</u>

~~Table I-1: Emission Reduction Options~~

As an alternative to meeting the ERT at their worksite, the Rule allows the employers optional implementation of an Employee Commute Reduction Program (ECRP). Implementation details of this strictly optional program are included in the ECRP Guidelines. The Implementation Guidelines outlines the framework, calculation methodology, and criteria used in determining emission reductions credits and vehicle trip emission credits (VTECs) that can be applied towards meeting emission reduction targets (ERT).

An employer would comply with the provisions of the rule by submitting an Emission Reduction Strategy (ERS). The ERS submittal will describe the ERT calculation and how it will be implemented to meet the worksite's ERT.

B. Emission Reduction Target (ERT)
(R2202, subdivision (e))

Employers subject to Rule 2202 are required to implement an emission reduction program and meet an annual ERT for Volatile Organic Compounds (VOC), Oxides of Nitrogen (NO_x) and Carbon Monoxide (CO). Figure I-1 outlines the equation used to determine the ERT for each pollutant.

$$\left[\begin{array}{c} \text{Emission} \\ \text{Reduction Target} \\ \text{(lbs/year)} \end{array} \right] = \left[\text{Employees} \times \frac{\text{Employee Emission}}{\text{Reduction Factor}} \right] - [\text{VTEC}]$$

Figure I-1. Emissions Reduction Target Determination

The employer's emission reductions can be further reduced through generation of Vehicle Trip Emission Credits (VTECs) from the implementation of optional trip reduction strategies. These VTECs, obtained through peak and off-peak commute trip reductions, other work-related trip reductions, or vehicle miles traveled (VMT), can be applied towards meeting an employer's ERT. Credit for any program must go beyond the requirements of existing state and federal programs to avoid "double counting" the emission reductions. All emission credits are valid according to the conditions, guidelines, or regulations under which they were originally issued.

C. Pollutants Considered

Vehicle trips are responsible for the emissions of VOC, NO_x, and CO. Most trip reduction programs reduce emissions by similar relative amounts. Emission reduction strategies, however, aimed primarily at reducing emissions rather than trips, may reduce emissions by different relative amounts. Rule 2202 is designed to reduce emissions of VOC, NO_x, and CO, by an equal or greater amount to that achievable through trip reduction. Rule 2202 allows employers to select and implement a combination of emission reduction strategies and meet the site-specific ERTs for VOC, NO_x, and CO.

II. EMISSION REDUCTION STRATEGIES

The emission reduction strategies considered in this document may include old-vehicle scrapping, clean on-road vehicles, clean off-road vehicles, ~~pilot credit generation programs~~, other programs under Regulation XVI, STERCs ~~from stationary sources~~, area source credits, and the air quality investment program. In addition, companies can meet the emission reduction requirements, in whole or in part, by obtaining sufficient VTECs.

A. Mobile Source Emission Reduction Programs Credits (MSERCs) (R2202, paragraph (f)(1))

Any person may elect to use mobile source emission reduction credits (MSERCs) ~~generated~~ issued in accordance with the provisions of Regulation XVI - Mobile Source Offset Programs. Regulation XVI sets forth the requirements that are based on voluntary programs that achieve emission reductions beyond those required by local, state and federal regulations or programs. Any person may generate MSERCs through the voluntary implementation of any Regulation XVI program and apply them toward meeting the ERT for their site or trade and/or sell them to other persons. Alternatively, employers that have a shortfall in meeting their ERTs can purchase surplus MSERCs from other employers or a credit vendor. Credits ~~generated~~ issued under Regulation XVI programs are subject to the quantification, issuance, and credit life restriction of the applicable rules and may be used for Rule 2202 as well as other SCAQMD rule compliance that authorizes such use.

B. Short Term Emission Reduction Credits (STERCs) (R2202, paragraph (f)~~(2)~~(3))

Employers may elect to use STERCs ~~generated~~ issued in accordance with Regulations XIII ~~– New Source Review~~. In order for STERCs to be used to meet employers' emission reductions target or as part of an ~~a~~ Air q ~~Quality i~~ Investment p ~~Program~~, the following apply for purposes of use in Rule 2202:

1. Only STERCs issued in accordance with Rule 1309 - Emission Reduction Credits and Short Term Credits shall be allowed for use in Rule 2202.
2. STERCs are subject to the application, eligibility, registration, use, and transfer requirements in Rule 1309.
3. ~~STERCs may be transferred to Rule 2202 upon submittal of a transaction application and fees. A transaction/registration application and filing fee per transaction shall be required to process the STERC transaction upon amendment to the fee rule.~~
- 4~~3~~. STERCs issued pursuant to Rule 1309 may be used only if the original ERC was generated on or after January 1, 1996. The credit generation date is defined as the original date the SCAQMD issued the official Certificate of Title, not the date when the emission reductions occurred or when the ERC or Certificate was split or transferred.

- ~~54.~~ For the purposes of Rule 2202, STERCs will be converted into annual emissions (lbs/year). The average number of operating days used in the original ERC evaluations shall be the basis for converting the STERC to annual emissions. If the number of operating days is unspecified, the default value of 260 days will be used for the number of operating days. Such conversions shall be done at the time when the STERCs are transferred to the Rule 2202 program.
5. STERCs, issued pursuant to Rule 1309(f), shall be transferred into the Rule 2202 program as one year increments.
6. Any person transferring a STERC into Rule 2202 shall submit an application for the transfer of each certificate and pay the applicable per certificate transfer fees in accordance with Rule 301 – Permitting and Associated Fees. Upon approval and transfer into the Rule 2202 program the original Certificate of Title shall be cancelled and the cancellation recorded in the NSR Register of Title.
7. STERCs can only be used in the Rule 2202 program during the specific calendar year for which the STERC is valid.
68. STERCs in the Rule 2202 program may be divided among several worksites.
9. The permanent credit portion of the STERC, if any, issued pursuant to Rule 1309(f)(1), are subject to the requirements below governing ERCs.
- ~~7.~~ ~~ERCs transferred into the Rule 2202 program shall remain in the program as ERCs. Those that are currently held in a Rule 2202 broker account shall have 90 days from February 6, 2004 to transfer out of the program. After the 90 days no further complete or partial transfers out of the program will be allowed. At any time, ERCs held in an undesignated account may be transferred in whole or part into the Rule 2202 program for use in satisfying an employer's ERT.~~

C. Emission Reductions Credits (ERCs)
(R2202, paragraph (f)(2))

Employers may elect to use ERCs that were approved for transfer into the program before [date of adoption] and were issued in accordance with Regulation XIII. In order for ERCs to be used to meet an employer's emission reduction target or as part of an Air Quality Investment Program, the following apply for purposes of use in Rule 2202:

1. ERCs that have been transferred into the Rule 2202 program shall permanently remain in the program, unless specified pursuant to section C.2. below.
2. The original ERC certificate may be transferred out of the Rule 2202 program at any time in accordance with the following conditions:
 - (a) None of the original ERC certificate has ever been used in any discrete year to comply with any requirement of this rule since the initial transfer into the Rule 2202 program;
 - (b) The applicant submits an application for transfer and applicable fees, and receives approval of the Executive Officer, based on a determination that none of the original ERC certificate has been used. Upon approval by the

- Executive Office and reissuance of an ERC certificate, the ERCs may be used in any District program authorizing use of such ERCs except Rule 2202; and,
- (c) The amount of ERC certificate to be reissued in pounds per day shall be based on the amount that was transferred into Rule 2202 minus the 10% originally discounted when the ERC was initially transferred into the program.
- 3 4. For purposes of Rule 2202, ERCs shall be converted into an annual allocation of pounds per calendar year. The average number of operating days used in the original ERC evaluations shall be the basis for converting the ERC pounds per day (lbs/day) to the annual allocation (lbs/year). If the number of operating days is unspecified, the default value of 260 days will be used for the number of operating days. Such conversions shall be done at the time when the ERC is transferred to the Rule 2202 program.
- 4 5. Annual allocations are only available for use in the calendar year for which it was allocated. Unused portions of the annual allocation cannot be banked or rolled-over for future use. The annual allocation may be divided and used by multiple employers for meeting their ERT.
- 5 6. The initial annual allocation shall be based on the date the ERC Certificate of Title was transferred into the Rule 2202 program.
- 6 7. Effective January 1, 2015, the existing broker account ERCs will be annually discounted beginning the eighth year after the initial date of transfer into Rule 2202 and shall have their initial 10% discount restored on January 1st of the eighth year. The initial 10% discount was taken in accordance with SCAQMD policies for the transfer of ERC into Rule 2202.
- 7 8. Each year on January 1st, the annual discount shall be determined by the percent change between the year of use and the previous year emission factors expressed as pounds per year per daily commute vehicle as determined by the most recent CARB and EPA approved EMFAC emission model as follows:

$$\frac{\text{New-Current Year}}{\text{Annual Allocation}} = \frac{\text{Current-Previous Year}}{\text{Annual Allocation}} * \frac{ef_{\text{current year}}}{ef_{\text{previous year}}}$$

Where:

ef = Emission factor in pounds/year/daily commute vehicle

$ef_{\text{current year}}$ = Emission factor for the current year of use

$ef_{\text{previous year}}$ = Emission factor for the year immediately prior to the current year of use

The annual discount percentages (i.e., $ef_{\text{current year}} / ef_{\text{previous year}}$) will be published annually.

- 8 9. If Rule 2202 is rescinded, all ERCs held in the Rule 2202 program shall be permanently retired and will no longer be available for use unless otherwise specified in section C.2. above.

~~C.D.~~ **Area Source Credits (ASCs) from Regulation XXV**
(R2202, paragraph (f)(~~3~~)(4))

Regulation XXV - Intercredit Trading provides an opportunity for employers to generate or obtain emission reductions from alternative sources and apply them towards meeting the ERT for their site or trade them to other employers or persons in accordance with paragraph (f)(~~3~~)(4) of the Rule. Regulation XXV emission credits that are used in Rule 2202 are subject to the same limitations on quantification, credit issuance, credit life, and eligibility, as set forth in that regulation.

Area source credit generation is a voluntary program and provides a mechanism to convert emission reductions from non-permitted stationary sources into tangible emission credits. Area sources include a wide variety of sources, such as small combustion equipment including engines, heaters, and boilers.

~~D.E.~~ **Air Quality Investment Program (AQIP)**
(R2202, paragraph (f)(4)(5))

The concept of an AQIP is based on relative cost-effectiveness. Employers may participate in the AQIP by submitting an air quality investment, to be placed in a restricted fund as set forth in Rule 311 - Air Quality Investment Program Fees.

The SCAQMD Executive Officer will recommend to the SCAQMD Governing Board the release of request for proposals (RFP) to solicit projects that will achieve the emission reduction targets for a given compliance period. At a minimum, the release will be on a semi-annual basis.

Proposals for using monies from the restricted fund will be accepted by the SCAQMD Executive Officer on an ongoing basis. The SCAQMD Executive Officer will determine the amount of emission reductions required to demonstrate equivalent emissions reductions and the amount that will be achieved by the proposal. The quantification protocols shall be consistent with conditions specified under section ~~EF~~. Other Emission Reductions Strategies. The proposals received will be rated by source category, including a category for TDM projects. The Executive Officer will then recommend to the Governing Board proposals that achieve equivalent emissions reductions. The Executive Officer may use inter-pollutant crediting to achieve emissions equivalent to the level of the employers' participation. The AQIP emission reduction commitment will be based on the rule emission factors for the current year in question regardless of when the initial monies were placed into the program. In addition, the Executive Officer will recommend that the allocation of funding for proposals that reduce equivalent emissions within each county be proportional to the contribution level of employers within each county to the greatest extent feasible. As part of the RFP release, the Executive Officer will provide to the SCAQMD Governing Board a status report on program effectiveness and the balance of monies in the fund.

E.F. Other Emission Reduction Strategies
(R2202, paragraph (f)(~~5~~)(6))

Any person may submit an application, pursuant to paragraph (f)(~~5~~)(6) of the Rule, to generate VOC, NOx, and CO emission reductions from alternative emission reduction projects for use in Rule 2202. Applications, with complete information, shall be submitted at least 30 days prior to implementing an emission reduction project. The Executive Officer shall approve or disapprove the application and any subsequent revisions in writing within 90 days of submittal.

1. The application shall be submitted on a form specified by the SCAQMD, and at a minimum include the following:
 - a. Project description;
 - b. Name and address of the applicant;
 - c. Name and address of the owner and/or operator of the equipment;
 - d. Identification of the geographical area(s) served by the project;
 - e. Equipment description (including manufacturer specifications, certification data, etc.);
 - f. Project start date;
 - g. Project life;
 - h. Activity level (such as, hours of operation, fuel usage, odometer mileage);
 - i. Estimated emission reductions;
 - j. Emission reduction calculations, description of methodology used and references; and
 - k. Monitoring, recordkeeping and reporting methods, including methods for tracking project emission reductions.

2. The alternative emission reduction project shall be subject to the following conditions:
 - a. For meeting District regulatory requirements, the credits issued under paragraph (f)(~~5~~)(6) shall only be used for R2202, and shall be subject to all provisions of Rule 2202.
 - b. The SCAQMD shall approve all emission reductions prior to use.
 - c. The emission reductions shall be valid for two years from the date of SCAQMD approval unless otherwise specified in the approved emission reduction quantification protocols developed in paragraphs 2d. and 2e. below.
 - d. The emission reduction quantification shall be based on applicable SCAQMD rules and regulations, approved methodologies, Governing Board policies and guidelines, and the guidelines and methodologies established by CARB and EPA. The emission reduction quantification protocol shall be ~~selected with~~

- ~~the concurrence of AQMD staff and approved by the Executive Officer and reviewed by the Governing Board Mobile Source Committee.~~
- e. If there is no applicable protocol, an emission reduction quantification protocol shall be developed. The proposed emission reduction quantification protocol shall be presented to the Governing Board Mobile Source Committee for review and approval.
 - f. Emission reductions generated under this provision shall not be the result of funding from any other SCAQMD, state or federal program that prohibits the use of such reductions for other purposes (e.g., AB2766 subvention funding, Carl Moyer, etc.).
 - g. Emission reductions achieved by the project shall be based on the actual operation of the equipment as provided in the emission reduction quantification protocol.
 - h. Emission reductions may be issued quarterly or semi-annually, based on the actual activity level for the previous quarter or six-months.
 - i. Emission reductions may be held in ~~an undesignated~~ a broker account, for tracking purposes, until transferred to an employer for rule compliance purposes.
 - j. The application shall be deemed a plan, and plan fees shall be assessed in accordance with Rule 308 – On-Road Motor Vehicle Mitigation Options Fees.
 - k. Emission reductions generated from projects that are in excess of those designated for Rule 2202 compliance may be used for other purposes subject to the approval of the Executive Officer.

SCAQMD staff is available to work with project proponents to develop emission reduction protocols and intends to compile protocols, when available, to ensure public accessibility.

F.G. General Emission Credit Provisions
(R2202, subdivisions ~~(f)~~ and ~~(g)~~ (h))

~~Any person may apply MSERCs, RTCs, or ASCs generated pursuant to any AQMD mobile source or area source pilot credit generation program in accordance with the provisions and penalties under which the credits were issued unless otherwise noted below.~~

- 1. ~~RECLAIM Trading Credits (RTC) originating from MSERCs or ASCs with applications approved prior to February 6, 2004 may be used in Rule 2202 in accordance with the following conditions:~~
 - a. ~~If held in an RTC certificate account, are distinguishable from other RTCs and must only be purchased or transferred directly from the original applicant or originator. In addition, the original applicant or originator, within 30 days from February 6, 2004, transfers the RTCs to an undesignated account. After~~

- ~~the 30 days no further transfers out of the RECLAIM program will be allowed;~~
- ~~b. Have not yet expired as issued. The use of RTCs in the Rule 2202 program shall not extend the credit life, and~~
 - ~~c. Emission reductions or credits generated pursuant to a pilot credit generation program may be reconciled as frequently as every quarter or six months for use in the Rule 2202 program and the approved application can be revised annually during the reduction period, if applicable.~~
- ~~2. On or after February 6, 2004, pilot credit generation programs shall be subject to the following provisions:~~
- ~~a. Applicants under the pilot generation credit program rules must specify in their application the RTC cycle that may be utilized; the amount (pounds) of emission reductions to be issued as RTCs for each year; and, indicate if the emission reductions are to be held in an undesignated account as an MSERC until they are sold or transferred.~~
 - ~~b. The applicant may convert these undesignated MSERCs to RTCs at any time during the one year life of the credit.~~
 - ~~c. Once the MSERC has been converted to RTCs they are no longer available for use in Rule 2202. Alternatively, the MSERCs may be used for Rule 2202 emission reduction target (ERT) compliance, in which case they will no longer be available for the RECLAIM program.~~
 - ~~d. RTCs shall remain in the RECLAIM certificate account not available for Rule 2022 use, except for those that qualify under 1.a. in the previous section.~~

~~Employers using emission reductions obtained from other emission credit programs may result in different relative emission reductions of VOC, NO_x and CO from what's required. Employers that implement an emission reduction program and end up with have surplus emission reductions with respect to some of the pollutants can use them towards their future ERT or trade or sell them to other employers in accordance with subdivision (h) of Rule 2202. Alternatively, employers that have a shortfall in meeting their ERTs may obtain surplus emission ~~reduction~~ credits from other employers or other credit providers.~~

~~MSERCs, STERCs, or ASCs generated pursuant to paragraph (f)(1), (f)(2), or (f)(3) may be held in an undesignated account. This account is strictly for tracking emission reductions until such time they are transferred into the Rule 2202 program. Once eligible emission reduction credits have been designated for a specific program or for use in transferred into the Rule 2202 program, the credits may be placed into a Rule 2202 program broker account or an employer's emission bank. Emission credits that have been transferred into the Rule 2202 program cannot be transferred out of or removed from the designated this program in accordance with subdivision (h) of Rule 2202.~~

G.H. Inter-Pollutant Crediting
(R2202, paragraph (h)(6))

Any employer or the AQIP may apply VOC or NO_x emission-~~reduction~~ credits in lieu of all or part of a worksite's CO emission reduction target. VOC or NO_x emission-~~reduction~~ credits that could be used may come from various sources such as ASCs, STERCs, ERCs in the Rule 2202 program, MSERCs, or credits generated pursuant to paragraphs ~~(f)(4), (f)(5),~~ or (f)(6) of the rule. Inter-pollutant crediting is to be used only by employers to facilitate meeting the worksite's CO emission reduction target. Inter-pollutant crediting shall only be used for compliance with an approved employer's Rule 2202 registration. Inter-pollutant crediting shall not be used to increase or build a CO emission bank. The inter-pollutant crediting ratios are:

1 pound VOC = 10 pounds CO
1 pound NO_x = 6 pounds CO

For example: An employer calculated their worksite CO emission reduction target to be 100 pounds. Instead of generating or purchasing CO emission credits, the employer may implement inter-pollutant crediting by dividing the CO target by VOC ratio value of 10. Thus, 10 pounds of VOC could be used in lieu of the worksite's 100 pound CO emission reduction target. Alternatively, an employer may chose to apply NO_x credits. Dividing 100 lbs of CO by 6 will result in 17 pounds of NO_x that may be used in lieu of the worksite's CO emission target. Note that calculation results are to be rounded to the nearest whole pound. Employers are not limited to using only VOC or NO_x and may use any combination of the two pollutants to meet the calculated emission reduction target.

H.I. Emission Reduction Requirements

Any proposed emission reduction strategy should contain an emissions or trip quantification methodology which follows applicable SCAQMD, CARB, or EPA policies and methodologies. Any proposed program may be submitted in combination with other programs, including, but not limited to, old vehicle scrapping or work-related trip reduction programs. SCAQMD will evaluate programs to assure that they produce emissions or trip reductions that are real, surplus, quantifiable, and enforceable.

1. Real Reductions

"Real" reductions are those that result in actual emission reductions and do not occur as a result of accounting practices, or "paper reductions." The key test in determining whether a strategy will result in real reductions is in establishing a proper emissions or trip baseline level. If, for example, facility XYZ has reduced emissions in excess of those required by the ERT, no "real" reductions will result from the establishment of ERT as a performance standard. Therefore, all quantification methodologies will be required to establish a standardized baseline condition, or use a default condition established by the Executive Officer, from which to calculate real emissions or trip reductions.

2. Surplus Reductions

"Surplus" reductions occur when an action is taken beyond existing regional, state, and federal requirements. Obtaining surplus emission reductions means the benefit of a control strategy is not "double counted." In many cases, the proposed strategy requirements overlap completely with another rule, regulation, statute, or legislation. However, by revising the strategy to become more stringent, the action would become partially creditable, or surplus. To meet this surplus criterion, all quantification methodologies will be required to include a mechanism for subtracting any regulatory overlaps with the standardized baselines established to meet the "real" criterion described earlier.

3. Quantifiable Reductions

Although transportation control measures (TCM) involve some degree of variance and uncertainty, creditable actions can be quantified through use of assumptions that are based either on case studies or on transportation supply and demand theories. Each assumption that is used to assign effectiveness or efficiency should be matched with either a case study, or on some measurable parameter. Basic "intuition," especially for indirect actions such as general education, "goodwill," or other "good faith efforts," is not sufficient. Quantifiability is the main criterion used to determine the extent of any credit discounting. Those actions which are more easily quantified, with strong assumptions, would have limited discounting applied, while the more "intuitive" actions would need to be discounted to a much greater extent.

4. Enforceable

In addition, each proposed program should include a recordkeeping mechanism for compliance verification, as outlined in Chapter IV. The enforceability component requires that all records, sufficient to demonstrate compliance, be maintained by participating companies and be made available to the SCAQMD upon request.

III. TRIP REDUCTION STRATEGIES

(R2202, subdivision (g))

Rule 2202 offers employers the opportunity to obtain VTECs from the implementation of the following optional trip reduction strategies. These VTECs, obtained through peak-commute trip reductions, other work-related trip reduction, VMT offsets or off-peak commute trip reductions, can be applied towards meeting an employer's ERT.

A. Peak Commute Trip Reductions

Rule 2202 provides the option to obtain credit for reducing employee commute trips. Specifically, employers can reduce trips to work that occur for the purpose of reporting to work during the morning peak congestion period (or "Peak Window") by creating incentives for ridesharing and other alternative transportation modes. VTECs shall be calculated using the formula in Figure III-1.

$$\text{VTEC} = \left[\frac{\text{Creditable Commute}}{\text{Vehicle Reductions (CCVR)}} \right] \times \left[\frac{\text{Emission Factor (EF)}}{\text{lbs/year}} \right]$$

Where:

CCVR = The daily average of total commute vehicle reductions that are real, enforceable, surplus, and quantifiable.

EF = Annual Emission Factor (Table V-4 lbs/year/daily commute vehicle)

Figure III-1. Vehicle Trip Emission Credit Generation for Work-Related Trip Reduction Programs

In calculating VTEC, employers may utilize data obtained by an alternative methodology approved in writing by the Executive Officer or designee.

B. Other Work-Related Trip Reductions

Employers may receive additional VTECs from employee commute reductions from peak and non-peak commutes or from non-commute vehicle usage. VTECs from Other Work-Related Trip Reductions can be calculated using the formula in Figure III-2. The conversion factor is used to convert vehicle trip reductions to commute vehicles reductions and accounts for the return trip home, and includes an additional adjustment to account for other vehicle usage reduction during and outside the peak window.

Other sources of VTEC may also be calculated, on a voluntary basis, from non-regulated worksites, non-employee such as independent contractors, or employees of other entities at the worksite that participate in the employer's trip reduction program. Additional VTEC may also be determined from reduced staffing that would reduce commute trips not as a result of any rideshare program. Reduced staffing may occur from events such as school recesses/breaks, inventory, or temporary facility closures.

The use of VTEC is subject to approval by the Executive Officer.

$$\text{VTEC} = \left[\frac{\text{Creditable Trip Reductions (CTR)}}{\text{CF}} \right] \times \left[\frac{\text{Emission Factor (EF)}}{\text{lbs/year}} \right]$$

Where:

- CTR = The daily average of total one-way trip reductions that are real, enforceable, surplus, and quantifiable. A round trip is considered to be two one-way trips.
- CF = 2.0 for A.M. Peak Window
2.3 for Other Trips
- EF = Annual Emission Factor (Table V-4—lbs/year/daily commute vehicle)

Figure III-2. Vehicle Trip Emissions Credit Generation for Peak-Commute and Other Work Related Trip Reduction Programs

C. Vehicle Miles Traveled (VMT) Programs

Employers may elect to implement VMT reduction programs and receive VTECs toward their ERT. Reduction of annual employee commute VMT that may result from employment center relocation, video-conference centers, telecommuting centers or other alternative programs approved by the Executive Officer or designee. The Executive Officer shall not approve any VTEC program for VMT reduction unless it includes baseline VMT estimates and demonstrates that VMT reductions result in real, enforceable, quantifiable, and surplus emission reductions.

D. Parking Cash-Out Program

Employers may elect to implement a Parking Cash-Out Program to reduce employee commutes and receive VTEC toward meeting their ERT. Parking Cash-Out is a program where an employer offers to provide a cash allowance to an employee equivalent to the parking subsidy that the employer would otherwise pay to provide the employee with a parking space. VTEC calculation formula for this program is the same as the one used for Other Work-Related Trip Reductions.

E. Employee Commute Reduction Programs

Details of this exemption are provided elsewhere in a companion guidance document titled "Employee Commute Reduction Program Guidelines."

IV. PROGRAM ADMINISTRATION

A. Registration

Employers participating in the Rule 2202 On-Road Motor Vehicle Mitigation Options emissions reduction program are required to notify the SCAQMD which option or options are selected through registration. Employer registration serves the purpose of both notifying the SCAQMD of the intent to implement options provided in the program, and also serves to identify the goals of the chosen options, including any demonstrations required. Registration shall be renewed annually.

Employers with 250 or more employees upon becoming subject to Rule 2202 shall notify the SCAQMD in writing within 30 days. Once the employer has notified the SCAQMD, within 90 days, the employer must submit a Rule 2202 registration with appropriate filing fees.

An employer's registration and the conditions under which it was approved shall remain in effect until the next approval date. Employers will not be held liable for any emission reduction shortfalls incurred due to changes in emission factors or the guidelines during those years in which the factors are updated after the registration is approved or pre-approved. Employers shall have up to 180 days from the date of receipt of their registration pre-approval letter to surrender the required emission-~~reduction~~ credits to meet the worksite emission reduction target. However, the use of this provision does not change the compliance period.

B. Registration Form

Employers must identify which options will be used to attain their ERT. The registration form must include information which identifies the company and the worksites affected by the emissions reduction program, including the number of employees reporting to the worksite during the morning peak congestion period and the total employee count at the worksite.

C. VTEC Calculations

Employers claiming VTECs from the implementation of the optional Vehicle Trip Reduction strategy shall include as a part of their registration all VTEC calculations. All supporting documents shall be maintained on site for three years. Emission factors (i.e., pounds of pollutant per vehicle-year) to be used in the calculations are provided in this document.

D. Air Quality Investment Program

SCAQMD's Executive Officer will determine the amount of emission reductions for air quality investment programs when proposals are submitted for approval. Individual employers seeking this safe harbor alternative are not responsible for demonstrating

emissions reduction equivalency; they are only responsible for keeping records of employment, and of "in-lieu fee" submittal.

E. Recordkeeping

The enforceability component of the On-Road Motor Vehicle Mitigation Options program requires that all records, sufficient to demonstrate compliance, be maintained by participating companies for a period of no less than three years and made available to the SCAQMD upon request in order to determine compliance. Specifically, participating companies should maintain, at a minimum, a copy of the following records at all worksites:

- Registration form,
- VTEC data and calculations, and
- List of program strategies or elements used for implementation.

F. Compliance

Compliance with an alternative emission reduction program will be determined through an employer review process conducted by the SCAQMD. Compliance requirements for the "Employee Commute Reduction Program" exemption are included in the ECRP Guidelines.

Examples of violations of Rule 2202 would include: failure to maintain records; fabrication of records; or failure to obtain the amount of VTECs or emissions reductions identified as part of the company's registration submittal. In addition, failure to submit air quality investment "in-lieu" fees would be constituted as a violation of Rule 2202 for employers selecting this option.

G. Special Procedures

1. Extensions

Any employer may request an extension to the registration due date under the following circumstances:

- If an employer needs more time to submit a registration to meet the requirements of Rule 2202, additional time may be requested from the SCAQMD. The request must be in writing, state the reason for the extension request, the length of time needed, and include the appropriate filing fee.
- All extension requests and fees must be received by the SCAQMD, no later than 15 calendar days prior to the program due date;
- Requests are considered on a case-by-case basis and are granted for reasons that are beyond the control of the employer;
- An employer may request an extension to the registration due date after the registration has been disapproved for the first time. The request must be received

within 15 days of the receipt of the registration disapproval. The SCAQMD will inform the employer in writing within 15 calendar days of receipt of request, whether the extension has been granted;

- An employer may, upon receipt of a written objection to the terms of the proposed registration by an employee, employee representative or employee organization; request a single extension of 30 days. A copy of the written objection should be attached to the request. One such request shall be granted by the SCAQMD; no subsequent extension may be granted for this purpose; and
- Any change in the permanent due date that results in additional time to submit a registration will be considered an extension of time and shall be subject to an extension filing fee.

2. Change of Ownership

In the case of ownership mergers, or change of ownership, the new owner must notify SCAQMD of this change within 30 days of the new ownership. The new owner must comply with all provisions of Rule 2202 and Guidelines within 90 days of the change of ownership. The new owner(s) may choose to submit a letter, instead of a new registration, which states they will continue to implement the registration or program last approved by the SCAQMD.

3. Relocation

Any employer relocating to a new worksite must notify the SCAQMD within 30 days of the relocation. Relocations fall into two categories and are explained below:

- Employers relocating within two miles of the previous worksite address may elect to continue to implement the most recently approved registration. Or, the company may elect to submit a new registration or program. The employer must inform SCAQMD of the preference in the notification of relocation letter.
- Employers relocating more than two miles from the previous worksite are required to submit a new registration. The employer must submit the new registration or program within 90 days of the relocation.

4. Registration Disapproval Appeals

The SCAQMD has 90 days to review the resubmitted registration. If the employer believes that the program meets the requirements of Rule 2202 and the Guidelines, and that the registration was improperly disapproved, the employer may appeal the disapproval to the SCAQMD Hearing Board. A petition for appeal of disapproval must be made within 30 calendar days after the employer receives the notice of disapproval.

5. Delay Registration Review Requests

If an employer, employee, employee representative or employee organization requests a delay in action of registration review, the request must be in writing to the SCAQMD

within 10 days of registration submittal and cannot delay the period of time to exceed the 90th day after submittal.

6. *Police, Sheriff, and Federal Field Agents*

Police, Sheriff, and Federal Field Agents shall be included in the employee count for rule applicability but are not required to be included in the number of employees in the peak window and may be excluded from ridership surveys. Surveying only part of this group is not acceptable.

Federal Field Agents are employees who are employed by any federal agency whose main responsibility is national security and performs field enforcement and/or investigative functions. Examples of Federal Field Agents include, but are not limited to, field employees of Federal Bureau of Investigation (FBI), Customs and Border Protection or US Coast Guard.

7. Change of Status

An employer who has submitted an ERS and becomes exempt from the rule requirements during the compliance year after having received a provisional compliance letter may seek to have the worksite ERT prorated based on the actual operating days for the compliance year, prior to surrendering the required emission credits.

1. Employers seeking to prorate the worksite ERT must submit a plan amendment pursuant to Rule 2202 (i)(4) prior to the surrender of any emission credits.
2. The plan amendment for a prorated ERT must be submitted at least 15 calendar days prior to the credit submittal deadline of 180 days as stated in the provisional approval of the worksite's compliance plan.
3. Plan amendments for a prorated ERT may be submitted after the 15 calendar day period and prior to the 180 day deadline only if the plan amendment is accompanied by a request to extend the 180 day deadline.
4. The worksite ERT proration shall be based on the number of operating days divided by 260 days per year.
5. Employers who have submitted the required emission credits are not eligible to prorate the worksite ERT and will not have any emission credits returned that have been surrendered.

H. ~~Emission Factors Updates~~

~~The emission factors found in Tables V 1, V 2, V 3, and V 4 will be revised upon EPA's final approval for use of the California Air Resources Board (CARB) approved on road mobile source emission factor (EMFAC) model in accordance with subdivision (n) of the Rule.~~

I.H. Emission Credit Transfers

~~RTCs that have been transferred into the RECLAIM program or e~~Emission credits ~~designated for use~~ transferred into the Rule 2202 program shall not be transferred out of ~~these designated programs~~ unless otherwise specified in section II.C.2. of these guidelines. Transfer of emission credits into the program shall be subject to the applicable Regulation III transfer fee. This fee is not required if the buyer/transferee is a Rule 2202 regulated worksite and the emission credits are intended to be used for Rule 2202 compliance within the credit submittal cycle. The credit submittal cycle is within the 180 days from the date of receipt of a registration pre-approval letter for which employers must surrender the required emission credits.

Transfers outside of the credit submittal cycle of the buyer/transferee, between employers, non-Rule 2202 SCAQMD emission credit accounts, or ~~undesignated~~ Rule 2202 broker accounts shall be subject to a transfer fee. One transaction request shall count as one transfer for fee purposes. The transfer fee is intended to cover administrative costs in processing the request and to ensure the account balance is properly tracked. No additional cost is assessed when credits are transferred during the credit submittal cycle, because the annual registration fee has already accounted for such activities.

V. EMISSION FACTORS

(R2202, subdivisions (e), (g) and (n))

Emission Reduction Target (ERT) is the annual VOC, NO_x, and CO emissions required to be reduced by each worksite based on the number of employees reporting to work during the peak window and the appropriate Performance Zone in accordance with Rule 2202. The ERT for each pollutant, for each worksite may be calculated by using the following appropriate emission factors based on CARB approved on-road mobile source emission factors (EMFAC)-2002 emission inventory model, version 2.2, April 23, 2003.

