

BOARD MEETING DATE: May 5, 2017

AGENDA NO. 2

PROPOSAL: Set Public Hearings June 2, 2017 to:

(A) Adopt Executive Officer's FY 2017-18 Proposed Goals and Priority Objectives, Draft Budget and Proposed Amended Regulation III – Fees

The Executive Officer's Budget, Goals and Priority Objectives for FY 2017-18 have been developed and are recommended for adoption. In addition, staff is proposing amendments to Regulation III - Fees. These amendments include the following fee increases:

1) Pursuant to Rule 320, an increase of most fees by 2.5% consistent with the consumer price index; 2) A fee increase of 16% in specified fees for Title V sources in FY 2017-18 and an additional 16% in FY 2018-19; and 3) A 4% increase in specified fees for non-Title V sources for FY 2017-18 and an additional 4% increase in FY 2018-19. The fee increases have been presented at a Budget Study Session, Budget Advisory Committee meeting and at two public consultation meetings in April with recommendations and comments provided to the Board. Finally, staff recommends other proposed changes to Regulation III, which have no fee impact, but do include clarifications, deletions or corrections to existing rule language. (Reviewed: Special Governing Board Meeting/Budget Study Session, April 21, 2017)

(B) Amend Rule 1147 - NOx Reductions from Miscellaneous Sources

SCAQMD staff is proposing to amend Rule 1147 to reflect the recommendations made in the Final Rule 1147 Technology Assessment. PAR 1147 would allow in-use equipment with NOx emissions less than one pound per day to defer compliance with applicable emission limits until the unit is replaced or the burner is replaced. The proposed amended rule would also increase the NOx emission limit for certain equipment categories that were identified in the Final Rule 1147 Technology Assessment and exempt new and existing equipment rated at less than 325,000 btu per hour from the emissions limits of the rule. The proposed amended rule also provides options to demonstrate compliance. Other minor changes are proposed for clarity and consistency throughout the proposed

amended rule. PAR 1147 is expected to result in NOx emission reductions delay of up to 0.9 tons per day in 2017. However, the emission reductions will be recaptured starting in 2017 because the existing units will be regularly replaced and upgraded over time, leaving less than 0.03 tons per day NOx emissions reductions foregone associated with the less than 325,000 btu per hour exemption. (Reviewed: Stationary Source Committee, April 21, 2017)

The complete text of the proposed amendments, staff report and other supporting documents were made available through the District's Public Information Center, (909) 396-2550 and on the Internet (www.aqmd.gov) as of May 3, 2017.

RECOMMENDED ACTION:

Set Public Hearings June 2, 2017 to adopt the Executive Officer's Budget, Goals & Priority Objectives for FY 2017-18, and amend Regulation III and Rule 1147.

Wayne Natri
Executive Officer

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