The emission factors will be revised upon EPA's final approval for use of the California Air Resources Board (CARB) approved EMFAC model in accordance with subdivision (m) of the Rule. The Executive Office or designee will publish, on the SCAQMD web site, the updated emission factors within 30 days of EPA approval.

A. Employee Emission Reduction Factors

Table V 1: Performance Zone 1
(pounds per year per employee)

Emission Year	VOC	NO _x	CO
2004	4.55	4.97	47.89
2005	4.10	4.41	43.28
2006	3.72	4.03	39.91
2007	3.39	3.60	36.05
2008	3.09	3.27	32.98
2009	2.82	2.97	30.24
2010	2.56	2.68	27.50

Table V 2: Performance Zone 2
(pounds per year per employee)

Emission Year	VOC	NO _x	CO
2004	3.54	3.86	37.25
2005	3.19	3.43	33.67
2006	2.89	3.13	31.04
2007	2.64	2.80	28.04
2008	2.40	2.54	25.65
2009	2.20	2.31	23.52
2010	1.99	2.08	21.39

**Table V-3: Performance Zone-3
(pounds per year per employee)**

Emission Year	VOC	NO_x	CO
2004	2.45	2.67	25.79
2005	2.21	2.37	23.31
2006	2.00	2.17	21.49
2007	1.83	1.94	19.41
2008	1.66	1.76	17.76
2009	1.52	1.60	16.28
2010	1.38	1.44	14.81

The emission factors shown in Tables V-1, V-2 and V-3 may be modified to site specific emission factors reflecting vehicle age and trip length characteristics of the employee vehicle fleet.

B. Annual Emission Factors

**Table V-4: Annual Emission Factors
(lbs per year per daily commute vehicle).**

Emission Year	VOC	NO_x	CO
2004	10.62	11.59	111.75
2005	9.56	10.28	101.0
2006	8.68	9.40	93.12
2007	7.91	8.40	84.11
2008	7.21	7.62	76.95
2009	6.59	6.94	70.56
2010	5.97	6.25	64.16

In calculating VTECs for Commute Trip Reductions, employers may also utilize data obtained by one of the following methods:

- (a) Default data based on the weighted average of the average vehicle ridership survey data of the previous three years;
- (b) Data obtained by conducting an average vehicle ridership survey in accordance with Rule 2202 - Employee Commute Reduction Program Guidelines;
- (c) Data based on the default average vehicle ridership of 1.10; or

- (d) Data obtained by an alternative methodology, which may include documentation of the CCVR claimed, approved by the Executive Officer or designee.

VI. GLOSSARY

1. ANNUAL REGISTRATION means an annual form submitted by an employer to the SCAQMD per paragraph (j)(1) of the Rule.
2. AREA SOURCE CREDITS (ASCs) are emission—~~reduction~~ credits, issued pursuant to Regulation XXV - Intercredit Trading.
3. AVR DATA COLLECTION METHOD is a method for gathering employee commute mode data needed to calculate an employer's average vehicle ridership.
- ~~3.4.~~ BROKER ACCOUNT is an account held by the SCAQMD, opened by any person or other entity within the Rule 2202 program that may be used to bank emission credits from emission reduction strategies as described in section II. *Emission Reduction Strategies*, prior to transfer or assignment for use in satisfying an employer's Emission Reduction Target.
- ~~4.5.~~ COMPRESSED WORK WEEK (CWW) applies to employees who as an alternative to completing basic work requirement in five eight-hour workdays in one week, or 10 eight-hour workdays in two weeks, are scheduled in a manner which reduces vehicle trips to the worksite. The recognized compressed work week schedules for this Rule are, but not limited to, 36 hours in three days (3/36), 40 hours in four days (4/40), or 80 hours in nine days (9/80).
- ~~5.6.~~ DISABLED EMPLOYEE means an individual with a physical impairment which prevents the employee from traveling to the worksite by means other than a single-occupant vehicle.
- ~~6.7.~~ EMISSION REDUCTION CREDITS (ERCs) are ~~short term emission reduction credits, issued pursuant to Regulation XIII - New Source Review~~ credits as defined in subdivision (l) of Rule 1302 - Definitions and includes the permanent credit issued under Rule 1309(f)(1).
- ~~7.8.~~ EMPLOYEE COMMUTE REDUCTION PROGRAM means an annual program under the Employee Commute Reduction Program option, submitted to the SCAQMD, in accordance with the companion guidelines.
- ~~8.9.~~ EMPLOYEE is any person employed by a person(s), firm, business, educational institution, non-profit agency, or corporation, government or other entity. The term excludes seasonal employees; temporary employees; volunteers; field personnel; field construction workers; and independent contractors.
- ~~9.10.~~ FEDERAL FIELD AGENT means any employee who is employed by any federal entity whose main responsibility is National Security and performs field enforcement and/or investigative functions. This does not include employees in non-field or non-investigative functions.
- ~~10.11.~~ FIELD CONSTRUCTION WORKER means an employee who reports directly to work at a construction site.
- ~~11.12.~~ FIELD PERSONNEL means employees who spend 20% or less of their work time, per week, at the worksite and who do not report to the worksite during the peak period for pick-up and dispatch of an employer-provided vehicle.

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- ~~12.~~13. **HOLIDAYS** are those days designated as National and State Holidays that shall not be included in the survey period.
- ~~13.~~14. **INDEPENDENT CONTRACTOR** means an individual who enters into a direct written contract or agreement with an employer to perform certain services and is not on the employer's payroll.
- ~~14.~~15. **INTER-POLLUTANT CREDITING** means the use of emission reduction credits of one type of pollutant that may be used in lieu of another type of pollutant.
- ~~15.~~16. **LOW-INCOME EMPLOYEE** means an individual whose salary is equal to, or less than, the current individual income level set in the California Code of Regulations, Title 25, Section 6932, as lower income for the county in which the employer is based. Higher income employees may be considered to be "low-income" if the employees demonstrate that the program strategy would create a substantial economic burden.
- ~~16.~~17. **MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)** are emission reduction credits issued pursuant to Regulation XVI - Mobile Source Offset Programs.
- ~~17.~~18. **PART-TIME EMPLOYEE** means any employee who reports to a worksite on a part-time basis fewer than 32 hours per week, but more than four hours per week. These employees shall be included in the employee count for purposes of Rule applicability; and for emission reduction calculations of the employer provided the employees report to the worksite during the Peak Commute Window.
- ~~18.~~19. **PEAK COMMUTE WINDOW** is the period of time, Monday through Friday between the hours of 6:00 a.m. and 10:00 a.m.
- ~~19.~~20. **PERFORMANCE ZONE** for each worksite is determined by its geographic location within the geographic boundaries as described in Attachment I of Rule 2202.
- ~~20.~~21. **POLICE/SHERIFF** means any employee who is certified as a law enforcement officer and is employed by any state, county or city entity. Such employees are only police officers and sheriffs who perform field enforcement and/or any investigative functions. This would not include employees in non-field or non-investigative functions.
- ~~21.~~22. **SEASONAL EMPLOYEE** means a person who is employed for less than a continuous 90-day period or an agricultural employee who is employed for up to a continuous 16-week period.
- ~~22.~~23. **SHORT TERM EMISSION REDUCTION CREDITS (STERCs)** are ~~short term emission reduction credits, issued pursuant to Regulation XIII - New Source Review~~ credits as defined in subdivision (am) of Rule 1302 - Definitions.
- ~~23.~~24. **STUDENT WORKERS** are students who are enrolled and gainfully employed (on the payroll) by an educational institution. Student workers who work more
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than four hours per week are counted for Rule applicability and if they report to work during the 6:00 a.m. - 10:00 a.m. window are counted for emission reduction calculations.

~~24.~~25. TELECOMMUTING means working at home, off-site, or at a telecommuting center, for a full workday that eliminates the trip to work or reduces travel distance by more than 50%.

~~25.~~26. TEMPORARY EMPLOYEE means any person employed by an employment service or agency that reports to a worksite other than the employment agency's worksite, under a contractual arrangement with a temporary employer. Temporary employees are only counted as employees of the temporary agency for purposes of Rule applicability.

~~26.~~27. TRANSPORTATION MANAGEMENT ASSOCIATION OR TRANSPORTATION MANAGEMENT ORGANIZATION (TMA/TMO) means a private/non-profit association that has a financial dues structure joined together in a legal agreement for the purpose of achieving mobility and air quality goals and objectives within a designated area.

~~27.~~28. VOLUNTEER means any person(s) at a worksite who, of their own free will, provides goods or services, without any financial gain.

~~28.~~29. WORKSITE EMPLOYEE THRESHOLD means 250 employees employed at a single worksite for the prior consecutive six-month period calculated as a monthly average and 33 or more employees scheduled to report to work during the Peak Commute Window any one day during the prior consecutive 90 days.

ATTACHMENT H

(Adopted Feb. 4, 1977)(Amended May 27, 1977)(Amended Jan. 6, 1978)(Amended June 16, 1978)
(Amended April 4, 1980)(Amended Sept. 5, 1980)(Amended June 5, 1981)(Amended July 9, 1982)
(Amended Dec. 3, 1982)(Amended June 3, 1983)(Amended May 4, 1984)(Amended July 6, 1984)
(Amended Nov. 2, 1984)(Amended Dec. 6, 1985)(Amended May 1, 1987)(Amended June 3, 1988)
(Amended December 2, 1988)(Amended January 6, 1989)(Amended June 2, 1989)
(Amended June 1, 1990) (Amended June 7, 1991)(Amended December 6, 1991)
(Amended June 5, 1992) (Amended July 10, 1992)(Amended June 11, 1993)
(Amended October 8, 1993)(Amended June 10, 1994)(Amended May 12, 1995)
(Amended October 13, 1995)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended June 12, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)(Amended May 7, 2010)
(Amended May 6, 2011) (Updated July 1, 2012)
(Updated July 1, 2013)
(PAR June 6, 2014)

PROPOSED AMENDED RULE 301. PERMITTING AND ASSOCIATED FEES

(a) Applicability

California Health and Safety Code Section 40510 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the issuance of permits to cover the cost of evaluation, planning, inspection, and monitoring related to that activity. This rule establishes such a fee schedule and requires that fees be paid for:

- (1) Permit processing for Facility Permits [see subdivisions (k), (l) and (m)], Facility Registrations [see subdivision (r)], and Permits to Construct and/or Permits to Operate equipment (submitted pursuant to Regulation II) that may cause air pollution or equipment intended to control air pollution [see subdivision (c)].
- (2) Processing of applications for banking emission reduction credits; change of title of emissions reduction credits; alteration/modification of emission reduction credits; retirement of short term emission reduction credits for transfer into Rule 2202; and the transfer of ERCs out of Rule 2202 pursuant to Rule 2202 (h)(4); or conversion of emissions reduction credits, mobile source credits, or area source credits to short term emission reduction credits, pursuant to Regulation XIII [see paragraphs (c)(4) and (c)(5)].
- (3) Annual operating permit renewal fee [see subdivision (d)].
- (4) Annual operating permit emissions fee [see subdivision (e)] or Regional Clean Air Incentives Market (RECLAIM) Trading Credits (RTCs) [see

subdivision (k)].

- (5) Duplicate and reissued permits [see subdivision (f)].
- (6) Reinstating expired applications or permits [see subdivision (g)].
- (7) Reinstating revoked permits [see subdivision (h)].
- (8) RECLAIM Transaction Registration Fee [see subdivision (k)].
- (9) Non-Tradeable Allocation Credit Mitigation Fee [see subdivision (k)].
- (10) Environmental Impact Analysis, Air Quality Analysis, Health Risk Assessment, Public Notification on Significant Projects and Emission Reduction Credits (pursuant to Regulation XIII - New Source Review) [see paragraph (c)(4) and subdivision (i) of this rule].
- (11) Asbestos demolition and renovation activities [see subdivision (n)].
- (12) Lead abatement activities [see subdivision (o)].
- (13) Evaluation of permit applications submitted for compliance under a National Emission Standard for Hazardous Air Pollutants (NESHAP) [see subdivision (p)].
- (14) Certification of Clean Air Solvents [see subdivision (q)].

(b) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) ALTERATION or MODIFICATION means any physical change, change in method of operation of, or addition to, existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
 - (A) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
 - (B) An increase in the hours of operation.
- (2) ALTERNATIVE OPERATING CONDITION is an order established by the Hearing Board pursuant to subdivision (e) of this rule which, if recognized by the United States Environmental Protection Agency, authorizes a source to be operated in a specified manner that would otherwise not comply with an applicable requirement of the State Implementation Plan or a permit term or condition based on any such applicable requirement.

- (3) BANKING means the process of recognizing and certifying emission reductions and registering transactions involving emission reduction credits.
- (4) CANCELLATION is an administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (5) CERTIFIED EQUIPMENT PERMIT means a permit issued to a manufacturer or distributor for a specific model or series of models of equipment. By this permit, the District certifies that the equipment meets all District rules and Best Available Control Technology (BACT) requirements under a set of conditions. Eligibility for the certification process shall be limited to equipment for which the following conditions exist, as determined by the Executive Officer:
 - (A) Equipment operation and emission characteristics will be applicable to a number of identical pieces of equipment;
 - (B) Permitting can be accomplished through the use of identical permit conditions for each piece of equipment regardless of use or location;
 - (C) The equipment is exempt from emission offsets as defined in Rule 1304(a)(4) or Rule 1304(a)(5); or the emissions of each criteria pollutant, except lead, are determined to be less than the limits listed in Rule 1303, Appendix A, Table A-1; and
 - (D) The equipment does not emit lead or the toxic emissions do not result in a Maximum Individual Cancer Risk (MICR) equal to or greater than one in a million as calculated according to Rule 1401.

Certified Equipment Permit shall be valid for one year, and shall be renewed annually if the Executive Officer determines the equipment meets all District rules and BACT requirements. Certification shall not relieve the person constructing, installing or operating the equipment from the requirement to obtain all necessary permits to construct and permits to operate, or from compliance with any other District rule including the requirements of Regulation XIII.

- (6) CHANGE OF CONDITION means a change of a current permit condition that will not result in an emission increase. Any request for a Change in Condition to a previously enforceable permit condition that will result in a emission increase subject to the New Source Review

Rules in Regulation XIII, XIV, or XX will be considered a change in the method of operation and processed as an Alteration or Modification.

- (7) CLEAN AIR SOLVENT is as defined in Rule 102 as “Clean Air Solvent”.
- (8) CLEAN AIR SOLVENT CERTIFICATE is as defined in Rule 102 as “Clean Air Solvent Certificate”.
- (9) CONFINED ANIMAL FACILITY (CAF) means a source or group of sources of air pollution at an agricultural source for the raising of 3,360 or more fowl or 50 or more animals, including but not limited to, any structure, building, installation, farm, corral, coop, feed storage area, milking parlor, or system for the collection, storage, or distribution of solid and liquid manure; if domesticated animals, including but not limited to, cattle, calves, horses, sheep, goats, swine, rabbits, chickens, turkeys, or ducks corralled, penned, or otherwise caused to remain in restricted areas for commercial agricultural purposes and feeding is by means other than grazing.
- (10) CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS) is a system comprised of components that continuously measure all parameters necessary to determine pollutant concentration or pollutant mass emissions, pursuant to a District rule or regulation.
 - (A) For the purpose of this rule, a CEMS includes, but is not limited to, the following analyzers, monitors, components, systems, or equipment:
 - (i) Pollutant concentration analyzer(s) (e.g., NO_x, SO_x, CO, Total Sulfur) and associated sample collection, transport, and conditioning equipment, and data acquisition and logging systems,
 - (ii) Diluent gas analyzer (O₂ or CO₂),
 - (iii) Flow monitor (direct in-stack measurement or indirectly calculated from fuel usage or other process parameters approved by the Executive Officer), and
 - (iv) Other equipment (e.g., moisture monitor) as required to comply with monitoring requirements.
 - (B) For the purpose of this rule, a “time-shared CEMS” means a CEMS as described in subparagraph (7)(A) which is common to

several sources of emissions at the same facility.

- (C) For the purpose of this rule, a “Fuel Sulfur Monitoring System” or “FSMS” may be used as an alternative to a CEMS SO_x monitoring requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. An FSMS is a total sulfur monitoring system configured similar to the CEMS described in subparagraph (7)(A) but, as an alternative to directly monitoring SO_x emissions at sources required to have SO_x CEMS (at the same facility), SO_x emission information at each affected source is determined “indirectly” by monitoring the sulfur content of the fuel gas supply firing the affected sources.
 - (D) For the purpose of this rule, an “Alternative Continuous Emissions Monitoring System” or “ACEMS” (also known as a “Predictive or Parametric Emissions Monitoring System” or “PEMS”) may be used as an alternative to a CEMS pollutant monitoring requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. Instead of directly monitoring the pollutant emissions at a source required to have a CEMS as in subparagraph (7)(A), emission information is “predicted” by the ACEMS or PEMS by monitoring key equipment operating parameters (e.g., temperature, pressure) at the affected source, irrespective of exhaust gas or fuel supply analysis.
- (11) EMISSION FACTOR means the amount of air contaminant emitted per unit of time or per unit of material handled, processed, produced, or burned.
 - (12) EMISSION REDUCTION CREDIT (ERC) means the amount of emissions reduction which is verified and determined by the Executive Officer to be eligible for credit in an emissions reduction bank.
 - (13) EMISSION SOURCE is any equipment or process subject to Rule 222. The source does not require a permit, but the owner/operator is required to file information pursuant to Rule 222 and Rule 301(t).
 - (14) EQUIPMENT means any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:

- (A) Requires a permit pursuant to Rules 201 and/or 203; or
 - (B) Is in operation pursuant to the provisions of Rule 219
- (15) EXPIRATION means the end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (16) FACILITY means any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control) or an outer continental shelf (OCS) source as defined in 40 CFR § 55.2. Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility. Equipment or installations involved in crude oil and gas production in Southern California coastal or OCS waters, and transport of such crude oil and gas in Southern California coastal or OCS waters, shall be included in the same facility which is under the same ownership or use entitlement as the crude oil and gas facility on-shore.
- (17) FACILITY PERMIT is a permit which consolidates existing equipment permits and all new equipment at a facility, into one permit. A facility permit may be issued pursuant to Regulation XX and/or XXX.
- (18) FACILITY REGISTRATION is a permit which consolidates existing equipment permits and all new equipment at a facility into one permit. A Facility Registration may be issued at District discretion to any facility not subject to Regulation XX or XXX.
- (19) GREENHOUSE GAS or “GHG” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs).
- (20) IDENTICAL EQUIPMENT means any equipment which is to be operated by the same operator, and have the same equipment address, and have the same operating conditions and processing material to the extent that a single permit evaluation would be required for the set of equipment. Portable equipment, while not operating at the same location, may qualify as identical equipment.
- (21) NON-ROAD ENGINE is a portable engine that requires a permit and is

- certified by the Executive Officer to be a Non-Road Engine regulated by U.S. EPA pursuant to 40 CFR Part 89.
- (22) PREMISES means one parcel of land or contiguous parcels of land under the same ownership or entitlement to use, not including the parcels which are remotely located and connected only by land carrying a pipeline.
- (23) QUALIFYING PORTABLE ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to meet all the requirements of Non-Road Engine of 40 CFR Part 89 except date of manufacture, and has been demonstrated to meet the emission limitations of 40 CFR Section 89.112-96.
- (24) RECLAIM TRADING CREDITS (RTCs) means the amount of emissions credit available to a facility for use at the facility for transfer or sale to another party. Each RTC has a denomination of one pound of RECLAIM pollutant and a term of one year, and can be issued as part of a facility's Annual Allocation or alternatively in the form of an RTC certificate.
- (25) REGISTRATION PERMIT means a permit to construct or permit to operate issued to an owner/operator of equipment which has previously been issued a Certified Equipment Permit by the District. The owner/operator shall agree to operate under the conditions specified in the Certified Equipment Permit.
- (26) RELOCATION means the removal of an existing source from one parcel of land in the District and installation on another parcel of land where the two parcels are not in actual physical contact and are not separated solely by a public roadway or other public right-of-way.
- (27) REVOCATION is an action taken by the Hearing Board following a petition by the Executive Officer which invalidates a Permit to Construct or a Permit to Operate.
- (28) SMALL BUSINESS is as defined in Rule 102 as "Small Business."
- (29) SPECIFIC ORGANIC GASES are any of the following compounds:
trifluoromethane (HFC-23)
chlorodifluoromethane (HCFC-22)
dichlorotrifluoroethane (HCFC-123)
tetrafluoroethane (HFC-134a)
dichlorofluoroethane (HCFC-141b)

chlorodifluoroethane (HCFC-142b)

1,1,1-trifluoroethane (HFC-143a)

1,1-difluoroethane (HFC-152a)

cyclic, branched, or linear, completely fluorinated alkanes

cyclic, branched, or linear, completely fluorinated ethers with no
unsaturations

cyclic, branched, or linear, completely fluorinated tertiary amines
with no unsaturations

sulfur-containing perfluorocarbons with no unsaturations and with
sulfur bonds only to carbon and fluorine.

- (30) SOURCE means any grouping of equipment or other air contaminant-emitting activities which are located on parcels of land within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person or by persons under common control. Such above-described groupings, if remotely located and connected only by land carrying a pipeline, shall not be considered one stationary source. (Under RECLAIM, a SOURCE is any individual unit, piece of equipment or process which may emit an air contaminant and which is identified, or required to be identified, in the RECLAIM Facility Permit)
- (31) STREAMLINED STANDARD PERMIT means a permit issued for certain types of equipment or processes commonly permitted by SCAQMD with pre-set levels of controls and emissions. The operating conditions and other qualifying criteria are pre-determined by the SCAQMD and provided to the permit applicant in the permit application package for concurrence.
- (32) STATEWIDE EQUIPMENT is equipment with a valid registration certificate issued by CARB for the Statewide Portable Equipment Registration Program.
- (33) TEMPORARY PERMIT TO OPERATE represents interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to Rule 202.

(c) Fees for Permit Processing

- (1) Permit Processing Fee

(A) Permit Processing Fee Applicability

Except as otherwise provided in this rule, every applicant who files an application for a Permit to Construct, Permit to Operate, Facility Permit, court judgments in favor of the District and administrative civil penalties or a revision to a Facility Permit, shall, at the time of filing, pay all delinquent fees associated with the facility and shall pay a permit processing fee.

- (i) Except as otherwise provided in this paragraph, the permit processing fee shall be determined in accordance with the schedules (set forth in the Summary Permit Fee Rates tables at the time the application is deemed complete.
- (ii) A person applying for permits for relocation of equipment shall pay fees in accordance with the schedules set forth in the Summary Permit Fee Rates tables at the time the application is deemed complete. All fees due, within the past 3 years, from the previous facility for equipment for which a Change of Location application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Location application is accepted.
- (iii) A person applying for permits for any equipment/process not otherwise listed in Table I shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.
- (iv) For applications submitted prior to July 1, 1990, the applicant shall pay a permit processing fee as specified in the Summary Permit Fee Rates tables, less any previously paid filing fees not to exceed the amount due. These fees are due and payable within thirty (30) days of receipt of notification.
- (v) In the event a Permit to Construct expires under the provisions of Rule 205, and the applicable rules, regulations, and BACT for that particular piece of equipment have not been amended since the original evaluation was performed, the permit processing fee for a subsequent application for a similar equipment shall be the

fee established in the Summary Permit Fee Rates - Change of Operator table according to the applicable schedule under the Change of Operator category, provided the subsequent application is submitted within one (1) year from the date of expiration of either the Permit to Construct, or an approved extension of the Permit to Construct.

(B) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. Nonpayment of the fee within this period of time will result in expiration of the application and voiding of the Permit to Construct or Permit to Operate. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid. If an application is canceled, a permit processing fee will be charged if evaluation of the application has been initiated.

(C) Payment for Permit Processing of Equipment Already Constructed

In the case of application for a Permit to Operate equipment already constructed, or where a Permit to Construct was granted prior to August 1, 1982, the applicant shall pay the permit processing fee within thirty (30) days of receipt of notification. In the case where a portion of the permit evaluation fee was paid when a Permit to Construct was granted, the amount paid shall be credited to the amount due for permit processing in accordance with the Summary Permit Fee Rates tables, and shall be due

within thirty (30) days of receipt of notification. In both cases, payment shall be as specified in subparagraph (c)(1)(B) of this rule. If, at the time the Permit to Operate is granted or denied, it is determined that any annual operating permit fee as provided in subdivision (d) of this rule had been based on incorrect information, the applicant will be billed for or credited with the difference, as appropriate.

(D) Higher Fee for Failing to Obtain a Permit

(i) When equipment is operated, built, erected, installed, altered, or replaced (except for replacement with identical equipment) without the owner/operator first obtaining a required Permit to Construct or Permit to Operate, the permit processing fee shall be 150 percent (150%) of the amount set forth in the Summary Permit Fee Rates tables of this rule unless the applicant is a Small Business as defined in this provision and the facility has no prior permit applications, Permit to Construct or Permit to Operate (as evidenced by a facility identification number) with the District in which case the permit processing fee shall be the amount set forth in the Summary Permit Fee Rates tables of this rule. If a facility has been issued a Notice of Violation (NOV), there shall be no waiver of the higher fee. The applicant shall also remit annual operating fees for the source for a full three (3) years, or the actual years of operation if less than three (3) years. The assessment of such fee shall not limit the District's right to pursue any other remedy provided for by law. Fees are due and payable within thirty (30) days of receipt of notification. [See subparagraph (c)(2)(B).] However, the higher fee shall be waived if the application is being submitted for equipment that was previously permitted (issued either a Permit to Construct or a Permit to Operate) but had expired due to non-payment of fees, provided the application is submitted within one (1) year of the expiration date, and that permit is reinstatable under subdivision (g) of this rule.

(ii) For purposes of assessing a higher fee for failing to obtain a permit only, small business shall be defined as a business which is independently owned and operated and not an affiliate of a non-small business entity and meets the following criteria:

(A) If a non-manufacturer, the number of employees is 25 or less and the total gross annual receipts are \$1,000,000 or less; or

(B) If a manufacturer, the number of employees is 50 or less and the total gross annual receipts are \$5,000,000 or less, or

(C) Is a not-for-profit training center.

(E) Small Business

When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(H)(i), (c)(1)(D) or paragraph (c)(3) for a small business, the fees assessed shall be fifty percent (50%) of the amount set forth in the Summary Permit Fee Rates - Permit Processing, Change of Conditions, Alteration/Modifications table and in the ~~Summary ERC Processing Rates~~ Banking, Change of Title, Alteration/Modification and Conversion to Short Term Credits table Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, and Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table.

(F) Fees for Permit Processing for Identical Equipment and Processing of Applications for Short Term Emission Reduction Credits

When applications are submitted in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(D), (c)(1)(E), (c)(1)(I), paragraphs (c)(3) or (c)(4) concurrently for identical equipment, or for change of title or alteration/modification of short term emission reduction credits, full fees for the first application, and fifty percent (50%) of the applicable processing fee for each additional application shall be assessed. The

provisions of this subparagraph do not apply to Certified Equipment Permits, Registration Permits, and the exceptions mentioned in paragraphs (c)(3)(A), (c)(3)(B), and (c)(3)(C). This subparagraph shall, upon request of the applicant, apply to applications which have been received before July 1, 1996, but not yet been processed or which have not received final determination regarding applicable permit processing fees.

- (G) **Discounts for Small Business and Identical Equipment**
Applications qualifying with the provisions of both subparagraph (c)(1)(E) and (c)(1)(F) shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.
- (H) **Fees for Permit Processing for Certified Equipment Permits and Registration Permits**
 - (i) Persons applying for a Certified Equipment Permit shall pay a one-time permit processing fee for each application. The fee shall be determined in accordance with the Summary Permit Fee Rates tables of this rule. No annual operating permit renewal fee shall be charged.
 - (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of the Summary Permit Fee Rates table shall be assessed to a person applying for a Change of Operator for a Certified Equipment Permit.
 - (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of the Summary Permit Fee Rates table shall be charged to a person applying for a Registration Permit to Construct and Permit to Operate for certified equipment. Annual operating permit renewal fees shall be paid pursuant to subdivision (d).
 - (iv) When certified equipment is built, erected, installed, or replaced (except for identical replacement) without the owner/operator obtaining a required Rule 201 Permit to Construct, the permit processing fee assessed shall be 150 percent (150%) of the amount set forth in subparagraph (c)(1)(H)(iii) of Rule 301.
- (I) **Applications Submitted for Equipment Previously Exempted by**

Rule 219

When applications for equipment are submitted within one year after the adoption of the most recent amendment to Rule 219 and are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(F), paragraphs (c)(2), or (c)(3) and require a permit, solely due to the most recent amendments to Rule 219, the permit processing fees assessed shall be in accordance with Schedule A.

(J) Standard Streamlined Permits

The Streamlined Standard Permit application processing fee shall be \$725.03, except that the fee shall not exceed the applicable permit processing fee including small business discount if applicable. There shall be no small business discount on the basic fee of \$725.03. Applications submitted for existing equipment which is operating and qualifies for a Streamlined Standard Permit shall be assessed an application processing fee in accordance with the provisions of subparagraph 301(c)(1)(D). Standard Streamlined Permits may be issued for the following equipment or processes: Replacement dry-cleaning equipment and Lithographic printing equipment.

(2) Fee for Change of Operator or Additional Operator

Under Rule 209 (Transfer and Voiding of Permits), a permit granted by the District is not transferable. Every applicant who files an application for a change of operator or additional operator with the same operating conditions of a Permit to Operate shall be subject to a permit processing fee as follows:

(A) The permit processing fee shall be as established in the Summary Permit Fee Rates - Change of Operator table for equipment at one location so long as the new operator files an application for a Permit to Operate within one (1) year from the last renewal of a valid Permit to Operate and does not change the operation of the affected equipment. All fees billed from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as "Hot Spots" fees), must be paid before the Change of Operator or Additional

Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the operator will not be billed for any additional fees billed to the previous operator.

- (B) If an application for change of operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous operator, the new operator shall submit an application for a new Permit to Operate, along with the permit processing fee as prescribed in subparagraph (c)(1)(A). A higher fee, as described in subparagraph (c)(1)(D), shall apply.
- (3) Change of Operating Condition, Alteration/Modification/Addition
All delinquent fees, and court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Change of Operating Condition, Alteration/Modification /Addition application will be accepted. When an application is filed for a permit involving change of operating conditions, and/or a permit involving proposed alterations/modifications or additions resulting in a change to any existing equipment for which a Permit to Construct or a Permit to Operate was granted and has not expired in accordance with these rules, the permit processing fee shall be the amount set forth in the Summary Permit Fee Rates tables. The only exceptions to this fee shall be:
 - (A) Permits that must be reissued with conditions prohibiting the use of toxic materials and for which no evaluation is required, no physical modifications of equipment are made, and the use of substitute materials does not increase Volatile Organic Compounds (VOC) by more than 0.5 pound in any one day. When an application is filed for a modification described by this exception, the permit processing fee shall be \$725.03.
 - (B) Permits that must be reissued to reflect the permanent removal of a standby fuel supply, or to render equipment non-operational, which:
 - (i) Do not result in a new source review emission adjustment. A reissue permit fee of \$530.89 pursuant to Rule 301(f) shall be charged per equipment/reissued permit; or

(ii) Result in a new source review emission adjustment. A reissued permit fee of \$1,391.92 per equipment shall be charged.

(C) Permits reissued for an administrative change in permit description, for splitting a permit into two or more permits based on Equipment/Process listed in Table IA or IB (an application is required for each Equipment/Process) or for a change in permit conditions based on actual operating conditions and which do not require any engineering evaluation and do not cause a change in emissions, shall be charged a fee according to the following schedule:

<u>Equipment Schedule</u>	<u>Re-Issuance Fee for FY 08-09 and thereafter</u>
A	\$530.89
A1	\$530.89
B	\$725.03
B1	\$725.03
C	\$725.03
D	\$725.03
E	\$725.03
F	\$725.03
G	\$725.03
H	\$725.03

(D) For permits reissued because of Rule 109 or Rule 109.1, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in the Summary Permit Fee Rules tables.

(4) Fee for Evaluation of Applications for Emission Reductions
Every applicant who files an application for banking of emission reduction credits; change of title of emission reduction credits; alteration/modification of emission reduction credits; or conversion of emission reduction credits, mobile source credits, or area source credits to short term emission reduction credits, as described in paragraph (a)(2) of this rule shall, at the time of filing, pay a processing fee in accordance

with Schedule I in the Summary Permit Fee Rates tables. Additionally, the applicant shall, if required by Rule 1310(c), either:

- (A) Pay a fee for publication of public notice, as specified in Table II (B) and a preparation fee as per Rule 301(i)(4), or
- (B) arrange publication of the public notice independent of the District option and provide to the Executive Officer a copy of the proof of publication.

(5) Fees for Retirement of Short Term Emission Reduction Credits for ~~Permanent~~ Transfer into Rule 2202, and for ERCs Transfer Out of Rule 2202.

Any applicant who files an application to transfer a short term emission reduction credit certificate into Rule 2202 or to transfer ERCs out of Rule 2202 pursuant to Rule 2202 – On-Road Motor Vehicle Mitigation Options shall, at the time of filing, pay the fee as listed in the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, ~~and~~ Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table.

(d) Annual Operating Permit Renewal Fee

(1) Renewal of Permit to Operate

All Permits to Operate (including temporary Permits to Operate pursuant to Rule 202) for equipment on the same premises shall be renewed on the annual renewal date set by the Executive Officer. A Permit to Operate is renewable if the permit is valid according to the District's Rules and Regulations and has not been voided or revoked and if the annual operating permit fee is paid within the time and upon the notification specified in paragraph (d)(8) of this rule and if all court judgments in favor of the District and administrative civil penalties associated with the facility are paid.

(2) Annual Operating Fees

The annual operating permit renewal fee shall be assessed in accordance with the following schedules:

**EQUIPMENT/PROCESS
SCHEDULES**

**ANNUAL OPERATING
PERMIT RENEWAL FEE***

Equipment/Processes appearing in
Tables IA and IB as Schedule A1

	\$158.23
Equipment/Processes appearing in Tables IA and IB as Schedules A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$317.07
Equipment/Processes appearing in Tables IA and IB as Schedules C and D	\$1,135.61
Equipment/Processes appearing in Tables IA and IB as Schedules E, F, G, and H	\$2,726.74
Rule 461 liquid fuel dispensing system	\$93.74 per product dispensed per nozzle

In addition to the annual operating permit renewal fees based on equipment/process, each RECLAIM/Title V facility shall pay the additional fee of:

Title V Facility
\$457.69 per facility

RECLAIM Facility
\$762.81 per Major Device
\$152.57 per Large Device
\$152.57 per Process Unit Device

RECLAIM and Title V Facility
RECLAIM fee + Title V fee

* For FY 2010-2011, the amount of the CPI increase will be rebated

(3) Credit for Solar Energy Equipment

Any permittee required to pay an annual operating permit renewal fee shall receive an annual fee credit for any solar energy equipment installed at the site where the equipment under permit is located. Solar energy projects that receive grant funding from the Rule 1309.1 – Priority Reserve account shall not be eligible for this annual fee credit.

(A) Computation

The design capacity of the solar energy equipment expressed in thousands of British Thermal Units (Btu) per hour shall be used to determine the fee credit calculated at \$1.76 per 1,000 Btu.

(B) Limitation

The solar energy credit shall not exceed the annual operating permit renewal fee for all permits at the site where the solar energy equipment is located.

(4) **Renewal of Temporary Permit to Operate New Equipment**

A Permit to Construct, which has not expired or has not been canceled or voided, will be considered a temporary Permit to Operate on the date the applicant completes final construction and commences operation, pursuant to subdivision (a) of Rule 202. For the purposes of this paragraph, the date specified as the estimated completion date on the application for Permit to Construct will be considered the date of commencement of operation, unless the applicant notifies the District in writing that operation will commence on another date, or unless the equipment already has been placed in operation. Such temporary Permit to Operate shall be valid for the period of time between commencement of operation and the applicant's next annual renewal date following commencement of operation and shall be subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2). The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee for the temporary Permit to Operate shall be due in the amount prescribed in paragraph (d)(2).

(5) **Renewal of Temporary Permit to Operate Existing Equipment**

In the case of equipment operating under a temporary Permit to Operate issued pursuant to subdivision (c) of Rule 202, where a Permit to Construct was not issued, the company is immediately subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2) following the submission of the completed application for Permit to Operate. The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee shall be due in the amount prescribed in paragraph (d)(2). If no annual renewal date has been established, the Executive Officer shall set one upon receipt of the application.

(6) **Annual Renewal Date**

If, for any reason, the Executive Officer determines it is necessary to change the annual renewal date, all annual operating permit renewal fees shall be prorated according to the new annual renewal date.

(7) Annual Renewal Date for Change of Operator

The same annual renewal date shall apply from one change of operator to another.

(8) Notice of Amount Due and Effect of Nonpayment

At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. The annual operating permit renewal fee for each permit shall be in the amount described in paragraph (d)(2). If the annual operating permit renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In the case of a RECLAIM facility, if the individual device fee(s) are not paid, the application(s) associated with the device(s) shall expire and no longer be valid. For a Title V facility, if the Title V facility fee, which is not based on any specific equipment but applies to the whole facility, is not paid, the Title V facility permit shall expire. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit, as required by Rule 203 (Permit to Operate). For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday with the same effect as if it had been postmarked on the expiration date.

(9) Annual Operating Fees for Redundant Emission Controls

Any person holding permits to operate for two or more emission controls applicable to the same equipment who establishes that any of the emission controls is redundant, i.e., not necessary to assure compliance with all applicable legal requirements, shall not be required to pay

annual operating permit renewal fees under subdivision (d) for the redundant equipment. The Executive Officer may reinstate the obligation to pay such fees at any time upon determination that operating the control is or has become necessary to assure compliance with any applicable legal requirements.

(e) Annual Operating Emissions Fee

(1) Annual Operating Emission Fee Applicability

In addition to the annual operating permit renewal fee, the owner/operator of all equipment operating under permit shall pay an annual emissions fee based on the total weight of emissions of each of the contaminants specified in Table III from all equipment used by the operator at all locations, including total weight of emissions of each of the contaminants specified in Table III resulting from all products which continue to passively emit air contaminants after they are manufactured, or processed by such equipment, with the exception of such product that is shipped or sold out of the District so long as the manufacturer submits records which will allow for the determination of emissions within the District from such products.

(2) Emissions Reporting and Fee Calculation

For the reporting period July 1, 2000 to June 30, 2001, and all preceding reporting periods, emissions from equipment not requiring a written permit pursuant to Regulation II shall be reported but not incur a fee for emissions so long as the owner/operator keeps separate records which allow the determination of emissions from such non-permitted equipment. Notwithstanding the above paragraph, for the purposes of Rule 317 – Clean Air Act Non-Attainment Fees, all major stationary sources of NOx and VOC, as defined in Rule 317, shall annually report and pay the appropriate clean air act non-attainment fees for all actual source emissions including but not limited to permitted, unpermitted, unregulated and fugitive emissions. Beginning with the reporting period of July 1, 2001 to June 30, 2002, and for subsequent reporting periods, each facility with total emissions including emissions from equipment or processes not requiring a written permit pursuant to Regulation II greater than or equal to the threshold amount of contaminants listed in paragraph (e)(5) shall report all emissions and incur an emissions fee as prescribed in Table III.

Non-permitted emissions which are not regulated by the District shall not be reported and shall be excluded from emission fees if the facility provides a demonstration that the emissions are not regulated and maintains sufficient records to allow the accurate demonstration of such non-regulated emissions.

(3) Exception for the Use of Clean Air Solvents

An owner/operator shall not pay a fee for emissions from the use of Clean Air Solvents issued a valid Certificate from the District so long as the facility submits separate records which allow the determination of annual emissions, usage, and identification of such products. A copy of the Clean Air Solvent certificate issued to the manufacturer or distributor shall be submitted with the separate records.

(4) Flat Annual Operating Emission Fee

The owner/operator of all equipment operating under at least one permit (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of \$117.87.

(5) Emission Fee Thresholds

Each facility with emissions greater than or equal to the threshold amount of the contaminant listed below shall be assessed a fee as prescribed in Table III. For the six-month transitional reporting period pursuant to subparagraph (e)(8)(B) (July 1, 2007 through December 31, 2007), the fee shall be assessed on emissions greater than or equal to one-half (1/2) of the threshold amount listed below.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥4 TPY
Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28))	≥4 TPY
Specific organic gases	≥4 TPY
Oxides of nitrogen (expressed as nitrogen dioxide)	≥4 TPY
Total particulate matter	≥4 TPY
Carbon monoxide	≥100 TPY

(6) **Clean Fuels Fee Thresholds**

Each facility emitting 250 tons or more per year (≥250 TPY) of any of the above referenced contaminants shall pay an annual clean fuels fee as prescribed in Table V (California Health and Safety Code Section 40512).

(7) **Fees for Toxic Air Contaminants or Ozone Depleters**

Each facility emitting a toxic air contaminant or ozone depleter greater than or equal to the annual thresholds listed in Table IV shall be assessed an annual emissions fee as indicated therein. For the six-month transitional reporting period pursuant to subparagraph (e)(8)(B) (July 1, 2007 through December 31, 2007), the fee shall be assessed on emissions greater than or equal to one-half (1/2) of the threshold amount listed in Table IV. The annual emissions fee for toxic air contaminants and ozone depleters shall be based on the total weight of emissions of these contaminants associated with all equipment and processes including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks).

(A) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene or less than one (1) ton per year for the six-month transitional reporting period from July 1, 2007 through

December 31, 2007, and qualifies as a small business as defined in the general definition of Rule 102, shall be exempt from fees listed in Table IV. This provision shall be retroactive to include the July 10, 1992, rule amendment which included perchloroethylene in Table IV.

- (B) Any facility that emits less than two (2) tons per year, or less than one (1) ton per year for the six-month transitional reporting period from July 1, 2007 through December 31, 2007 of formaldehyde, perchloroethylene, or methylene chloride, may petition the Executive Officer, at least thirty (30) days prior to the official submittal date of the annual emissions report as specified in paragraph (e)(10), for exemption from formaldehyde, perchloroethylene, or methylene chloride fees as listed in Table IV. Exemption from emissions fees shall be granted if the facility demonstrates that no alternatives to the use of these substances exist, no control technologies exist, and that the facility qualifies as a small business as defined in the general definition of Rule 102.

(8) Reporting of Total Emissions from Preceding Reporting Period and Unreported or Under-reported Emissions from Prior Reporting Periods

- (A) The owner/operator of equipment subject to paragraph (e)(1), (e)(2), (e)(5), (e)(6), and (e)(7) shall report to the Executive Officer the total emissions for the immediate preceding reporting period of each of the air contaminants concerned from all equipment. The report shall be made at the time and in the manner prescribed by the Executive Officer. The permit holder shall

report the total emissions for the twelve (12) month period reporting for each air contaminant concerned from all equipment or processes, regardless of the quantities emitted.

- (B) During the period of July 1, 1994, through December 31, 2007, the reporting period for annual operating emissions fees shall be from July 1 of a given year through June 30 of the following year. A six-month emissions report and fees will be due for the reporting period from July 1, 2007 through December 31, 2007. Beginning January 1, 2008, the reporting period for annual operating

emissions fees shall be from January 1 through December 31 of each year.

- (C) The Executive Officer will determine default emission factors applicable to each piece of permitted equipment or group of permitted equipment, and make them available to the owner/operator in a manner specified by the Executive Officer and provide them to the owner/operator upon request. In determining emission factors, the Executive Officer will use the best available data. A facility owner/operator can provide alternative emission factors that more accurately represent actual facility operations subject to the approval of the Executive Officer.
 - (D) A facility owner/operator shall report to the Executive Officer, in the same manner, and quantify any emissions of air contaminants in previous reporting periods which had not been reported correctly and should have been reported under the requirements in effect in the reporting period in which the emissions occurred.
- (9) Request to Amend Emissions Report and Refund of Emission Fees
- (A) A facility owner/operator shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted annual emissions reports. Amendment requests with no fee impact, submitted after one (1) year and sixty (60) days from the official due date (July 1 or January 1 as applicable) of the subject annual emissions report shall include a non-refundable standard evaluation fee of \$289.97 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of \$145.01 per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and sixty (60) days from the official due date (July 1 or January 1 as applicable) of a previously submitted annual emissions report shall not incur any such evaluation fees. The Amendment Request shall include all supporting documentation and copies of revised applicable forms.
 - (B) A facility owner/operator shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted annual emissions reports and request a refund of overpaid emission fees. Refund Requests must be submitted within one (1) year and

sixty (60) days from the official due date (July 1 or January 1 as applicable) of the subject annual emissions report to be considered valid. The Refund Request shall include all supporting documentation and copies of revised applicable forms. If the Refund Request is submitted within one (1) year and sixty (60) days from the official due date (July 1 or January 1 as applicable) of the subject annual emissions report, and results in no fee impact, then the facility owner/operator shall be billed for the evaluation fee pursuant to subparagraph (e)(9)(A).

(10) Notice to Pay and Late Filing Surcharge

(A) A notice to report emissions and pay the associated emission fees will be mailed annually to the owners/operators of all equipment (as shown in District records) to which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be mailed to facilities which in the preceding reporting year emitted any air contaminant equal to or greater than the emission thresholds specified in subparagraph (e)(11)(A). Emissions reports and fee payments are the responsibility of the owner/operator regardless of whether the owner/operator was notified. The due dates to submit the emissions fees and reports for:

- (i) Semi-annual reports are January 1 for fiscal year reporting during July 1, 1994 through December 31, 2007, and July 1 for calendar year reporting beginning January 1, 2008 and after.
- (ii) Annual reports are July 1 for fiscal year reporting during July 1, 1994 through December 31, 2007, and January 1 for calendar year reporting beginning January 1, 2008 and after.

If both the fee payment and the completed emissions report are not received by the sixtieth (60th) day following January 1 or July 1 as applicable (for semi-annual reports), or July 1 or January 1 as applicable (for annual reports), they shall be considered late, and surcharges for late payment shall be imposed as set forth in subparagraph (e)(10)(B). For the purpose of this subparagraph, the emissions fee payment and the emissions report shall be

considered to be timely received by the District if it is postmarked on or before the sixtieth (60th) day following the official due date (July 1 or January 1 as applicable). If the sixtieth (60th) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on the sixtieth (60th) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A), a surcharge shall be assessed and added to the original amount of the emission fee due according to the following schedule:

Less than 30 days	5% of reported amount
30 to 90 days	15% of reported amount
91 days to 1 year	25% of reported amount
More than 1 year	(See subparagraph (e)(10)(D))

- (C) If an emission fee is timely paid, and if, within one year after the sixtieth (60th) day from the official due date is determined to be less than ninety percent (90%) of the full amount that should have been paid, a fifteen percent (15%) surcharge shall be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid, to be referred to as underpayment. If payment was ninety percent (90%) or more of the correct amount due, the difference or underpayment shall be paid but with no surcharges added. The fee rate to be applied shall be the fee rate in effect for the year in which the emissions actually occurred. If the underpayment is discovered after one (1) year and sixty (60) days from the official fee due date, fee rates and surcharges will be assessed based on subparagraph (e)(10)(D).

- (D) The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(D) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and further increased by fifty percent (50%). The fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported, and not the fee rate in effect for

the year the emissions actually occurred.

- (E) If one hundred twenty (120) days have elapsed since January 1st, July 1st, or as applicable, and all emission fees including any surcharge have not been paid in full, the Executive Officer may take action to revoke all Permits to Operate for equipment on the premises, as authorized in Health and Safety Code Section 42307.

(11) Semi-Annual Emissions Fee Payment

- (A) For facilities emitting the threshold amount of any contaminant listed below, the Executive Officer will estimate one half (1/2) of the previous annual emission fees and request that the permit holder pay such an amount as the first installment on annual emission fees for the current reporting period. The installment payment for calendar year 2008 annual emission fees will be based on one half (1/2) of the emissions reported for fiscal year 2006-2007.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28))	≥10 TPY
Specific organic gases	≥10 TPY
Oxides of nitrogen (expressed as nitrogen dioxide)	≥10 TPY
total particulate matter	≥10 TPY
Carbon monoxide	≥100 TPY

- (B) In lieu of payment of one half the estimated annual emission fees, the owner/operator may choose to report and pay on actual emissions for the first six months (July 1 through December 31 for fiscal year reporting prior to January 1, 2008 or January 1 through June 30 for calendar year reporting beginning January 1, 2008 and thereafter). By July 1 or January 1 as applicable, the permit holder shall submit a final Annual Emission Report

together with the payment of the balance; the annual emission fees less the installment previously paid. For fiscal year reporting prior to January 1, 2008, the report shall contain an itemization of emissions from July 1 through June 30 of the applicable year. For calendar year reporting beginning January 1, 2008 and thereafter, the report shall contain an itemization of emissions for the preceding twelve (12) months of the reporting period (January 1 through December 31.)

(C) An installment fee payment is considered late and is subject to a surcharge if not received within sixty (60) days of the due date (July 1 or January 1 as applicable) pursuant to paragraph (e)(10).

(12) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

(13) Exempt Compounds

Emissions of acetone, ethane, methyl acetate, parachlorobenzotrifluoride (PCBTF), and volatile methylated siloxanes (VMS), shall not be subject to the requirements of Rule 301(e).

(14) Reporting Emissions and Paying Fees

For the six-month reporting period of July 1, 2007 through December 31, 2007 and calendar year 2008, emission fees shall be determined in accordance with fee rates specified in Tables III, IV and V, and

paragraph (e)(2). Installment fees that have been paid for Semi-Annual Emission Fees by March 1, 2008 shall not be subject to this provision.

(15) Deadline for Filing Annual Emissions Report and Fee Payment

The deadline for filing annual emissions reports and fee payments is as follows:

(A) Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period of July 1, 2007 through December 31, 2007, the fee payment and the completed annual emissions report shall be received by the District, or postmarked, on or before September 1, 2008 to avoid any late payment surcharges specified in subparagraph (e)(10)(B), or

(B) The deadline for filing the calendar year 2008 Annual

Emissions Report and fee payment shall be March 2nd, 2009. For any facility that is subject to the Regulation for the Mandatory Reporting of Greenhouse Gas (GHG) emissions adopted by the CARB on December 6, 2007, or subsequent revisions that voluntarily elects to report the GHG emissions to the District in the manner prescribed by the Executive Officer, the deadline for filing Annual Emissions Reports and fee payments shall coincide with the deadlines set forth in the Regulation for the Mandatory Reporting of GHG emissions adopted by the CARB on December 6, 2007, or subsequent revisions.

(16) Reporting GHG Emissions and Paying Fees

A facility that is subject to the California Air Resources Board (CARB)'s mandatory reporting of Greenhouse Gas (GHG) emissions may request District staff to review and verify the facility's GHG emissions. The fee for review and verification for each GHG emissions report shall consist of an initial submittal fee of \$121.44 in addition to a verification fee assessed at \$125.68 per hour or prorated portion thereof.

(f) Certified Permit Copies and Reissued Permits

A request for a certified permit copy shall be made in writing by the permittee after the destruction, loss, or defacement of a permit. A request for a permit to be reissued shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay the fees to cover the cost of the certified permit copy or reissued permit as follows:

- (1) A fee of \$24.96 shall be paid for a certified permit copy.
- (2) A fee of \$193.31 shall be paid for a reissued permit.

No fee shall be assessed to reissue a permit to correct an administrative error by District staff.

(g) Reinstating Expired Applications or Permits; Surcharge

An application or a Permit to Operate which has expired due to nonpayment of fees or court judgments in favor of the District or administrative civil penalties associated with the facility may be reinstated by submitting a request for reinstatement of the application or Permit to Operate accompanied by a

reinstatement surcharge and payment in full of the amount of monies due at the time the application or Permit to Operate expired. The reinstatement surcharge shall be fifty percent (50%) of the amount of fees due per equipment at the time the application or Permit to Operate expired, or the following amount, whichever is lower:

Facility Permit Holders	\$193.31 per equipment
Other Permit Holders	\$193.31 per equipment

Such request and payment shall be made within one (1) year of the date of expiration. An application or Permit to Operate which has expired due to nonpayment of fees shall not be reinstated if the affected equipment has been altered since the expiration of the application or Permit to Operate. If the period of expiration has exceeded one (1) year or the affected equipment has been altered, operation of the equipment shall require a new Permit to Operate and the application shall be subject to Rule 1313(b).

(h) Reinstating Revoked Permits

If a Permit to Operate is revoked for nonpayment of annual permit fees based on emissions or fees on non-permitted emissions, it may be reinstated upon payment by the permit holder of such overdue fees and accrued surcharge in accordance with (e)(9).

(i) Clean Air Act Non-Attainment Fees

Any fees remitted to the District pursuant to Rule 317 – Clean Air Act Non-attainment Fees shall be held in escrow accounts unique to each source. Fees accrued in such escrow accounts may be used for either of the following at the discretion of the source’s owner or operator.

- (1) Creditable up to the amount of fees due by the same source during the calendar year or subsequent calendar year(s) for annual emissions fees due pursuant to Rule 301(e)(2), (4), (6), (7) and (11) and annual operating permit renewal fees due pursuant to Rule 301(d)(1), (2) and (4). In no case shall the credit be greater than the fees paid; or
- (2) use by the owner or operator for VOC and NOx reduction programs at their source that are surplus to the State Implementation Plan according to the following prioritization:
 - (A) at the source; or
 - (B) use within another facility under common ownership; or

- (C) use in the community adjacent to the facility; or
- (D) other uses to reduce emissions.

Up to five percent of funds can be used by the South Coast Air Quality Management District for administrative support for items in paragraph (i)(2).

(j) Special Permit Processing Fees - California Environmental Quality Act (CEQA) Assistance, Air Quality Analysis, Health Risk Assessment, and Public Notice on Significant Projects

(1) Payment for CEQA Assistance

(A) CEQA Document Preparation

When a determination is made by the Executive Officer that the District is the Lead Agency for a project, pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq. and state CEQA Guidelines (14 California Code of Regulations section 15000 et seq.), the project applicant may be required to pay a review fee (based on a staff rate of \$145.01 per hour) when a 400-CEQA form requires the CEQA staff to review for CEQA applicability. If preparation of CEQA documentation is deemed necessary, the applicant shall pay an initial fee for the preparation of necessary CEQA documentation according to the following schedule:

Notice of Exemption (upon applicant request)	\$290.01
Negative Declaration	\$4,373.26
Mitigated Negative Declaration	\$4,373.26
Environmental Impact Report (EIR)	\$5,830.98
Supplemental or Subsequent EIR	\$5,830.98
Addendum to EIR	\$3,021.94

If the Executive Officer determines that the District's CEQA preparation costs (may include, but not limited to, mailing, noticing, publications, et cetera) and staff time (based on the rate of \$145.01 per hour) exceed the initial fee the project applicant, upon notification from the District, shall make periodic payment of the balance due. The Executive Officer shall determine the amount and

timing of such periodic payments, based upon the level of CEQA analysis and the amount of monies needed to offset the actual preparation costs.

(B) CEQA Document Assistance

When the District is not the Lead Agency for a project and a request is made by: another public agency; a project proponent; or any third party, for staff assistance with any of the following tasks including, but not limited to: reviewing all or portions of a CEQA document and air quality analysis protocols for emissions inventories and air dispersion modeling prior to its circulation to the public for review pursuant to Public Resources Code §21092; assisting lead agencies with developing and implementing mitigation measures, the requestor may be required to pay a fee for staff time at the rate of \$145.01 per hour. This fee shall not apply to review of CEQA documents prepared by other public agencies that are available for public review pursuant to Public Resources Code §21092 and is part of the District's intergovernmental review responsibilities under CEQA.

(2) Payment for Air Quality Analysis

When a determination is made by the Executive Officer that an air quality analysis of the emissions from any source is necessary to predict the extent and amount of air quality impact prior to issuance of a permit, the Executive Officer may order air quality simulation modeling by qualified District personnel. Alternatively, the Executive Officer may require (or the owner/operator of the source may elect) that modeling be performed by the owner/operator or an independent consultant.

Where modeling is performed by the owner/operator or an independent consultant, the Executive Officer may require that the results be verified by qualified District personnel. The owner/operator of the source shall provide to the Executive Officer a copy of the final modeling report including all input data, description of methods, analyses, and results. The owner/operator of the source modeled by District personnel shall pay a fee as specified in Table IIA to cover the costs of the modeling analysis. A fee, as specified in Table IIA, shall be charged to offset the cost of District verification of modeling performed by an independent consultant.

- (3) Payment for Health Risk Assessment
- (A) When a determination is made by the Executive Officer that any source being evaluated for a Permit to Construct or a Permit to Operate may emit toxic or potentially toxic air contaminants, the Executive Officer may order a Health Risk Assessment be conducted by qualified District personnel or by a qualified consultant, as determined by the Executive Officer, engaged by the District under a contract. Alternatively, the Executive Officer may require (or owner/operator of the source may elect) that the assessment be performed by the owner/operator or an independent consultant engaged by the owner/operator. The Health Risk Assessment shall be performed pursuant to methods used by the California EPA's Office of Environmental Health Hazard Assessment.
- (B) For a Health Risk Assessment conducted by the owner/operator of the source or the owner/operator's consultant, the Executive Officer may require that the results be verified by qualified District personnel or by a qualified consultant engaged by the District. The owner/operator of the source shall provide to the Executive Officer a copy of the final Health Risk Assessment including all input data, and description of methods, analyses, and results. The owner/operator of the source for which a Health Risk Assessment is conducted or is evaluated and verified by District personnel or consultant shall pay the fees specified in Table IIA to cover the costs of an Air Quality Analysis and Health Risk Assessment analysis, evaluation, or verification. When the Health Risk Assessment is conducted or is evaluated and verified by a consultant engaged by the District, or District personnel, the fees charged will be in addition to all other fees required.
- (C) When a Health Risk Assessment is evaluated by the California EPA, pursuant to Health and Safety Code Sections 42315, 44360, 44361 or 44380.5, or by a consultant engaged by the California EPA, or when the District consults with the California EPA regarding the Health Risk Assessment, any fees charged by the California EPA to the District will be charged to the person whose Health Risk Assessment is subject to the review, in

addition to other fees required.

(4) Payment for Public Notice

An applicant for a significant project, as defined in Rule 212(c) or for emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c), or the operator of a facility requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs), or for significant permit revision of a Title V permit shall be assessed a fee of \$845.30 for preparation of the notice required by the rules. The notice preparation fee is waived for existing dry cleaning operations at the same facility that install, modify or replace dry cleaning equipment to comply with Rule 1421 provided there is a concurrent removal from service of the perchloroethylene equipment. Eligibility includes converting from perchloroethylene to non-toxic alternative solvents, including non-toxic hydrocarbon solvents. In addition, an applicant for a project subject to the requirements of Rule 212(g) shall either:

(A) pay a fee, as specified in Table IIB, for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or

(B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located. Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.

(5) Payment for Review of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS), and Alternative Continuous Emissions Monitoring System (ACEMS)

(A) New Application for Process Equipment Requiring CEMS or, Alternatively, an FSMS or ACEMS to Comply with the CEMS Requirement

When a determination is made by the Executive Officer that a Continuous Emissions Monitoring System (CEMS) is required in

order to determine a source's compliance with a District rule or regulation, the applicant shall:

- (i) Apply for the use of a CEMS and pay a basic processing fee as specified in Table IIC at the time of filing.
- (ii) Apply for the use of an FSMS or ACEMS in lieu of a CEMS and pay a basic processing fee as specified in Table IIC at the time of filing.

(B) Modification of an Existing Certified CEMS, FSMS, or ACEMS
If a certified CEMS, FSMS, or ACEMS is modified in a manner (excluding routine replacement or servicing of CEMS or FSMS components for preventive or periodic maintenance according to established quality assurance guidelines, or CEMS or FSMS components designated by the Executive Officer as "standardized" or direct replacement-type components) determined by the Executive Officer to compromise a source's compliance with a District rule or regulation, the applicant shall pay a processing fee covering the evaluation of the modification and recertification, if necessary, as follows:

- (i) If one or more CEMS or FSMS components (excluding additional pollutant monitors) are replaced, modified, or added, the applicant shall pay a minimum processing fee of \$773.78; and additional fees will be assessed at a rate of \$145.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$4,837.80.
- (ii) If one or more pollutant monitors are added to a CEMS or FSMS (and one or more of its components are concurrently replaced, modified, or added), the applicant shall pay a minimum processing fee as specified in Table IIC, based on the number of CEMS or FSMS pollutant monitors and components added.
- (iii) If one or more pollutant emission sources at a facility are added to an FSMS, a time-shared CEMS, or a SO_x CEMS which is specifically used to "back-calculate" fuel sulfur content for these sources, the applicant shall pay a minimum processing fee as specified in Table IIC, based

on the number of CEMS or FSMS monitors and components added.

(iv) If one or more ACEMS (or PEMS) components are replaced, modified, or added, the applicant shall pay a minimum processing fee of \$773.78; and additional fees will be assessed at a rate of \$145.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$4,837.80.

(C) Modification of CEMS, FSMS, or ACEMS Monitored Equipment For any RECLAIM or non-RECLAIM equipment monitored or required to be monitored by a CEMS, FSMS, or ACEMS, that is modified in a manner determined by the Executive Officer to compromise a source's compliance with a District CEMS-, FSMS-, or ACEMS-related rule or regulation, or requires an engineering evaluation, or causes a change in emissions; the applicant shall pay a minimum processing fee of \$773.78, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of \$145.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$4,837.80.

(D) Periodic Assessment of an Existing RECLAIM CEMS, FSMS, or ACEMS

An existing RECLAIM CEMS, FSMS, or ACEMS, which undergoes certification as in (i)(5)(A), must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District Regulation XX. The applicant shall pay a minimum processing fee of \$773.78 for this evaluation, if required. Additional fees will be assessed at a rate of \$145.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$4,837.80.

(E) CEMS, FSMS, or ACEMS Change of Ownership
Every applicant who files an application for a change of operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to \$230.67 for the first CEMS, FSMS, or ACEMS, plus \$46.01 for

each additional CEMS, FSMS, or ACEMS.

(6) Payment for Review and Certification of Barbecue Charcoal Igniter Products

(A) Certification of Barbecue Charcoal Igniter Products

Pursuant to the requirements of District Rule 1174, manufacturers, distributors, and/or retailers of applicable barbecue charcoal igniter products shall perform the required testing and shall submit a formal report for review by SCAQMD staff for product compliance and certification. For each product evaluated, the applicant shall pay a minimum processing fee of \$607.10 per product certified, and additional fees will be assessed at the rate of \$121.44 per hour for time spent on the evaluation/certification process in excess of 5 hours.

(B) Repackaging of Certified Barbecue Charcoal Igniter Products

When a currently certified barbecue charcoal igniter product is repackaged for resale or redistribution, the manufacturer, distributor, and/or retailer shall submit the required documentation to SCAQMD staff for evaluation and approval. For each product or products evaluated, the applicant shall pay a processing fee of \$303.56 for the first certificate issued, and additional fees will be assessed at the rate of \$121.44 per hour for the time spent in excess of 3 hours for the first certificate issued. Additional certificates for the same product or products shall be assessed at the rate of \$60.69 per each additional certificate issued.

(7) Fees for Inter-basin, Inter-district, or Interpollutant Transfers of Emission Reduction Credits

An applicant for inter-basin, inter-district, or interpollutant transfer of ERCs shall file an application for ERC Change of Title and pay fees as listed in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification Table. Additional fees shall be assessed at a rate of \$145.01 per hour for the time spent on review and evaluation of inter-basin, inter-district, and interpollutant transfers of ERCs pursuant to Rule 1309 subdivisions (g) and (h).

- (8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities

A fee of \$305.64 shall be submitted by any individual, business or agency requesting the District to conduct a grid search to identify all facilities with the potential to emit hazardous air pollutants located within one-quarter mile of a proposed school boundary.

Failure to pay the fees described in this subdivision within thirty (30) days after their due date(s) shall result in expiration of pending applications, and no further applications will be accepted from the applicant until the fees have been paid in full.

- (k) Government Agencies

All applicants and permittees, including federal, state, or local governmental agencies or public districts, shall pay all fees.

- (l) RECLAIM Facilities

- (1) For RECLAIM facilities, this subdivision specifies additional conditions and procedures for assessing the following fees:

- (A) Facility Permit;
- (B) Facility Permit Amendment;
- (C) Change of Operating Condition;
- (D) Change of Operator;
- (E) Annual Operating Permit;
- (F) Transaction Registration;
- (G) RECLAIM Pollutant Emission;
- (H) Duplicate Permits;
- (I) Reissued Permits;
- (J) RECLAIM Breakdown Emissions; and
- (K) Non-Tradeable Allocation Credit Mitigations.

- (2) RECLAIM Fees Applicability

All RECLAIM Facility Permit holders shall be subject to this subdivision.

- (3) Rule 301 - Permit Fees Applicability

Unless specifically stated, all RECLAIM Facility Permit holders shall be subject to all other provisions of Rule 301 - Permit Fees.

(4) Facility Permit Fees

(A) Existing facilities entering the RECLAIM program after initial implementation of the RECLAIM program will pay 10 percent of the sum of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit, with a minimum fee of \$483.47.

(B) New facilities with new equipment entering the RECLAIM program will pay a Facility Permit Fee equal to the sum total of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit.

(5) Facility Permit Amendment

At the time of filing an application for a Facility Permit Amendment, a Facility Permit Amendment Fee shall be paid and an application for such amendment shall be submitted. The Facility Permit Amendment Fee for an application that requires an engineering evaluation or cause a change in emissions shall be \$912.44 (\$1,824.90 if both RECLAIM and Title V facility), plus the sum of applicable fees assessed for each application required for affected equipment as specified in the Summary Permit Fee Rate tables. The Facility Permit Amendment Fee for an application that does not require an engineering evaluation or causes a change in emissions shall be \$912.44 (\$1,824.90 if both a RECLAIM and Title V facility) plus the applicable administrative permit change fee based on the equipment schedule as set forth in Rule 301(c)(3)C) for each application required for affected equipment. All delinquent fees, court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Facility Permit Amendment application will be accepted.

(6) Change of Operating Condition

At the time of filing an application for a Change of Operating Conditions that requires engineering evaluation or causes a change in emissions, a Change of Condition Fee shall be paid. Such fee shall be equal to the sum of fees assessed for each equipment subject to the change of condition as specified in the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table. All delinquent fees associated with the

affected facility subject to the change of condition must be paid before a Change of Operating Conditions application will be accepted.

(7) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a RECLAIM facility permit shall be determined from the Table Summary of Permit Fee Rates – Change of Operator, Non-Small Business. In addition, a Facility Permit Amendment fee as specified in paragraph (k)(5) shall be assessed. All fees, billed within the past 3 years from the date of application submittal that are, associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely the new operator will not be billed for any additional fees billed to the previous operator.

(8) Annual Operating Permit Renewal Fee

(A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).

(B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable permit renewal fees specified in paragraph (d)(2).

(C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this

subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday as if it had been postmarked on the expiration date.

(9) Transaction Registration Fee

The transferor and transferee of an RTC shall jointly register the transaction with the District pursuant to District Rule 2007 – Trading Requirements. The transferee shall pay a Transaction Registration Fee of \$145.01 at the time the transaction is registered with the District.

(10) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(B), RECLAIM facilities shall pay a RECLAIM Pollutant Emission Fee based on the facilities' total certified RECLAIM pollutant emissions. For facilities emitting ten (10) tons per year or more of any contaminant the previous year, the Facility Permit holders shall pay a semi-annual installment equal to one half (1/2) of the total estimated fee with final balance due at the end of the reporting period.

(A) The Facility Permit Holder shall pay emission fees according to the provisions of subdivision (e) for all emissions that are not accounted for with RECLAIM pollutant emissions. The Facility Permit holder shall add non-RECLAIM emissions to applicable RECLAIM emissions to determine the appropriate fee rate from Table III fee rate per ton of emissions.

(B) Facility Permit Holders shall pay RECLAIM Pollutant Emission Fees according to the provisions of subdivision (e), except that:

(i) Fees based on emissions of RECLAIM pollutants as defined in Rule 2000(c)(58) for annual payments shall be calculated based on certified emissions as required by paragraph (b)(2) or (b)(4) of Rule 2004, as applicable;

(ii) RECLAIM Pollutant Emission Fees shall be due as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities;

(iii) Facilities emitting ten (10) tons per year or more of a

RECLAIM pollutant during the previous annual reporting period, shall also pay a semi-annual installment based on either (a) one-half (1/2) of the facility's RECLAIM pollutant fees for the previous annual reporting period; or (b) emissions certified pursuant to paragraph (b)(2) and (b)(4) of Rule 2004 in the two (2) quarters falling in the time period that coincides with the first six (6) months of the current reporting period, by the deadline as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities.

- (iv) A fee payment is considered late and subject to the late payment surcharge of paragraph (e)(10) if not received within sixty (60) days of the due date specified in this paragraph.
- (C) If the Executive Officer determines that the APEP emissions reported by a Facility Permit Holder are less than the amount calculated as specified in Rule 2004(b)(2) and (b)(4), the Facility Permit Holder shall pay RECLAIM Pollutant Emission Fees on the difference between the APEP total as determined by the Executive Officer and the reported APEP total as specified in subparagraph (k)(10)(A).
- (D) In the event that certified emissions determined pursuant to Rule 2004(b)(2) and (b)(4), for compliance year beginning January 1, 1995 and after, include emissions calculated using missing data procedures, and these procedures were triggered pursuant to Rule 2011(c)(3) or 2012(c)(3) solely by a failure to electronically report emissions for major sources due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder, such portion of the emissions may be substituted by valid emission data monitored and recorded by a certified CEMS, for the purpose of RECLAIM pollutant emission fee determination only, provided that a petition is submitted to the Executive Officer with the appropriate processing fee by the Facility Permit holder. The petition must be made in writing and include all relevant data to clearly demonstrate that the valid emission data were recorded and

monitored by a certified CEMS as required by Rules 2011 and 2012 and the only reason for missing data procedures being triggered was due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder. In addition to the RECLAIM pollutant emission fee, the petitioner shall pay a minimum processing fee of \$565.39 and additional fees will be assessed at a rate of \$145.01 per hour for time spent on evaluation in excess of 3 hours.

(E) The Executive Officer may establish a special operating fee for petroleum refineries (Standard Industrial Classification No. 2911) up to an amount based on \$0.07 per pound in FY 07-08 and \$0.07 per pound in FY 08-09 of the initial SO_x RECLAIM allocation (initial allocation of the original operator if a change of operator has occurred since the assignment of the initial allocation) to cover the cost of a technology assessment to reduce SO_x emissions from the RECLAIM universe. Fee payment is due upon notification by the Executive Officer. If the fee payment is not received by the sixtieth (60th) day following the due date a surcharge shall be added to the original amount according to the schedule in subparagraph (e)(10)(B).

(11) Certified Permits Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time the written request is submitted, pay \$24.96 for the first page and \$1.76 for each additional page in the Facility Permit.

(12) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time the written request is submitted, pay \$193.31 for the first page plus \$1.76 for each additional page in the facility permit.

(13) Breakdown Emission Report Evaluation Fee

The Facility Permit Holder, submitting a Breakdown Emission Report to seek exclusion of excess emissions from the annual allocations pursuant to Rule 2004 - Requirements, shall pay fees for the evaluation of a Breakdown Emission Report. The Facility Permit Holder shall pay a

filing fee of \$145.01 at the time of filing of a Breakdown Emission Report, and shall be assessed an evaluation fee at the rate of \$145.01 and thereafter per hour.

(14) Breakdown Emission Fee

At the end of the time period from July 1 through June 30, the Facility Permit holder shall pay a Breakdown Emission Fee for excess emissions determined pursuant to District Rule 2004 - Requirements. The Facility Permit Holder shall include excess emissions to the total certified RECLAIM emissions to determine the appropriate RECLAIM Pollutant Emission Fee.

(15) Mitigation of Non-Tradeable Allocation Credits

Upon submitting a request to activate non-tradeable allocation credits pursuant to District Rule 2002(h), the RECLAIM Facility Permit Holder shall pay a mitigation fee of \$9,676.31 per ton of credits requested plus a non-refundable \$96.45 processing fee.

(16) Evaluation Fee to Increase an Annual Allocation to a Level Greater than a Facility's Starting Allocation Plus Non-Tradable Credits

The Facility Permit Holder submitting an application to increase an annual Allocation to a level greater than the facility's starting allocation plus non-tradable credits pursuant to Rule 2005 - New Source Review shall pay fees for the evaluation of the required demonstration specified in Rule 2005(c)(3). The Facility Permit Holder shall pay an evaluation fee at the rate of \$145.01 per hour.

(m) Title V Facilities

(1) Applicability

The requirements of this subdivision apply only to facilities that are subject to the requirements of Regulation XXX - Title V Permits.

(2) Rule 301 Applicability

All Title V facilities shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Permit Processing Fees for Existing Facilities with Existing District Permits Applying for an Initial Title V Facility Permit

(A) The applicant shall pay the following initial fee when the application is submitted:

Title V INITIAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Applications submitted on or after July 1, 2005 through June 30, 2006	\$ 1,089.56	\$ 3,486.95	\$ 7,845.97	\$ 13,294.75
Applications submitted on or after July 1, 2006 through June 30, 2007	\$ 1,198.52	\$ 3,835.66	\$ 8,630.59	\$ 14,624.22
Applications submitted on or after July 1, 2007 through June 30, 2008	\$ 1,318.37	\$ 4,219.22	\$ 9,493.63	\$ 16,078.17
Applications submitted on or after July 1, 2008	\$ 1,450.21	\$ 4,641.13	\$ 10,443.00	\$ 17,695.31

To determine the initial fee when the number of devices is not available, the applicant may substitute the number of active equipment. This fee will be adjusted when the Title V permit is issued and the correct number of devices are known.

- (B) The applicant shall, upon notification by the District of the amount due when the permit is issued, pay the following final fee based on the time spent on the application:

Title V FINAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Time Spent in Excess of:	8 Hours	30 Hours	70 Hours	120 Hours
On or after July 1, 2005 through June 30, 2006	\$108.95 per hour; up to a maximum total fee of \$13,300.33	\$108.95 per hour; up to a maximum total fee of \$26,600.65	\$108.95 per hour; up to a maximum total fee of \$65,501.60	\$108.95 per hour; up to a maximum total fee of \$99,752.43
On or after July 1, 2006 through June 30, 2007	\$119.84 per hour; up to a maximum total fee of \$14,630.38	\$119.84 per hour; up to a maximum total fee of \$29,260.71	\$119.84 per hour; up to a maximum total fee of \$73,151.76	\$119.84 per hour; up to a maximum total fee of \$130,039.65
On or after July 1, 2007 through June 30, 2008	\$131.83 per hour; up to a maximum total fee of \$16,093.40	\$131.83 per hour; up to a maximum total fee of \$32,186.79	\$131.83 per hour; up to a maximum total fee of \$80,466.93	\$131.83 per hour; up to a maximum total fee of \$120,700.45
On or after July 1, 2008	\$145.01 per hour; up to a maximum total fee of \$17,702.74	\$145.01 per hour; up to a maximum total fee of \$35,405.45	\$145.01 per hour; up to a maximum total fee of 8 \$90,631.83	\$145.01 per hour; up to a maximum total fee of \$132,770.48

For applicants that did not pay the correct initial fee based on the actual number of devices, the fee when the permit is issued shall

be equal to the correct initial fee less the initial fee actually paid, plus the final fee.

Applications submitted on or prior to January 15, 1998 shall not be subject to the final fee.

- (C) If the facility requests revisions to the existing permit terms or conditions, including permit streamlining, an alternative operating scenario or a permit shield, the facility shall submit additional applications with the applicable fees in subdivisions (c) and (i) for each piece of equipment for which a revision is requested. Evaluation time spent on these additional applications shall be excluded from the time calculated for the billing for initial permit issuance in subparagraph (l)(3)(B).

(4) Permit Processing Fee Applicability

The permit processing fee for a new facility required to obtain a Title V facility permit to construct shall be the sum of all the applicable fees in subdivisions (c) and (i) for all equipment at the facility.

(5) Rule 301 Fee Applicability

The permit processing fee for a facility required to obtain a Title V facility permit because of a modification, pursuant to paragraph (c)(2) of Rule 301, shall be those specified in paragraph (l)(3) plus the sum of all the applicable fees in subdivisions (c) and (i) for all new and modified equipment at the facility.

(6) Administrative Permit Revision Fee

Notwithstanding paragraphs (k)(6), (k)(9), and (m)(3), and except as provided in paragraphs (k)(5), (k)(7), (k)(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of \$912.44.

(7) Permit Revision Fee

The permit processing fees for a minor permit revision, de minimis significant permit revision, or significant permit revision shall be \$912.44 plus the applicable fee in paragraphs (k)(5), (k)(6), (m)(3), and (m)(4). RECLAIM facilities shall only pay the fee specified in paragraph (k)(5).

(8) Renewal Fees

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, shall be an initial processing fee of \$2,072.50 to be paid when the application is submitted; and a final fee of \$145.01 per

hour for time spent on the application in excess of 8 hours, due upon notification by the District of the amount due when the permit is issued.

(9) Public Notice Fees

The holder of, or applicant for, a Title V permit shall either:

- (A) pay a fee, as specified in Table IIB, for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or
- (B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located.

Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.

(10) Public Hearing Fees

The holder of, or applicant for, a Title V permit shall, upon notification by the District of the amount due, pay fees of \$2,902.72 plus \$902.50 per hour for a public hearing held on a permit action.

(11) Application Cancellation

If a Title V permit application is canceled, the applicant shall pay, upon notification of the amount due, a final fee in accordance with this subdivision. The District shall refund the initial fee only if evaluation of the application has not been initiated.

(12) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. Nonpayment of the fee within

this period of time will result in permit expiration or revocation of the subject permit(s) in accordance with subdivision (f) of Rule 3002. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid.

(13) Exclusion Requests

The fees for requesting exclusion or exemption from the Title V program shall be calculated in accordance with Rule 306 – Plan Fees.

(n) All Facility Permit Holders

(1) Applicability

The requirements of this subdivision apply to all non-RECLAIM holders of a Facility Permit.

(2) Rule 301 Applicability

All non-RECLAIM Facility Permit holders or applicants shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Facility Permit Revision

Except as provided in paragraphs (1)(7) and (1)(8), the permit processing fee for an addition, alteration or revision to a Facility Permit that requires engineering evaluation or causes a change in emissions shall be the sum of applicable fees assessed for each affected equipment as specified in subdivisions (c) and (i).

(4) Change of Operating Condition

The permit processing fee for a Change of Operating Condition that requires engineering evaluation or causes a change in emissions shall be the sum of fees assessed for each equipment or process subject to the change of condition as specified in subdivisions (c) and (i).

(5) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a facility permit shall be determined from the Table Summary of Permit Fee Rates –

Change of Operator, Non-Small Business. In addition, an administrative permit revision fee of \$912.44 shall be assessed.

All fees billed within the past 3 years from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all

facility specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new operator will not be billed for any additional fees billed the previous operator.

- (6) Annual Operating Permit Renewal Fee
 - (A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).
 - (B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable annual operating permit renewal fees specified in paragraph (d)(2).
 - (C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal Fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday as if it had been postmarked on the expiration date.
- (7) Certified Permit Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time a written

request is submitted, pay \$24.96 for the first page and \$1.76 for each additional page in the facility permit.

(8) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay \$193.31 for the first page plus \$1.76 for each additional page in the Facility Permit.

(o) Asbestos Fees

Any person who is required by District Rule 1403 - Asbestos Emissions from Demolition/Renovation Activities to submit a written notice of intention to demolish or renovate shall pay at the time of delivery of notification, the Asbestos and Lead Fees specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

For all requests of pre-approved Procedure 5 plans submitted in accordance with Rule 1403(d)(1)(D)(i)(V)(2), the person shall pay the full fee for the first evaluation and shall pay fifty percent (50%) of the applicable fee for each subsequent pre-approved Procedure 5 plan evaluation.

(p) Lead Abatement Notification Fees

A person who is required by a federal or District rule to submit written notice of intent to abate lead shall, at the time of delivery of notification, pay the appropriate renovation and abatement fee specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person

shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

(q) NESHAP Evaluation Fee

- (1) At the time of filing an application for a Change of Operating Conditions submitted solely to comply with the requirements of a NESHAP, a NESHAP Evaluation Fee shall be paid. The fee shall be \$293.38. Additional fees shall be assessed at a rate of \$145.01 per hour for time spent in the evaluation in excess of two (2) hours, to a maximum total fee not to exceed the applicable Change of Conditions Fees listed for each affected piece of equipment as specified in the Summary Permit Fee Rates - Permit Processing, Change of Conditions, Alteration /Modification table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.
- (2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fees within this time period will result in expiration of the permit. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday, with the same effect as if it had been postmarked on the expiration date. No further applications will be accepted until such time as all overdue fees have been fully paid.

(r) Fees for Certification of Clean Air Solvents

Persons applying for Clean Air Solvent certification shall pay the following fee for each product to be certified:

Gas Chromatograph/Mass Spectrometry Analysis	\$345.18 for five or fewer compounds \$32.03 for each additional compound
Density measurement	\$129.45
Time and material	\$121.44 per person per hour or prorated portion thereof
Clean Air Solvent Certificate	\$176.59

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of \$772.63 for each product to be tested. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Clean Air Solvent Certificate shall be valid for five (5) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) containing a Clean Air Solvent continue(s) to meet Clean Air Solvent criteria, and has not been reformulated.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

Persons applying for certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities shall pay the following fee for each product to be certified:

Gas Chromatograph/Mass Spectrometry Analysis	\$345.18 for five or fewer compounds \$32.03 for each additional compound
Time and material	\$121.44 per person per hour or prorated portion thereof
Clean Air Choices Cleaner Certificate	\$176.59

At the time of filing for certification of any Consumer Cleaning Products Used at Institutional and Commercial Facilities, the applicant shall submit a fee of \$813.98 for each product to be tested. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Consumer Cleaning Products Used at Institutional and Commercial Facilities Certificate shall be valid for three (3) years from the date of issuance and shall be renewed

upon the determination of the Executive Officer that the product(s) certified as a Consumer Cleaning Products Used at Institutional and Commercial Facilities continue(s) to meet Consumer Cleaning Products Used at Institutional and Commercial Facilities criteria, and has not been reformulated.

- (t) All Facility Registration Holders
 - (1) Applicability
The requirements of this subdivision apply to all holders of a Facility Registration.
 - (2) Rule 301 Applicability
Unless specifically stated otherwise, all Facility Registration holders shall be subject to all other provisions of Rule 301 - Permit Fees.
 - (3) Fee Applicability to Existing Facilities
Existing facilities entering the Facility Registration Program shall pay no fee if no changes are initiated by actions of the permittee to the existing permit terms or conditions or to the draft Facility Registration prepared by the District.
 - (4) Duplicate of Facility Registrations
A request for a duplicate of a Facility Registration shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay \$24.96 for the first page and \$1.76 for each additional page in the Facility Registration.
 - (5) Reissued Facility Registrations
A request for a reissued Facility Registration shall be made in writing by the permittee where there is a name or address change without a change of operator or location, or for an administrative change in permit description or a change in permit conditions to reflect actual operating conditions, which do not require any engineering evaluation, and do not cause a change in emissions. The permittee shall, at the time a written request is submitted, pay \$193.31 for the first equipment listed in the Facility Registration plus \$1.76 for each additional equipment listed in the Facility Registration.

- (u) Fees for Non-permitted Emission Sources Subject to Rule 222
 - (1) Initial Filing Fee
Prior to the operation of the equipment, the owner/operator of an

emission source subject to Rule 222 shall pay to the District an initial non-refundable non-transferable filing and processing fee of \$177.03 for each emission source.

(2) **Change of Operator/Location**

If the owner/operator or the location of an emission source subject to Rule 222 changes, the current owner/operator must file a new application for Rule 222 and pay to the District an initial non-refundable non-transferable filing and processing fee of \$177.03 for each emission source.

(3) **Annual Renewal Fee**

On an annual re-filing date set by the Executive Officer the owner/operator of a source subject to Rule 222 shall pay a renewal fee of \$177.03 (except for non-retrofitted boilers). At least thirty (30) days before such annual re-filing date, all owners/operators of emission sources subject to Rule 222 will be notified by either electronic or regular mail of the amount to be paid and the due date for the annual re-filing fee.

(4) **Notification of Expiration**

If the annual re-filing fee is not paid within thirty (30) days after the due date, the filing will expire and no longer be valid. In such case, the owner/operator will be notified by either electronic or regular mail of the expiration and the consequences of operating equipment without a valid Rule 222 filing.

(5) **Reinstating Expired Filings**

To re-establish expired filings, the owner/operator of a source subject to Rule 222 shall pay a reinstatement fee of fifty percent (50%) of the amount of fees due per emission source. Payment of all overdue fees shall be made in addition to the reinstatement surcharge. Payment of such fees shall be made within one year of the date of expiration. If the period of expiration has exceeded one year or the affected equipment has been altered, the owner/operator of an emission source subject to Rule 222 shall file a new application and pay all overdue fees.

(v) **Fees for Expedited Processing Requests**

An applicant has the option to request expedited processing for an application for a permit, CEQA work, an application for an ERC/STC, Air Dispersion Modeling,

HRA, Source Test Protocols and Report Fees and Asbestos Procedure 4&5 notifications. A request for expedited processing pursuant to this section shall be made upon initial application submittal. Expedited processing is intended to be performed by District Staff strictly during overtime work. Approval of such a request is contingent upon the District having necessary procedures in place to implement an expedited processing program and having available qualified staff for overtime work to perform the processing requested. The applicant shall be notified whether or not the request for expedited processing has been accepted within 30 days of submittal of the request. If the request for expedited processing is not accepted by the District, the additional fee paid for expedited processing will be refunded to the applicant.

(1) Permit Processing Fee

Fees for requested expedited processing of permit applications will be an additional fee of fifty percent (50%) of the applicable base permit processing fee (after taking any discounts for identical equipment but not the higher fee for operating without a permit) by equipment schedule. For schedule F and higher, expedited processing fees will include an additional hourly fee when the processing time exceeds times as indicated in column 1 below; but not to exceed the total amounts in column 4, based on the applicable schedule as follows:

<u>Processing Time Exceeding</u>	<u>Schedule</u>	<u>Added Base Hourly Fee \$</u>	<u>Maximum Added Base Cap Fee \$</u>
99 hours	F	\$217.52	\$40,885.07
117 hours	G	\$217.52	\$70,045.73
182 hours	H	\$217.52	\$89,062.98

(2) CEQA Fee

Fees for requested expedited CEQA work will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff’s hourly rate of \$145.01 plus \$75.21 per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301(i) shall be paid at the time of filing with the additional overtime costs billed following permit issuance. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. This

proposal is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(3) CEMS, FSMS, and ACEMS Fee

Fees for requested expedited processing of CEMS, FSMS, and ACEMS applications will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of \$145.01 plus \$75.21 per hour (one half of hourly plus mileage). The established "Basic Fee" schedule found in the CEMS, FSMS, and ACEMS Fee Schedule in TABLE IIC shall be paid at the time of filing with the additional overtime costs billed following project completion. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. A request for expedited CEMS, FSMS, and ACEMS application work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(4) Air Dispersion Modeling, HRA, Source Test Protocols and Reports Fees

Fees for requested expedited review and evaluation of air dispersion modelings, health risk assessments, source test protocols and source test reports will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of \$121.44 plus \$62.99 per hour (one half of hourly plus mileage).

(5) ERC/STC Application Fees

Fees for requested expedited review and evaluation of ERC/STC application fees will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of \$145.01 plus \$75.21 per hour (one half of hourly plus mileage).

(6) Procedure 4 & 5 Evaluation

Fees for requested expedited reviews and evaluation of Procedure 4 or 5 plans per Rule 301(n) Asbestos Fees will be an additional fee of fifty percent (50%) of the Procedure 4 & 5 plan evaluation fee.

(w) Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP)

(1) Registered Portable Equipment Unit Inspection Fee

Registered portable equipment units are those which emit PM10 in excess of that emitted by an associated engine alone. An hourly fee of \$98.00 shall be assessed for a triennial portable equipment unit inspection, including the subsequent investigation and resolution of violations, if any, of applicable state and federal requirements, not to exceed \$500.00 per unit.

(2) Registered Tactical Support Equipment (TSE) Inspection Fee
Registered TSE includes registered equipment using a portable engine, including turbines, that meet military specifications, owned by the U.S. Department of Defense, the U.S. military services, or its allies, and used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(A) To determine compliance with all applicable state and federal requirements, each registered TSE unit will be inspected once per calendar year.

(i) For registered TSE units determined to be in compliance with all applicable state and federal requirements during the annual inspection:

(a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of \$75.00.

(b) A fee for annual inspection of two or more registered TSE units at a single location shall be assessed at the lesser of the following costs:

(1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or

(2) A unit cost of \$75.00 per registered TSE unit inspected.

(ii) For registered TSE units determined to be out of compliance with one or more applicable state or federal requirements during the annual inspection, fees for the annual inspection (including the subsequent investigation and resolution of the violation) shall be assessed at the lesser of the following costs:

- (1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or
- (2) A unit cost of \$75.00 per registered TSE unit inspected.

(3) Off-hour Inspection Fee

In addition to the inspection fees stated above, any arranged inspections requested by the holder of the registration that are scheduled outside of District normal business hours may be assessed an additional off-hour inspection fee of \$40.96 per hour for the time necessary to complete the inspection.

(4) Notice to Pay and Late Payment Surcharge

A notice to pay the inspection fees will be mailed to the registration holder. Fees are due and payable immediately upon receipt of the notice to pay. All inspection fees required under this section are due within 30 days of the invoice date. If fee payment is not received by the thirtieth (30th) day following the date of the notice to pay, the fee shall be considered late and, a late payment surcharge of \$70.11 per portable engine or equipment unit shall be imposed, not to exceed \$138.73 for any notice to pay. For the purpose of this subparagraph, the inspection fee payment shall be considered to be timely received by the District if it is postmarked by the United States Postal Service on or before the thirtieth (30th) day following the date of the notice to pay. If the thirtieth (30th) day falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the thirtieth (30th) day. Failure to pay the inspection fees and any late payment surcharge within 120 days of the date of the initial notice to pay may result in the suspension or revocation of the registration by CARB. Once a registration has been suspended, CARB will not consider reinstatement until all fees due, including late payment surcharge fees, have been paid in full.

(x) Rules 1149 and Rule 1166 Notification Fees

Any person who is required by the District to submit a written notice pursuant to Rule 1149, Rule 1166 or for soil vapor extraction projects shall pay a notification fee of \$56.28 per notification.

- (y) Fees for the Certification of Equipment Subject to the Provisions of Rules 1111, 1121 and 1146.2
 - (1) Initial Certification Fee

Any person requesting certification pursuant to rules 1111, 1121 or 1146.2 shall pay a fee of \$518.71 per certification letter for each family of model series certified. This fee shall be paid in addition to the fees paid to review any associated source test report(s).
 - (2) Additional Fees for Modification or Extension of Families to Include a New Model(s)

Any person requesting a modification or extension of a certification already issued to include a new model(s) shall pay an additional fee of \$259.37 for certification of new models added by extension to the previously certified model series per request.
 - (3) Failure to pay all certification fees shall result in the revocation of each certified piece of equipment that was evaluated for which fee payment has not been received within 30 days after the due date.

- (z) “No Show” Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing
 - (1) Reverification, and Performance Testing

If a testing company does not show for a Reverification test, or Performance test within one hour of its original scheduled time, and an SCAQMD inspector arrives for the inspection, a “No Show” fee of \$381.41 shall be charged to the testing company.
 - (2) Pre-Backfill Inspection

If a contracting company is not ready for a Pre-Backfill inspection of its equipment at the original scheduled time, and/or did not notify the SCAQMD inspector of postponement/cancellation at least three hours prior to the scheduled time, a “No Show” fee of \$381.41 shall be charged to the contracting company.

(aa) Defense of Permit

Within 10 days of receiving a complaint or other legal process initiating a challenge to the SCAQMD's issuance of a permit, the SCAQMD shall notify the applicant or permit holder in writing. The applicant or permit holder may, within 30 days of posting of the notice, request revocation of the permit or cancellation of the application. An applicant or permit holder not requesting revocation or cancellation within 30 days of receipt of notice from the District shall be responsible for reimbursement to the District for all reasonable and necessary costs to defend the issuance of a permit or permit provisions against a legal challenge, including attorney's fees and legal costs. The Executive Officer will invoice the applicant or permit holder for fees and legal costs at the conclusion of the legal challenge. The SCAQMD and the applicant or permit holder will negotiate an indemnity agreement within 30 days of the notice by SCAQMD to the facility operator. The agreement will include, among other things, attorneys' fees and legal costs. The Executive Officer or designee may execute an indemnity agreement only after receiving authorization from the Administrative Committee. The Executive Officer may in his discretion, waive all or any part of such costs upon a determination that payment for such costs would impose an unreasonable hardship upon the applicant or permit holder.

(ab) Temporary Rebate of CPI Adjustment

For FY 2010-2011, owners or operators subject to and paying fees pursuant to the following paragraphs –

(d)(2) Annual Operating Fees

(e)(1) Annual Operating Emission Fee Applicability

(e)(4) Flat Annual Operating Emission Fee

(e)(7) Fee for Toxic Air contaminants or Ozone Depleters

shall be rebated the fee increase corresponding to the 2.1% CPI adjustment.

**SUMMARY PERMIT FEE RATES -
PERMIT PROCESSING, CHANGE OF CONDITIONS,
ALTERATION/MODIFICATION**

Schedule	Permit Processing Fee	Change of Condition	Alteration/ Modification
A	\$1,391.92	\$725.03	\$1,391.92
A1	\$1,391.92	\$725.03	\$1,391.92
B	\$2,218.39	\$1,098.98	\$2,218.39
B1	\$3,508.86	1,901.97	\$3,508.86
C	\$3,508.86	1,901.97	\$3,508.86
D	\$4,842.82	\$3,252.87	\$4,842.82
E	\$5,567.77	\$4,776.01	\$5,567.77
F	\$13,992.14 +T&M	\$6,972.66	\$11,092.01+T&M
G	\$16,515.06+T&M	\$11,832.14	\$13,614.93+T&M
H	\$25,591.65+T&M	\$15,002.18	\$22,691.52+T&M

F: T&M = Time and Material charged at \$145.01 per hour above 99 hours; not to exceed \$27,256.72

G: T&M = Time and Material charged at \$145.01 per hour above 117 hours; not to exceed \$46,697.13

H: T&M = Time and Material charged at \$145.01 per hour above 182 hours; not to exceed \$59,375.32

**SUMMARY OF ERC PROCESSING RATES, BANKING, CHANGE OF TITLE,
ALTERATION/MODIFICATION, ~~and~~ CONVERSION TO SHORT TERM
CREDITS, RE-ISSUANCE OF SHORT TERM CREDITS, ~~and~~ RETIREMENT OF
SHORT TERM CREDITS FOR TRANSFER INTO RULE 2202, ~~and~~ **TRANSFER**
OF ERCs OUT OF RULE 2202**

Schedule	Banking Application	Change of Title	Alteration/ Modification	Conversion to Short Term Credits	Re-issuance of Short Term Credits	<u>Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202</u>
I	\$3,591.71	\$634.46	\$634.46	\$634.46	\$634.46	<u>\$230.00</u>

**SUMMARY OF PERMIT FEE RATES
CHANGE OF OPERATOR^a**

Small Business	Non-Small Business
\$193.31	\$530.89

^aThe change of operator fee for Non-RECLAIM Title V facilities shall not exceed \$6,603.20 per facility and for all other Non-RECLAIM facilities shall not exceed \$13,206.39 per facility.

Proposed Amended Rule 301 (Cont.)

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Abatement System/HEPA, Asbestos, Lead	B
Activated Carbon Adsorber, Venting Single Source (s.s.=single source)	B
Activated Carbon Adsorber, Venting Multiple Source (m.s.=multiple sources)	C
Activated Carbon Adsorber, Other	D
Activated Carbon Adsorber, Drum Venting Toxic Source (t.s = toxic source)	C
Activated Carbon Adsorber, with regeneration	E
Afterburner (<=1 MMBTU/hr, venting s.s.)	B
Afterburner (<1 MMBTU/hr, venting m.s.)	C
Afterburner, Catalytic for Bakery Oven	C
Afterburner, Direct Flame	D
Afterburner/Oxidizer: Regenerative Ceramic/Hot Rock Bed Type, Recuperative Thermal	D
Afterburner/Oxidizer, Catalytic	D
Air Filter, Custom	C
Amine (or DEA) Regeneration Unit ¹	D
Amine Treating Unit ¹	D
Baghouse, Ambient (<= 100 FT ²)	A
Baghouse, Ambient (> 100 - 500 FT ²)	B
Baghouse, Ambient (> 500 FT ²)	C
Baghouse, Hot (>350 F)	D
Biofilter (<= 100 cfm)	B
Biofilter (> 100 cfm)	C
Boiler as Afterburner	D
CO Boiler	F
Condenser	C
Control Systems, two in series	C
Control Systems, three in series	D
Control Systems, four or more in series	E
Control Systems, Venting Plasma Arc Cutters	B1
Cyclone	B
Dry Filter (<= 100 FT ²)	A
Dry Filter (>100 - 500 FT ²)	B
Dry Filter (>500 FT ²)	C

Equipment/Process	Schedule
Dust Collector/HEPA, other Rule 1401 toxics	C
Electrostatic Precipitator, Restaurant	B
Electrostatic Precipitator, Asphalt Batch Equipment	C
Electrostatic Precipitator, Extruder	B
Electrostatic Precipitator, < 3000 CFM	B
Electrostatic Precipitator, => 3000 CFM	D
Electrostatic Precipitator for Fluid Catalytic Cracking Unit (FCCU)	H
Ethylene Oxide Sterilization, Control, Hospital	B
Flare, Landfill/Digester Gas, Enclosed	E
Flare, Landfill/Digester Gas, Open	C
Flare, Portable	B
Flare System, Refinery ²	F
Flare Other	C
Flue Gas Desulfurization ¹	D
Gas Absorption Unit ³	D
Gas Scrubbing System ¹	F
Incinerator, Afterburner	D
Mesh pads, for toxics gas stream	C
Mesh pads, for other acid mists	B
Mist Control	B
Mist Eliminator with HEPA	C
Negative Air Machine/HEPA, Asbestos, Lead	A
Non-Selective Catalytic Reduction	B
Odor Control Unit	D
Relief and Blowdown System ⁴	D
Scrubber, Biofiltration	C
Scrubber Controlling NO _x venting	D
Scrubber Controlling SO _x venting	D
Scrubber Controlling HCL or NH ₃ venting s.s.	B
Scrubber Controlling HCL or NH ₃ venting m.s.	C
Scrubber, NO _x , multistage	D
Scrubber, NO _x , single stage	C
Scrubber, Odor, <5000 cfm	C
Scrubber, Other venting s.s.	B
Scrubber, Other venting m.s.	C

Proposed Amended Rule 301 (Cont.)

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Scrubber, Other Chemical venting s.s.	B
Scrubber, Other Chemical venting m.s.	D
Scrubber, Particulates venting s.s.	B
Scrubber, Particulates venting m.s.	C
Scrubber, Particulates venting t.s.	D
Scrubber, Restaurant	B
Scrubber, Toxics venting	D
Scrubber, Venturi venting s.s.	B
Scrubber, Venturi venting m.s.	C
Scrubber, Venturi venting t.s.	C
Scrubber, Water (no packing)	B
Selective Catalytic Reduction (SCR)	C
Settling Chamber	B
Ship Hold Hatch Cover	A
Slop Oil Recovery System	D
Sour Water Oxidizer Unit ⁵	D
Sour Water Stripper ⁶	D
Sparger	B
Spent Acid Storage & Treating Facility ⁷	E
Spent Carbon Regeneration System	D
Spent Caustic Separation System ⁸	D
Spray Booth/Enclosure, Other	B
Spray Booth/Enclosure, Powder Coating System with single or multiple APC for particulates	B
Spray Booth, Metallizing	C
Spray Booth with Carbon Adsorber (non-regenerative)	C
Spray Booths (multiple) with Carbon Adsorber (non-regenerative)	D
Spray Booth(s) with Carbon Adsorber (regenerative)	E
Spray Booth(s) (1 to 5) with Afterburner/Oxidizer (Regenerative/Recuperative)	D
Spray Booths (>5) with Afterburner/Oxidizer (Regenerative/Recuperative)	E
Spray Booth, Automotive, with Multiple VOC Control Equipment	C
Spray Booth with Multiple VOC Control	D
Spray Booths (multiple) with Multiple VOC Control Equipment	E

Storm Water Handling & Treating System ⁹	E
Equipment/Process	Schedule
Sulfur Recovery Equipment ¹	H
Tail Gas Incineration	D
Tail Gas Unit ¹⁰	H
Storage Tank, Degassing Unit	D
Ultraviolet Oxidation	D
Vapor Balance System ¹¹	B
Vapor Recovery, Serving Crude Oil Production ¹¹	D
Vapor Recovery, Serving Refinery Unit ¹¹	E
Waste Gas Incineration Unit	E

¹ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels

² Including, but not limited to, all or part of the following: Flare, Compressors, Drums, Knock Out Pots, Pots, Vessels

³ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels

⁴ Including, but not limited to, all or part of the following: Compressors, Drums, Knock Out Pots, Pots

⁵ Including, but not limited to, all or part of the following: Accumulators, Columns, Drums, Knock Out Pots, Tanks, Vessels

⁶ Including, but not limited to, all or part of the following: Condensers, Coolers, Drums, Sumps, Vessels

⁷ Including, but not limited to, all or part of the following: Accumulators, Clarifier, Columns, Compressors, Condensers, Drums, Filters, Filter Presses, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels

⁸ Including, but not limited to, all or part of the following: Process Tanks, Separators, Tanks

⁹ Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units,

Proposed Amended Rule 301 (Cont.)

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

Filter Presses, Clarifiers, Settling Tanks, Waste
Water Separators, Tanks

¹⁰ Including, but not limited to, all or part of the
following: Absorbers, Condensers, Coolers,
Drums, Heat Exchangers, Knock Out Pots,
Reactors, Tanks, Vessels

¹¹ Including, but not limited to, all or part of the
following: Absorbers, Compressors, Condensers,
Knock Out Pots, Pumps, Saturators

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Abatement System, Asbestos, Lead	B
Abrasive Blasting (Cabinet, Mach., Room)	B
Abrasive Blasting (Open)	A
Absorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Absorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Acetylene Purification System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Acid Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Adhesives Organic Additions Including, but not limited to, all or part of the following: Reactors, Mixers, Process Tanks, Vessels	C
Adsorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Adsorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Adsorption, Other	B
Aeration Potable Water	C
Aggregate, Tank Truck Loading/Conveying Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Weigh Stations	B
Aggregate Production, with Dryer Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	E

Equipment/Process	Schedule
Aggregate Production/Crushing (<5000 tpd) Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	C
Aggregate Production/Crushing (=>5000 tpd) Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	D
Aggregate Screening Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Cyclones, Screens, Weigh Stations	C
Air Strippers	C
Aircraft Fueling Facility Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
Alkylation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Ammonia Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Ammonia Vaporization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders	C
Anodizing (sulfuric, phosphoric)	B
Aqueous Ammonia Transfer & Storage	C
Aromatics Recovery Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Asphalt Air Blowing	B
Asphalt Blending/Batching Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Cyclones, Dryers, Feeders, Hoppers, Knock Out Pots, Mixers, Screens, Tanks, Weigh Stations	E
Asphalt Coating	C
Asphalt Day Tanker/Tar Pot	A
Asphalt Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters	C
Asphalt Roofing Saturator	D
Asphalt-Rubber Spraying	B
Auto Body Shredding	C
Autoclave, Non-sterilizing Type	B
Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Benzene/Toluene/Xylene Production Equip. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses,	C
Bleach Manufacturing Including, but not limited to, all or part of the following: Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Tanks, Towers, Vessels	B
Blending, Other	B
Boiler/hot water heater, various locations, diesel/oil fired (<300,000 BTU/hr)	A
Boiler/hot water heater, single facility, portable, diesel/oil fired (<600,000 BTU/hr)	A
Boiler, Landfill/Digester Gas (< 5 MMBTU/hr)	B
Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr)	C
Boiler, Landfill/Digester Gas (>20 to 50 MMBTU/hr)	D
Boiler, Landfill/Digester Gas (>50 MMBTU/hr)	F
Boiler, Natural gas-fired, 5 – 20 MM BTU/hr	C
Boiler, Other Fuel (<5MMBTU/hr)	B
Boiler, Other Fuel (5 - 20 MMBTU/hr)	C
Boiler, Other Fuel (>20 - 50 MMBTU/hr)	D
Boiler, Other Fuel (> 50 MMBTU/hr)	E
Boiler, Utility (> 50 MW)	H
Brake Shoes, Grinding, Bonding and Debonding, Deriveter	B
Bulk Chemical Terminal	B
Bulk Loading/Unloading Stn (< 50,000 GPD)	B
Bulk Loading/Unloading Rack (50,000 - 200,000 GPD)	D
Bulk Loading/Unloading Rack (> 200,000 GPD)	E
Bulk Loading/Unloading	C

Equipment/Process	Schedule
Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears	D
Catalyst Handling System Including, but not limited to, all or part of the following: Centrifuge, Bins, Conveyors, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	C
Catalyst Mfg./Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	D
Catalyst Storage (Hoppers)	C
Catalytic Reforming Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Caustic Treating Unit Including, but not limited to, all or part of the following: Knock Out Pots, Tanks, Towers, Vessels	E
Cement Marine Loading & Unloading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading & Unloading Arms, Weigh Stations	E
Cement Packaging Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Cement Truck Loading	C
Charbroiler, Eating Establishment	A
Charbroiler with Integrated Control	B
Charbroiler, Food Manufacturing	C
Chemical Additive Injection System Including, but not limited to, all or part of the following: Injectors, Compressors, Pumps	C
Chip Dryer	D
Circuit Board Etchers	B
Cleaning, Miscellaneous	B

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Coal Bulk Loading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	E
Coal Research Pilot / Equip (0-15 MMBTU/hr)	C
Coal Research Pilot / Equip (>15 MMBTU/hr)	D
Coal Tar Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Coating & Drying Equipment, Continuous Organic, Web Type Including, but not limited to, all or part of the following: Coater Operations, Process Tanks, Dryers	C
Coffee Roaster < 50 lbs capacity with integrated afterburner	B
Coffee Roasting, (11-49 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	A
Coffee Roasting, 50-99 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	B
Coffee Roasting, 100 lb or more roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C
Coke Handling & Storage Facility Including, but not limited to, al or part of the following: Centrifuge, Bins, Conveyors, Clarifier, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	E
Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Concrete/Asphalt Crushing Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Screens, Vibrating Grizzlies, Weigh Stations	C
Concrete Batch Equipment Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	C
Confined Animal Facility	A
Container Filling, Liquid	B
Conveying, Other	B
Cooling Tower, Petroleum Operations	C
Cooling Tower, Other	B
Core Oven	B
Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers	D
Crankcase Oil, Loading and Unloading	C
Crematory	C
Crude Oil, Cracking Catalytic Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	G
Crude Oil, Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Crude Oil/Gas/Water Separation System (< 30 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	C

Equipment/Process	Schedule
Crude Oil/Gas/Water Separation System, (=> 30 BPD & < 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	C
Crude Oil/Gas/Water Separation System, (=> 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	E
Decorating Lehr	C
Decorator	B
Deep-Fat Fryer	C
Dehydration Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Degreaser, Cold Solvent Dipping	B
Degreaser, Cold Solvent Spray	C
Degreaser, (<= 1 lb VOC/day)	B
Degreaser (> 1 lb VOC/day)	B
Degreaser, (VOCw/Toxics)	C
Delayed Coking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Deposition on Ceramics (< 5 pieces)	B
Deposition on Ceramics (5 or more pieces)	C
Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels	C
Die Casting Equipment	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Digester Gas Desulfurization System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers, Vessels	C
Dip Tank, Coating	B
Dip Tank, (<=3 gal/day)	B
Distillation, Other Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Drilling Rig, Crude Oil Prod.	C
Drop Forge	B
Dry Cleaning & Associated Control Equipment	A
Dryer for Organic Material	C
Drying/Laundry	A
Drying, Other	B
Emission Reduction Credits [Rule 301(c)(4) and (c)(5)]	I
End Liner, Can	B
Ethylene Oxide Sterilization, Hospital	B
Evaporation, Toxics	C
Evaporator, Other	B
Extraction - Benzene Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Extruder	B
Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders	C
Fatty Acid Mfg.	C
Feathers, Size Classification	A
Feed Handling (combining conveying and loading)	D

Equipment/Process	Schedule
Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles	C
Fertilizer, Natural, Packaging/ Processing Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	B
Fertilizer, Synthetic, Production Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Mixers, Dryers, Process Tanks, Reactors, Hoppers, Loading Arms, Weigh Stations	C
Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters	C
Filament Winder, Rule 1401 Toxics	C
Filament Winder, Other	B
Filling Machine, Dry Powder	C
Film Cleaning Machine	B
Flour Handling (combining conveying, packaging, and loadout)	E
Flour Manufacturing (combining milling and conveying)	E
Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations	D
Flow Coater	B
Fluid Catalytic Cracking Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	H
Fluid Elimination, Waste Water	B
Foam-in-Place Packaging	A
Food Processing Grinding, Blending, Packaging, Conveying, Flavoring	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Fruit and Vegetable Treating	A
Fuel Gas Mixer	C
Fuel Gas, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels	D
Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A
Fumigation	A
Furnace, Arc	D
Furnace, Burn-Off, Armature	C
Furnace, Burn-Off, Drum	D
Furnace, Burn-Off, Engine Parts	C
Furnace, Burn-Off, Paint	C
Furnace, Burn-Off, Wax	C
Furnace, Burn-Off, Other	C
Furnace, Cupola	D
Furnace, Electric, Induction and Resistance	C
Furnace, Frit	C
Furnace, Galvanizing	C
Furnace, Graphitization and Carbonization	C
Furnace, Heat Treating	B
Furnace, Other Metallic Operations	C
Furnace, Pot/Crucible	C
Furnace, Reverberatory	D
Furnace, Wire Reclamation	C
Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters	C

Equipment/Process	Schedule
Gas Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Re-generators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Gas Turbine, Landfill/Digester Gas, <0.3MW	B
Gas Turbine, Landfill/Digester Gas, =>0.3 MW	E
Gas Turbine, <=50 MW, other fuel	D
Gas Turbine, >50 MW, other fuel	G
Gas Turbine, Emergency, <0.3 MW	A
Gas Turbine, Emergency, =>0.3 MW	C
Gas Turbines (Microturbines only)	A
Gas-Oil Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Gasoline, In-line Blending Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Gasoline, Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Gasoline, Separation - Liquid Production Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
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Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks	C
Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations	E

Equipment/Process	Schedule
Gasoline, Vapor Gathering System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Gasoline Blending Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels	E
Gasoline Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment)	
Glass Forming Machine	C
Glass Furnace < 1TPD	B
Glass Furnace, > 1 - 50 TPD Pull	D
Glass Furnace, > 50 TPD Pull	E
Grain Cleaning Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Screens, Weigh Stations	C
Grain Handling (combining storage and cleaning)	E
Grain Storage	C
Grinder, Size Reduction	B

Equipment/Process	Schedule
Halon/Refrigerants, Recovery and Recycling Equipment	A1
Heater, (<5 MMBTU/hr)	B
Heater, (5 - 20 MMBTU/hr)	C
Heater, (>20-50 MMBTU/hr)	D
Heater, (>50 MMBTU/hr)	E
Hot End Coating, (Glass Mfg. Plant)	B
Hydrant Fueling, Petrol. Middle Distillate Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
Hydrocarbons, Misc., Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Hydrogen Desulfurization (HDS) Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Hydrogen Production Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Hydrotreating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
IC Engine, (51-500 HP) Cogeneration	B
IC Engine, (> 500 HP) Cogeneration	C
IC Engine, Emergency, 51 - 500 HP	B

Equipment/Process	Schedule
IC Engine, Emergency, (> 500 HP)	B
IC Engine, Landfill/Digester Gas	D
IC Engine, Other, 51-500 HP	B
IC Engine, Other, >500 HP	C
Impregnating Equipment	C
Incineration, Hazardous Waste	H
Incinerator, < 300 lbs/hr, Non-Hazardous	E
Incinerator, >=300 lbs/hr, Non-Hazardous	F
Indoor Shooting Range	B
Ink Mfg./Blending Including, but not limited to, all or part of the following: Process Tanks, Mixers	B
Inorganic Chemical Mfg. Including, but not limited to, all or part of the following: Process Tanks, Mixers, Reactors	D
Insecticide Separation/Mfg Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Iodine Reaction Including, but not limited to, all or part of the following: Columns, Compressors, Condensers, Coolers, Heat Exchangers, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers	C

Isomerization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Jet Engine Test Facility	C
Kiln, Natural Gas	C
Landfill Condensate/Leachate Collection/Storage	B
Landfill Gas, Collection, (<10 Wells)	B
Landfill Gas, Collection, (10 -50 Wells)	C
Landfill Gas, Collection, (> 50 Wells)	D
Landfill Gas, Treatment	E
Equipment/Process	Schedule
Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks	D
Liquid Waste Processing, Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	E
Liquid Waste Processing, Non Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	C
LPG, Tank Truck Loading	D
LPG, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

LPG Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Lube Oil Additive/Lubricant Mfg.	B
Lube Oil Re-refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

Metallic Mineral Production Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	E
Misc. Solvent Usage at a Premise	B
Mixer, Chemicals	B
MTBE Production Facility Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F

Equipment/Process	Schedule
Marine Bulk Loading/Unloading System, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators	D
Marine Vessel Displaced Vapor Control, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators	D
Merichem Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Merox Treating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Metal Deposition Equipment	C

Equipment/Process	Schedule
Natural Gas Dehydration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Natural Gas Odorizers	C
Natural Gas Stabilization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Scrubbers, Regenerators, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Nut Roasters Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C
Nut Shell Drying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Dryers, Coolers	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Oil/Water Separator (< 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels	B
Oil/Water Separator (>= 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels	C
Open-Air resin operations	A
Oven Bakery	C
Oven, Curing (Rule 1401 toxics)	C
Oven, Other	B
Packaging, Other	B
Paint Stripping, Molten Caustic	C
Paper Conveying	A
Paper Pulp Products	D
Paper Size Reduction	C
Pavement Grinder	B
Pavement Heater	B

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers	C
Perlite Furnace	C
Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Pesticide/Herbicide Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	F
Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers	C
Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs	C
Pipe Coating, Asphaltic	B
Plasma Arc Cutting	B1
Plastic Mfg., Blow Molding Machine	B
Plastic/Resin Size Reduction Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Grinders, Mills, Cyclones, Screens, Weigh Stations	B
Plastic/Resins Reforming	C
Plastic/Resins Treating	C
Plastisol Curing Equipment	B
Polystyrene Expansion/Molding	C
Polystyrene Expansion/Packaging	C

Equipment/Process	Schedule
Polystyrene Extruding/Expanding	B
Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Polyurethane Mfg/Production	B
Polyurethane Mfg/Rebonding	B
Process Line, Chrome Plating (Hexavalent)	C
Process Line, Chrome Plating (Trivalent)	B
Precious Metal, Recovery, Other	B
Precious Metal, Recovery, Catalyst	D
Printing Press, Air Dry	B
Printing Press With IR, EB or UV Curing	B
Printing Press, Other	C
Printing Press, Screen	B
Production, Other	B
Railroad Car Loading/Unloading, Other	C
Railroad Car Unloading, liquid direct to trucks	B
Reaction, Other	C
Recovery, Other	B
Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels	B
Refrigerant Recovery/Recycling	A1
Rendering Equipment, Blood Drying	C
Rendering Equipment, Fishmeal Drying	C
Rendering Equipment, Rendering	D
Rendering Equipment, Separation, Liquid	C
Rendering Product, Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Resin, Varnish Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	D
Roller Coater	B

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Rubber Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Rubber Presses or Molds with a ram diameter of more than 26 inches Submitted before September 11, 1999	A
Submitted on or after September 11, 1999	B
Rubber Roll Mill	B
Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	D
Screening, Green Waste	A
Screening, Other Including, but not limited to, all or part of the following: Screens, Conveyors, Bins, Hoppers, Bucket Elevators	C
Semiconductor, Int. Circuit Mfg (<5 pieces)	B
Semiconductor, Int. Circuit Mfg (5 or more)	C
Semiconductor, Photo resist (<5 pieces)	B
Semiconductor, Photo resist (5 or more pieces)	C
Semiconductor, Solvent Cleaning (<5 pieces)	B
Semiconductor, Solvent Cleaning (5 or more pieces)	C
Sewage Sludge Composting	C
Sewage Sludge Drying, Conveying, Storage, Load-out Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Loading Arms	D
Sewage Sludge Digestion	D
Sewage Sludge Dryer	D
Sewage Sludge Incineration	H
Sewage Treatment, (<= 5 MGD), Aerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	C

Equipment/Process	Schedule
Sewage Treatment, (>5 MGD) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	F
Sewage Treatment, (> 5 MGD), Anaerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Digesters, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	G
Sheet Machine	B
Shell Blasting System	B
Shipping Container System	B
Sintering	C
Size Reduction, Other Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations	C
Size Reduction, Petroleum Coke Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations	C
Sludge Dewatering, Other Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks	D
Sludge Dryer, Other	B
Sludge Incinerator	H
Smoke Generator	B
Smokehouse	C
Soap/Detergent Mfg Including, but not limited to, all or part of the following: Process Tanks, Mixers, Tanks, Conveyors, Bins, Hoppers, Bucket Elevators	D
Soil Treatment, Other Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens	D
Soil Treatment, Vapor Extraction Including, but not limited to, all or part of the following: Adsorbers, Afterburners	C
Solder Leveling	B

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Soldering Machine	B
Solvent Reclaim, Still (Multistage)	C
Solvent Reclaim, Still (Single stage)	A
Solvent Redistillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Spent Stretford Solution Regeneration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Spray Equipment, Open	B
Spray Machine, Adhesive	B
Spray Machine, Coating	B
Spray Machine, Powder Coating	B
Spraying, Resin/Gel Coat	C
Sterilization Equipment	C
Stereolithography	A
Storage, Petroleum Coke	C
Storage Container, Baker-Type	B
Storage Container, Baker-Type w/Control	C
Storage Silo, Other Dry Material	A
Storage Tank, w/o Control, Crude Oil/Petroleum Products	B
Storage Tank, Acid with sparger	B
Storage Tank, Ammonia with sparger	B
Storage Tank, Asphalt <=50,000 gallons	B
Storage Tank, Asphalt >50,000 gallons	C
Storage Tank, Degassing Unit	D
Storage Tank, Fixed Roof with Internal Floater	C
Storage Tank, Fixed Roof with Vapor Control	C
Storage Tank, Fuel Oil	A

Equipment/Process	Schedule
Storage Tank, Lead Compounds	C
Storage Tank, LPG	A
Storage Tank, LPG w/Vaporizing System	C
Storage Tank, Other	A
Storage Tank, Other w/ Control Equipment	B
Storage Tank, with Passive Carbon s.s.	B
Storage Tank, with Passive Carbon m.s.	C
Storage Tank, with Passive Carbon t.s.	C
Storage Tank, Rendered Products	C
Storage Tank, Waste Oil	A
Storage Tank with condenser	B
Storage Tank, with External Floating Roof	C
Stove-Oil Filter/Coalescer Facility	D
Striper, Can	B
Striper, Pavement	B
Stripping, Other	B
Sulfonation Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Sulfuric Acid Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Sump, Covered & Controlled	C
Sump, Spill Containment	A
Tablet Coating Pans	A
Tank, Hard Chrome Plating	C
Tank/Line, Other Chrome Plating or Chrome Anodizing	C
Tank, Line, Other Process Emitting Hexavalent Chrome	C
Tank/Line, Trivalent Chrome Plating	B
Tank/Line, Cadmium or Nickel Plating	C

Proposed Amended Rule 301 (Cont.)

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

Tank/Line, Other Process Emitting Nickel or Cadmium	B1
Equipment/Process	Schedule
Tank/Line, Other Plating	B
Tank/Line Nitric Acid Process Emitting NOx	C
Tank/Line, Other Process Using Aqueous Solutions	B
Tank, Paint Stripping w/Methylene Chloride	C
Textiles, Recycled, Processing	C
Thermal Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Tire Buffer	A
Treating, Other	B
Treating, Petroleum Distillates Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Vacuum Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Vacuum Machine	C
Vacuum Metalizing	B
Vacuum Pumps	C
Vegetable Oil Extractor Including, but not limited to, all or part of the following: Bins, Conveyors, Cookers, Presses, Tanks, Kilns	E
Warming Device, Electric	A

Equipment/Process	Schedule
Waste Water Treating (< 10,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	B
Waste Water Treating (< 20,000 gpd) no toxics Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	B
Waste Water Treating (20,000 - 50,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	D
Waste Water Treating (>50,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	E
Waste-to-Energy Equipment	H
Wet Gate Printing Equipment using Perchloroethylene	B
Weigh Station	A
Wood Treating Equipment Including, but not limited to, all or part of the following: Coater Operations, Process Tanks	C

**TABLE IIA
SPECIAL PROCESSING FEES**

AIR QUALITY ANALYSIS/HEALTH RISK ASSESSMENT

Schedule	Fee
A	\$1,185.98
B	\$1,185.98
C	\$1,185.98
D	\$4,245.92+T&M
E	4\$4,245.92+T&M
F	\$4,245.92+T&M
G	\$4,245.92+T&M
H	\$5,662.25+T&M

D through G: T&M = Time and Material charged at \$121.44 per hour above 35 hours.

H: T&M = Time and Material charged at \$121.44 per hour above 47 hours. Time and material charges for work beyond these hourly limits shall be for analysis or assessment required due to modification of the project or supporting analysis submitted for initial review or for multiple analyses or assessments required for a project or other special circumstances and shall be approved by the Executive Officer.

An additional fee of \$2,033.08 shall be assessed for a project requiring modeling review triggered by the requirements of Regulation XVII – Prevention of Significant Deterioration (PSD). The total combined fee for these reviews shall not exceed \$13,553.91.

**TABLE IIB
FEE FOR PUBLIC NOTICE PUBLICATION**

County	Rule 212(g) Notice ^(a)	Title V Notice ^(a)
Los Angeles	\$1,348.43	\$811.01
Orange	\$1,228.13	\$601.24
Riverside	\$266.66	\$285.47
San Bernardino	\$1,171.09	\$540.67

^(a) If Rule 212(g) and Title V notices are combined, pursuant to Rule 212(h), only Rule 212(g) publication fee applies.

TABLE IIC
CEMS, FSMS, & ACEMS FEE SCHEDULE

Certification Review		
CEMS and FSMS Review¹	Basic Fee²	Maximum Fee
Any combination of pollutants, diluent, flow, or other parameter ³ for:		
One to two components	\$3,483.19	\$6,236.49
Three to four components	\$4,189.99	\$11,476.49
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	\$2,834.91
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	\$2,834.91
ACEMS Review	Basic Fee⁴	Maximum Fee
	\$3,483.19	\$11,476.49
¹ The certification fee includes the initial application approval, approval of test protocol, and approval of the performance test results. An application resubmitted after a denial will be treated as a new application and will be subject to a new fee. ² Covers up to 40 hours evaluation time for the first two components, 60 hours for the first four components, and up to an additional 12 hours for each component beyond four. Excess hours beyond these will be charged at \$145.01 per hour, to the maximum listed in the table. ³ Additional components, as necessary, to meet monitoring requirements (e.g., moisture monitor). ⁴ Covers up to 40 hours evaluation time.		

TABLE III - EMISSION FEES
For emissions in Calendar Year 2010 and thereafter

Annual Emissions (tons/yr)	Organic Gases* (\$/ton)	Specific Organics** (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4 – 25	\$559.14	\$100.04	\$327.12	\$387.82	-	\$427.56
>25 – 75	\$907.82	\$158.51	\$519.62	\$626.94	-	\$692.81
>75	\$1,358.90	\$237.75	\$782.56	\$941.26	-	\$1,037.31
≥100	-	-	-	-	\$6.68	-

* Excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph defined in subdivision (b) of this rule.

** See specific organic gases as defined in subdivision (b) of this rule.

*** For July 1, 2010 through June 30, 2011 inclusive the amount of the CPI increase will be rebated.

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS
For emissions in Calendar Year 2010 and thereafter

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
Ammonia (Reporting Period 07/01/04 and beyond)	\$0.03	200
Asbestos	\$5.85	0.0001
Benzene	\$1.97	2.0
Cadmium	\$5.85	0.01
Carbon tetrachloride	\$1.97	1.0
Chlorinated dioxins and dibenzofurans (26 species)	\$9.74	0.00002
Ethylene dibromide	\$1.97	0.5
Ethylene dichloride	\$1.97	2.0
Ethylene oxide	\$1.97	0.5
Formaldehyde	\$0.43	5.0
Hexavalent chromium	\$7.79	0.0001

Methylene chloride	\$0.08	50.0
Nickel	\$3.88	0.1
Perchloroethylene	\$0.43	5.0
1,3-Butadiene	\$5.85	0.1
Inorganic arsenic	\$5.85	0.01
Beryllium	\$5.85	0.001
Polynuclear aromatic hydrocarbons (PAHs)	\$5.85	0.2
Vinyl chloride	\$1.97	0.5
Lead	\$1.97	0.5
1,4-Dioxane	\$0.43	5.0
Trichloroethylene	\$0.16	20.0

**TABLE IV (cont.)
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS**

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
For emissions Calendar Year 2010 and thereafter		
Chlorofluorocarbons (CFCs)	\$0.37	---
1,1,1-trichloroethane	\$0.05	---

**TABLE V
ANNUAL CLEAN FUELS FEES**

Volatile Organic Compounds (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Particulate Matter (\$/ton)
\$43.56	\$24.43	\$30.28	\$24.43

**TABLE VI
DEMOLITION, ASBESTOS AND LEAD NOTIFICATION FEES**

Demolition and Renovation by Project Size (square feet)¹					
up to 1,000	>1,000 to 5,000	5,000 to 10,000	>10,000 to 50,000	>50,000 to 100,000	> 100,000
\$56.28	\$172.08	\$402.81	\$631.62	\$915.38	\$1,525.63

Additional Service Charge Fees				
Revision to Notification	Special Handling Fee²	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee³
\$56.28	\$56.28	\$631.62	\$631.62	\$315.81

- ¹ For demolition, the fee is based on the building size.
For refinery or chemical unit demolition, the fee is based on the structure's footprint surface area.
- ² For renovation, the fee is based on the amount of asbestos/lead removed.
- ³ For all notifications postmarked less than 14 calendar days prior to project start date.
For all expedited Procedure 4 or 5 plan evaluation requests postmarked less than 14 calendar days prior to project start date.
For each subsequent notification for pre-approved Procedure 5 plan submitted per Rule 1403(d)(1)(D)(i)(V)(2).

**TABLE VII
SUMMARY OF RECLAIM & TITLE V FEES**

Description	Rule section	Fee
RECLAIM		
Facility Amendment Fee <u>with</u> Engineering Evaluation <ul style="list-style-type: none"> • RECLAIM only • RECLAIM & Title V 	(k)(5)	\$912.44 \$1,824.90
Facility Amendment Fee <u>without</u> Engineering Evaluation <ul style="list-style-type: none"> • RECLAIM only • RECLAIM & Title V 	(k)(5)	\$912.44 \$1,824.90
Change of Operator <ul style="list-style-type: none"> • Facility Permit Amendment Fee + Application Processing Fee for Each Application 	(k)(7)	\$912.44 + \$530.89
Title V		
Administrative Permit Revision Fee	(l)(6)	\$912.44
Permit Revision Fee <ul style="list-style-type: none"> • Minor permit revision • De minimis significant permit revision • Significant permit revision 	(l)(7)	\$912.44 \$912.44 \$912.44
Permit Renewal Fees + Final Fee if time exceeds 8 hours	(l)(8)	\$2,072.50 + \$142.02/hr
Change of Operator <ul style="list-style-type: none"> • Administrative Permit Revision Fee 	(m)(5)	\$912.44

ATTACHMENT I

(Adopted May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005) (Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended May 7, 2010)(Updated July 1, 2011)(Updated July 1,
2012)(Updated July 1, 2013)
(PAR June 6, 2014)

PROPOSED AMENDED RULE 311. AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES

(a) Applicability

This rule shall apply to all employers who participate in the Air Quality Investment Program (AQIP) option provided under Rule 2202. The Air Quality Investment Fees established in this rule shall be adjusted periodically to reflect market conditions.

(b) Registration Fees

Any employer registering with the District to participate in the AQIP shall pay annually a registration fee of \$121.44 per worksite.

(c) AQIP Investment Fees

(1) Annual Compliance Option

At the time of registration any employer electing to participate in the annual AQIP compliance option shall annually invest in the restricted District fund ~~\$60.00~~ \$45.00 for each employee reporting to work in the peak window; or,

(2) Triennial Compliance Option

At the time of registration any employer electing to participate in the triennial AQIP compliance option shall invest in the restricted District fund \$125.00 for each employee reporting to work in the peak window. Any increase in the number of employees in the window shall be accounted for during the second and third year registrations by investing ~~\$60.00~~ \$45.00 per each additional employee for the remaining years in the triennial compliance option.

(d) Late fees

If the registration fee is not received by the established due date, the original amount of the registration fee shall be increased by fifty percent (50%).

ATTACHEMENT J

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FINAL Staff Report

Rule 2202 – On-Road Motor Vehicle Mitigation Options

Rule 2202 Implementation Guidelines

Rule 301 - Permitting and Associated Fees

Rule 311 - Air Quality Investment Program (AQIP) Fees

June 2014

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Speaker of the Assembly Appointee

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LIST OF ACRONYMS AND ABBREVIATIONS

AQIP	Air Quality Investment Program
AQMP	Air Quality Management Plan
ASC	Area Source Credits
AVR	Average Vehicle Ridership
BARCT	Best Available Retrofit Control Technology
CARB (or ARB)	California Air Resources Board
CO	Carbon Monoxide
ECRP	Employee Commute Reduction Program
EMFAC	Emission FACTor mobile source model
ERC	Emission Reduction Credits
ERS	Emission Reduction Strategy
LLT	Least Likely to be Traded
MSERC	Mobile Source Emission Reduction Credit
NO _x	Nitrogen Oxides
NSR	New Source Review
RTC	Reclaim Trading Credit
RECLAIM	Regional Clean Air Incentives Market
SCAB	South Coast Air Basin
SCAQMD	South Coast Air Quality Management District
STERC	Short Term Emission Reduction Credit
VOC	Volatile Organic Compound

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EXECUTIVE SUMMARY

The South Coast Air Quality Management District (SCAQMD) is proposing amendments to Rule 2202 - On-Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 - Permitting and Associated Fees, and Rule 311 – Air Quality Investment Program (AQIP) Fees. The proposed amendments specifically address the use of emission reduction credits (ERCs) and the AQIP compliance option. At the end of 2013 approximately 200 lbs/day of NO_x emission reduction credits (ERCs) were transferred into Rule 2202. This caused a concern regarding future stationary source credit availability. Therefore in January 2014 the Governing Board approved a temporary moratorium on NO_x ERCs in Rule 2202 to allow time for staff to review the status of the stationary source emission banks and potential impacts of additional transfers into the Rule 2202 program. Staff reviewed the historical use of ERCs for stationary sources, as well as the availability of credits and other emission programs within Rule 2202 to determine the ability to meet future compliance targets. Staff concluded that there continues to be a concern regarding the future availability of ERCs for use by stationary sources. To address this staff is proposing that ERCs no longer be allowed to be transferred into the Rule 2202 program. ERCs that currently reside within the Rule 2202 program would be allowed to remain, however these ERCs will be subject to an annual discount. An annual discounting of ERCs will encourage the use of other emission reductions that more closely align with the intent of the Rule 2202 program. Previously, persons submitting ERCs into the Rule 2202 program signed Terms and Conditions that included the provision that once transferred into the program, an ERC could never be removed from the program. In response to stakeholder requests, staff is now proposing that an ERC certificate that has never been used by in any discrete year to comply with any Rule 2202 requirements may be taken out of the program at any time, at which point they would be available for use in any District program that allows the use of such ERCs, except Rule 2202. In order to satisfy EPA requirements, it is essential that none of the ERC certificate has ever been used while in the Rule 2202 program.

Staff has evaluated the AQIP fees, as set forth in Rule 311, which has remained at its current fee of \$60 per peak window employee since Rule 2202 was adopted in 1995. In evaluating the cost effectiveness of the most recent AQIP funded projects, staff found that the program emission reduction target could still be achieved with a reduced fee of \$45 per employee. The reduced AQIP fee will afford employers a more viable compliance option.

Rule 301 is proposed to be amended to include an application fee for the transfer of STERCs into Rule 2202. The proposed fee is to address the Implementation Guideline requirement for STERCs to be permanently retired and removed from the NSR ~~bank~~ program. Additionally the proposed fee will include the processing of STERCs into the Rule 2202 database. Finally, the fee will also cover the transfer of ERCs out of the program.

Rule 2202 and its accompanying Implementation Guidelines have not been amended since 2004. Staff is proposing a number of administrative updates and clarifications, as well as the inclusion of language to better codify current policies ~~and practices that are currently not reflected in the documents.~~

BACKGROUND

On December 8, 1995, in response to state legislation prohibiting the mandatory submittal of trip reduction plans, the SCAQMD Governing Board adopted Rule 2202 as a replacement rule that did not mandate trip reduction program submittals, yet allowed the SCAQMD to remain in compliance with federal and state Clean Air Act requirements.

The rule has provided members of the regulated community with a menu of flexible and cost effective emission reduction options from which they can choose to implement and meet the emission reduction targets for their sites. Rule 2202 continues to allow affected employers the option of implementing a traditional trip reduction program as a means to comply with the rule.

Rule 2202 has been amended several times and replaced Rules 1501 - Work Trip Reduction Plans and 1501.1 - Alternatives to Work Trip Reduction Plans. In 1987, Regulation XV was adopted which required trip reduction plans for employers with 100 or more employees. Rule 1501 was amended in 1993 and Rule 1501.1 was adopted in 1995, to comply with federal and state requirements for extreme non-attainment areas. In 1995, Rule 2202 was adopted to respond to state legislation prohibiting mandatory trip reduction plans. Rule 2202 provided worksites of 100 or more employees a menu of emission reduction options to meet an emission reduction target for their worksite. Compliance strategies included mobile source credits from old-vehicle scrapping, clean on-road and off-road equipment, the use of remote sensing to identify and repair gross polluting vehicles, and emission reduction credits from stationary sources. Worksites could also earn credits for the use of alternative fuel vehicles, reduction of vehicle miles traveled, and other trip reduction strategies.

In March 1996, Rule 2202 was amended to exempt school districts from complying due to financial hardship. The passage of SB836 directed SCAQMD to raise the employee threshold level from 100 to 250 employees, while SB432 permanently exempted worksites with fewer than 250 employees from complying with the rule. In November 1996, the sunset provision of Rule 2202 was modified to have the rule phase out by June 2001. In October 1998, Rule 2202 was again modified to include its original sunset provision, (i.e., the rule would be rescinded at an unspecified future time when an equivalent level of emissions reductions is produced). In January 2002, several administrative changes to Rule 2202 were passed that included the elimination of alternative fuel vehicle credits except for zero emission vehicles, deletion of the remote

sensing strategy option due to the implementation of the Inspection and Maintenance Program (Smog Check II), and the addition of a police/sheriff employee category.

Although the employee threshold was changed from 100 to 250 employees, Section 182(d)(1)(B) of the 1990 Clean Air Act (CAA) required that non-attainment regions implement a program that would require employers of 100 or more employees to reduce work related trips and miles traveled by employees commuting to work to a level 25% above the region's baseline AVR. At that time the AVR targets were established for regions within the SCAQMD that were determined to be the most effective in achieving the federally mandated goals. Subsequent amendments to the CAA removed work related trip mandates and allowed emission equivalency as an option for compliance. This re-established the SCAQMD's regional commitment at an AVR of 1.50 for companies with 250 or more employees. This AVR represents the 25% above the region's 1992 baseline and accounts for additional trip reductions that should have resulted from all employers with 100 or more employees. However, the CAA allows the substitution of alternative measures that will meet the equivalent emission reductions.

NOx Emission Reduction Credits

At the end of 2013 approximately 200 lbs/day of NOx emission reduction credits (ERCs) were transferred into Rule 2202. The rate of transfer caused a concern regarding future stationary source credit availability if additional large amounts of NOx ERCs were to be used for Rule 2202 compliance. Therefore, January 2014 the Governing Board approved a temporary moratorium, from January 10, 2014 to July 1, 2014, on the transfer of NOx ERCs into Rule 2202 and directed staff to review the status of the stationary source emission banks and potential impacts of additional transfers into the Rule 2202 program. During the NOx moratorium, VOC and CO ERCs are allowed to be transferred into the Rule 2202 program. Staff is proposing amendments to Rule 2202 and the rule Implementation Guidelines to address the uses of ERCs in the Rule 2202 program.

Emission Credit Use in the Program

Employers may choose to comply with the rule by submitting an emission reduction strategy (ERS). To comply with an ERS, employers can surrender emission credits that are equivalent to the emissions from their employee commute to the worksite. This amount is determined by an emission reduction target. The various emission reduction strategies employers can implement and receive credit towards meeting their emission reduction target requirements are listed below.

Available Emission Reduction Strategy Credits

- Mobile Source Emission Reduction Credits (MSERCs) (Regulation XVI)
- Short Term Emission Reduction Credits (STERCs) from Stationary Sources (Regulation XIII)
- Emission Reduction Credits (ERCs) from Stationary Sources (Regulation XIII) approved before date of adoption
- Area Source Credits (Regulation XXV)
- Other Emission Reduction Strategies (Rule 2202 (f)(6))

Rule 2202 employers are estimated to have a 2014 emission reduction target requirement of 2,127 pounds per day of NO_x. As of March 2014, the available NO_x emission credits for 2014, within the Rule 2202 program, are estimated to be 1,896 pounds per day as shown below in Table 1. Available Emission Credits in Rule 2202. As a result more than half of the emission target could be satisfied with existing rule credits. The available estimate includes both ERCs and MSERCs. Future MSERC emission credit availability cannot be estimated. Old-vehicle scrapping emission credits, one of the MSERCs, are generated by credit vendors who initiate the credit generation based on market need and the mix of vehicles that can be scrapped. While the amount of future MSERC credits cannot be predicted, the vehicle scrapping program is currently active. Emission credits within the Rule 2202 program along with emissions obtained from the AQIP program, and emission reductions from the Employee Commute Reduction Program (ECRP) program will go towards the obtainment of future emission reduction targets.

Table 1. Available Emission Credits in Rule 2202*

	2014	2020**	2030**
NO _x (lbs/day)	1,616 (MSERC) 280 (ERC)	280	280
VOC (lbs/day)	1,020 (MSERC) 613 (ERC)	613	613

* As of March 2014. Include initial 10% discount for ERCs.

**Includes ERCs only, the availability of MSERCs in future years is unknown.

Currently the NSR market contains 534 lbs/day of NO_x. The NSR bank cannot continue to be viable if it continues to be depleted by Rule 2202 use. Rather than rely on ERCs for use, additional mobile source emission credit generation opportunities will be considered.

PROPOSED AMENDMENTS

A. Proposed Amendments to Rule 2202

Proposed amendments to the rule include updates or clarifications to the current rule language. Since the last amendment to Rule 2202, other related rules and programs within the SCAQMD have been amended.

Emission Reduction Credits

Employers may choose to surrender emission credits when they submit an ERS to comply with Rule 2202. The surrendered emission credits are in lieu of reducing commute trips. The proposed amendments address the use of Emission Reduction Credits (ERCs) and administrative updates to the use of Short Term Emission Reduction Credits (STERCs) in the Rule 2202 program.

Staff considered several approaches to the use of ERCs in Rule 2202 such as allowing unlimited use, limiting use, or prohibiting their use. Allowing unlimited use was not considered a viable option due to the potential to reduce the amount of ERCs in the NSR bank to a level that could result in having insufficient credits available for use by stationary sources.

A limited approach was evaluated which would have continued to allow ERCs to be transferred into the program and would ensure sufficient credits for use by stationary sources. The approach would have instituted an ERC threshold. If the NSR bank was at or below the threshold limit, ERCs could not be transferred into the Rule 2202 program. The minimum threshold would be set at a level that would maintain a reasonable amount of credits that would satisfy stationary source requirements.

Staff understands that some credit owners will hold on to their ERCs for future business growth or modernization of their facility. Therefore, the total ERC holdings are not necessarily representative of the total ERCs available for sale. Based on previous studies by SCAQMD staff, there are ERCs that have been identified as those that would be “least likely to be traded” (LLTs). Facilities that have been identified as holding LLT’s include electric generating facilities, refineries and related facilities, essential public services, and ERCs that have been held for longer than five years. Based on this study approximately 31% VOC and 48% NO_x of the total ERCs could be considered “least likely to be traded” (LLT).

To determine an ERC threshold; staff reviewed the last three, five, and ten years of NO_x and VOC ERCs usage by stationary sources. The analysis did not include the use of Short Term Emission Reduction Credits (STERCs) and only reviewed the use of the

permanent stream of ERCs. Applying the LLT percentages amount to NSR use data resulted in the following thresholds as shown in Table 2 below.

Table 2. ERC Thresholds

Threshold time frames	NO_x threshold (lbs/day)	VOC threshold (lbs/day)
5 year	1,000	6,635
10 year	1,458	14,971
NSR Bank*	534	10,491

* Permanent stream of ERCs available as of January 2014 (does not include STERCs)

The proposed threshold, the level staff has identified as being needed to ensure viability of the NSR program, would be significantly higher than ~~what is currently available ERCs for held in the NSR use bank~~. Staff believes that it would take a significant amount of time, taking into account the current rate of ERC generation, to bring the available ERCs NSR bank above the proposed thresholds. As a result it would be unlikely that any ERCs would be available for use in the Rule 2202 program and this would have the same effect as prohibiting the use of ERCs. On this basis, it is recommended that no new ERCs be transferred into the Rule 2202 program. However, it should be noted that STERCs can continue to be used.

Annual Discounting of ERCs

Staff is proposing that ERCs remaining in the Rule 2202 program be discounted annually to establish a more level playing field for the various compliance options. This would keep other options more equitable since the ability to generate surplus reduction is declining since vehicle engines are getting cleaner each year. The annual discounting is to begin in the eighth year after the ERC was initially transferred into the rule program beginning January 1, 2015. The discounting in the eighth year establishes better parity between ERCs and STERCs. STERCs are issued as seven, one year allocations, and are then issued in their eighth year as a permanent ERC credit. This also allows credit vendors to recoup their prior investments.

Emission factors for the Rule are based on the California Air Resource Board's (CARB) EMFAC emission model. The emission model accounts for many different factors such as vehicle population changes, vehicle miles traveled, and vehicle fleet composition. The vehicle fleet has changed significantly due to the changes in tailpipe emissions and overall mile per gallon (mpg) improvements. As a result, emission factors for NO_x have decreased approximately 75% when comparing the 1996 and 2014 factors. Consequently, this has resulted in a decrease over time of emission reduction targets for

participating employers. The emission reduction targets for the program are show below in Table 3.

Table 3. Rule 2202 Emission Reduction Targets*

	2014	2020	2030
NO _x (lbs/day)	2,127	1,026	719
VOC (lbs/day)	2,135	1,282	958

*Based on the current number of active worksites as of April 2014

While the rule emission target has decreased, the ERC value has not. ERCs are issued as a permanent credit stream, meaning that every year the amount of emission credits does not change as shown above in Table 1. Available Emission Credits in Rule 2202.

When ERCs are transferred into Rule 2202 the amount of the emission credits does not change overtime except for the initial 10% discount. This is in contrast to how ERCs are handled within the stationary source program. Once ERCs are used, they are permanently removed from the market. Sources using ERCs are still subject to future best available retrofit control technologies (BARCT) requirements and when new ERCs are created, if applicable, the value is significantly lower than the original ERCs. As a result, in 2030 the existing ERCs in the program can constitute up to 39% and 64% total Rule 2202 reduction targets for VOC and NO_x respectively. To ensure other compliance options remain viable in comparison with ERCs, the proposed amendments will annually discount ERCs in the Rule 2202 program.

In order to implement an annual discount of ERCs, upon initiation of the ERC annual discount, the 10% originally discounted from ERCs when transferred into the program, as stated in the Terms and Conditions currently signed by each person requesting a transfer of ERCs into the Rule 2202 program, shown in Attachment A of this report, will be restored. Therefore, recently transferred ERCs will not be discounted immediately. For example an ERC transferred into Rule 2202 in 2013 will not begin to be discounted until 2020. The annual discount will be calculated at the beginning of the 2020 calendar year, using the change in the emission factor of pounds per year per daily commute vehicle as determined by the most recently EPA approved EMFAC emission model. Staff will publish the discounting percentages to assist emission credits users in planning for future use. The discounting percentages will be made available primarily through the SCAQMD web page.

Emission factors used to determine the emission reduction targets for the ERS and the AQIP programs are also used to determine the overall rule reduction target and the

emission reductions achieved by the program. The emission factors are derived using the outputs from a CARB on-road mobile source emission factor model (EMFAC) which has been approved by the EPA. The emission factors, pounds per year per daily commute vehicle, which is used in the program, will also be a component of the annual discount. Staff is further proposing that the ERCs currently held in the Rule 2202 program be permanently retired if the Rule is rescinded.

The annual discounting can be illustrated by the following two examples.

Example 1: An employer transferred an ERC of 100 lbs/day NOx into the Rule 2202 program in July 2000. When the ERC was transferred it was initially discounted 10% leaving 90 lbs/day available for use in the program. In this example, the seven years would have ended in calendar year 2006. Thus, the first year of the annual discount would occur January 1, 2015, the date discounting goes into effect. At that time the initial 10% will be restored.

The annual discount is determined by calculating the change from year to year in the emission factor of pounds per year per daily commute vehicle from the EMFAC emission model. In this example the first year of the annual discount would be calculated by comparing the emission factors for 2014 and 2015.

Example 1

NOx ERC Original value	Initial date of transfer	Amount transferred into Rule 2202	January 1 2015	Annual discount applied	
				January 1 2015	January 1 2016
100 lbs/day	July 2000	90 lbs/day	100 lbs /day	89.6 lbs /day	80.8 lbs /day
		Initial 10% discount	Initial 10% discount restored	First year of annual discount	Second year of annual discount

First year (2015) annual discount calculation:

$$89.6 \text{ lbs/day NOx } 2015 \text{ allocation} = 100 \text{ lbs/day} * \frac{3.36_{2015 \text{ NOx emission factor}}}{3.75_{2014 \text{ NOx emission factor}}}$$

Second year (2016) annual discount calculation:

$$80.8 \text{ lbs/day NOx } 2016 \text{ allocation} = \text{first year allocation} * \frac{3.03_{2016 \text{ NOx emission factor}}}{3.36_{2015 \text{ NOx emission factor}}}$$

Example 2: An employer transferred an ERC of 100 lbs/day NOx into the Rule 2202 program in July 2013. When the ERC was transferred it was initially discounted 10% leaving 90 lbs/day available for use in the program. In this example, the non-discount years will end in calendar year 2019. The first year of the annual discount will occur at the beginning of the year 2020 after the initial 10%

is restored. The first year of the annual discount would be calculated by comparing the emission factors for 2019 and 2020.

Example 2

NOx ERC Original value	Initial date of transfer	Amount transferred into Rule 2202	January 1 2020	Annual discounting	
				January 1 2020	January 1 2021
100 lbs/day	July 2013	90 lbs/day	100 lbs /day	93.4 lbs /day	88.3 lbs /day
		Initial 10% discount	Initial 10% discount restored	First year of annual discount	Second year of annual discount

First year (2020) annual discount calculation:

$$93.4 \text{ lbs/day NOx } 2020 \text{ allocation} = 100 \text{ lbs/day} * \frac{2.14_{2020 \text{ NOx emission factor}}}{2.29_{2019 \text{ NOx emission factor}}}$$

Second year (2021) annual discount calculation:

$$88.3 \text{ lbs/day NOx } 2021 \text{ allocation} = 93.4 \text{ lbs/day first year allocation} * \frac{2.02_{2021 \text{ NOx emission factor}}}{2.14_{2010 \text{ NOx emission factor}}}$$

Emission Reduction Credits (ERCs) Transfers

Staff proposed that ERCs that have been transferred into Rule 2202 are to be permanently retired if the rule is rescinded and ERCs that have transferred in the program cannot be transferred out and be allowed to reenter the NSR program. This condition has been included in the Terms and Conditions signed by person’s submitting ERCs for use in Rule 2202. However, staff considered allowing the transfer of ERCs out of the program if they have never been used to comply with any part of the Rule 2202 program. To allow the transfer out of Rule 2202, U.S. EPA approval is needed if the ERCs are to reenter the NSR program and potentially used by a permitted source. EPA recognizes that ERCs are a permanent continuous stream of credits and they are issued as such. Once the ERC credit stream is stopped or broken by their use, they are no longer considered to be a permanent continuous stream. Rule 2202 uses emission credits as discrete one year increments. Therefore, once an ERC has been transferred for use in Rule 2202 and the emission credit has been used to comply with a rule requirement it is no longer valid for use in any other program. Based on staff’s subsequent discussions with the U.S. EPA, if none of the original ERC certificate has been used in any discrete year to comply with any Rule 2202 requirements then none of the ERC certificate may be transferred out of the program. If this option is elected by the credit owner and these conditions are met, the amount of ERCs in pounds per day in the original certificate less the 10% discount will be reissued. This condition will provide additional program flexibility.

For example, the owner of an ERC Title of Certificate for 10 lbs/day of VOC transferred the entire certificate amount into the Rule 2202 program. When the ERC certificate is transferred the amount placed into the program is discounted 10% per the Terms and Conditions that is signed by each person requesting an ERC transfer (see Attachment A). As a result 9 lbs/day of VOC can be used in Rule 2202. Since Rule 2202 allows the use of annual allocation of all or part of that ERC to comply with the rule requirements the owner decides to use 2 lbs/day to comply with an emission reduction strategy. Consequently, the remaining unused 7 lbs/year then could not be transferred out of the Rule 2202 program because the original 10 lbs/day credit stream has been broken by its use and would no longer be considered a permanent continuous stream. On the other hand, if any amount of the entire 9 lbs/day of the certificate was never used for any Rule 2202 requirements or programs then the permanent continuous stream remains intact and could be transferred out. The amount of the ERC certificate to be issued in pounds per day will be based on the amount that was transferred into Rule 2202 minus the 10% originally discounted when the ERC was initially transferred into the program, as stated in the Terms and Conditions currently signed by each person requesting a transfer of ERCs into the Rule 2202 program. Accordingly, if the ERC in this example is transferred out, the amount of the reissued ERC certificate would be 9 lbs/day.

When a transfer is requested the appropriate written application must be submitted along with the applicable filing fees as specified in Rule 301. Once approved by the Executive Officer, the ERCs can reenter the NSR program and potentially be used by a permitted source. However, when the transferred ERC has reentered the NSR program it cannot be transferred back into the Rule 2202 program.

Short Term Emission Reduction Credits (STERCs)

STERCs will continue to be allowed to be transferred into the Rule 2202 program in accordance with the Rule Implementation Guidelines. STERCs, as currently issued, are ERCs that are issued in yearly increments for the first seven years, then in their eighth year are issued as a permanent credit, which is considered to be the same as an ERC. The eighth year or permanent credit of the STERC has also been referred to as a “long-term credit,” which has been used as a “short-hand” descriptor for the permanent credit as described in subparagraph (f)(1)(C) in Rule 1309 – Emission Reduction Credits and Short Term Credits. Since the permanent credit is the functional equivalent to an ERC, it cannot be transferred into the Rule 2202 program under the staff proposal. Staff is proposing to amend the definition of ERCs in the rule to address the prohibition of the permanent credit in the Rule 2202 program.

Staff is proposing to incorporate into the Implementation Guidelines additional guidance for the transfer and use of STERCs in the Rule 2202 program. The proposed amendments to the Implementation Guidelines are discussed below.

Other Rule 2202 Amendments

There are a number of rule sections that are no longer applicable due to sunset of calendar dates cited. The section referencing the use of Reclaim Trading Credits (RTCs) that were generated in accordance with pilot credit generation programs in Regulation XVI - Mobile Source Offset Programs is proposed to be removed. For an applicant to receive emission credits from the pilot credit generation programs they should have acquired the appropriate equipment or submitted an application prior to January 1, 2004 per the rule requirements. The emission credits that would have been issued by the pilot credit generation rule would have only been valid for no more than two years. The application dates sunset the pilot credit generation programs and consequently, they are no longer available for credit generation. Since the reference to RTCs is being removed, the proposed rule includes language that explicitly prohibits the use of RTCs in the Rule 2202 program.

The Shortfall Penalty paragraph of the rule is also proposed to be removed. This paragraph was included to address the potential shortfall resulting from credits issued prospectively in pilot credit generation programs. Since the pilot credit generation programs have sunset, this provision is no longer applicable.

Additionally, the paragraph referencing triennial plan submittals is proposed to be removed. The section was included in the 2004 rule amendments to transition compliance plan submittals from a triennial to annual submittal cycle. This transition was only needed for a four year period after the 2004 rule amendments. Since that time all worksites have transitioned to the annual plan submittal cycle.

B. Proposed Amendments to Rule 2202 Implementation Guidelines

Proposed amendments to the Guidelines are intended to provide clarification on how emission credits are transferred and banked in the Rule 2202 program. These amendments also consist of the inclusion of language from previously issued policy memos which as a result of these amendments will supersede all previous Rule 2202 related policy documents for the use of ERCs and STERCs in this program.

Emission Reduction Credits

The amendments to the Guidelines specifically include references to the proposed rule amendments as well as the current policies and practices that are applied to ERC use in Rule 2202.

Included in the Implementation Guidelines is language reiterating that ERCs can no longer be transferred into the Rule 2202 program. Also, ERCs that are currently in the program cannot be transferred out of the Rule 2202 program, unless none of the ERC certificate has been used in any discrete year to comply with any program requirements. ERCs that are in the program can continue to be used for complying with the rule and as an emission credit source for the AQIP.

Staff is proposing to include existing practice for the conversion of ERCs, which are issued in pounds per day, to the Rule 2202 pounds per year. The conversion can be made by multiplying the pound per day by the number of operating days that was used in the original ERC evaluations. If the original number of operating days is unknown, a default value of 260 days per year will be used for the conversion to pounds per year.

Additionally, language is added to clarify the annual allocation of ERCs. ERCs are allocated for use based on calendar years. Any unused annual allocation cannot be banked or rolled-over for use in future years. For example if 100 lbs/year of NOx is being held in the Rule 2202 program and 90 lbs/year was consumed for compliance purposes in 2014, the remaining 10 lbs/year can only be used for 2014 compliance purposes. The remaining unused amount cannot be used for 2015 or beyond.

Short Term Emission Reduction Credits

Staff is proposing to clarify in the Implementation Guidelines that STERCs will continue to be allowed to be transferred into the Rule 2202 program. The proposed amendments will also incorporate current policies. STERCs are a portion of ERCs issued in yearly increments for seven years, and then in their eighth year are issued as a permanent credit. Only the STERC portion of the emission credit can be used in the Rule 2202 program. The eighth year or permanent credit, as described in paragraph (f)(1)(C) in Rule 1309 – Emission Reduction Credits and Short Term Credits, cannot be used in the Rule 2202 program. Language was also included to specify the pound per day to pound per year conversion. The methodology for this conversion is the same as used for ERCs.

In order to maintain the availability of ERCs for NSR purposes ~~integrity of the NSR bank~~, staff's proposed language clarifies the steps ~~STERCs~~ necessary to transfer STERCs into the Rule 2202 program. Staff is proposing that any person wishing to transfer STERCs must submit an application with the appropriate filing fee to request the transfer in order to provide for a thorough review and to prevent any potential double-counting. When an application has been approved, the STERC Certificate of Title will be cancelled and the cancellation recorded in the NSR Register of Title.

Administrative AmendmentsEmission factor updates

The emission factors in Rule 2202 are used to determine emission reduction targets for the ERS and the AQIP programs. These factors are also used to determine the overall rule reduction target and the emission reductions achieved by the program.

Rule 2202 emission factors are derived using the outputs from the EPA approved EMFAC model. The methodology to derive these emission factors has been extensively described in previous staff reports (see the appendices to the February 2004 Rule 2202 staff report). At its February 2004 meeting, the Governing Board approved staff to update the emission factors when newer versions of EMFAC are approved by the EPA. However, any amendments or changes to the guidelines require Board approval. The guideline approval process and the directive to staff to update the factors automatically upon EPA approval appear to be in conflict. Staff is therefore proposing that the emission factors be removed from the Guidelines to facilitate timely updates of the emission factors. Staff will update the emission factors within 30 days of the EPA's approval of the EMFAC model. The emission factors will be made available primarily through the SCAQMD web page. Staff will also notify participating employers and interested parties of the updated emission factors availability.

Change of Status

also

Staff is proposing the addition of language to address current practice for a change of employer status. This applies to an employer who becomes exempt from rule requirements during their compliance year after having received a provisional compliance letter. For example, An employer can become exempt due to closure of the worksite or changes in the number of employees. Also, Change in the number of employees can result in an exemption if the worksite employee count falls below the rule applicability threshold of 250 employees per worksite. Employers, who are submitting a compliance plan that requires the surrender of emission credits, are required to surrender the credits within 180 days to satisfy the requirements of the rule. An employer who has become exempt may request, prior to surrendering emission credits, a proration of the required amount to be surrendered based on the number of actual operating days that the worksite was subject to the rule. The proration must occur prior to the actual surrender of emission credits.

Employers who have already surrendered their required emission credits are not eligible for the proration. When emission credits are surrendered they are retired and are no longer available for use in any SCAQMD program.

Employers who participate in the Air Quality Investment Program (AQIP) are not eligible for the proration because the investment funds are submitted when the compliance plan is submitted. Once the funds are placed into the AQIP fund they are committed to achieving that program's emission reduction target.

Update Language

References to the Reclaim Trading Credits (RTCs) were removed because the emission credits that were to be used as the basis for RTC use in Rule 2202 are no longer applicable. Existing language required emission credits from applications submitted prior to February 2004. This section referenced pilot generation rules found in Regulation XVI with sunset dates of January 2004. Emission credits that may have been issued in accordance with the requirements of the pilot generation rules have expired and are no longer available for use. Additionally, references to pilot generation credit program rules have also been removed for similar reasons.

C. Proposed Amendments to Rule 301 – Permitting and Associated Fees

Staff is proposing to clarify in the Implementation Guidelines that STERCs will continue to be allowed to be transferred into the Rule 2202 program. In order to maintain the integrity of the NSR bank, proposed language clarifies the steps to transfer STERCs into the Rule 2202 program. Staff is proposing that any person wishing to transfer STERCs must submit an application for each individual Certificate of Title, with the applicable filing fee to request the transfer into Rule 2202 to track the use of STERCs. Tracking of these STERCs will prevent any potential double-counting. When the application has been approved, the original STERC Certificate of Title shall be cancelled and the cancellation recorded in the NSR Register of Title.

Staff is also proposing that the original ERC certificate that has never been used in any discrete year to comply with any Rule 2202 requirements since their initial transfer may be transferred out of the program as described in previous sections. The transfer of ERCs and reentry into the NSR program will require similar steps as the transfer of STERCs into the program. As such the staff time will be the same.

The transfer fee will cover staff time to permanently retire the STERCs and remove it from the NSR Register of Title, as well as the processing time to transfer into the Rule 2202 database. The same transfer fee will also cover the transfer of ERCs and reentry into the NSR program. Based on a cost analysis of the time to complete STERC transfers from the NSR ~~bank~~ program to the Rule 2202 database staff is proposing a \$230.00 fee for each certificate transfer application and for each ERC certificate to be transferred out of the Rule 2202 program.

D. Proposed Amendments to Rule 311 – Air Quality Investment Program (AQIP) Fees

The Air Quality Investment Program (AQIP) is one of the compliance options available to employers where they may choose to participate by submitting an air quality investment fee that is placed in a restricted fund. These funds are used for projects that will result in emission reductions to offset the equivalent emissions of employee commutes. The AQIP specifically addresses employees commuting during the peak commute window of 6:00 a.m. to 10:00 a.m. Currently employers choosing the AQIP are required to invest \$60 per peak window employee annually or \$125 per employee triennially.

The AQIP requirements have not changed since Rule 2202 was adopted in December 1995. Since that time the emission reduction targets, based on EMFAC, have significantly decreased due to the overall vehicle fleet emissions becoming cleaner. The emission model accounts for many different factors such as population changes, vehicle miles traveled, and the vehicle fleet composition. The vehicle fleet has changed significantly due to the changes in tailpipe emissions and overall mile per gallon (mpg) improvements. As a result, emission factors for NO_x have decreased approximately 75% when comparing the 1996 and 2014 factors. Consequently, AQIP emission reduction compliance targets have decreased.

The decreasing emission target along with an unchanged dollar amount resulted in the AQIP program being able to achieve reductions exceeding the required compliance targets. The AQIP fee amount also has the effect of setting a price ceiling for the cost of other emission credits in the Rule 2202 program. The relative cost of the AQIP to other emission strategy programs could be considered artificially high which potentially may impact employers by strongly influencing their compliance options.

The cost analysis included the current employer participation level, the future emission reduction targets and the cost per pound of the most recently fully funded AQIP projects to determine the pricing structure that would set the AQIP on level with other emission reduction programs.

An assumption used in determining the revised AQIP fee was that the 2013 employee participation would remain the same. Different dollar per employee amounts were used to determine the total amount of fund dollars that would be available for emission reduction projects. The dollar amounts considered were \$50, \$45 and \$40 per employee. Based on the Rule emission factors, the program's emission reduction targets for future years were also determined.

The next step was to determine the cost per pound of emissions. This was calculated by reviewing the most recently funded AQIP projects for cost and emission reductions

achieved for each. The resulting cost was adjusted upward to account for potential future increases in project funding. Since the AQIP funds the most cost effective projects and projects are selected based on a competitive bid process it is possible to determine a reasonable estimate of the market value of the emission credits. Staff then evaluated the different cost per employee amounts by determining if the amount collect at each dollar level would be sufficient to purchase enough emission reduction credits to meet the required AQIP emission targets.

Accordingly, staff is proposing an adjustment of the annual AQIP cost to \$45 per peak window employee. The proposed cost would align this program with the cost of other emission reduction programs. As a result, the AQIP would be a more viable compliance option, affording additional compliance flexibility for employers.

IMPACT ASSESSMENT

A. Affected Facilities

There are approximately 1,336 worksites that are subject to Rule 2202, which represents over 1.17 million worksite employees throughout the region that are affected by Rule 2202. The worksites are not concentrated in any particular business or industry. These worksites have the option of participating in two types of programs: the ERS or AQIP. Employers may choose to implement an ECRP as an exemption rather than comply with the rule options. Within the Rule 2202 worksite population, participation in the ERS, ECRP, and AQIP is approximately 45%, 50%, and 5% respectively. For the emission reduction strategy, the requirement is to achieve emission reductions for that worksite, which is determined by the number of employees reporting to work during the peak commute window time period of 6:00 a.m. to 10:00 a.m., and the employee emission reduction factor compliance zone. Under the AQIP, worksites pay a fixed amount per employee reporting to work during the peak commute window time period to a restricted fund that is used to purchase emission credits or fund projects that achieve an equivalent amount of mobile source emission reductions. Employers participating in the AQIP will not be adversely affected by the proposed amendments because the proposed AQIP fees are reduced.

The proposed amendment to the rule and guidelines may affect employers implementing an ERS. The proposed amendments will not result in an increase in the employee emission reduction targets. Employers always have the option of switching between the different rule options. However, the choice between AQIP and an emission reduction strategy would be determined by their relative cost. If ERS was chosen, the total cost will be determined by market cost, which depends on credit availability and may be limited by competition with the AQIP program. The resulting effects of the AQIP fee amendments on the emission market or to the employers cannot be predicted, however, if the AQIP is chosen, it could represent a cost-savings to employers. It is anticipated that

some employers may transition to AQIP if the emission credit market is deemed more expensive than AQIP. In general the emission reduction credits are often market priced to be competitive with the costs of the AQIP. The proposal will afford employers additional flexibility in complying with Rule 2202 requirements.

B. Rule Adoption Relative to the Cost Effectiveness Schedule

On October 14, 1994, the Governing Board adopted a resolution requiring staff to consider rules being proposed for adoption in order of cost-effectiveness. The Air Quality Management Plan (AQMP) ranked, in order of cost-effectiveness, all of the proposed control measures for which costs were quantified, with the most cost-effective measures to be considered first. Since Proposed Amended Rule 2202 is not an AQMP control measure, consideration in order of cost-effectiveness is not required.

Cost Effectiveness Analysis

Cost-effectiveness is defined as the cost to comply with the new regulatory requirements, expressed in terms of dollars per ton of pollutant reduced. The California Health and Safety Code §40703 requires a determination of cost effectiveness. There is no change in emission targets such that further reductions attributable to the proposed amendments are expected. Furthermore, the proposed amendments are not expected to increase overall compliance cost due to the prohibition of new ERC transfers or the annual discount of existing ERCs, since other compliance options are available and the lowering of the AQIP cost from \$60 to \$45 per window employee will directly benefit participating employers and indirectly ERS participants. This is because the AQIP price sets the ceiling for all credit prices. In summary the cost effectiveness estimate is applicable for this proposal. See the Socioeconomic Assessment for a more detailed discussion on the cost impact of Rule 2202.

INCREMENTAL COST EFFECTIVENESS

Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for the proposed amendments. Incremental cost effectiveness is defined as the difference in control costs divided by the difference in emission reductions between two potential control options that can achieve the same emission reduction goal of a regulation. A more stringent control option would be to require the current Rule worksites to reduce emissions equivalent to the trips that should have occurred if all of the worksites were required to meet the AVR performance requirement. Worksites failing to meet their AVR requirement would be required to surrender emission reduction credits equivalent to the difference of their current AVR and the Performance Zone AVR.

LEGISLATIVE AUTHORITY

The California Legislature created the SCAQMD in 1977 (The Lewis-Presley Air Quality Management Act, Health and Safety Code Section 40400 et seq.) as the agency responsible for developing and enforcing air pollution control rules and regulations in the South Coast Air Basin (Basin). By statute, the SCAQMD is required to adopt an Air Quality Management Plan (AQMP) demonstrating compliance with all state and federal ambient air quality standards for the Basin [California Health and Safety Code Section 40460(a)]. Furthermore, the SCAQMD must adopt rules and regulations that carry out the AQMP [California Health and Safety Code Section 40440(a)]. The emission reductions from Rule 2202 are included in the AQMP and contribute to demonstrating compliance with state and federal ambient air quality standards. As such, the proposed Rule 2202 amendments will be consistent with the methodologies used in the AQMP.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ANALYSIS

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD has prepared the appropriate CEQA document to analyze any potential adverse environmental impacts associated with Proposed Amended Rule 2202, Proposed Amended Rule 2202 Implementation Guidelines, Proposed Amended Rule 301, and Proposed Amended Rule 311 and is attached.

COMPARATIVE ANALYSIS

Health and Safety Code section 40727.2 requires a comparison of the proposed amended rule with existing regulations imposed on the same equipment. There are no federal air pollution regulations that affect this type of operations.

DRAFT FINDINGS UNDER THE CALIFORNIA HEALTH AND SAFETY CODE

Before adopting, amending, or repealing a rule, the California Health and Safety Code requires the SCAQMD to adopt written findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined in Section 40727. The draft findings are as follows:

Necessity - The SCAQMD Governing Board has determined that a need exists to amend Rule 2202 – On-Road Motor Vehicle Mitigation Options in order to be consistent with current State and SCAQMD emission reductions estimates and to increase the effectiveness of the program.

Authority - The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from the California Health and Safety Code Sections 40000, 40001, 40440, 40441, 40463, 40702, and 40725 through 40728.

Clarity - The SCAQMD Governing Board has determined that the proposed amendment to Rule 2202 is written or displayed so that its meaning can be easily understood by persons directly affected by it.

Consistency - The SCAQMD Governing Board has determined that Proposed Amended Rule 2202 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

Non-Duplication - The SCAQMD Governing Board has determined that the proposed amendment to Rule 2202 does not impose the same requirements as any existing state or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD.

Reference - In adopting this regulation, the SCAQMD Governing Board references the following statutes which the SCAQMD hereby implements, interprets or makes specific: California Health and Safety Code Sections 40001, 40440(a), 40440(c), and the Federal Clean Air Act Section 182(d)(1)(B) (equivalent emission reduction for AVR requirements).

PUBLIC COMMENTS AND RESPONSES

This section summarizes the responses to comments received following the Stakeholder Working Group Meetings on April 3rd and 16th, 2014; and the Public Consultation Meeting held on April 24, 2014.

1. Comment

Continue to allow the transfer of ERCs into the Rule 2202 program.

Response

Staff did consider alternatives such as the limitation of ERC transfers, as discussed in the staff report, to an amount above a minimum threshold amount to ensure the availability of ERCs for NSR use ~~integrity of the NSR bank~~. However, analysis resulted in the minimum threshold needed to be set at a level that it was unlikely that ERCs would be available for use in Rule 2202. Therefore, staff is proposing that the transfer of ERCs be prohibited.

2. Comment

The ERCs currently in the Rule 2202 program should not be discounted.

Response

The continued use of undiscounted ERCs has the potential to reduce the viability of other emission credits sources such as those from mobile source projects. ERCs are primarily

intended for use by stationary sources. However, the annual discounting is proposed to begin in the eighth year to address investments made in the ERCs.

3. Comment

Staff needs to re-evaluate the proposed STERC transfer administrative process and cost.

Response

Staff has evaluated the STERC administrative fee for the transfer into the Rule 2202 program. Staff is now proposing amendments to Rule 301 – Permitting and Associated Fees to add a reduced fee for the transfer and permanent retirement of STERCs into Rule 2202.

4. Comment

Request that the triennial fee option for the AQIP be retained.

Response

Staff agrees that there could be an impact for some employers and is proposing to retain the triennial AQIP fee.

5. Comment

Request additional MSERC protocols for private parties use to create tradable credits for use within the Rule 2202 program.

Response

Staff is in the process of evaluating additional protocols and plans to submit them to the Mobile Source Committee in the next couple of months.

6. Comment

The proposed language in the rule that explicitly states ERCs are permanently retired if the rule is rescinded should be removed. ERCs should be restored to NSR use banks if the rule is rescinded.

Response

The request to reissue ERCs after being used in the Rule 2202 program is not currently authorized by the rule. US EPA approval will be needed if the ERCs are to reenter the NSR program and potentially used by a permitted source. ~~Staff is consulting with the US EPA on this matter.~~ Based on staff's subsequent discussions with the U.S. EPA, if none of the ERC certificate has not been used in any discrete year to comply with any Rule 2202 requirements then the original ERC certificate may be transferred out of the program at any time upon approval of the Executive Officer. If this condition is met, the ERC certificate will be reissued in lbs/day based on the amount that was transferred minus the 10% originally discounted when it was initially transferred into the program.

7. Comment

Requested clarification if the annual discounting applies to all ERCs or only to those in the Rule 2202 program.

Response

The annual discounting of ERCs applies only to those ERCs that have been transferred into the Rule 2202 program.

8. Comment

Worksites exceeding their worksite Average Vehicle Ridership (AVR) should be able to bank and trade the excess AVR to other parties.

Response

AVR is calculated based on a one week survey of the worksite. Therefore, the use of excess AVR will not meet the credit certification requirements: real, surplus, quantifiable, and enforceable emission reduction credits. However, staff will explore additional incentives that could be used for those worksites exceeding an AVR target as part of the ECRP Guidelines review later this year.

9. Comment

Staff should consider ways to reduce ECRP through the elimination of certain program requirements.

Response

While the ECRP Guidelines are not being addressed at this time, staff will initiate discussion later this year to review potential program simplifications.

Attachment A – Terms and Conditions

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION PROGRAMS
ERC TRANSFER TERMS AND CONDITIONS

CERTIFICATE #: _____

THE UNDERSIGNED AGREES TO THE FOREGOING:

1. I ACKNOWLEDGE AND UNDERSTAND THAT ERCs CAN VOLUNTARILY BE TRANSFERRED INTO THE RULE 2202 PROGRAM BY SURRENDERING THE ORIGINAL CERTIFICATE OF TITLE TO THE DISTRICT.
2. I ACKNOWLEDGE AND UNDERSTAND THAT ONCE ERCs ARE DEPOSITED INTO A RULE 2202 BROKER ACCOUNT, THESE CREDITS CANNOT BE TRANSFERRED OUT OR USED UNDER ANY OTHER RULE OR PROGRAM, BUT EXCLUSIVELY IN THE RULE 2202 PROGRAM.
3. I ACKNOWLEDGE AND UNDERSTAND THAT ERCs TRANSFERRED INTO THE RULE 2202 PROGRAM ARE SUBJECT TO A 10% DISCOUNT.
4. I ACKNOWLEDGE AND UNDERSTAND THAT AN ERC CERTIFICATE OF TITLE MAY BE SPLIT INTO MULTIPLE CERTIFICATES USING EXISTING PROCEDURES. PARTIAL AMOUNTS OF AN ERC CERTIFICATE CANNOT BE TRANSFERRED INTO THE RULE 2202 PROGRAM. A CERTIFICATE MUST BE SURRENDERED IN FULL. NO PARTIAL, LEASED, OR TIME-LIMITED EMISSION STREAMS ARE ALLOWED INTO THE RULE 2202 PROGRAM.
5. I ACKNOWLEDGE AND UNDERSTAND THAT THE DISTRICT RESERVES THE RIGHT TO RESCIND RULE 2202. IF RULE 2202 IS RESCINDED, THE ERCs WILL BE PERMANENTLY RETIRED TO BENEFIT THE ENVIRONMENT.

SIGNATURE: _____ DATE: _____

PRINT NAME: _____

TITLE: _____

REPRESENTING: _____

For District Use Only

RECEIVED BY: _____ DATE: _____

January 7, 2011

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FINAL Socioeconomic Assessment for Proposed Amended Rule 2202-On-Road Motor Vehicle Mitigation Options Proposed Amended Rule 301-Permitting and Associated Fees Proposed Amended Rule 311-Air Quality Investment Program Fees

June 2014

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Mayor, Santa Ana
Cities of Orange County

EXECUTIVE OFFICER: BARRY R. WALLERSTEIN, D.Env.

EXECUTIVE SUMMARY

Rule 2202 - On Road Motor Vehicle Mitigation Options, obtains mobile source emissions reductions of VOC, NOx, and CO and is applicable to worksites with 250 or more employees in the SCAQMD’s four-county jurisdiction. To meet its annual emission reduction target (ERT), a worksite has the following options: it may use an Emission Reduction Strategy (ERS) by surrendering emission credits including Mobile Source Emission Reduction Credits (MSERCs), Area Source Credits (ASCs), Emission Reduction Credits (ERCs), and Short Term Emission Reduction Credits (STERC), or it may pay an Air Quality Investment Program (AQIP) fee per peak window employee who reports to work during the time period of 6:00 a.m. to 10:00 a.m. Alternatively, a worksite may implement an Employee Commute Reduction Program (ECRP, also known as a “rideshare program”) as an exemption from compliance with the rule options.

The associated fees to comply with Rule 2202 are specified in Rule 301- Permitting and Associated Fees, which sets the fee rates to process ERCs and STERCs. Rule 308 - On Road Motor Vehicle Mitigation Options Fees sets the fee rates to process Annual Registrations and ECRPs. Rule 311 - Air Quality Investment Program Fees sets the fee rates for AQIP options.

A socioeconomic analysis was conducted to assess the impacts of Proposed Amended Rules (PARs) 2202, 301, and 311. A summary of the analysis and findings is presented below.

<p>Elements of the Proposed Rule Amendments</p>	<p>PAR 2202 would disallow any new transfer of ERCs (NOx, VOC, CO) into Rule 2202. This is to address a significant concern regarding the future availability of ERCs for use by stationary sources. Moreover, to create a level playing field and maintain the viability of other compliance programs, it would annually discount the existing ERCs in the Rule 2202 Program based on the latest emission reductions according to the EMFAC model to reflect fleet turnover and adopted vehicle standards.</p> <p>PAR 301 would add a new fee line item, Fees for Retirement of STERCs for <u>Permanent Transfer into Rule 2202 and for ERCs Transferred Out of Rule 2202</u>, at \$230. This new fee would be in lieu of the fee for a New Source Review Certificate of Title Change (\$643) plus the fee for administering Rule 2202 credit transfer transactions (\$79) that are to be paid to process STERCs transferred into Rule 2202 <u>and ERCs transferred out of Rule 2202</u>.</p> <p>PAR 311 would lower the per peak window employee fee to \$45 for AQIP participants. The current fee rate of \$60 has not been amended since the rule was adopted in 1995, and the amount of fees previously collected has achieved emission reductions exceeding the AQIP reduction obligations.</p>
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<p>Affected Facilities</p>	<p>The proposed amendments would potentially affect all active facilities in Rule 2202. As of April 29, 2014, there were 1,336 active worksites distributed across all types of industries. 40 percent of them, while meeting the threshold for applicability, had 250 or fewer employees reporting to work during the peak commute window time period of 6:00 a.m. to 10:00 a.m. Such worksites constituted the majority of AQIP participants. Overall, 5 percent of the active worksites paid AQIP fees, 45 percent adopted an ERS, and the remaining 50 percent implemented an ECRP. According to the latest Dun and Bradstreet data, 130 worksites are classified as small businesses pursuant to the Small Business Administration’s definitions (which vary by six-digit North American Industrial Classification System codes).</p>
<p>Assumption of Analysis</p>	<p>It is assumed that a worksite would choose the most cost-effective compliance program.</p>
<p>Compliance Costs and Other Potential Impacts</p>	<p>For ECRP worksites, no changes are expected from the current level of compliance costs. Any potential change in the choice of compliance program is expected to be a shift towards a less costly option and thus reflects a cost saving.</p> <p>For ERS worksites, no increases are expected from the current level of compliance costs. PAR 2202 would gradually reduce the future inventory of ERCs currently in the Rule 2202 emission credit market due to the proposed annual discount. However, the ERTs are also declining annually due to reductions in annual vehicle emission rates. As a result, PAR 2202 by itself is not expected to lead to an increase in emission credit prices. Moreover, PAR 311 would lower the AQIP fee rate, thus resetting the implicit price ceiling for emission credits to \$45 per peak window employee, down from the current rate of \$60. This cap on credit price could potentially benefit the ERS worksites by limiting the scale of any future price upswing due to market factors.</p> <p>For AQIP worksites, the proposed reduced fee rate of \$45 per peak window employee would result in a combined cost saving of \$48,930 per year for those who are currently choosing the annual plan submittal option. This cost saving would mostly accrue to smaller worksites, particularly those who have met the threshold for rule applicability but have 250 or fewer peak window employees. Although no change in compliance cost is expected for those AQIP worksites participating in the triennial plan submittal option, additional cost saving may occur if they report additional peak window employees during the second and third year registrations. The reduction in compliance cost would be \$15 per additional peak window employee.</p> <p>Finally, while annually discounting ERCs would lead to a gradually</p>

	<p>reduced amount of ERCs held by credit vendors, the final impact may not necessarily be adverse due to the actual price of emission credits at the time of sale or lease. Meanwhile, PAR 2202 also includes the provision that no ERC discount would occur during the first seven years following the transfer into Rule 2202, thus allowing time for expenses to be recouped. Furthermore, the SCAQMD credit transfer processes have been streamlined resulting in lower costs to credit holders. A new \$230 PAR 301 fee would consolidate and reduce administrative costs for the purchase of STERCs directly transferred into Rule 2202.</p>
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INTRODUCTION

Rule 2202 - On Road Motor Vehicle Mitigation Options, obtains mobile source emissions reductions of VOC, NO_x, and CO through a variety of compliance strategies. The rule is applicable to worksites with 250 or more employees in SCAQMD's four-county jurisdiction. A worksite is required to achieve an annual emission reduction target (ERT) that is determined by the number of employees reporting to work during the peak commute window time period of 6:00 a.m. to 10:00 a.m., and the average vehicle ridership (AVR) target that varies with the compliance zone that worksite belongs to.

As of April 29, 2014, there were 1,336 active worksites in the Rule 2202 program. Among them, 45 percent utilized Emission Reduction Strategies (ERS) by surrendering Mobile Source Emission Reduction Credits (MSERCs) or stationary source credits such as Emission Reduction Credits (ERCs) and Short-Term Emission Reduction Credits (STERCs).¹ Another five percent contributed to the Air Quality Investment Program (AQIP) by paying fee rates specified in Rule 311.² The remaining 50 percent implemented an Employee Commute Reduction Program (ECRP, also known as a "rideshare program") as an exemption from compliance with the rule options.³

The SCAQMD Governing Board approved, in January 2014, a moratorium on NO_x ERCs in Rule 2202. Due to a significant concern regarding the future availability of ERCs for use by stationary sources, the Proposed Amended Rule (PAR) 2202 would further limit the use of ERCs in Rule 2202. Specifically, the proposed amendments would:

- Disallow any new transfer of ERCs⁴ (NO_x, VOC, CO) into Rule 2202, effective on and after rule date of adoption.
- Annually discount the ERCs that have been transferred into Rule 2202 prior to the date of adoption. The purpose of this amendment is to create a level playing field and maintain the viability of other compliance programs. To reflect fleet turnover and adopted rules, the annual discounting would be based on the latest Emission Factors (EMFAC) model developed by the California Air Resources Board (CARB). This amendment would be effective from January 1, 2015. For the ERCs that were transferred into Rule 2202 in 2009 or later, the annual discount would begin on January 1 of the eighth calendar year following the transfer.⁵

¹ MSERCs, especially those generated from old vehicle scrapping, are the major source of credits used in Rule 2202. As of January 28, 2014, 48 percent of NO_x, 91 percent of CO, and 59 percent of VOC credits used in Rule 2202 were originated from Rule 1610 (Old Vehicle Scrapping). Other MSERCs originated from Rules 1612 (Credits for Clean On-Road Vehicles) and 1620 (Credits for Clean Off-Road Mobile Equipment) accounted for 20 percent of NO_x, 6 percent of CO, and none of the VOC credits used in Rule 2202.

² The AQIP fees are paid to a restricted fund that is used to purchase emission credits or fund projects that achieve an equivalent amount of mobile source emission reductions.

³ For the ECRP, the goal is to achieve an average vehicle ridership (AVR) of 1.75, 1.5, or 1.3 for compliance zones 1, 2 and 3 respectively.

⁴ ERCs are formally defined in Rule 1302 (l) and includes the permanent credit issued under Rule 1309 (f)(1).

⁵ See the Staff Report for details of annual ERC discounting.

Notwithstanding these proposed amendments, the use of STERCs in Rule 2202 would remain as a compliance option. Currently, the fee to process a New Source Review Certificate of Title Change is \$643, and the fee charged to administer Rule 2202 credit transfer transactions is \$79. The SCAQMD credit transfer processes have been streamlined resulting in lower costs to credit holders. Therefore, staff proposed amendments to Rule 301 that would:

- Create a new fee line item, Fees for Retirement of STERCs for ~~Permanent~~-Transfer into Rule 2202 and the Transfer of ERCs out of Rule 2202, and set the fee rate at \$230. This proposed amendment would be effective July 1, 2014.

Emissions from mobile sources have declined over time, resulting in a reduction in EMFAC model factors. However, the AQIP fee charged to capture reductions has remained the same, causing AQIP to become a relatively less cost-effective compliance option. As a result, the number of AQIP worksites has decreased to 65 as of April 29, 2014, from 287 in December, 2002. To reflect the emission reductions that have occurred since the current fee rate was adopted in 1995 as well as the fact that the amount of fees collected has achieved emission reductions exceeding the reduction obligations, staff also proposes amendments to Rule 311. They would:

- Lower the peak window employee fee to \$45, from the current rate of \$60, effectively from July 1, 2014. The modified rate is applicable to the worksites that chose the annual plan submittal option. For the worksites that chose the triennial plan submittal option of \$125 per peak window employee, the modified rate is applicable to any additional peak window employee fee charges for the second and third year registrations.

LEGISLATIVE MANDATES

The SCAQMD is required to undertake socioeconomic analyses by Health & Safety Code (H&SC) Sections 40440.8(a) and (b) for proposed rules and rule amendments that "*will significantly affect air quality or emissions limitations.*" While the proposed amendments to Rules 2202, 301, and 311 may, to a certain degree, impact the employer's choice of compliance strategies and the associated compliance costs, it would not in any case alter the emission reduction targets. Consequently, the proposed amendments would produce little impact on air quality or emission limitations and do not satisfy the criterion stated in H&SC Sections 40440.8(a) and (b). Therefore, the analysis herein is presented for informational purposes only.

AFFECTED FACILITIES

The proposed amendments to Rules 2202, 301, and 311 would potentially affect all worksites with 250 or more employees in SCAQMD's four-county jurisdiction. As of April 29, 2014, the number of active worksites totaled 1,336. They employed over 1.17 million individuals, representing roughly 15 percent of the total four-county employment.⁶ As indicated in Table 1, these facilities belonged to ~~all~~ most types of

⁶ According to California Employment Development Department, the combined level of employment in March, 2014 was 7.73 million for the counties of Los Angeles, Orange, San Bernardino, and Riverside.

industries categorized in the North American Industry Classification System (NAICS). Among them, more than one third belonged to the Services industry (35 percent), followed by Retail Trade (16 percent), Manufacturing (15 percent), and Public Administration (11 percent) industries. In addition to the active worksites, it is expected that a total of four active credit vendors who brokered ERCs in the Rule 2202 program would also be affected. They belonged to the industry of Securities, Commodity Contracts, and Other Financial Investments and Related Activities (NAICS: 523).

Table 1: Affected Worksites by Industry*

Industry	NAICS	Number of Facilities	Share
Services	54-81	465	(35%)
Retail Trade	44-45	219	(16%)
Manufacturing	31-33	199	(15%)
Public Administration	92	145	(11%)
Finance and Insurance	52	84	(6%)
Transportation & Warehousing	48-49	68	(5%)
Information	51	53	(4%)
Wholesale Trade	42	47	(4%)
Utilities	22	21	(2%)
Real Estate and Rental Leasing	53	16	(1%)
Construction	23	9	(1%)
Unclassified**		10	(1%)
Total		1,336	(100%)

* Active worksites as of April 29, 2014.

** Worksites with no NAICS codes.

Table 2 shows that, among all active worksites that met the threshold for applicability, 40 percent consisted of generally smaller employers that met rule threshold applicably but had 250 or fewer peak window employees. Unlike the larger worksites, the smaller worksites rely less on ECRP as an exemption from rule compliance but more on ERS by purchasing or leasing emission credits. This may be due to the fixed overhead costs of running an ECRP, which render it more economical for larger employers who incur a lower average cost per participating employee. Indeed, less than half of the smaller worksites implemented an ECRP while more than half opted for ERS or AQIP.

Table 2: Affected Worksites by Compliance Program and Number of Peak Window Employees*

Peak Window Employees	Compliance Program			All	
	ECRP ¹	ERS ²	AQIP ³		
<= 250	223	259	52	534	(40%)
251-500	229	183	12	424	(32%)
501-750	89	71	1	161	(12%)
751-1000	43	27	-	70	(5%)
> 1000	83	64	-	147	(11%)
All	667	604	65	1,336	
	(50%)	(45%)	(5%)		

* Active worksites as of April 29, 2014.

1) ECRP: Employee Commute Reduction Program

2) ERS: Emission Reduction Strategies, the use of credits including ERCs, STERCs, Area Source Credits, as well as MSERCs issued under Rules

- 1610 (Old-Vehicle Scrapping), 1612 (Credits for Clean On-Road Vehicles), and 1620 (Credits for Clean Off-Road Mobile Equipment)
- 3) AQIP: Air Quality Investment Program

It is also observed that the majority of AQIP worksites tended to be smaller. Even among the smaller worksites, the average number of peak window employees was only 73 for those choosing to pay AQIP fees, in contrast to 177 and 138 for those opting for ECRP and ERS respectively. This may indicate that the pricing strategy in the emission credit market favors larger worksites with a greater annual demand, and therefore, the smallest worksites would still find AQIP a more affordable option.

Small Businesses

The SCAQMD defines a "small business" in Rule 102 for purposes of fees as one which employs 10 or fewer persons and which earns less than \$500,000 in gross annual receipts. The SCAQMD also defines "small business" for the purpose of qualifying for access to services from the SCAQMD's Small Business Assistance Office (SBAO) as a business with an annual receipt of \$5 million or less, or with 100 or fewer employees. In addition to the SCAQMD's definition of a small business, the federal Clean Air Act Amendments (CAAA) of 1990 and the federal Small Business Administration (SBA) also provide definitions of a small business.

The CAAA classifies a business as a "small business stationary source" if it: (1) employs 100 or fewer employees, (2) does not emit more than 10 tons per year of either VOC or NO_x, and (3) is a small business as defined by SBA. The SBA definitions of small businesses vary by six-digit North American Industrial Classification System (NAICS) codes. In general terms, a small businesses must have no more than 500 employees for most manufacturing and mining industries, and no more than \$7 million in average annual receipts for most nonmanufacturing industries.⁷

All the definitions above apply at the firm level and do not apply to the public sector. No active worksites would be classified as small business under the SCAQMD Rule 102 definition or the CAAA due to the size of total reported employment. According to the Dun and Bradstreet database acquired in January 2014, 130 of the 1,336 active worksites and three of the four credit vendors would be classified as small businesses under the SBA definition.

COMPLIANCE COSTS

Under Rule 2202, the worksites with 250 or more employees in the SCAQMD's four-county jurisdiction can choose between ERS and AQIP as the compliance option, or implement an ECRP as an exemption from compliance with the rule options. It can be reasonably assumed that a worksite would choose the most cost-effective compliance program.

⁷ See the SBA website (<http://www.sba.gov/community/blogs/community-blogs/small-business-matters/what-small-business-what-you-need-know-and-wh>). The latest SBA definition of small businesses by industry can be found at <http://www.sba.gov/content/table-small-business-size-standards>.

Over the past decade, while the number of active worksites has little changed, there is an increasingly larger share of worksites opting out of ECRP and AQIP and choosing ERS instead (see Table 3). This most likely reflects a declining trend of emission credit price in the Rule 2202 credit market. On the one hand, the EMFAC-based employee emission reduction factors used in calculating ERTs⁸ have been cut by 65 to 70 percent for each of the concerned pollutants during the past 10 years. Therefore, the ERTs have been significantly lowered, resulting in decreased demand for emission credits. On the other hand, the supply of emission credits in the Rule 2202 program remains ample. In particular, the pool of available ERCs has become increasingly larger due to their permanent nature and without a built-in discount mechanism. The combination of lowered demand and increased supply thus generally created a price advantage for compliance with the ERS option over other programs.

**Table 3: Share of Active Worksites by Compliance Program
December, 2002 vs. April, 2014**

Year	Compliance Program			Number of Active Worksites
	ECRP	ERS	AQIP	
2002*	56%	22%	22%	1,331
2014**	50%	45%	5%	1,336
Change	-6%	23%	-17%	5

* As reported in the 2004 Final Socioeconomic Assessment for PAR 2202. The report used Rule 2202 data dated December, 2002.

** Active worksites as of April 29, 2014.

The analysis below will discuss, by the type of compliance program, the potential changes from the current compliance costs due to the proposed amendments.

Employee Commute Reduction Program (ECRP)

No change in compliance cost would be expected for the worksites that currently implement an ECRP. Any potential change in the choice of compliance program is assumed to be a shift towards a less costly option, and thus, it would reflect a cost saving.

Emission Reduction Strategy (ERS)

Emission credit prices are negotiated between the seller and the buyer. Since employers and emission credit brokers do not disclose the credit price, staff is unable to derive a representative compliance cost. However, given the observed large shift in compliance option from AQIP to ERS, it can be reasonably assumed that the compliance cost for ERS worksites lies well below \$60 per peak window employee, the AQIP fee rate for the annual plan submittal option, and below the \$41.67 per peak window employee, the equivalent AQIP rate for the triennial plan submittal option (\$125 divided by 3 years).

By disallowing any future transfer of ERCs into Rule 2202 and discounting the existing ERCs already in the program, PAR 2202 would gradually reduce the future inventory of

⁸ [ERT] = [Peak Window Employees x Employee Emission Reduction Factor]-[Vehicle Trip Emission Credits]. See the Rule 2202 Implementation Guidelines for details of the formula.

ERCs currently in the Rule 2202 emission credit market. However, it should be noted that the total pool of emission credits in the Rule 2002 program is jointly determined by the availability of STERCs, ASCs, and MSERCs in addition to ERCs, with MSERCs constituting the majority of available emission credits for every pollutant in concern.⁹ Therefore, on the supply side, discounting ERCs *per se* would lead to a less-than-proportional reduction in the total amount of emission credits available. On the demand side, however, the employee emission reduction factors will continue to decline at the same rate at which ERCs would be discounted since both are derived from EMFAC to reflect reductions in annual vehicle emission rates. As a result, the proposed discount of ERCs by itself would not increase the compliance cost from the current level.

At the same time, PAR 311 would reset the implicit price ceiling for all emission credits (ERCs, STERCs, ASCs, and MSERCs included) so that the annual compliance cost per peak window employee would be expected to not exceed \$45, an alternative provided by AQIP. This cap on credit price could potentially benefit the ERS worksites by limiting the scale of any future price upswing due to market factors.

Air Quality Investment Program (AQIP)

PAR 311 would lower the AQIP fee rate to \$45 from \$60 for the worksites choosing the AQIP's annual plan submittal option. Thus, the 41 worksites currently participating in this program would benefit from a reduction in compliance cost by \$15 per peak window employee. With a total of 3,262 peak window employees as reported on April 29 this year, it would amount to a combined cost saving of \$48,930 per year. For the AQIP worksites currently participating in the triennial plan submittal option, no change in compliance cost would be expected unless additional peak window employees are reported during the second and third year registrations. In this case, there would be a cost saving of \$15 per additional peak window employee. As discussed above, the reduction in compliance cost would mainly benefit smaller worksites because they account for the majority of AQIP participants.¹⁰

MACROECONOMIC IMPACTS ON REGIONAL ECONOMY

The potential job and other macroeconomic impacts of the proposed amendments are normally projected through the model developed by the Regional Economic Modeling Inc. (REMI). The REMI model performs simulation and forecasting designed to examine the economic and demographic effects resulting from policy initiatives or external events that would significantly impact economic behaviors or prices of goods and services in a regional economy. However, a REMI analysis is not performed here for the following reasons.

⁹ As of March 26, 2014, the major source of available NOx emission credits in the Rule 2202 program was MSERCs (1,616 lbs/day), which was remotely followed by ERCs (280 lbs/day). Similarly, the available VOC emission credits were mostly accounted for by MSERCs (1,020 lbs/day), followed by ERCs (613 lbs/day).

¹⁰ As of April 29, 2014, 52 of the 65 AQIP worksites had 250 or fewer peak window employees. Among the 41 AQIP worksites that chose the annual plan submittal option, 36 had 250 or fewer peak window employees.

First, due to lack of price information on emission credits, staff cannot estimate the exact magnitude of changes in compliance costs attributable to the proposed amendments. Second, macroeconomic impacts projected by REMI may fall within the standard errors of the model when the proposed amendments do not lead to significant changes from the baseline. As discussed above, among the currently active worksites, the proposed amendments are expected to result in very small changes, if any, from the current level of compliance costs. While discounting ERCs as proposed in PAR 2202 would lead to a gradually reduced amount of ERCs held by credit vendors, the final impact on them may not be necessarily adverse because it would depend on the actual price of emission credits at the time of sale or lease. Meanwhile, to help credit holders recoup investment, PAR 2202 also includes the provision that no ERC discount would occur during the first seven years following the transfer into Rule 2202. Furthermore, PAR 301 would consolidate administrative costs and charge \$230 for the purchase of STERCs directly transferred into Rule 2202. This would be in lieu of the fee for a New Source Review Certificate of Title Change (\$643) plus the fee for administering Rule 2202 credit transfer transactions (\$79). (However, the cost would go up to \$230 from \$79 for credit vendors to transfer the STERCs already in their possession into Rule 2202.) Finally, a REMI analysis is not required, since the proposed amendments do not significantly affect air quality or emission limitations.

CEQA ALTERNATIVES

The proposed amendments do not have the potential to significantly affect air quality or any other environmental categories. Therefore, they are exempt from CEQA and there are no CEQA alternatives. A Notice of Exemption has been prepared by the CEQA staff.

SUMMARY

The above analysis examines the type of facilities that would be potentially affected by the proposed amendments to Rules 2202, 301, and 311, and it also assesses whether there would be any potential changes in compliance costs from their current levels. It is found that the smaller worksites with 250 or fewer peak window employees account for the majority of AQIP participants, and therefore, they would be the main beneficiary of a lower AQIP fee due to PAR 311. PAR 2202, which would disallow any future transfer of ERCs and discount the existing ERCs under the rule, would not by itself lead to an increase in emission credit price. Therefore, for worksites that utilize ERS, as well as those that implement an ECRP, no increase in compliance costs is expected. All together, the proposed amendments would not adversely impact the currently active worksites; moreover, they would lead to cost-savings for many of the smaller worksites.

REFERENCES

South Coast Air Quality Management District. Final Socioeconomic Assessment for Proposed Amended Rule 2202—On Road Motor Vehicle Mitigation Options. Diamond Bar, California: South Coast Air Quality Management District, 2004.

South Coast Air Quality Management District. Rule 2202—On-Road Motor Vehicle Mitigation Options: Draft Implementation Guidelines. Diamond Bar, California: South Coast Air Quality Management District, 2014.

South Coast Air Quality Management District. Draft Staff Report for Rule 2202—On-Road Motor Vehicle Mitigation Options, Rule 2202—Implementation Guidelines, Rule 311—Air Quality Investment Program (AQIP) Fees. Diamond Bar, California: South Coast Air Quality Management District, 2014.

South Coast Air Quality Management District. Rule 2202 Database, accessed April 29, 2014 and March 26, 2014.

South Coast Air Quality Management District. ERC Database, accessed February 5, 2014.

U.S. Small Business Administration. Table of Small Business Size Standards. Washington, DC. 2014.

ATTACHMENT L



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 2202 – ROAD MOTOR VEHICLE MITIGATION OPTIONS, RULE 2202 IMPLEMENTATION GUIDELINES, RULE 301 – PERMITTING AND ASSOCIATED FEES, AND RULE 311 AIR QUALITY INVESTMENT PROGRAM FEES

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and will prepare a Notice of Exemption for the project identified above.

In January 2014, the SCAQMD Governing Board approved a moratorium on the transfer of oxides of nitrogen (NOx) Emission Reduction Credits (ERCs) into Rule 2202, beginning January 10, 2014 through July 1, 2014. SCAQMD staff was directed to review the status of stationary source ERC banks and the potential impact of credit transfers into Rule 2202. The proposed project would amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, the accompanying rule Implementation Guidelines, Rule 301 – Permitting and Associated Fees, and Rule 311 Air Quality Investment Program (AQIP) Fees. Sections of Rule 2202 and the Implementation Guidelines will be amended to preclude the transfer of ERCs and clarify the use of other existing emission credits in the Rule 2202 program. Rule 301 will be amended to include a Short Term Emission Reduction Credit (STERC) transfer fee. AQIP is a program option for applicable worksites within Rule 2202. The proposed project would reduce the per employee fee to more accurately reflect the costs to obtain the required emission reductions.

Pursuant to CEQA, the SCAQMD is the Lead Agency and has reviewed the proposed project mentioned above pursuant to CEQA Guidelines §§15002 (k)(1) and 15061. The proposed amendments do not have the potential to significantly affect air quality or any other environmental categories because they are administrative in nature in that they more specifically implement current provisions of Rule 2202. As a result, no new adverse impacts on the environment are expected from the proposed project. Since it can be seen with certainty that the proposed project has no potential to adversely impact air quality or any other environmental area, it is exempt from CEQA pursuant to state CEQA Guidelines §15061(b)(3) – Review for Exemption. A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. The Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following the adoption of the proposed project.

Any questions regarding this Notice of Exemption should be sent to Jeff Inabinet (c/o Planning, Rule Development & Area Sources) at the above address. Mr. Inabinet can also be reached at (909) 396-2453.

Date: June 6, 2014

Signature: _____

Michael Krause
Program Supervisor – CEQA Section
Planning, Rule Development &
Area Sources

NOTICE OF EXEMPTION

To: County Clerks of Los Angeles, Orange, Riverside, San Bernardino	From: South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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Project Title:

Proposed Amended Rule 2202 – -Road Motor Vehicle Mitigation Options, Rule 2202 Implementation Guidelines, Rule 301 – Permitting and Associated Fees, and Rule 311 Air Quality Investment Program Fees

Project Location:

South Coast Air Quality Management District (SCAQMD) area of jurisdiction consisting of the four-county South Coast Air Basin (Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin and the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

In January 2014, the SCAQMD Governing Board approved a moratorium on the transfer of oxides of nitrogen (NO_x) Emission Reduction Credits (ERCs) into Rule 2202, beginning January 10, 2014 through July 1, 2014. SCAQMD staff was directed to review the status of stationary source ERC banks and the potential impact of credit transfers into Rule 2202. The proposed project would amend Rule 2202 - On-Road Motor Vehicle Mitigation Options, the accompanying rule Implementation Guidelines, Rule 301 – Permitting and Associated Fees, and Rule 311 Air Quality Investment Program (AQIP) Fees. Sections of Rule 2202 and the Implementation Guidelines will be amended to address the use of ERCs and clarify the use of other existing emission credits. Rule 301 will be amended to include a Short Term Emission Reduction Credit (STERC) transfer fee. AQIP is a program option for applicable worksites within Rule 2202. The proposed project would reduce the per employee fee to more accurately reflect the costs to obtain the required emission reductions.

Public Agency Approving Project:

South Coast Air Quality Management District

Agency Carrying Out Project:

South Coast Air Quality Management District

Exempt Status:

General Concepts [CEQA Guidelines §15002 (k)(1)]; and
General Rule Exemption [CEQA Guidelines §15061 (b)(3)]

Reasons why project is exempt:

The SCAQMD has reviewed the proposed amendments to Rule 2202, Rule 301, and Rule 311, pursuant to CEQA Guidelines §15002(k)(1) – Three Step Process, and CEQA Guidelines §15061 – Review for Exemption and has determined that the proposed amendments are exempt from CEQA pursuant to CEQA Guidelines §15061 (b)(3) – General Rule Exemption. The proposed amendments are not expected to adversely affect air quality or any other environmental categories because they are administrative in nature. As a result, no new adverse impacts on the environment are expected from the proposed project. Since it can be seen with certainty that the proposed project has no potential to adversely impact air quality or any other environmental area, it is exempt from CEQA pursuant to state CEQA Guidelines §15061(b)(3) – Review for Exemption.

Project Approval Date:

SCAQMD Governing Board Hearing: June 6, 2014, 9:00 a.m.; SCAQMD Headquarters

CEQA Contact Person:	Phone Number:	Fax Number:	Email:
Mr. Jeffrey Inabinet	(909) 396-2453	(909) 396-3324	jnabinet@aqmd.gov
Rule Contact Person:	Phone Number:	Fax Number:	Email:
Mr. Ernest Lopez	(909) 396-3305	(909) 396-3324	elopez@aqmd.gov

Date Received for Filing _____

Signature *Signed upon approval*
Michael Krause
Program Supervisor – CEQA Section
Planning, Rule Development
and Area Sources

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 31

PROPOSAL: Adopt the 2016 AQMP Reasonably Available Control Technology Demonstration

SYNOPSIS: As a component of the 2016 AQMP, SCAQMD is required to submit a Reasonably Available Control Technology (RACT) Demonstration to U.S. EPA by July 20, 2014. The RACT analysis provides a comprehensive assessment of the adequacy and comparative levels of emissions controls achieved in practice throughout the nation. The current analysis demonstrates that SCAQMD current rules largely meet U.S. EPA's criteria for RACT acceptability and inclusion in the SIP. It also identifies a few areas for further evaluation as part of the 2016 AQMP control measure development. This action is to approve the RACT Demonstration and direct staff to forward to CARB for approval and submission to U.S. EPA for inclusion in the SIP.

COMMITTEE: Stationary Source, May 16, 2014, Reviewed

RECOMMENDED ACTIONS:

1. Approve the attached Resolution certifying that the SCAQMD's current air pollution rules and regulations fulfill the 8-hour ozone Reasonably Available Control Technology requirements, and adopting the RACT SIP revision; and
2. Direct staff to forward the updated analysis – 2016 AQMP Reasonably Available Control Technology Demonstration to CARB for review and submission to the U.S. EPA.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:PF:JC:GQ:KC

Background

The South Coast Air Basin (Basin) is classified as “extreme” and the Coachella Valley located in Riverside County is classified as “severe-15” non-attainment areas with

respect to the 2008 8-hour Ozone National Ambient Air Quality Standards (NAAQS). The Clean Air Act requires that areas classified as moderate nonattainment or higher must develop and submit a demonstration that their current air pollution rules fulfill the 8-hour ozone Reasonably Available Control Technology (RACT) Demonstration. The RACT analysis provides a comparison of the SCAQMD rules and regulations governing emissions to those established by the U.S. EPA guidance and representative agencies within California and elsewhere throughout the United States. The purpose of the RACT analysis is to review, and where applicable, update an agency's toolkit to advance emissions controls to meet the current state of the science. The RACT State Implementation Plan (SIP) must be submitted by CARB to U.S. EPA by July 20, 2014.

RACT analyses were incorporated as components of the 2007 and 2012 Air Quality Management Plan (AQMP) Reasonably Available Control Measures (RACM)/RACT analyses submitted to the U.S. EPA for inclusion in the California SIP. The 2007 analysis was primarily conducted to identify and select control measures to reduce ozone precursor NO_x and VOC emissions, while the 2012 analysis focused on precursors of PM_{2.5}. Staff studied more than 100 rules and regulations, and 100 control measures developed in the 2007-2012 timeframe by other nonattainment air districts in the nation. The analyses concluded that the SCAQMD's rules and regulations were in general equivalent to, or more stringent than other districts' rules and regulations and their proposed control measures in their respective SIPs.

Proposal

The attached 2016 AQMP RACT Demonstration provides a comprehensive assessment of the current SCAQMD rules and regulations. In conducting the review, staff worked closely with the U.S. EPA adhering to the provided criteria and guidance. Since the 2012 AQMP submittal, the U.S. EPA has issued no new Control Technique Guidelines (CTG) for VOC sources and Alternative Control Techniques (ACT) documents for VOC and NO_x sources. Regardless, the 2016 AQMP RACT analysis evaluated more than 30 rules recently developed and / or amended by other ozone nonattainment air districts from September 2012 to March 2014. The air districts in California included the Bay Area Air Quality Management District (BAAQMD), San Joaquin Air Pollution Control District (SJVAPCD), Sacramento Metro Air Quality Management District (SMAQMD), Mojave/Antelope Valley Air Quality Management District (MDAQMD/AVAQMD), and Ventura County Air Pollution Control District (VCAPCD) and state agencies for ozone impacted Texas, Maryland and Delaware.

The analysis indicates that SCAQMD rules and regulation closely matched those of the other agencies, and only eight SCAQMD rules covering six source areas require further evaluation:

- Fugitive VOC emissions monitoring protocols between the BAAQMD and the SCAQMD gasoline bulk terminal and cargo tank operations need to be evaluated

to determine whether the provisions of SCAQMD Rule 462 apply to BAAQMD's Section 8-Rule 33.

- Rule 71.5 of VCAPCD regulates VOC emissions from glycol dehydrators in natural gas dehydration needs to be evaluated to determine if existing Rule 1148.1 and Rule 1173 already cover these emissions.
- Flare emissions from sources other than refineries, sulfur recovery plants, hydrogen production plants need to be evaluated for potential controls, since SJVAPCD Rule 4311 regulates these flares emitting greater than 10 tpy of VOC or NOx.
- AVAQMD Rule 1130 and companion SCAQMD Rule 1130 require further evaluation for VOC content limit of flexographic specialty ink for flexible package printing although inventory records indicate that the Basin emission reduction potential for this category to be *de minimis* based on the number of affected facilities.
- BAAQMD rule (Reg. 9, Rule 13) NOx emission rate limits for cement kilns will be evaluated to compare the impacts of alternate averaging periods and emissions limits with SCAQMD Rule 2002.
- SJVAPCD Rule 4570 applies to large confined animal facilities while using a lower applicability threshold for dairy and poultry facilities. It also specifies livestock feeding time restrictions based on local a feeding practice (wet feed) which might not apply to SCAQMD Rule 223 employed in the Basin where dry feed is used. More detailed evaluation will be conducted to determine the applicability of such feeding time restriction on District's sources, and the extension of rule applicability to certain livestock categories using a lower size threshold.

Overall, for the 2016 AQMP RACT Demonstration, SCAQMD makes the following findings:

1. SCAQMD's current rules meet U.S. EPA's criteria for RACT acceptability and inclusion in the SIP.
2. SCAQMD commits to further evaluate the six categories identified above for potential emission reductions as part of the 2016 AQMP control measure development.

Public Process

A 30-day notice was published before holding the public hearing on the RACT SIP submittal. One public comment was received pertaining to the reduction of methane and related gases emanating from oil and gas wells. The request to seek such emission reductions may be suited for a future control measure investigation, since a RACT analysis is restricted only to adopted rules and regulations.

In addition, a Public Consultation Meeting was held on May 27, 2014; and the RACT SIP was presented to the Stationary Source Committee on May 16, 2014, and discussed at the AQMP Advisory Group meeting on April 10, 2014 and May 29, 2014.

Resource Impacts

The RACT analysis will have nominal additional impact on SCAQMD's resources. Staff is committed to make the minor adjustments to bring SCAQMD rules level with those identified elsewhere as being more comprehensive.

California Environmental Quality Act (CEQA)

SCAQMD staff concludes that the RACT analysis is not a “project” within the meaning of CEQA because it does not have the potential to result in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change to the environment pursuant to CEQA Guidelines §15378(a).

AQMP and Legal Mandates

The 2016 AQMP RACT analysis is consistent with the federal Clean Air Act. The RACT is required as part of the 2016 AQMP RACM SIP and the program description is consistent with U.S. EPA's guidelines.

Attachments

- A. Resolution
- B. 2016 AQMP Reasonably Available Control Technology Demonstration

ATTACHMENT A

RESOLUTION NO. 14-

A Resolution of the South Coast Air Quality Management District (SCQAMD) Board certifying that the SCAQMD's current air pollution rules and regulations fulfill the 8-hour ozone Reasonably Available Control Technology (RACT) requirements, and adopting the RACT SIP revision.

A Resolution of the SCAQMD Board certifying the Notice of Exemption for the 2016 AQMP Reasonably Available Control Technology Demonstration.

A Resolution directing staff to forward the 2016 AQMP Reasonably Available Control Technology Demonstration to the California Air Resources Board (CARB) for review and submission to the United States Environmental Protection Agency (U.S. EPA).

WHEREAS, Federal Register Volume 78, Page 34178, June 6, 2013, requires the State (or essentially local air districts) to submit a RACT SIP analysis within 24 months after the effective date of designation; and

WHEREAS, the U.S. EPA has developed guidance and a list of Control Technique Guidelines (CTG) and Alternative Control Techniques (ACT) to aid local air districts in developing the RACT SIP Submittal in a consistent and effective manner; and

WHEREAS, based on the Clean Air Act (CAA) §172 (c)(1) and 182, and the California Health and Safety Code (H& SC) §§ 40460(a), 40913, and 40440(a), the SCAQMD is required to adopt an Air Quality Management Plan (AQMP), rules and regulations containing reasonably available control measures (RACM) and RACT for both oxides of nitrogen (NO_x) and volatile organic compounds (VOC) in order to lead the Basin into attainment with the federal and state ozone National Ambient Air Quality Standards (NAAQS) as expeditiously as practicable; and

WHEREAS, for the majority of the stationary and area source categories, the SCAQMD has been identified as having the most stringent air quality plan, rules and regulations in California; and

WHEREAS, in order to approve a rule and regulation into the SIP, CARB and U.S. EPA have to consider if the rule and regulation meets, at a minimum, the "presumptive" RACT level. Therefore, any categories for which U.S. EPA has not

published any additional CTG/ACT after the approval date, and for which no more stringent rule has since been adopted, should be considered as meeting RACT for the 8-hour ozone NAAQS. In addition, the SCAQMD routinely reviews its rules at least every three years for air quality management update, most recently in 2012, and proposes rule amendments whenever any information comes to its attention that indicates that a rule can be made more stringent. The fact that these two review processes have not revealed any potential for making these rules more stringent indicates that the existing rules satisfy current RACT for the 8-hour ozone NAAQS; and

WHEREAS, where a CTG/ACT became available after the U.S. EPA rule approval date, SCAQMD staff evaluated the rule and determined if the level of control provided in the new CTG/ACT was more stringent than the adopted rule; and

WHEREAS, where the regulation approved by U.S. EPA is amended after the approval date, SCAQMD staff evaluated the amendments to ensure that the amendment does not result in a relaxation of control; and

WHEREAS, substantiated by the analyses above, staff concluded that all CTG sources are subject to rules in Regulations IV, IX, X, XI, XIII, and/or XX which meet RACT requirements; and

WHEREAS, substantiated by the analyses above, SCAQMD staff concluded that all major non-CTG sources in the Basin are subject to rules in Regulations IV, XI, XIII, and/or XX that meet RACT requirements; and

WHEREAS, since there are currently no Regulation XI source-specific rules for agricultural pesticide applications, no RACT determination can be made. However, agricultural pesticide application is regulated by the State Department of Pesticide Regulation, and is not under the control of the SCAQMD; and

WHEREAS, Title V facilities in the Basin which have federal enforceable permits with clearly identified SIP-approved rules, all of which have been demonstrated to meet RACT, as discussed above; and

WHEREAS, the SCAQMD Governing Board finds and determines that the SCAQMD 8-Hour Ozone RACT SIP determination and submittal is considered a "project" pursuant to the California Environmental Quality Act (CEQA); however, SCAQMD staff reviewed the proposed project and determined with certainty that the proposed project is exempt from the requirements of CEQA pursuant to CEQA Guidelines §15061(b)(3); and

WHEREAS, the Board has held a public hearing in accordance with all provisions of law;

NOW, THEREFORE, BE IT RESOLVED, that the SCAQMD Board certifies that the SCAQMD's current air pollution rules and regulations fulfill the 8-hour ozone Reasonably Available Control Technology requirements.

BE IT FURTHER RESOLVED, that the South Coast Air Quality Management District Governing Board does hereby certify the Notice of Exemption for the proposed project, is completed in compliance with CEQA Guidelines §15002(k)(1) - Three Step Process and §15061(b)(3) – Review for Exemption (General Rule Exemption). This information was presented to the Governing Board, whose members reviewed, considered, and approved the information therein prior to acting on the proposed project.

BE IT FURTHER RESOLVED, that SCAQMD commits to further evaluate the six source categories identified in the RACT demonstration for potential emission reductions as part of the 2016 AQMP control measure development.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board requests that the 2016 AQMP Reasonably Available Control Technology Demonstration be submitted into the State Implementation Plan.

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and the 2016 AQMP Reasonably Available Control Technology Demonstration to the California Air Resources Board for approval and subsequent submittal to the U.S. Environmental Protection Agency for inclusion into the State Implementation Plan.

DATE: _____

Clerk of the Board

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

2016 AQMP Reasonably Available Control Technology (RACT) Demonstration

May 22, 2014

Deputy Executive Officer

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EXECUTIVE OFFICER:

BARRY R. WALLERSTEIN, D.Env.

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INTRODUCTION

The South Coast Air Basin (Basin) is classified as “extreme” and the Coachella Valley located in Riverside County is classified as “severe-15” non-attainment areas with respect to the 2008 8-hour Ozone National Ambient Air Quality Standards (NAAQS). The Clean Air Act requires that areas classified as moderate nonattainment or higher must develop and submit a demonstration that their current air pollution rules fulfill the 8-hour ozone Reasonably Available Control Technology (RACT) Demonstration. The RACT analysis provides a comparison of the SCAQMD rules and regulations governing emissions to those established by the U.S. EPA guidance and representative agencies within California and elsewhere throughout the U.S. The purpose of the RACT analysis is to review and where applicable update an agency’s toolkit to advance emissions controls to meet the current state of the science. The RACT State Implementation Plan (SIP) must be submitted by CARB to the U.S. EPA by July 20, 2014.

REGULATORY HISTORY

RACT analyses were incorporated as components of the 2007 and 2012 Air Quality Management Plan (AQMP) Reasonably Available Control Measures (RACM)/RACT Demonstrations submitted to the U.S. EPA for inclusion of the California SIP. The 2007 demonstration was a comprehensive analysis conducted to identify and select control measures to reduce ozone and particulate precursor NOx, VOC, SOx and particulate emissions (to meet the 8-hour ozone and annual PM2.5 standards). The 2012 analysis focused primarily on precursors of PM2.5 including NOx, VOC and SOx (to attain the 24-hour average PM2.5 standard). Staff studied more than 100 rules and regulations, and 100 control measures developed in the 2007-2012 timeframe by other nonattainment air districts in the nation. The demonstrations concluded that the SCAQMD’s rules and regulations were in general equivalent to, or more stringent than other districts’ rules and regulations (RACT) and their proposed control measures in their respective SIPs (RACM).

The 2007 and 2012 RACM/RACT demonstrations documents are included in the 2007 AQMP (Table 3 of the 2007 AQMP “Appendix VI: Reasonably Available Control Measures (RACM) Demonstration”) and the 2012 AQMP (Tables VI-3, VI-4 and VI-5 of the 2012 AQMP “Appendix VI: Reasonably Available Control Measures (RACM) Demonstration”) and they are available from the SCAQMD website at the links below:.

2007 AQMP

<http://www.aqmd.gov/home/library/clean-air-plans/air-quality-mgt-plan/2007-air-quality-management-plan>

2012 AQMP

<http://www.aqmd.gov/home/library/clean-air-plans/air-quality-mgt-plan/final-2012-air-quality-management-plan>

RACT EVALUATION

The 2016 AQMP RACT Demonstration analysis provides an update to the corresponding analyses discussed above. In conducting the review, staff worked closely with the U.S. EPA adhering to the provided criteria and guidance. Since the 2012 AQMP submittal, the U.S. EPA has not issued new Control Technique Guidelines (CTG) for VOC sources and Alternative Control Techniques (ACTs) documents for VOC and NO_x sources. Regardless, the 2016 AQMP RACT analysis evaluated more than 30 rules recently developed and / or amended by other ozone nonattainment air districts from September 2012 to March 2014 (Table 1). The air districts in California included:

- Bay Area Air Quality Management District (BAAQMD)
- San Joaquin Valley Air Pollution Control District (SJVAPCD)
- Sacramento Metro Air Quality Management District (SMAQMD)
- Mojave Desert Air Quality Management District (MDAQMD)
- Antelope Valley Air Quality Management District (AVAQMD)
- Ventura County Air Pollution Control District (VCAPCD)

and state agencies for ozone impacted:

- Texas
- Maryland
- Delaware

The evaluation indicates that SCAQMD rules and regulation closely matched those of the other agencies, and only eight SCAQMD rules covering six source categories were identified for further evaluation. Table 2 is formatted to compliment the comparison summaries presented in the 2007 and 2012 AQMP RACM analyses. A brief description of the issues requiring further evaluation follows.

First, SCAQMD Rule 223 applies to large confined animal facilities while the companion SJVAPCD Rule 4570 has lower thresholds for regulation of dairy and poultry (chicken and duck) facilities. . Rule 4570 specifies mandatory measures, and it has livestock feeding time restrictions based on a local feeding practice (wet feed) which is not employed in the Basin where dry feed is used. The primary difference between the rules focuses on the limitation placed on feeding times where the wet feed practice is restricted to two hours duration due to the composition of the feed. SCAQMD Rule 223 has a 48-hour time limit on the dry feeding application. More detailed evaluation will be conducted as part of the 2016 AQMP control measure development to determine the applicability of such feeding time restriction on District's sources, and the extension of rule applicability to certain livestock categories using a lower size threshold.

Second, BAAQMD (Reg. 8, Rule 33) VOC limit for gasoline bulk terminal and cargo tank operations was found to be more restrictive than the companion SCAQMD Rule 462. BAAQMD Rule 33 establishes an emission limit of 0.04 lbs per 1000 gallons of organic liquid loaded while the SCAQMD Rule 462 has 0.08 lbs per 1000 gallons limit. However, the compliance test protocol needs to be further compared to determine the applicability of the emissions limit to the District sources.

Rule 71.5 of VCAPCD regulates VOC emissions from glycol dehydrators in natural gas dehydration. VOC emissions from glycol dehydration system need to be evaluated to determine if existing SCAQMD Rule 1148.1 and Rule 1173 already cover these emissions.

SCAQMD Rule 1130 regarding flexographic specialty ink for facilities emitting more than 10 tons per year (tpy) is more restrictive than companion AVAPCD Rule 1130. For facilities that emit less than 10 tons per year and that use less than 2 gallons per day and less than 120 gallons per year, Antelope Valley Rule 1130 has a more restrictive VOC content limit of flexographic specialty ink for flexible package printing (383 g/l) than SCAQMD Rule 1130 (460 g/l for metallic ink and 535 g/l for matte finish ink for no more than 125 gallons per year and 2 gallons per day). The SCAQMD inventory records indicate that the emission reduction potential for this category to be *de minimis* based on the number of affected facilities (0.006 tons per day (TPD) for all permitted flexographic printing operations in the District). Nevertheless, SCAQMD will analyze the viability of creating a new sub-category.

SJVAPCD Rule 4311 regulates flares emitting greater than 10 tpy of VOC or NO_x regardless of source category with the exemption of municipal solid waste landfills. SCAQMD Rules 1118 and 1150.1 cover flare emissions (including NO_x and VOC) from refineries, sulfur recovery plants, hydrogen production plants, and landfills. Potential flare emissions from other District sources need to be evaluated to determine the local applicability of the SJVAPCD Rule 4311.

Finally, NO_x emission rate limits for cement kilns in the Basin are slightly higher (2.73 vs. 2.3 lbs/ton of clinker) when comparing SCAQMD Best Available Retrofit Control Technology level in Rule 2002 with the BAAQMD Reg. 9, Rule 13. It should be noted that the SCAQMD averaging time for the NO_x limit is one year using a continuous emission monitoring system while BAAQMD is 30 days. SCAQMD will assess the feasibility of reducing NO_x emissions from cement kilns through the Regional Clean Air Incentives Market program that proposed amendments are underway.

FUTURE EVALUATION

While no new CTG has been issued since the 2012 AQMP submittal, U.S. EPA staff has suggested that the SCAQMD look into the recent developments of warm mix asphalt (WMA) technologies. WMA allows the mixing and placement of asphalt mix at

temperature about 35 to 100°F lower than conventional hot mix asphalt (HMA), resulting in a reduction of fuel consumption, as well as reduced emissions from the manufacturing plant and at the location where the asphalt is laid. In a white paper developed by the SCAQMD in 2008, staff concluded that lower-energy warm mix asphalt technologies were promising in reducing energy use and reduction in air emissions; despite the fact that mix and structural design, material processing requirements, construction procedures, and quality control specifications were not yet finalized to date.

WMA has been increasingly used in the United States. Caltrans promotes the use of WMA because of its many improvements over HMA. WMA suppliers reported 19-50% VOCs reduction and 60-70% NOx reduction in plant emissions in Europe, although increased emissions of VOCs and CO were observed in the United States. The University of California Pavement Research Center measured VOCs and semi-volatile organic compounds emission of WMA and HMA at the pavement surface during construction. Results showed that depending on the mix type and the temperature inside the chamber, TOC emission flux of WMA could be higher or lower than HMA. Based on current information, the emission reduction of WMA technology is highly uncertain. Therefore, staff suggests further evaluation of the emission reduction and cost-effectiveness for WMA technology as part of the 2016 control measure development.

CONCLUSION

Overall, for the 2016 AQMP RACT Demonstration, SCAQMD makes the following findings:

1. SCAQMD's current rules, in large part, meet the U.S. EPA's criteria for RACT acceptability and inclusion in the SIP.
2. SCAQMD commits to further evaluate the six categories identified above for potential emission reductions as part of the 2016 AQMP control development.

Table 1
Rules Evaluated for RACT Demonstration

Air District/State Agency	Rule Number/Title
San Joaquin Valley Air Pollution Control District	Rule 4308 (Boilers, Steam Generators, and Process Heaters); Rule 4311 (Flares); Rule 4570 (Confined Animal Facilities); Rule 4605 (Aerospace Assembly and Component Coating); Rule 4621 (Gasoline Transfer into Motor Vehicle); Rule 4622 (Gasoline Transfer into Stationary Storage Containers); Rule 4702 (Internal Combustion Engines); and Rule 9610 (SIP Credit for Emission Reductions)
Ventura County Air Pollution Control District	Rule 54 (Sulfur Compounds); Rule 71.5 (Glycol Dehydrators); Rule 74.11.1 (Large Water Heaters and Small Boilers); Rule 74.13 (Aerospace Assembly and Component Manufacturing); Rule 74.15.1 (Boilers, Steam Generators and Process Heaters); Rule 74.19 (Graphic Arts); Rule 74.20 (Adhesives and Sealants); Rule 74.24 (Marine Coatings); and Rule 74.31 (Metalworking Fluids and Direct-contact Lubricants)
Bay Area Air Quality Management District	Reg. 2, Rule 4 (Emissions Banking); Reg. 3 (Fees); Reg. 5 (Open Burning); Reg. 6, Rule 4 (Metal Recycling and Shredding Operations); Reg. 8, Rule 33 (Gasoline Bulk Terminals and Gasoline Delivery Vehicles); Reg. 9, Rule 10 (Boilers, Steam Generators and Process Heaters in Petroleum Refineries); Reg. 9, Rule 13 (Portland Cement Manufacturing); and Reg. 12, Rule 13 (Foundry and Forging Operations)
Sacramento Metro Air Quality Management District	Rule 107 (Alternative Compliance); Rule 205 (Community Bank and Priority Reserve Bank); Rule 301 (Permit Fees); and Rule 306 (Air Toxics Fees)
Antelope Valley Air Quality Management District	Rule 1113 (Architectural Coatings) and Rule 1130 (Graphic Arts)
Texas Commission on Environmental Quality	Rule 101b (Failure to Attain Fee); Rule 101h (Emission Banking and Trading); Rule 106e (Aggregate and Pavement); Rule 106o (Oil and Gas); Rule 111b (Outdoor Burning); Rule 113c (National Emission Standards for Hazardous Air Pollutants); Rule 114b (Motor Vehicle Anti-tampering); Rule 114c (Vehicle Inspection and Maintenance); Rule 115e (Surface Coating Processes); and Rule 117d (Minor Sources)
Delaware Department of Natural Resources and Environment Control	Reg. 1138, Section 6.0 (Chromium Electroplating and Anodizing Tanks); Reg. 1138, Section 10.0 (Plating and Polishing Operations); and Reg. 1138, Section 17.0 (Prepared Feeds Manufacturing Facilities)

Table 2
Evaluation of SCAQMD Rules and Regulations

RULE	TYPE	RULE TITLE	CURRENT REQUIREMENTS	OTHER DISTRICTS' 2012-2014 RULES	EVALUATION (2016 AQMP RACT)
223	VOC	Emission Reduction Permits for Large Confined Animal Facilities (Adopted 6/2/06)	Rule 223 applies to large confined animal facilities (CAF). It requires owners/operations to obtain a permit describing the control measures the facility chooses to implement from a list of mitigation measure requirements. Administrative requirements such as recordkeeping and noticing are also needed.	San Joaquin Valley Rule 4570 (Amended 10/21/10) regulates large CAF while using a lower applicability threshold for dairy (500 milking cows) and poultry (400,000 for both chicken and duck) facilities, and it has more stringent requirements in the following areas: <ul style="list-style-type: none"> • Timeframe for feeding total mixed rations in the dairy feed menu is 2 hours • Specify both mandatory and optional mitigation measure 	Southern California dairy industries generally use dry lot dairies, in comparison with the common practice of feeding wet corn silage in the Central Valley. The more stringent feeding requirement in Rule 4570 may not be applicable at SCAQMD. More detailed evaluation will be conducted as part of the 2016 AQMP control measure development to determine the applicability of such feeding time restriction on District's sources, and the extension of the rule applicability to dairies and certain poultry facilities using a lower size threshold. SCAQMD staff will continue to reach out and solicit input from potentially impacted stakeholders and assess the feasibility of reducing emissions in future rule making.
462	VOC	Organic Liquid Loading (Amended 5/14/99)	Limit in Rule 462 is 0.08 lbs per 1000 gallons of liquid loaded for Class A facility loading of 20,000 gallons or more. This limit is not applicable to small facilities (Class B and C).	Bay Area, Regulation 8, Rule 33 (Amended 4/15/09) has a limit of 0.04 lbs per 1000 gallons of liquid loaded and requires stringent monitoring requirements.	SCAQMD staff will compare compliance test protocols to determine applicability to our emission sources. SCAQMD staff will continue to assess the feasibility of reducing the VOC limits as part of the 2016 AQMP control measure development.
1118 1150.1	NOx, VOC	Control of Emissions from Refinery Flares (Amended 11/4/05)	<ul style="list-style-type: none"> • Minimize flare emissions & require smokeless operations • Specify SO₂ gradually decreasing performance target to less than 0.5 tons per million barrels of crude by 2012. • If the performance target is exceeded, the operator must 1) pay mitigation fee; or 2) submit a Flare Mitigation Plan to reduce emissions • Require Cause Analysis for event exceeding 100 lbs VOC, 500 lbs of SO₂, or 500,000 scfm of vent gas, excluding planned shutdown, startup and turnarounds • Require 160 ppmv H₂S, 3 hour average by 1/1/2009, and no limits for NOx, VOC, PM and CO. 	San Joaquin Valley Rule 4311 (Amended 6/18/09) has VOC/NOx limits for ground-level enclosed flares; SO ₂ Targets (1.50 tons/million barrels of crude by 2011, and 0.5 tons/million barrels by 2017); Flare Minimization Plan for refinery flares more than 5 mmbtu/hr; and operational requirements for all flares that have potential to emit more than 10 tons/yr VOC and more than 10 tons/yr of NOx.	SCAQMD Rule 1150.1 covers flare emissions from active landfills, and SCAQMD Rule 1118 also applies to hydrogen production and sulfur recovery facilities. It should be noted that the SJVAPCD Rule 4311 exempts emergency use of flares. SCAQMD staff will evaluate flare emissions from sources other than refineries, hydrogen production, sulfur recovery facilities and landfills for potential controls.

Table 2
Evaluation of SCAQMD Rules and Regulations (continued)

RULE	TYPE	RULE TITLE	CURRENT REQUIREMENTS	OTHER DISTRICTS' 2012-2014 RULES	EVALUATION (2016 AQMP RACT)
1130	VOC	Graphic Arts (Amended 5/2/14)	Rule 1130 allows for higher VOC content for matte (535 g/l) and metallic flexographic inks (460 g/l) used on non-porous substrates for facilities that emit less than 10 tons per year and that use less than 2 gallons per day and less than 125 gallons per year of the specified ink.	For facilities that emit less than 10 tons per year and that use less than 2 gallons per day and less than 120 gallons per year of the specified ink, Antelope Valley Rule 1130 allows for higher VOC content for matte (535 g/l) and metallic flexographic (460 g/l) inks used on non-porous substrates, and the VOC content limit is 383 g/l for metallic ink and matte finish ink applied on flexible package printing.	SCAQMD Rule 1130 has been amended pursuant to U.S. EPA CTG. It is in general equivalent to, or more stringent than the companion rule in Antelope Valley except: For facilities that emit less than 10 tons per year and that use less than 2 gallons per day and less than 120 gallons per year (125 gallons per year for SCAQMD) of flexographic specialty ink, Antelope Valley Rule 1130 has a more restrictive VOC content limit of metallic and matte finish ink for flexible package printing (383 g/l) than SCAQMD Rule 1130 (460 g/l for metallic ink and 535 g/l for matte finish ink). The SCAQMD inventory records indicate that the emission reduction potential for this category to be <i>de minimis</i> based on the number of affected facilities, but staff will continue to assess the feasibility of reducing the VOC limits as part of the 2016 AQMP control measure development.
1148.1 1173	VOC	Oil and Gas Production Wells (Adopted 3/5/04)	Rule 1148.1 controls VOC emissions from wellheads, well cellars and untreated produced gas at oil and gas production operations. This rule requires concentration of total organic compounds to be ≤ 500 ppm in well cellar, and other good management practices for the storage and transfer of organic liquids. Emissions of produced gas shall be collected and controlled by (A) A system handling gas for fuel, sale, or underground injection; or (B) A device with a VOC vapor removal efficiency demonstrated to be at least 95% by weight or by demonstrating an outlet VOC concentration of 50 ppm.	Rule 71.5 of Ventura County (Adopted 12/13/94) controls VOC emissions from glycol dehydrators used in natural gas dehydration through: (A) Condenser/vapor disposal, or (B) Flare/incinerator, or (C) Emission control system that controls glycol regenerator vent VOC emissions by at least 95%.	SCAQMD has no current rule specifically regulating glycol dehydrators. Emissions from glycol dehydrators are regulated through Rules 1148.1 (Oil and Gas Production Wells) and 1173 (Leaks from Petroleum Facilities). SCAQMD staff will evaluate VOC emissions from glycol dehydration system. .

Table 2
 Evaluation of SCAQMD Rules and Regulations (continued)

RULE	TYPE	RULE TITLE	CURRENT REQUIREMENTS	OTHER DISTRICTS' 2012-2014 RULES	EVALUATION (2016 AQMP RACT)
2002	NOx	Allocations for Oxides of Nitrogen and Oxides (NOx) of Sulfur (Amended 11/5/10)	The current best available retrofit control technology (BARCT) is 2.73 lbs/tons of clinker.	Bay Area, Regulation 9, Rule 13 (Adopted 9/17/12) limits the emissions of nitrogen oxides, particulate matter, and toxic air contaminants from the manufacture of Portland cement: <ul style="list-style-type: none"> •The 30-operating day rolling average of nitrogen oxides emissions from the kiln shall not exceed 2.3 pounds per ton of clinker produced; •The 30-operating day rolling average of total hydrocarbon emissions from the kiln shall not exceed 24 ppmv, dry at 7 percent oxygen; or as an alternative, provided the provisions of Section 9-13-403 have been completed, the 30-operating day rolling average of total organic Hazardous Air Pollutants (HAP) emissions from the kiln shall not exceed 12 ppmv, dry at 7 percent oxygen. 	SCAQMD plans to reduce cement kiln emissions through the SCAQMD's Control Measure CMB-01 – Further Reductions from NOx RECLAIM. Current rulemaking proposes to lower the current BARCT limit of 2.73 lbs/tons of clinker. The proposed amendment to the NOx RECLAIM is currently underway.

REFERENCES

REFERENCES

1. Warm-Mix Asphalt: European Practice; International Technology Scanning Program, FHWA-PL-08-007, February 2008, FHWA-HPIP, U.S. (Department of Transportation, Washington, DC, USA. (www.international.fhwa.dot.gov))
2. Farshidi, F.& Jones, D.& Kumar, A.& Green, P.G.& Harvey, J.T., "Direct measurements of volatile and semivolatile organic compounds from hot and warm mix asphalt", Transp Res Board, vol. 2207, 2011, p.1-10